

**Floyd County, Georgia**

**Report Of Independent Certified  
Public Accountants In Accordance  
With *Government Auditing Standards***

**For the Year Ended December 31, 2016**

**FLOYD COUNTY, GEORGIA**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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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***

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**Board of Commissioners  
of Floyd County, Georgia  
Rome, Georgia**

We have audited in accordance with 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Floyd County, Georgia (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 26, 2017. Our report includes a reference to other auditors who audited the financial statements of the Floyd County Health Department as described in our report on the County'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 the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2016-001 that we consider to be a material weakness.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Floyd County, Georgia's Response to Finding**

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
July 26, 2017

**FLOYD COUNTY, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**SECTION I  
SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

There was not an audit of major federal awards programs for the year ended December 31, 2016 due to the total amount expended being less than \$750,000.

# FLOYD COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2016

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### SECTION II FINANCIAL STATEMENT FINDINGS

#### 2016-001 Segregation of Duties – Constitutional Officers

**Criteria:** Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

**Condition:** Appropriate segregation of duties does not exist between recording, distribution, and reconciliation of cash accounts and other operational functions in the following offices of the constitutional officers: Tax Commissioner, Superior Court Office of Receiver, Probate Court, Magistrate Court, Juvenile Court, Clerk of Superior Court, and Sheriff. Additionally, segregation of duties issues were noted with respect to the accounts of the Law Library.

**Context:** During our review of internal controls, we noted the following areas in which the constitutional officers lacked a proper segregation of duties:

- Incoming mail is not opened and receipts are not listed by an individual that has no access to cash receipts or accounts receivable records. Additionally, this listing of mail receipts should be subsequently compared to cash receipts records and authenticated copies of deposit slips by an employee having no access to cash.
- Cash receipts are not entered into the books of original entry by a person independent of the mail opening and receipt listing function.
- Custody of checks after signature, but prior to mailing is not handled by an employee who is independent of all payable, disbursing, cash, receiving, and general ledger functions.
- The purchasing functions are performed and purchase orders are prepared by individuals who are not independent of the payables and disbursement function.
- Vendor's month-end statements are not reconciled periodically by an employee independent of the voucher preparation.

**Effects or possible effects:** Failure to properly segregate duties may allow for errors or irregularities to occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions.

**Cause:** The size of the constitutional officers' accounting and administrative staff precluded certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

**Recommendation:** We recommend the constitutional officers segregate duties relative to the above processes.

**Auditee's Response:** The offices listed above will continue to review their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties between recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

**FLOYD COUNTY, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not Applicable.