

Audit Highlights

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

Scope

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

Results

Our report on Grainger County's financial statements was unqualified.

Our audit resulted in seven findings and recommendations, which we have reviewed with Grainger 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:

- ◆ The Solid Waste/Sanitation Fund had a fund deficit due to the recognition of encumbrances for an unperformed construction contract. The deficit was liquidated with the receipt of grant funds subsequent to June 30, 2004.

OFFICES OF COUNTY MAYOR AND AMBULANCE SERVICE DIRECTOR:

- ◆ Internal control weaknesses existed in the administration of Ambulance Service receivables.

OFFICE OF SHERIFF:

- ◆ Several purchase orders for the Sheriff's Department were issued after the purchases were made.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The office had deficiencies in purchasing procedures.

OTHER FINDINGS:

- ◆ 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, Register, Sheriff, and Ambulance Service.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ A portion of the cities' sales tax collections was retained without continuing formal agreements.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*