



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**

DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
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February 12, 2007

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

To the County Mayor and Board of County Commissioners:

In conjunction with the annual audit of Grundy County, we have performed a limited review of the information systems in the Offices of County Mayor, Highway Superintendent, Director of Schools, Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register as of January 26, 2007. This letter transmits the results of our review.

Our audit of Grundy 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 Superintendent, Trustee, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register did not reveal any matters that we consider to be reportable conditions. A reportable condition was identified in the Office of Director of Schools. This reportable condition may be included in the annual financial report of Grundy 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:

**DIRECTOR OF SCHOOLS**

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

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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 Grundy County, Tennessee.

Sincerely,



Richard V. Norment  
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Dewayne Hargis, Highway Superintendent  
The Honorable Joel Hargis, Director of Schools  
The Honorable Lucyle Hampton, Trustee  
The Honorable Marcia Bess, Circuit and General Sessions Courts Clerk  
The Honorable Phyllis Dent, Clerk and Master  
The Honorable Gayle VanHooser, Register  
Mr. Carl Lowe, Mid-East Tennessee Audit Manager

**GRUNDY COUNTY, TENNESSEE  
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION  
SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS  
AS OF JANUARY 26, 2007**

The review of controls over the information system in the Office of Director of Schools indicated a need for improvement. The following finding and recommendation 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 this matter with management to provide an opportunity for their response. Management offered an oral response to this item but did not submit a written response. We did not include the oral response in this report.

**OFFICE OF DIRECTOR OF SCHOOLS**

**THE OFFICE HAD DEFICIENCIES IN COMPUTER  
SYSTEM BACK-UP PROCEDURES**

**1. FINDING**

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.

**RECOMMENDATION**

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.