

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations as a result of our examination are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Management offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 03.01 **FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION IN THE OFFICE OF JUVENILE COURT CLERK (Noncompliance Under Government Auditing Standards)**

Some funds were not deposited to the office bank account within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit all public funds to the office bank account within three days of collection.

RECOMMENDATION

The office should deposit funds within three days of collection, as required by state statute.

FINDING 03.02 **THE COURT SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS (Internal Control – Reportable Condition Under Government Auditing Standards)**

The court software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. This lack of application controls could allow inappropriate system activity.

The miscellaneous receipting software application provided the user the ability to change the computer-generated receipt number and thereby create a gap in receipt numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In lieu of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated.

RECOMMENDATION

Management should contact their software vendor concerning the removal of the capability to change receipts. Removing this capability would help to ensure the reliability and integrity of information maintained by the system.

Furthermore, management should contact their software vendor about adding software controls to the application that would not allow the user the ability to change receipt numbers. These controls would help to ensure the reliability of reports that are generated by the system.

OFFICE OF CLERK AND MASTER

FINDING 03.03 **THE COURT SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

(Internal Control – Reportable Condition Under Government Auditing Standards)

The court software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. This lack of application controls could allow inappropriate system activity.

The miscellaneous receipting software application provided the user the ability to change the computer-generated receipt number and thereby create a gap in receipt numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In lieu of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated.

RECOMMENDATION

Management should contact their software vendor concerning the removal of the capability to change receipts. Removing this capability would help to ensure the reliability and integrity of information maintained by the system.

Furthermore, management should contact their software vendor about adding software controls to the application that would not allow the user the ability to change receipt numbers. These controls would help to ensure the reliability of reports that are generated by the system.

OFFICE OF SHERIFF

FINDING 03.04 **FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under Government Auditing Standards)

Some funds were not deposited to the office bank account within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit all public funds to the office bank account within three days of collection.

RECOMMENDATION

The office should deposit funds within three days of collection, as required by state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 03.05 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF FINANCE DIRECTOR; TRUSTEE; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**

(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Finance Director; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. The officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader's attention in this report.