

Audit Highlights

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

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Henry County's 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:

- ◆ In most instances, the office issued purchase orders after purchases were made and did not maintain adequate documentation to support all disbursements. Also, the county did not solicit competitive bids for 15 bulletproof vests.
- ◆ Budget amendments posted to the accounting records of the General Fund did not agree with amendments approved by the County Commission. Also, the General Fund's actual fund balance was \$2,611,212 more than the estimated fund balance presented to the County Commission. The General Debt Service Fund's actual fund balance was \$3,136,730 more than the estimated fund balance presented to the County Commission. Furthermore, the Solid Waste/Sanitation Fund's actual fund balance was \$318,794 more than the estimated fund balance presented to the County Commission.
- ◆ Airport funds were not deposited in compliance with provisions of the three-day deposit law and were not deposited intact.

OFFICE OF ROAD SUPERVISOR:

- ◆ In several instances, the office issued purchase orders after purchases were made.
 - ◆ The Highway/Public Works Fund's actual fund balance was \$221,511 more than the estimated fund balance presented to the County Commission.
 - ◆ Prior to their posting to the general ledger, automated financial transactions could be changed, and an audit trail of these changes would not be maintained.
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OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ The General Purpose School Fund's actual fund balance was \$1,772,680 more than the estimated fund balance presented to the County Commission.
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OFFICE OF TRUSTEE:

- ◆ The trustee did not obtain a letter of agreement or court decree to authorize deputy hires.
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OFFICE OF CIRCUIT COURT CLERK:

- ◆ The circuit court clerk did not file claims on a current basis with the State of Tennessee for reimbursement of court costs incurred in the prosecution of certain cases, as required by state statute.
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OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff.
- ◆ 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.

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