



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

March 30, 2005

Bedford County Mayor and  
Board of County Commissioners  
Bedford County, Tennessee

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Bedford County, we have performed a limited review of the information systems in the Offices of County Mayor; Highway Superintendent; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Register; and Sheriff as of March 7, 2005. This letter transmits the results of our review.

Our audit of Bedford County is required to be conducted in accordance with standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards specify that we perform general and application control reviews of computer-based accounting and information systems to determine whether an entity's existing procedures and controls provide adequate assurance of data accuracy and financial and operating statement reliability.

Because of inherent limitations in any internal control structure, errors, irregularities, or control weaknesses may exist and may not be detected. However, our information system reviews performed in the Offices of Highway Superintendent; Director of Schools; Trustee; County Clerk; Circuit and General Sessions Courts Clerk; and Register did not reveal any matters that we considered to be a reportable condition. Reportable conditions were identified in the Offices of County Mayor and Sheriff. These reportable conditions may be included in the annual financial report of Bedford County. These matters are also presented in detail in the enclosed Review of Internal Controls Regarding Information System Operations — Findings and Recommendations.

A brief summary of the reportable conditions by office is presented below:

**COUNTY MAYOR**

1. The office had deficiencies involving its warrant-signing machine.
2. The Ambulance Service did not develop a disaster recovery plan.

Bedford County Mayor and  
Board of County Commissioners  
March 30, 2005  
Page 2

**SHERIFF**

1. The office had deficiencies in computer system back-up procedures.
2. The office did not have formal policies and procedures for computer operations.
3. The office did not develop a disaster recovery plan.

Please contact Penny Austin, our Information Systems Audit Manager, or me if you have any questions regarding our review of the information systems in the aforementioned offices of Bedford County, Tennessee.

Sincerely,



Richard V. Norment  
Assistant to the Comptroller

RVN: ja

**Attachment**

cc: The Honorable Stanley Smotherman, Highway Superintendent  
The Honorable Mike Bone, Director of Schools  
The Honorable Peggy Bush, Trustee  
The Honorable Kathy Prater, County Clerk  
The Honorable Thomas Smith, Circuit, General Sessions, and Juvenile Courts Clerk  
The Honorable John Reed, Register  
The Honorable Clay Parker, Sheriff  
Mr. Joe Kimery, Middle Tennessee Audit Manager

**BEDFORD COUNTY, TENNESSEE**  
**REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM**  
**OPERATIONS — FINDINGS AND RECOMMENDATIONS**  
**AS OF MARCH 7, 2005**

The review of controls over the information systems in the Offices of County Mayor and Sheriff indicated a need for improvement. It should be noted that this was the first information system review performed at the Ambulance Service, which is under the supervision of the Office of County Mayor. The following findings and recommendations have been made to aid the offices in the implementation of controls to better secure their computer systems and the information contained therein. We reviewed these matters with management to provide an opportunity for their response. Management offered oral responses to these items but did not submit written responses. We did not include the oral responses in this report.

**OFFICE OF COUNTY MAYOR**

**THE OFFICE HAD DEFICIENCIES INVOLVING ITS WARRANT-SIGNING MACHINE**

**1. FINDING**

The office used a mechanical warrant-signing machine to affix the signature of the county mayor. The mechanical counter on the machine could be reset; therefore, we could not ensure that all warrants were accounted for.

**RECOMMENDATION**

The machine should have a counter that cannot be reset indicating the total number of checks processed.

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**OFFICE OF COUNTY MAYOR - AMBULANCE SERVICE**

**RECOMMENDATION**

**1. THE OFFICE SHOULD DEVELOP A DISASTER RECOVERY PLAN**

Management of the Ambulance Service should develop and regularly update a disaster recovery plan defining procedures for personnel to follow in the event of a major hardware or software failure, or temporary or permanent destruction of facilities. The plan should contain provisions for a contingency operations site, as well as the adequate backup of data files, system programs, user documentation, supplies, and computer hardware so that operations could continue as normally as possible. A copy of the plan should be kept in a secure area within the office, as well as at a secure, off-site location.

## OFFICE OF SHERIFF

### RECOMMENDATIONS

#### 1. SYSTEM BACK-UP PROCEDURES SHOULD BE IMPROVED

The following procedures regarding the system back-up process should be implemented:

1. Management should implement daily system back-up procedures. A backup labeled for each day of the week should be maintained. Management should store these backups in a secure, fireproof location.
2. In addition to daily system backups, a weekly system backup should be performed, and two copies of this backup should be maintained. These backups should be rotated off site on a weekly basis. A complete systems backup should also be performed at fiscal year-end.
3. A secure, fireproof location should be used to store weekly and yearly backups. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe deposit box at a local bank.
4. A current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

#### 2. MANAGEMENT SHOULD FORMALLY DOCUMENT POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS

Management should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system startup/shutdown, application access, system access security, system backup and retention schedules, output distribution, hardware/software maintenance, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

#### 3. THE OFFICE SHOULD DEVELOP A DISASTER RECOVERY PLAN

Management should develop and regularly update a disaster recovery plan defining procedures for personnel to follow in the event of a major hardware or software failure, or temporary or permanent destruction of facilities. The plan should contain provisions for a contingency operations site, as well as the adequate backup of data files, system programs, user documentation, supplies, and computer hardware so that operations could continue as normally as possible. A copy of the plan should be kept in a secure area within the office, as well as at a secure, off-site location.

**PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED**

(Ref: Review of Internal Controls Regarding Information System Operations as of  
May 24, 2002)

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

<b>Finding Number</b>	<b>Page Number</b>	<b>Subject</b>
1	1	The Office Did Not Develop a Disaster Recovery Plan