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

November 7, 2006

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

To the County Mayor and Board of County Commissioners:

In conjunction with the annual audit of Giles County, we have performed a limited review of the information systems in the Offices of County Mayor, Highway Commissioner, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, and Register as of October 18, 2006. This letter transmits the results of our review.

Our audit of Giles 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 Commissioner, Director of Schools, Trustee, County Clerk, and Register did not reveal any matters that we considered to be a reportable condition. Reportable conditions, however, were identified in the Offices of County Mayor and Circuit and General Sessions Courts Clerk. These reportable conditions may be included in the annual financial report of Giles County. These matters are also presented in detail in the enclosed Review of Internal Controls Regarding Information Systems 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 check-signing machine.

CIRCUIT AND GENERAL SESSIONS COURTS CLERK

1. Sufficient user documentation for computer hardware, the operating system, and software applications was not maintained.

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

Sincerely,

Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Barry Hyatt, Highway Commissioner
The Honorable Terrell Jackson, Director of Schools
The Honorable JoAnn Townsend, Trustee
The Honorable Carol Wade, County Clerk
The Honorable Crystal Greene, Circuit and General Sessions Courts Clerk
The Honorable Kaye Gibbons, Register
Mr. Jeff Bailey, Middle Tennessee Audit Manager

GILES COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS AS OF OCTOBER 18, 2006

The review of controls over the information systems in the Offices of County Mayor and Circuit and General Sessions Courts Clerk indicated a need for improvement. The following findings 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. The written responses from the county mayor and the circuit and general sessions courts clerk are paraphrased in this report.

OFFICE OF COUNTY MAYOR

THE OFFICE HAD DEFICIENCIES INVOLVING ITS CHECK-SIGNING MACHINE

1. **FINDING**

The office used a mechanical check-signing machine to affix the official's signature. The mechanical counter on the machine could be reset; therefore, we could not ensure that the office accounted for all checks.

RECOMMENDATION

Adequate internal controls should be maintained over the use of the mechanical signature device. The machine should have a counter that cannot be reset indicating the total number of checks processed.

MANAGEMENT'S RESPONSE

The office changed to laser printers; therefore, we had to change check stock and purchase a new check-signing machine. We were not aware, nor did the salesman mention to us, that we should get a machine with a counter that cannot be reset.

Giles County has passed, by referendum, the County Financial Management Act of 1981. Our plans are to start implementation July 1, 2007. We will correct this finding at that time.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

SUFFICIENT USER DOCUMENTATION FOR COMPUTER HARDWARE, THE OPERATING SYSTEM, AND SOFTWARE APPLICATIONS WAS NOT MAINTAINED

1. **FINDING**

The office did not maintain formal user documentation pertaining to the court software, operating system, and computer hardware components. 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, the operating system, and computer hardware components. The county's agreement with the software vendor states that the vendor will provide the county with a user's manual and related documentation. Therefore, management should contact their vendor and obtain current user documentation for all components of their computer system.

MANAGEMENT'S RESPONSE

I have requested on many occasions a user documentation handbook. At this time, no manual is available from the vendor.