

# ***Audit Highlights***

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

## ***Scope***

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

## ***Results***

Our report on Warren 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 nine findings and recommendations, which we have reviewed with Warren County management. Detailed findings, recommendations, and management's responses are included in the Single Audit report.

The following are summaries of the audit findings:

### **WARREN COUNTY:**

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

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### **OFFICES OF COUNTY EXECUTIVE AND HIGHWAY SUPERINTENDENT:**

- ◆ Purchase orders were issued through county departments instead of through the Purchasing Commission, violating Chapter 16 of the Private Acts of 1951. Also, purchase orders were issued through the Highway Department for purchases exceeding the allowed \$1,000 monthly limit instead of through the Purchasing Commission, violating Chapter 61 of the Private Acts of 1959.

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### **OFFICE OF COUNTY EXECUTIVE:**

- ◆ An internal control weakness was noted relating to the write-off policy of uncollectible accounts of the Ambulance Service. The policy gives sole authority for the write-off of uncollectible accounts to one individual with no oversight from management or the appropriate governing body.
  - ◆ The office did not solicit competitive bids for commercial insurance coverage totaling \$321,967, administrative services of the self-insurance program totaling \$30,000, and insurance consultant services totaling \$9,000.
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### **OFFICE OF HIGHWAY SUPERINTENDENT:**

- ◆ The office maintained stockpiles of crushed stone at various locations in the county for use in county road projects. No security measures were in place to safeguard against the unauthorized use of the stone, and no inventory records were maintained for these stockpiles.
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### **OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:**

- ◆ The court software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. Also, the miscellaneous receipting software application provided the user the ability to change the computer-generated receipt number and create a gap in receipt numbers.
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### **OFFICE OF ASSESSOR OF PROPERTY:**

- ◆ The monitoring report prepared by the state Division of Property Assessments indicated that the assessor of property did not provide a schedule of the assessed value of each moveable structure on the property to the owners of mobile home parks in compliance with state statute.
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### **OTHER FINDINGS:**

- ◆ 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; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.