

Audit Highlights

Comprehensive Annual Financial Report
Hamblen County, Tennessee
For the Year Ended June 30, 2003

Scope

We have audited the basic financial statements of Hamblen County as of and for the year ended June 30, 2003.

Results

Our report on Hamblen County's financial statements was unqualified.

Our audit resulted in 29 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:

OFFICE OF SHERIFF:

- ◆ The Sheriff's Office had a cash shortage of \$14,326.40 on June 30, 2003.
- ◆ Serious internal control deficiencies, poor records, and inadequate procedures allowed the commissary portion of the cash shortage (\$12,527.90) to occur and not be detected promptly.
- ◆ Unofficial receipts totaling \$1,798.50 were not accounted for.
- ◆ The office had serious control weaknesses in accounting for prisoners' personal effects and funds.
- ◆ The office had weaknesses in internal controls over other cash collections, and accounting records were not maintained properly.
- ◆ Deficiencies were noted in the office's booking procedures.

OFFICES OF COUNTY EXECUTIVE AND DIRECTOR OF FINANCE:

- ◆ The office had deficiencies in purchasing procedures.
- ◆ Deficiencies were noted in the maintenance of the general ledger.
- ◆ The office had deficiencies in controls over travel and credit card use.

- ◆ The office had deficiencies in budgeting procedures.
 - ◆ The Solid Waste/Sanitation Fund had an undesignated fund deficit.
 - ◆ Tax anticipation notes were not retired prior to the close of the fiscal year.
 - ◆ The General Capital Projects Fund had a cash overdraft of \$34,737.
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OFFICE OF DIRECTOR OF SCHOOLS:

- ◆ Duties were not segregated adequately.
 - ◆ Deficiencies were noted in the issuance of purchase orders for the Transportation Department.
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OFFICE OF TRUSTEE:

- ◆ The trustee did not charge checks to the appropriate funds until the checks cleared the financial institution.
 - ◆ Internal control deficiencies were noted relating to cash collections and deposits.
 - ◆ Other internal control weaknesses occurred for a majority of the year.
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OFFICE OF COUNTY CLERK:

- ◆ Execution dockets were not posted for Juvenile Court transactions.
 - ◆ Other internal control weaknesses occurred for a majority of the year.
 - ◆ The remaining cash shortage balance from the prior auditor's special report had not been liquidated.
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OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK:

- ◆ A signature stamp was used to sign checks.
 - ◆ Other internal control weaknesses occurred for a majority of the year.
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OFFICE OF CLERK AND MASTER:

- ◆ Deficiencies were noted in accounting for child support transactions.
 - ◆ Deficiencies were noted in procedures related to delinquent property taxes.
 - ◆ Other internal control weaknesses occurred for a majority of the year.
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OFFICE OF REGISTER:

- ◆ An internal control weakness over receipts occurred for a majority of the year.
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OTHER FINDINGS AND RECOMMENDATIONS:

- ◆ Duties were not segregated adequately in the Offices of Trustee, County Clerk, 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*