
TABLE OF CONTENTS

Preface		i
Title 1	Overview of Internal Control	1
	Introduction Integrated Framework	1
Title 2	Control Environment	4
	Chapter 1 Setting the Tone at the Top	4
Title 3	Risk Assessment	5
	Chapter 1 Identifying Risks	5
Title 4	Information and Communication	12
	Chapter 1 General	12
	Chapter 2 Books and Records	13
	Chapter 3 External Financial Reporting – General	15
	Chapter 4 Financial Reporting – State Street Aid Fund	20
	Chapter 5 Financial Reporting – Drug Fund	21
	Chapter 6 Financial Reporting – Municipal Solid Waste Activities	22
	Chapter 7 Financial Reporting – Telecommunications and Cable Television, Internet, and Related Services	24
	Chapter 8 Financial Reporting - Utilities	26
	Chapter 9 Records Management	27
Title 5	Control Activities	32
	Chapter 1 General	32
	Chapter 2 Books and Records	33
	Chapter 3 External Financial Reporting – General	34
	Chapter 4 Financial Reporting – State Street Aid Fund	35
	Chapter 5 Financial Reporting – Drug Fund	36
	Chapter 6 Financial Reporting – Municipal Solid Waste Activities	37
	Chapter 7 Financial Reporting – Telecommunications and Cable Television, Internet, and Related Services	38
	Chapter 8 Financial Reporting – Utilities	39
	Chapter 9 Financial Reporting – Miscellaneous	40

Chapter 10	Records Management	41
Chapter 11	Cash	42
Chapter 12	Petty Cash and Change Funds	45
Chapter 13	Investments	47
Chapter 14	Revenues/Receivables – General Procedures	49
Chapter 15	Revenues/Receivables – Governmental Funds	51
Chapter 16	Revenues/Receivables – Proprietary Funds	57
Chapter 17	Expenditures/Payables – Introduction	60
Chapter 18	Expenditures/Payables – Policy	61
Chapter 19	Expenditures/Payables – Goods and Services	63
Chapter 20	Expenditures/Payables – Restrictions – State Street Aid Fund	66
Chapter 21	Expenditures/Payables – Restrictions – Drug Fund	67
Chapter 22	Payroll and Related Liabilities	63
Chapter 23	Inventories	71
Chapter 24	Capital Assets and Expenditures	72
Chapter 25	Debt and Debt Service Expenditures	74
Chapter 26	Police Department Controls - Miscellaneous	75
Chapter 27	Computer Controls	76
Chapter 28	Compliance Controls	77
Chapter 29	Nonprofit Contributions	78
Title 6	Monitoring	79
Chapter 1	Functional Analysis	79
Chapter 2	Compliance Analysis	81
Chapter 3	Audit Committees	82
Chapter 4	Requirements When Unlawful Conduct (Fraud) is Discovered	83
Appendices		
Appendix A	General Report Outline	A-1
Appendix B	Schedule of Expenditures of Federal Awards and State Financial Assistance	B-1
	Schedule of Unaccounted For Water	B-2
	Schedule of Changes in Property Tax Receivable	B-3
Appendix C	Tennessee Code Annotated - Selected References	C-1
Appendix D	Attorney General Opinions – Selected Opinions	D-1
Appendix E	Emerging Issues and Current Developments	E-1