



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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July 30, 2003

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Carroll County, we have performed a limited review of the information systems in the Offices of County Mayor; Highway Commission Chairman; Director of Schools; Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and Register as of July 15, 2003. This letter transmits the results of our review.

Our audit of Carroll 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 County Mayor, Highway Commission Chairman, Director of Schools, Trustee, Clerk and Master, and Register did not reveal any matters that we considered to be a reportable condition. Reportable conditions were identified in the Office of Circuit, General Sessions, and Juvenile Courts Clerk. These reportable conditions may be included in the comprehensive annual financial report of Carroll 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 is presented below:

CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

1. The office did not develop a disaster recovery plan.
2. Sufficient user documentation for the operating system and software application was not maintained.
3. The general ledger software did not have adequate application controls.
4. The court software did not have adequate application controls.

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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 Carroll County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Scotty Bailey, Highway Commissioner
The Honorable Dennis Parker, Highway Commissioner
The Honorable Nolan Robinson, Highway Commissioner
The Honorable Rick Scott, Highway Commissioner
The Honorable Charlotte Tucker, Director of Schools
The Honorable Pat Rich, Trustee
The Honorable Paul Newmon, Circuit, General Sessions, and Juvenile Courts Clerk
The Honorable Kenneth Todd, Clerk and Master
The Honorable Judy Baker, Register
Mr. Larry Taylor, West Tennessee Audit Manager

CARROLL COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS - FINDINGS AND RECOMMENDATIONS
AS OF JULY 15, 2003

The review of controls over the information system in the Office of Circuit, General Sessions, and Juvenile Courts Clerk indicated a need for improvement. The following findings and recommendations have been made to aid this office in the implementation of controls to better secure its computer system 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 a written response. We did not include the oral responses in this report.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

THE OFFICE DID NOT DEVELOP A DISASTER RECOVERY PLAN

1. FINDING

The office did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster. Without a formal, written plan, critical computerized applications could be disrupted indefinitely until the system could be repaired or a back-up facility could be found and made operational.

RECOMMENDATION

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.

SUFFICIENT USER DOCUMENTATION FOR THE OPERATING SYSTEM AND
SOFTWARE APPLICATION WAS NOT MAINTAINED

2. FINDING

The office did not maintain formal user documentation pertaining to the court software and operating system. This documentation is necessary to provide users with information regarding system maintenance, system inputs, application processing requirements, output definitions, and system recovery. Inadequate documentation may result in inaccurate and inefficient processing of applications.

RECOMMENDATION

The office should maintain user documentation pertaining to all software applications and the operating system. Management should contact their vendor and obtain current user documentation for all components of their computer system.

THE GENERAL LEDGER SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

3. FINDING

The office did not implement controls within the general ledger software application that require users to close previous accounting periods. If accounting periods are not closed, employees could inappropriately post transactions to previous accounting periods.

RECOMMENDATION

Management should implement software controls that require users to close an accounting period within 60 days following its completion, and users should not have the capability to reopen closed accounting periods.

THE COURT SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

4. FINDING

The court software application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. This lack of application controls could allow inappropriate system activity.

RECOMMENDATION

Management should contact their software vendor concerning the removal of the capability to change receipts. Removing this capability would help to ensure the reliability and integrity of information maintained by the system.

PRIOR AUDIT RECOMMENDATIONS NOT IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of June 21, 2001)

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

Finding Number	Page Number	Subject
3	2	Sufficient User Documentation for Software Applications Should Be Maintained
4	2	A Disaster Recovery Plan Should Be Developed

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of June 21, 2001)

OFFICE OF COUNTY HIGHWAY COMMISSION

Finding Number	Page Number	Subject
1	1	System Back-up Procedures Should Be Improved

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

Finding Number	Page Number	Subject
1	1	System Back-up Procedures Should Be Improved
2	1	The Office Should Develop Policies and Procedures for Computer Operations

OFFICE OF CLERK AND MASTER

Finding Number	Page Number	Subject
3	2	Sufficient User Documentation for Software Applications Should Be Maintained