

Audit Highlights

Comprehensive Annual Financial Report
Grainger County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Grainger County as of and for the year ended June 30, 2003.

Results

Our report on Grainger County's financial statements was qualified because the statements did not include a General Fixed Assets account group and because the financial statements of the Grainger County Emergency Communications District were not available for inclusion in this report.

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

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ A formal purchase order system had not been established.

OFFICE OF ROAD SUPERINTENDENT:

- ◆ Purchase orders were sometimes issued after purchases were made and were not always filled out properly.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The School Department did not document its compliance with the Davis-Bacon Act for a School Renovation Grant.
- ◆ Expenditures and encumbrances exceeded appropriations in the Regular Capital Outlay major category in the General Purpose School Fund by \$780,846, because of a construction contract being budgeted in the 2003-04 year rather than in the 2002-03 year.

OTHER FINDINGS:

- ◆ 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 Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.

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