

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

Results

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

The following are summaries of the audit findings:

PUTNAM 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 EXECUTIVE:

- ◆ Inventory records were not properly maintained for purchases or disposals of assets, including assets purchased with an Assistance to Firefighters Grant.
 - ◆ The Solid Waste Disposal Department collections posted to the department's accounting records were not reconciled with collections deposited with the county trustee. Also, receipts were not issued for some collections at the Solid Waste Disposal Department, as required by state statute.
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OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ Several assets were not tagged or marked as county property. The inventory list did not contain the serial numbers for some assets and did not always include the correct description or correct serial number. Also, the inventory was not verified by personnel independent of maintaining the inventory records.
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OFFICE OF COUNTY CLERK:

- ◆ The office did not report and remit juvenile collections of \$37,425 to the county and various cities within the county.
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OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Highway Superintendent, Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.