

Audit Highlights

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

Scope

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of Henderson County as of and for the year ended June 30, 2003.

Results

Our report on Henderson 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 and one Special Revenue Fund whose financial statements were not available at the date of this report.

Our audit resulted in 15 findings and recommendations, which we have reviewed with Henderson 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 FINANCE DIRECTOR:

- ◆ Competitive bids were not solicited for purchases of culverts, lumber, and tires for the Road Department.
- ◆ Expenditures exceeded appropriations in the Drug Control Fund by \$2,862. In addition, the County Commission approved appropriations that exceeded estimated funds, causing a budgeted deficit of \$13,529.
- ◆ General ledger payroll deduction accounts for the General Fund and Solid Waste/Sanitation Fund were not reconciled with subsidiary payroll records on a monthly basis.
- ◆ During the prior audit period, the former Henderson County sheriff agreed to repay the county for his overpaid salary, and a former employee of the Henderson County Executive's Office agreed to make payments for being improperly paid for unused vacation and sick leave. Both the sheriff and county executive's employee were delinquent in their payments by \$473.92 and \$2,441.89, respectively.

OFFICE OF ROAD SUPERVISOR:

- ◆ The Road Department did not have a system to account for materials used on some types of road projects.
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OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK:

- ◆ The courts' execution docket trial balances did not reconcile with cash journal accounts.
 - ◆ The clerk did not report and pay excess fees to the county in compliance with state statute.
 - ◆ Computer system backups were not stored off site, and a system back-up log was not maintained.
 - ◆ Sufficient user documentation for the office's computer software was not maintained.
 - ◆ The circuit court clerk failed to invest court funds as ordered by the court.
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OFFICE OF CLERK AND MASTER:

- ◆ The clerk did not report and pay excess fees to the county in compliance with state statute.
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OFFICE OF ASSESSOR OF PROPERTY:

- ◆ The assessor of property did not require some individuals to file greenbelt applications in his office, and many of the greenbelt applications on file were dated after the April 1 deadline. Also, rollback taxes were not calculated, as required by state statute.
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OTHER FINDINGS:

- ◆ The county did not inventory, value, and record its general fixed assets, as required by generally accepted accounting principles.
- ◆ The designated situs-based taxes collected were not adequate to fund rural fire protection.
- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Trustee, County Clerk, Juvenile Court Clerk, Clerk and Master, and Sheriff.