

TOWN OF SMYRNA, TENNESSEE

Schedule of Findings and Questioned Costs

June 30, 2005

I. Summary of Auditor's Results

- A. The June 30, 2005 Auditor's Report on the Financial Statements was an unqualified opinion.
- B. Reportable conditions in the internal control were disclosed by the audit of the financial statements, however, none were considered to be material weaknesses.
- C. The audit did not disclose any noncompliance which is material to the financial statements.
- D. No reportable conditions in internal control over major programs were disclosed by the audit.
- E. The June 30, 2005 report on compliance for major programs was an unqualified opinion.
- F. The audit did not disclose any audit findings which are required to be reported under § .510a.
- G. Major Programs - Greenways and Revitalization Grants, CFDA# 20.205.
- H. Type A programs have been distinguished as those programs with expenditures greater than \$300,000.
- I. The Town of Smyrna was not considered to be a low risk auditee.

II. Findings Related to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*

Current Year Reportable Conditions

None.

Prior Year Reportable Conditions

04-02 During our testing of controls and procedures related to gasoline usage by Town departments, we noted that analysis is not being made of usage by vehicle by all departments.

Status: Resolved.

02-02 During our review of procedures and controls related to oversight of operations of the Town of Smyrna Pension Plan, we noted that no Town employee has been assigned responsibility for reviewing amounts paid and other activity in the pension account. It appears the Pension Board has not been active.

Status: Resolved.

01-01 Current procedures related to bonds held for court offences were weak which has resulted in an inability to reconcile the bonds held liability to detail records.

Status: The condition continues to exist. A point of sale recording system has been implemented which improved coding of receipts. However there continues to be no procedures in place to reconcile bonds held and bond forfeitures to detail lists. Also certain bond forfeitures are required to be remitted to the county or state and this has not been done in several years. There appears to be a lack of understanding of required accounting procedures related to court receipts and inadequate communications between court personnel and finance personnel. For several years, amounts have been recorded to court related liability accounts with no review to assure amounts are correct or are remitted to the proper agency.

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Prior Year Reportable Conditions (Continued)

01-01 Recommendation: We recommend that personnel with the town get training in all responsibilities related to court collections and remittance requirements. From the training, it should be assured that the court's software will provide the necessary data to account for collections and make timely remittances. We also recommend that communication between the court offices and the finance department be improved so each may be better aware of their responsibilities.

Response: The Bond Forfeitures account will be reconciled once the clerk's office receives permission to remit the entire balance to the proper entities. The hold on this account has been due to the law suit.

It is the opinion of the Clerk's office that the cash bond account will never be reconciled, due to the incorrect set up of this payment system when the court was begun. Bond payments were taken on two different software systems and after exhaustive research no reconciliation was reached. Any further attempts to reconcile would be futile.

III. There were no reportable conditions or questioned costs related to major federal programs.