

Audit Highlights

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

Results

Our report on Warren 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 eight findings and recommendations, which we have reviewed with Warren County's management. Detailed findings, recommendations, and management's responses are included in the Single Audit Report.

The following are summaries of the audit findings:

WARREN COUNTY:

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

OFFICE OF COUNTY MAYOR:

- ◆ The actual beginning fund balances in the General Fund and Ambulance Service Fund exceeded the estimated beginning fund balances by material amounts.
- ◆ An internal control weakness was noted relating to the write-off policy of uncollectible accounts of the Ambulance Service. The policy gives sole authority for the write-off of uncollectible accounts to one individual with no oversight from management or the appropriate governing body.

OFFICE OF HIGHWAY SUPERINTENDENT:

- ◆ The actual beginning fund balance in the Highway/Public Works Fund exceeded the estimated beginning fund balance by a material amount.
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OFFICE OF SHERIFF:

- ◆ Several deficiencies in the operations of the commissary were noted. General ledger accounts were not properly maintained; a trial balance of inmate accounts was not maintained; commissary transactions were not included on the cash journal; some funds collected were not deposited within three days of collection; and prenumbered checks were not issued for some disbursements.
 - ◆ Several deficiencies in the administration of confiscated property were noted. Awarded and other confiscated cash was not deposited within three days of collection; some confiscated cash deposited with the county trustee was not listed on the confiscated property log book; and some Department of Safety dispositions were not on hand to support dispositions of confiscated property.
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OTHER FINDINGS:

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