

Audit Highlights

Annual Financial Report
Benton County, Tennessee
For the Year Ended June 30, 2004

Scope

We have audited the basic financial statements of Benton County as of and for the year ended June 30, 2004.

Results

Our report on Benton County's financial statements was qualified because the financial statements did not include two component units and a nonmajor Special Revenue Fund whose financial statements were not available from other auditors at the date of this report.

Our audit resulted in 15 findings and recommendations, which we have reviewed with Benton County's 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 MAYOR:

- ◆ Requisitions and purchase orders were not issued for some purchases.
- ◆ The office had accounting deficiencies. General ledger payroll accounts for the General Fund were not reconciled with subsidiary payroll records, and prior-year receivables and payables were incorrectly posted to accounting records as current revenues and expenditures.
- ◆ Amounts withheld from contractor payments were not deposited to an escrow account, as required by state statute.
- ◆ The office did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster.
- ◆ Contributions to nonprofit organizations were not made in compliance with state statute.

OFFICE OF ROAD SUPERVISOR:

- ◆ Invoices were paid without documentation that goods and services had been received.
- ◆ The county road list was not prepared in compliance with statutory requirements.

OFFICE OF COUNTY CLERK:

- ◆ A boat purchased by the county clerk's husband was reported to the Tennessee Department of Revenue at a sales price of \$15,500 less than the actual amount paid. Consequently, the Department of Revenue assessed additional sales tax, penalty, and interest of \$1,133.22 for this purchase.

OFFICE OF GENERAL SESSIONS COURT CLERK:

- ◆ In General Sessions Court, bank statements were not reconciled with cash journal accounts, and lists of outstanding checks were not prepared accurately.
 - ◆ The execution docket trial balance did not reconcile with cash journal accounts.
 - ◆ A part-time county employee received additional compensation from the office for collecting fines, costs, and litigation taxes on old cases.
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OFFICE OF SHERIFF:

- ◆ Several drug control forms and reports required by the Office of the Comptroller of the Treasury were not completed.
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OTHER FINDINGS:

- ◆ It could not be determined if all applicable severance taxes were collected in accordance with provisions of a private act.
- ◆ 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 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*