



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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April 26, 2005

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Chester County, we have performed a limited review of the information systems in the Offices of County Mayor, Road Supervisor, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register as of March 22, 2005. This letter transmits the results of our review.

Our audit of Chester 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, Road Supervisor, Director of Schools, Trustee, Circuit and General Sessions Courts Clerk, and Register did not reveal any matters that we considered to be a reportable condition. A reportable condition was identified in the Office of County Clerk. This reportable condition may be included in the annual financial report of Chester County. This matter is also presented in detail in the enclosed Review of Internal Controls Regarding Information System Operations — Findings and Recommendations.

A brief summary of the reportable condition is presented below:

COUNTY CLERK

1. The office had deficiencies in computer system back-up procedures.

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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 Chester County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable E. O. Carnell, Road Supervisor
The Honorable John Pipkin, Director of Schools
The Honorable Lance Beshires, Trustee
The Honorable Johnny Garner, County Clerk
The Honorable Keith Frye, Circuit and General Sessions Courts Clerk
The Honorable Judy Cranford, Register
Mr. Norm Norment, West Tennessee Audit Manager

CHESTER COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF MARCH 22, 2005

The review of controls over the information system in the Office of County Clerk indicated a need for improvement. It should be noted that this was the first information system review performed in this office. The following recommendation has been made to aid the office in the implementation of controls to better secure its computer system and the information contained therein. We reviewed this matter with management to provide an opportunity for their response. Management offered oral responses to this item but did not submit a written response. We did not include the oral response in this report.

OFFICE OF COUNTY CLERK

RECOMMENDATION

1. SYSTEM BACK-UP PROCEDURES SHOULD BE IMPROVED

A secure, fireproof location should be used to store weekly and year-end 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.