

Audit Highlights

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

Results

Our report on Hawkins County's financial statements was qualified because the statements did not include a General Fixed Assets account group and did not include one component unit whose financial statements were not available at the date of this report.

Our audit resulted in five findings and recommendations, which we have reviewed with Hawkins 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 DIRECTOR OF SCHOOLS:

- ◆ Deficiencies were noted in controls over central cafeteria operations. These deficiencies included paying an employee for time not worked after the employee's leave balances were exhausted, not verifying amounts reflected on the individual schools reports of meals served and program income with the source documents, writing warrants before receiving an invoice and before receiving the goods and/or services, and not updating inventory lists of county-owned assets.
- ◆ The Central Office's inventory lists of county-owned assets were incomplete, were not updated on a current basis, and did not include detailed information.

OTHER FINDINGS:

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Clerk and Master 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 and budgeting.

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