

Audit Highlights

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

Results

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

The following are summaries of the audit findings:

OVERTON COUNTY:

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

OFFICES OF COUNTY MAYOR/DIRECTOR OF ACCOUNTS AND BUDGETS:

- ◆ Purchase orders were not issued in some required instances, and some purchase orders were issued without the purchasing agent's signature. Also, competitive bids were not solicited in some required instances.
- ◆ The county maintained inventory records; however, the inventory records did not adequately identify all items. Also, an inventory was not maintained for ambulances and equipment. Furthermore, the lists were not verified by personnel independent of preparing the inventory.
- ◆ The office did not implement adequate controls to protect its information resources against unauthorized modification.

OFFICE OF COUNTY CLERK:

- ◆ The county clerk did not require a depository to adequately collateralize funds that exceeded FDIC coverage. Funds on deposit exceeded FDIC coverage by \$82,649 at June 30, 2004.
 - ◆ Funds were not deposited intact within three days of collection.
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OFFICE OF GENERAL SESSIONS COURT CLERK:

- ◆ The office did not issue receipts to individuals for traffic school payments.
 - ◆ Funds were not deposited intact within three days of collection.
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OFFICE OF SHERIFF:

- ◆ Funds were not deposited within three days of collection.
 - ◆ Commissary account transactions were not maintained on the office cash journal.
 - ◆ The office did not complete the forms required to document cash transactions for confidential funds.
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OTHER FINDING:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Mayor, Director of Accounts and Budgets, 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*