

Audit Highlights

Comprehensive Annual Financial Report
Scott County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the general purpose financial statements of Scott County, Tennessee, and the combining, individual fund, and account group financial statements of Scott County as of and for the year ended June 30, 2003.

Results

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

Our audit resulted in eight findings and recommendations, which we have reviewed with Scott 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:

- ◆ In processing vendor payments, the office did not always document that goods had been received or services had been rendered before paying invoices and did not always cancel or mark invoices as paid.
- ◆ The county did not establish separate cash reserves for the Public Utility Fund.
- ◆ Expenditures exceeded appropriations at the major category level of control in the General Fund and the Ambulance Service Fund.

OFFICE OF ROAD SUPERINTENDENT:

- ◆ Asphalt purchases made by the former road superintendent between July 1, 2002, and August 31, 2002, far exceeded the amount of the purchase orders authorized by the purchasing agent.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The General Purpose School Fund had a cash overdraft of \$316,678 at June 30, 2003.

OTHER FINDINGS:

- ◆ State Revenue Sharing–TVA revenues were placed in the Rural Debt Service Fund. This practice is of questionable legality.

- ◆ The county and the discretely presented 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, Clerk and Master, and Register.

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