

Audit Highlights

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

Results

Our report on Polk 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 seven findings and recommendations, which we have reviewed with Polk County management. Detailed findings and recommendations are included in the Single Audit Report.

The following are summaries of the audit findings:

POLK 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:

- ◆ Inventory records of county-owned assets were not updated or verified.
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OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ Receivables and payables at June 30, 2004, were not determined and recorded on the accounting records.
 - ◆ Expenditures exceeded appropriations in the Highway/Public Works Fund by \$40,879. Also, the actual beginning fund balance of the Highway/Public Works Fund exceeded the estimated beginning fund balance by a material amount.
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OFFICES OF COUNTY CLERK AND SHERIFF:

- ◆ The Offices of County Clerk and Sheriff did not always deposit funds to their office bank accounts within three days, as required by state statute.
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OTHER FINDINGS:

- ◆ The Highway Department maintained its own funds, violating the County Fiscal Procedure Law of 1957 under which the county operates.
- ◆ 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*