

Audit Highlights

Annual Financial Report
Fentress 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 Fentress County as of and for the year ended June 30, 2004.

Results

Our report on Fentress 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 Fentress County management. Detailed findings, recommendations and management's responses are included in the Single Audit Report.

The following are summaries of the audit findings:

FENTRESS COUNTY:

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

- ◆ Receivables (General, Solid Waste/Sanitation, and General Debt Service Funds) and payables (General Fund) were not determined and posted to the accounting records.
 - ◆ The office paid invoices that exceeded the amount authorized on the purchase orders. Also, competitive bids were not solicited for a patrol car purchased for \$8,500.
 - ◆ The office did not maintain adequate inventory records and controls over assets.
 - ◆ The office did not file a Report of Debt Obligation with the state director of Local Finance for debt issued during the year.
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OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ Several invoices were paid without documentation that goods and services had been received. Also, competitive bids were not solicited for two dump truck beds (\$10,740) and highway signs (\$6,106), as required by state statute.
 - ◆ The office did not maintain adequate inventory records and controls over assets.
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OFFICE OF COUNTY CLERK:

- ◆ The office had not implemented adequate controls to protect its information resources against unauthorized access, modification, destruction, or disclosure.
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OTHER FINDING:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Highway Superintendent, Trustee, County Clerk, 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*