

Audit Highlights

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

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Marion 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:

- ◆ Deficiencies were noted in the Ambulance Service operations. The ambulance service director wrote off accounts receivable accounts without the county executive's approval in violation of the county's write-off policy. Collections were not deposited to the office bank account within three days, as required by state statute. Ambulance Service officials did not issue trip tickets for all trips and did not provide documentation explaining why individuals were not invoiced for all trips made; therefore, we could not determine the accuracy of the accounts receivable balances.
- ◆ The Drug Control Fund had a fund deficit of \$24,658 at June 30, 2003.
- ◆ The county executive entered into a lease-purchase agreement of \$184,649 without the County Commission's approval. Also, the lease-purchase was not reported to the director of Local Finance, as required by state statute.
- ◆ The office did not always issue purchase orders and sometimes paid invoices without documentation that goods had been received and/or services had been rendered.
- ◆ The office did not maintain inventory records for assets owned by the general county government.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Inventory records of assets were not updated, as required by generally accepted accounting principles.
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:

- ◆ The execution dockets were not maintained properly.
 - ◆ The office's computer software users could delete cases, and a record of the deletions would not be maintained.
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OFFICE OF SHERIFF:

- ◆ Funds were not deposited to the office bank account within three days of collection, as required by state statute.
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OTHER FINDINGS:

- ◆ 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.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Executive, Highway Superintendent, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.