



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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October 10, 2006

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive and Board of County Commissioners:

In conjunction with the annual audit of Tipton County, we have performed a limited review of the information systems in the Offices of County Executive; Director of Public Works; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff as of September 20, 2006. This letter transmits the results of our review.

Our audit of Tipton 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 Executive; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff did not reveal any matters that we considered to be a reportable condition. A reportable condition, however, was identified in the Office of Director of Public Works. This reportable condition may be included in the annual financial report of Tipton 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:

DIRECTOR OF PUBLIC WORKS

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 Tipton County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Leon Davenport, Director of Public Works
The Honorable Tim Fite, Director of Schools
The Honorable Kristie Maxwell, Trustee
The Honorable Laura Max Racine, Former Trustee
The Honorable Pam S. Deen, County Clerk
The Honorable Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk
The Honorable Judy Barkelew Billings, Clerk and Master
The Honorable Claudia Peeler, Register
The Honorable Peggy Spain, Former Register
The Honorable J. Chumley, Sheriff
The Honorable Clyde Devon Lewis, Jr., Former Sheriff
Mr. Norm Norment, West Tennessee Audit Manager

TIPTON COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION
SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF SEPTEMBER 20, 2006

The review of controls over the information system in the Office of Director of Public Works 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. The oral response has not been included in this report.

OFFICE OF DIRECTOR OF PUBLIC WORKS

THE OFFICE HAD DEFICIENCIES IN COMPUTER
SYSTEM BACK-UP PROCEDURES

1. FINDING

The following weaknesses regarding computer system back-up procedures in the office were identified:

- A. System backups were not rotated off site on a weekly basis. 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.
- B. A back-up log was not maintained. If system backups are not labeled and inventoried systematically, discrepancies may occur and affect the integrity of system backups in the event of a hardware or software failure.

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. Furthermore, a current log of all backups that includes label descriptions, date of creation, contents, and storage location should be maintained.