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May 25, 2005

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Decatur 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 April 21, 2005. This letter transmits the results of our review.

Our audit of Decatur 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 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. Reportable conditions were identified in the Offices of County Mayor and County Clerk. These reportable conditions may be included in the annual financial report of Decatur 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 in computer system back-up procedures.

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COUNTY CLERK

1. The office had deficiencies in computer system back-up procedures.
2. The office did not implement adequate controls to protect its information resources against unauthorized modification.

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 Decatur County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable David Keeton, Road Supervisor
The Honorable Michael Price, Director of Schools
The Honorable Janis Boyd, Trustee
The Honorable Randy Pope, County Clerk
The Honorable Danny Tanner, Circuit and General Sessions Courts Clerk
The Honorable Don Davis, Register
Mr. Norm Norment, West Tennessee Audit Manager

DECATUR COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF APRIL 21, 2005

The review of controls over the information systems in the Offices of County Mayor and County Clerk indicated a need for improvement. It should be noted that this is the first information system review performed in the Office of County Clerk. The following finding and recommendations have been made to aid these 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 a written response. We did not include oral responses in this report.

OFFICE OF COUNTY MAYOR

THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACK-UP PROCEDURES

1. FINDING

The following weaknesses regarding computer system back-up procedures in the office were identified:

- A. System backups were not stored off site. In the event of a disaster, all back-up data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.
- B. A back-up log was not maintained. If system backups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system backups in the event of a hardware or software failure.

RECOMMENDATION

Weekly backups should be rotated off site on a weekly basis. Year-end backups should be stored off site and retained indefinitely. 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. Furthermore, a current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

OFFICE OF COUNTY CLERK

RECOMMENDATIONS

1. SYSTEM BACK-UP PROCEDURES SHOULD BE IMPROVED

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

1. 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.
2. A current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.

2. **THE OFFICE SHOULD IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES AGAINST UNAUTHORIZED MODIFICATION**

The office should implement adequate controls to protect its information resources against unauthorized modification. This recommendation does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. We provided the official with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.