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COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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July 20, 2005

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Maury County, we have performed a limited review of the information systems in the Offices of County Mayor, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, Director of Accounts and Budgets, and Director of Human Resources as of June 29, 2005. This letter transmits the results of our review.

Our audit of Maury 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 Trustee, Clerk and Master, Register, and Director of Human Resources did not reveal any matters that we considered to be a reportable condition. Reportable conditions were identified in the Offices of County Mayor, Director of Schools, County Clerk, Circuit and General Sessions Courts Clerk, and Director of Accounts and Budgets. These reportable conditions may be included in the annual financial report of Maury 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 Landfill Office did not have formal policies and procedures for computer operations.
2. The Landfill Office did not develop a disaster recovery plan.

DIRECTOR OF SCHOOLS

1. The office did not have formal policies and procedures for computer operations.
2. The office did not develop a disaster recovery plan.

COUNTY CLERK

1. The office did not implement adequate controls to protect its information resources.

CIRCUIT AND GENERAL SESSIONS COURTS CLERK

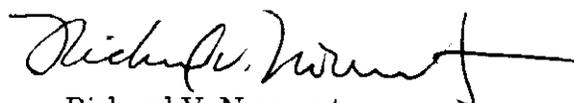
1. The office did not have formal policies and procedures for computer operations.

DIRECTOR OF ACCOUNTS AND BUDGETS

1. The office did not have formal policies and procedures for computer operations.

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 Maury County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Edward Hickman, Director of Schools
The Honorable Steve Konz, Trustee
The Honorable Nancy Thompson, County Clerk
The Honorable Kathy Kelley, Circuit and General Sessions Courts Clerk
The Honorable Cheryl Church, Clerk and Master
The Honorable John Fleming, Register
Ms. Christy Mash, Interim Director of Accounts and Budgets
Ms. Debbie Rutherford, Director of Human Resources
Mr. Joe Kimery, Middle Tennessee Audit Manager

MAURY COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF JUNE 29, 2005

The review of controls over the information systems in the Offices of County Mayor, Director of Schools, County Clerk, Circuit and General Sessions Courts Clerk, and Director of Accounts and Budgets indicated a need for improvement. It should be noted that this was the first information system review performed in the Office of General Sessions Court Clerk – Part II, which is under the supervision of the Office of Circuit and General Sessions Courts Clerk, and at the Landfill Office, which is under the supervision of the Office of County Mayor. The following findings and recommendations have been made to aid the 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. We did not include the oral responses in this report.

OFFICE OF COUNTY MAYOR

RECOMMENDATIONS

1. MANAGEMENT SHOULD FORMALLY DOCUMENT POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS

Management of the Landfill Office should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system startup/shutdown, application access, system access security, system backup and retention schedules, output distribution, hardware/software maintenance, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

2. THE OFFICE SHOULD DEVELOP A DISASTER RECOVERY PLAN

Management of the Landfill Office should develop and regularly update a disaster recovery plan defining procedures for personnel to follow in the event of a major hardware or software failure, or temporary or permanent destruction of facilities. The plan should contain provisions for a contingency operations site, as well as the adequate backup of data files, system programs, user documentation, supplies, and computer hardware so that operations could continue as normally as possible. A copy of the plan should be kept in a secure area within the office, as well as at a secure, off-site location.

OFFICE OF DIRECTOR OF SCHOOLS

THE OFFICE DID NOT HAVE FORMAL POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS

1. FINDING

The office did not have written policies and procedures for routine computer operations. Routine operations include system startup/shutdown, application access, system access security, system backup and retention schedules, hardware/software maintenance, output distribution, and other general data processing functions. Formal policies and procedures are necessary to ensure adequate management control over computer operations.

RECOMMENDATION

Management should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system backups, security measures, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

THE OFFICE DID NOT DEVELOP A DISASTER RECOVERY PLAN

2. FINDING

The office did not develop a disaster recovery plan to assist in re-creating its data processing environment in the event of a disaster. Without a formal, written plan, critical computerized applications could be disrupted indefinitely until the system could be repaired or a back-up facility could be found and made operational.

RECOMMENDATION

Management should develop and regularly update a disaster recovery plan defining procedures for personnel to follow in the event of a major hardware or software failure, or temporary or permanent destruction of facilities. The plan should contain provisions for a contingency operations site, as well as the adequate backup of data files, system programs, user documentation, supplies, and computer hardware so that operations could continue as normally as possible. A copy of the plan should be kept in a secure area within the office, as well as at a secure, off-site location.

OFFICE OF COUNTY CLERK

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

1. **FINDING**

The office did not implement adequate controls to protect its information resources. The failure to provide such controls increases the risk that individuals could inappropriately access and manipulate the county's software applications and sensitive information.

This finding 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.

RECOMMENDATION

The office should ensure that adequate controls over information systems and the resources associated with those systems are implemented. Also, the office should take steps to establish or improve any compensating controls until these conditions are remedied.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

RECOMMENDATION

1. **MANAGEMENT SHOULD FORMALLY DOCUMENT POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS**

Management of the Office of General Sessions Court Clerk – Part II should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system startup/shutdown, application access, system access security, system backup and retention schedules, output distribution, hardware/software maintenance, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

THE OFFICE DID NOT HAVE FORMAL POLICIES AND PROCEDURES FOR COMPUTER OPERATIONS

1. FINDING

The office did not have written policies and procedures for routine computer operations. Routine operations include system startup/shutdown, application access, system access security, system backup and retention schedules, hardware/software maintenance, output distribution, and other general data processing functions. Formal policies and procedures are necessary to ensure adequate management control over computer operations.

RECOMMENDATION

Management should prepare a computer policies and procedures manual that defines policies and procedures for operations such as system backups, security measures, and other general data processing functions. Upon completion, the manual should be distributed to all appropriate personnel.

PRIOR AUDIT RECOMMENDATIONS NOT IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of June 2, 2003)

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
1	1	The Office Did Not Have Formal Policies and Procedures for Computer Operations

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of June 2, 2003)

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
2	1	The Office Did Not Develop a Disaster Recovery Plan
3	2	The Office Did Not Implement Adequate Controls To Protect Its Information Resources