

Audit Highlights

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

Scope

We have audited the financial statements of each major fund and the aggregate remaining fund information of Campbell County as of and for the year ended June 30, 2004.

Results

Our report on Campbell 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 12 findings and recommendations, which we have reviewed with Campbell 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:

CAMPBELL COUNTY:

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

OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ The highway superintendent falsified invoice dates to circumvent budgetary control over asphalt purchases.
- ◆ Budget operations of the Highway/Public Works Fund for the 2004-05 year have been significantly affected by the improprieties in asphalt purchases.

FINANCIAL MANAGEMENT COMMITTEE:

- ◆ Purchasing procedures violate provisions of the financial management system of 1981 and weaken controls over purchasing.

OFFICE OF SHERIFF:

- ◆ The office had a cash shortage of \$5,000 as of June 30, 2004.
 - ◆ The office was unable to account for a collection of \$1,000 due to the lack of adequate accounting records and procedures.
 - ◆ Drug fund expenditures were not adequately documented.
 - ◆ The office had weaknesses in internal controls over deposits, and accounting records were not maintained properly.
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OFFICE OF TRUSTEE:

- ◆ The office did not fully use its automated accounting system.
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:

- ◆ Accounting records were not reconciled with bank statements.
 - ◆ Accounting records for short-term accounts were not maintained properly.
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OTHER FINDING:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register.