STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. MEIGSSTATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

August 9, 2005

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Meigs County, we have performed a limited review of the information systems in the Offices of Director of Schools, Clerk and Master, and Purchase and Finance Director as of July 22, 2005. This letter transmits the results of our review.

Our audit of Meigs 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 and Purchase and Finance Director did not reveal any matters that we considered to be a reportable condition. A reportable condition was identified in the Office of Clerk and Master. This reportable condition may be included in the annual financial report of Meigs County. This matter is also presented in detail in the enclosed Review of Internal Controls Regarding Information Systems Operations – Findings and Recommendations.

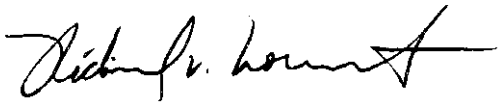
A brief summary of the reportable condition is presented below:

CLERK AND MASTER

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

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 Meigs County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Robert W. Greene, Director of Schools
The Honorable Jim Mercer, Clerk and Master
Ms. Connie Allen, Purchase and Finance Director
Mr. Clifford Tucker, East Tennessee Audit Manager

MEIGS COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF JULY 22, 2005

The review of controls over the information system in the Office of Clerk and Master 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 CLERK AND MASTER

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 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.

PRIOR AUDIT RECOMMENDATIONS NOT IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of August 21, 2003)

OFFICE OF CLERK AND MASTER

Finding Number	Page Number	Subject
1	1	The Office Did Not Implement Adequate Controls to Protect Its Information Resources