

Audit Highlights

Comprehensive Annual Financial Report
Haywood 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 Haywood County as of and for the year ended June 30, 2002.

Results

Our report on Haywood County's financial statements was qualified because the statements did not include a General Fixed Assets account group.

Our audit resulted in ten findings and recommendations, which we have reviewed with Haywood County management. Detailed findings, recommendations, and management's responses are included in the Single Audit Section of this report.

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE:

- ◆ The Solid Waste Disposal Fund had a retained earnings deficit of \$895,476, resulting from a liability of \$1,403,311 being recorded in the fund for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER:

- ◆ The Highway Department did not have a system to account for materials used on certain types of road projects.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The School Federal Projects Fund had a cash overdraft of \$63,314 at June 30, 2002, resulting from issuing warrants that exceeded cash on deposit with the county trustee.

OFFICE OF TRUSTEE:

- ◆ The trustee paid warrants that exceeded available funds.

OFFICE OF SHERIFF:

- ◆ A second officer did not sign forms documenting payments to confidential informants.

OTHER FINDINGS:

- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ The county did not report to the Internal Revenue Service fringe benefits, such as telephone and housing allowances, provided to the county farm supervisor.
- ◆ County officials had not held a delinquent property tax sale in recent years.
- ◆ Duties were not segregated adequately in the Offices of Chief Administrative Highway Officer, Director of Schools, and Register.

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