

Audit Highlights

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

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, 2003.

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 nine 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 EXECUTIVE:

- ◆ The office did not have a formal purchase order system.
 - ◆ Bid specifications were limited to a particular vendor for the purchase of furniture and fixtures for the Humphreys County Public Library. In addition, the county did not solicit competitive bids for the purchase of victim rescue equipment.
 - ◆ Expenditures and encumbrances exceeded appropriations in two major category levels in the General Fund. Expenditures and encumbrances exceeded appropriations in the General Capital Projects Fund by \$879,829.
 - ◆ The office did not maintain records for tap fees receivable in the Public Utility Fund.
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OFFICE OF ROAD SUPERVISOR:

- ◆ Documentation was not on file to support the solicitation of price quotations for emergency purchases.
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OTHER FINDINGS:

- ◆ 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.

