



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

September 7, 2006

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

To the County Mayor and Board of County Commissioners:

In conjunction with the annual audit of Humphreys 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, Clerk and Master, and Register as of July 12, 2006. This letter transmits the results of our review.

Our audit of Humphreys 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 Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, 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 Road Supervisor. These reportable conditions may be included in the annual financial report of Humphreys 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.

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ROAD SUPERVISOR

1. The office had deficiencies involving its check-signing machine.

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 Humphreys County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Ronald Carter, Road Supervisor
The Honorable James Long, Director of Schools
The Honorable Wanda Adkins, Trustee
The Honorable Betty Etheridge, County Clerk
The Honorable Elaine Choate, Circuit and General Sessions Courts Clerk
The Honorable Michael Bullion, Clerk and Master
The Honorable Jan Crowell, Register
Mr. Norm Norment, West Tennessee Audit Manager

HUMPHREYS COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION
SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF JULY 12, 2006

The review of controls over the information systems in the Offices of County Mayor and Road Supervisor 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. Management offered oral responses to these items but did not submit written responses. The oral responses have not been included 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.

OFFICE OF ROAD SUPERVISOR

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 office did not maintain a log to document the checks issued, the check numbers processed, and the employee operating the machine. Also, 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, such as maintaining a manual log that indicates the checks issued, the check numbers on the series of checks processed, and the employee operating the machine. In addition, the machine should have a counter that cannot be reset indicating the total number of checks processed.

PRIOR AUDIT RECOMMENDATIONS NOT IMPLEMENTED

(Ref: Review of Internal Controls Regarding
Information System Operations as of July 27, 2004)

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
1	1	The office had deficiencies involving its check-signing machine

OFFICE OF ROAD SUPERVISOR

Finding Number	Page Number	Subject
1	1	The office had deficiencies involving its check-signing machine

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding
Information System Operations as of July 27, 2004)

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
1	2	The office had deficiencies involving its check-signing machine

OFFICE OF COUNTY CLERK

Finding Number	Page Number	Subject
1	2	The office had deficiencies in computer system back-up procedures
2	2	The office did not implement adequate controls to protect its information resources