

# *Audit Highlights*

Comprehensive Annual Financial Report  
Unicoi County, Tennessee  
For the Year Ended June 30, 2002

## *Scope*

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Unicoi County as of and for the year ended June 30, 2002.

## *Results*

Our report on Unicoi County's financial statements was qualified because the statements did not include a General Fixed Assets account group.

Our audit resulted in seven findings and recommendations, which we have reviewed with Unicoi County management. Detailed findings and recommendations are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

### **OFFICE OF COUNTY EXECUTIVE:**

- ◆ The office did not update its inventory records regularly and did not always tag or clearly mark equipment as county property.

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### **OFFICE OF COUNTY CLERK:**

- ◆ Several businesses did not have a business tax application on file in the County Clerk's Office, and other businesses were delinquent in paying their business taxes. The clerk did not issue distress warrants to collect these delinquent taxes, as required by state statute.

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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:**

- ◆ The circuit court clerk did not require one depository to adequately collateralize one litigant's accounts that exceeded FDIC coverage by \$57,733.
- ◆ The software application did not provide a record of changes to previously issued receipts.

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### **OTHER FINDINGS:**

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Clerk and Master and Sheriff.

*State of Tennessee*  
*Comptroller of the Treasury*  
*Department of Audit*  
*Division of County Audit*