

Audit Highlights

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

Results

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

Our audit resulted in 11 findings and recommendations, which we have reviewed with Humphreys 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 Public Utility Fund had a retained earnings deficit of \$2,318 at June 30, 2002.
- ◆ The office did not have a formal purchase order system using requisitions and purchase orders.
- ◆ The office did not maintain records for tap fees receivable in the Public Utility Fund.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Weaknesses were noted in budget operations in the School Federal Projects Fund and Central Cafeteria Fund.
- ◆ Accounting records were not closed in a timely manner.
- ◆ Interfund loans were not authorized in accordance with state statutes.
- ◆ The office had numerous accounting deficiencies.

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.
- ◆ 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 used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds.

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