

Audit Highlights
Annual Financial Report
Tipton County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the financial statements and each major fund and the aggregate remaining fund information of Tipton County as of and for the year ended June 30, 2003.

Results

Our report on Tipton County's financial statements expresses an adverse opinion because government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34.

Our audit resulted in 11 findings and recommendations, which we have reviewed with Tipton County's management. Detailed findings, recommendations, and management's responses are included in the Single Audit Report.

The following are summaries of the audit findings:

TIPTON COUNTY:

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.

OFFICE OF COUNTY EXECUTIVE:

- ◆ A service contract for commissary operations was awarded without County Commission approval and without taking competitive bids or requests for proposals.

OFFICE OF DIRECTOR OF PUBLIC WORKS:

- ◆ The office had not adopted a formal policy for the use of credit cards.
- ◆ A signature stamp was used by the public works committee chairman to sign payroll and vendor warrants.
- ◆ A road list was not prepared and submitted to the County Commission for approval, as required by state statute.
- ◆ The animal control operations were improperly accounted for in the Highway/Public Works Fund.

OFFICE OF SHERIFF:

- ◆ The office had a cash shortage of \$2,675. This cash shortage resulted from a deputy sheriff's failure to deposit or otherwise account for monies collected from individuals whose vehicles had been seized. The former deputy sheriff liquidated the cash shortage by depositing personal funds to the county trustee's bank account.
- ◆ Seized funds were not deposited within three days of being awarded to the Sheriff's Department.

- ◆ The office had deficiencies in its jail commissary operations. Sales tax on inmate purchases had not been collected, bank statements were not reconciled with general ledger accounts, and commissary transaction documents were not reconciled with the commissary computer data.
 - ◆ Duties were not segregated adequately among employees.
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OTHER FINDING:

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.