

Audit Highlights

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

Scope

We have audited the financial statements of each major fund and the aggregate remaining fund information of Humphreys County as of and for the year ended June 30, 2004.

Results

Our report on Humphreys County's financial statements expresses an adverse opinion because government-wide financial statements are not presented in accordance with Governmental Accounting Standards Board Statement No. 34.

Our audit resulted in ten findings and recommendations, which we have reviewed with Humphreys County management. Detailed findings and recommendations are included in the Single Audit Report.

The following are summaries of the audit findings:

HUMPHREYS COUNTY:

- ◆ Government-wide financial statements were not presented in accordance with generally accepted accounting principles, resulting in an adverse opinion.
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OFFICE OF COUNTY MAYOR:

- ◆ The office did not have a formal purchase order system.
 - ◆ Expenditures and encumbrances exceeded appropriations in one major category level in the General Fund.
 - ◆ The office used a mechanical warrant-signing machine to affix the county mayor's signature on disbursement warrants. The counter on the machine could be reset and did not indicate the total number of warrants processed.
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OFFICE OF ROAD SUPERVISOR:

- ◆ The office used a mechanical warrant-signing machine located in the County Mayor's Office to affix the road supervisor's signature on disbursement warrants. The counter on the machine could be reset and did not indicate the total number of warrants processed.
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OFFICE OF COUNTY CLERK:

- ◆ The office's information resources did not have adequate application controls.
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OTHER FINDINGS:

- ◆ At the Humphreys County Airport, fuel usage logs were not reconciled with fuel purchased and on hand, and prenumbered receipts were not used.
- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds.
- ◆ 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.

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