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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Tattnall County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tattnall County, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Tattnall County, Georgia's basic financial statements, and have issued our report thereon dated May 1, 2017. Our report includes a reference to other auditors who audited the financial statements of the Tattnall County Board of Health, a component unit, as described in our report on Tattnall County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tattnall County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tattnall County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Tattnall County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct,

misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described below as 2016-1 through 2016-3 and 2016-6 through 2016-8 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described below as 2016-4 and 2016-5 to be a significant deficiencies.

2016-1 Financial reporting process is inadequate for recording the activity in the County's agency funds and certain special revenue funds

The County has several agency funds and special revenue funds for which a trial balance summarizing the annual activity and year end balances is not maintained. Accurate trial balances are needed on these funds in order for them to be properly included in the County's financial statements. Also, the amounts due from agency funds need to be recorded properly in the general ledger of the general fund and other appropriate fund at year end.

County response: We concur with this finding, and we will consult with our auditors on developing the appropriate procedures to prepare accurate trial balances at year end for our agency funds and special revenue funds not maintained on our computerized accounting system.

2016-2 Recording of year end accruals for the financial statements

The County's procedures to make sure all year end accruals such as receivables, accounts payable, prepaid items and deferred revenue are included in the financial statements are inadequate. Many of the adjusting journal entries needed to record these accruals were material to the County's financial statements.

County response: We concur with these findings, and we will implement procedures to make sure all accruals are included in the year end financial statements.

2016-3 Recording the activity of cash accounts by other departments

County has some cash accounts that are reported in the general fund which are maintained by other departments. The activity for these accounts is not being properly recorded in the general fund. We recommend that the activity for the Sheriff's bond fee account, DARE account, and jail petty cash account be submitted to the County's accounting department on a monthly basis to be recorded in the general fund on a timely basis.

County response: We concur with this finding, and we will request that the activity for these cash accounts be submitted to the County's accounting department on a monthly basis to be recorded in the general fund.

2016-4 Accounting for capital leases

During our audit we noted new capital leases for \$100,000 for road equipment that were not recorded in the County's financial statements. Also, the budget was not amended to reflect the new capital leases entered into during the year. At the inception of capital leases at the governmental fund