

Audit Highlights

Comprehensive Annual Financial Report
Claiborne County, Tennessee
For the Year Ended June 30, 2002

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Claiborne County as of and for the year ended June 30, 2002.

Results

Our report on Claiborne County's financial statements was qualified because the statements did not include a General Fixed Assets account group and because the financial statements of the Claiborne County Hospital and Nursing Home, the Claiborne County Emergency Communications District, and the Claiborne County Industrial Development Board were not available for inclusion in this report.

Our audit resulted in 12 findings and recommendations, which we have reviewed with Claiborne County management. Detailed findings and recommendations are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ The Sanitation Department did not issue receipts for collections.
- ◆ Purchase orders were not issued for applicable purchases and in other instances were issued after the purchases were made.
- ◆ The office had deficiencies in its method of accounting for and documenting certain payroll transactions.
- ◆ Some travel reimbursements were not made in compliance with travel policies adopted by the County Commission.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Premiums charged for the self-insured employee health program (payroll deductions and county share) were not sufficient to cover program expenses. In addition to those premiums, \$1,053,840 was transferred to the program from the General Purpose School Fund to pay expenses. The majority of the amount transferred (\$780,166) had not been appropriated by the County Commission.
- ◆ Expenditures exceeded appropriations in the General Purpose School Fund.

OFFICE OF TRUSTEE:

- ◆ The miscellaneous receipting software did not have adequate application controls.
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OFFICE OF SHERIFF:

- ◆ The sheriff failed to maintain confidential informant files.
 - ◆ The office had internal control weaknesses in maintaining employee time and leave records.
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OTHER FINDINGS:

- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ County officials did not adopt a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*