

# ***Audit Highlights***

Comprehensive Annual Financial Report  
The Metropolitan Government of Lynchburg  
Moore 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 the Metropolitan Government of Lynchburg, Moore County, Tennessee, as of and for the year ended June 30, 2003.

## ***Results***

Our report on the metropolitan government's financial statements was qualified because the statements did not include a General Fixed Assets Account Group.

Our audit resulted in nine findings and recommendations, which we have reviewed with the metropolitan government's 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 METROPOLITAN EXECUTIVE:**

- ◆ The office did not issue purchase orders for several purchases and did not solicit the required verbal quotations on some applicable purchases. Also, the office did not publicly advertise and solicit bids for the purchase of a patrol car.
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### **OFFICE OF HIGHWAY SUPERINTENDENT:**

- ◆ The office did not issue purchase orders for several purchases, paid several invoices without documentation that goods had been received or services had been rendered, and paid several invoices without noting on the invoices that payment had been made.
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### **OFFICE OF DIRECTOR OF SCHOOLS:**

- ◆ The office paid several invoices without documentation that goods had been received or services had been rendered, paid several invoices without noting on the invoices that payment had been made, and did not solicit required quotations on several applicable purchases.
  - ◆ The office used an unauthorized signature stamp.
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### **OFFICE OF SHERIFF:**

- ◆ The office did not use several forms required to account for drug control funds, did not file the annual report of drug activity with the district attorney general, and did not obtain the required signatures to document payments to confidential informants.
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## **OTHER FINDINGS:**

- ◆ The delinquent tax attorney did not file the delinquent property taxes with Chancery Court by April 1, as required by state statute.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Highway Superintendent; Trustee; Metropolitan Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
- ◆ Officials had not adopted a central system of accounting and budgeting.
- ◆ The government did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.