



Municipal Technical
Advisory Service

INSTITUTE for PUBLIC SERVICE

MTAS on the 10 Most Common Audit Findings for Tennessee Municipalities (Part 8 of 10-part series)

Failure to Receive Authorization for the Issuance of Debt

Al Major, MTAS Finance and Accounting Consultant

Municipalities are statutorily required to request reviews, approvals, or reports for certain types of debt and from the Comptroller of the Treasury's Office of Local Government Finance before borrowing the money.

All municipalities are required to adopt debt management policies in compliance with the State Funding Board's statement on debt management prior to authorizing the issuance of debt. (T.C.A § 9-21-151 (b)). These policies can be changed anytime.

After debt is issued, a report on debt obligation (form CT-0253) must be filed with the municipality's governing body and a copy filed with the Tennessee Office of Local Government Finance.

This series will review the 10 most common audit findings as reported by the Tennessee State Comptroller's Office. All published parts in this series can be read here:

<https://www.mtas.tennessee.edu/knowledgebase/10-most-common-audit-findings-tennessee-municipalities>

If you have questions or need assistance, contact MTAS at 865-974-0411. Also, visit our website at www.mtas.tennessee.edu.