

Audit Highlights

Comprehensive Annual Financial Report
Hamblen County, Tennessee
For the Year Ended June 30, 2004

Scope

We have audited the financial statements of Hamblen County as of and for the year ended June 30, 2004.

Results

Our report on Hamblen County's financial statements was unqualified. Our audit resulted in 15 findings and recommendations, which we have reviewed with Hamblen 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:

OFFICES OF COUNTY MAYOR, DIRECTOR OF FINANCE, AND ROAD SUPERINTENDENT:

- ◆ The Finance Office had deficiencies in purchasing procedures.
- ◆ The Finance Office had deficiencies related to debt payments.
- ◆ Time records were not required for certain employees.
- ◆ The Finance Office had deficiencies in controls over travel.
- ◆ Budgeting procedures had deficiencies.

OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Duties were not adequately segregated over centralized food service operations.
- ◆ Late charges were incurred due to late payment of debt requirements.

OFFICE OF TRUSTEE:

- ◆ Internal control deficiencies were noted relating to cash collections and deposits.

OFFICE OF COUNTY CLERK:

- ◆ The remaining cash shortage of \$14,580.42 from the prior auditor's special report had not been liquidated.

OFFICE OF SHERIFF:

- ◆ The cash shortage of \$14,326.40 from the 2002-03 year audit had not been liquidated.
- ◆ Accounting records for commissary operations were not provided.
- ◆ Collections were not deposited in compliance with the three-day deposit law.
- ◆ The sheriff paid salaries from the General Fund without proper supporting documentation.

OTHER FINDINGS AND RECOMMENDATIONS:

- ◆ Duties were not segregated adequately in the Offices of Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, and Sheriff.
- ◆ A system of central accounting, budgeting, and purchasing had not been adopted.

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