

Audit Highlights

Comprehensive Annual Financial Report
Macon 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 Macon County as of and for the year ended June 30, 2003.

Results

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

Our audit resulted in 11 findings and recommendations, which we have reviewed with Macon 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:

- ◆ The office did not issue purchase orders for several purchases.
 - ◆ Inventory records were not updated or verified by personnel independent of maintaining the inventory records.
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OFFICE OF ROAD SUPERINTENDENT:

- ◆ The department did not accept the lowest bids for the purchase of a grader and a compactor. In several instances, purchase orders were issued after purchases were made, and dollar amounts of purchases were not noted on the purchase order. Also, the office paid several invoices without documentation that goods had been received or services rendered.
 - ◆ The actual fund balance on July 1, 2002, was \$430,273 more than the estimated fund balance presented to the County Commission, and appropriations exceeded estimated funding by \$328,938.
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OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Competitive bids were not solicited for the purchase of a security system (\$8,395), as required by state statute.
 - ◆ The office did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster.
 - ◆ The office did not have formal policies and procedures for computer operations, such as startup/shutdown, application access, and system access security.
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OFFICE OF SHERIFF:

- ◆ The office did not complete several of the required forms and reports to document the administration of confidential drug funds, payments to informants were not always witnessed by a second officer, undercover agents did not maintain agent activity logs, and the annual report was not filed with the district attorney general.
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OTHER FINDINGS:

- ◆ Duties were not segregated adequately in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff, and the Landfill Department.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ 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*