

Audit Highlights

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

Results

Our report on Morgan County's financial statements was qualified because the statements did not include a General Fixed Assets account group and did not include one component unit whose financial statements were not available at the date of this report.

Our audit resulted in seven findings and recommendations, which we have reviewed with Morgan 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 DIRECTOR OF FINANCE:

- ◆ The office had internal control weaknesses in maintaining employees' time records.
- ◆ Payroll deduction accounts were not maintained properly.
- ◆ Duties were not segregated adequately among office employees.
- ◆ Expenditures and other uses exceeded appropriations approved by the County Commission in the General Fund by \$24,735.

OFFICE OF SHERIFF:

- ◆ Seized property was not accounted for properly.

OTHER FINDINGS:

- ◆ The county and the discretely presented Morgan County School Department did not inventory, value, and record their 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.

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