

# ***Audit Highlights***

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

## ***Results***

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

Our audit resulted in 18 findings and recommendations, which we have reviewed with Pickett 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:**

- ◆ Inventory records were not maintained for assets owned by the general county government, as required by generally accepted accounting principles.
- ◆ Purchase orders were not issued for some purchases. Also, in several instances in which purchase orders were issued, the purchase orders were issued after the purchases were made. In addition, several invoices were paid without documentation that goods and services were received.
- ◆ Landfill personnel did not issue receipts for all collections, as required by state statute. The County Commission had not adopted a formal write-off policy for delinquent accounts, and the landfill collections were not reconciled with amounts deposited with the county trustee.

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### **OFFICE OF HIGHWAY SUPERINTENDENT:**

- ◆ Appropriations exceeded estimated available funds in the Highway/Public Works Fund, resulting in a budgeted fund deficit of \$66,480.
  - ◆ The office paid invoices without documentation that goods and services were received.
  - ◆ The office did not maintain inventory records of consumable assets.
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## **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:**

- ◆ The general sessions court clerk did not turn traffic school collections over to the county, as required by state statute. Also, the clerk made disbursements of \$14,690.41 from these collections.
  - ◆ A litigant's investment was not posted to the Circuit Court's general ledger. Receipts were not properly issued when funds were received, as required by state statutes. In addition, funds were not deposited within three days of collection, and the office did not maintain a fixed amount of cash on hand.
  - ◆ The clerk did not take appropriate action to collect returned checks.
  - ◆ Trial balances of execution docket cause balances for Circuit and General Sessions Courts did not reconcile with the general ledger, as required by state statute.
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## **OFFICE OF SHERIFF:**

- ◆ The office made a questionable expenditure of \$1,000 from confidential drug funds.
  - ◆ The cash journal did not properly reflect the operations of the office. Bank statements were not reconciled with cash journal accounts, and receipts were not properly issued, which made it impossible to test for compliance with the three-day deposit law. Also, the office did not maintain a fixed amount of cash on hand.
  - ◆ The office did not use the forms required by the Office of the Comptroller of the Treasury to account for confidential drug funds.
  - ◆ The office did not maintain records to document that all arrestees were fingerprinted and that the fingerprints were filed with the Tennessee Bureau of Investigation, as required by state statute. Also, only 79 percent of the fingerprints sent to the Tennessee Bureau of Investigation met quality standards; state statutes require an 85 percent acceptance rate.
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## **OTHER FINDINGS:**

- ◆ The general sessions judge ordered contributions to charitable or civic organizations without legal authority.
- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting policies.
- ◆ 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.

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