STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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July 13, 2007

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

To the County Executive and County Commissioners:

In conjunction with the annual audit of Warren County, we have performed a limited review of the information systems in the Offices of County Executive; Superintendent of Roads; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff as of July 9, 2007. This letter transmits the results of our review.

Our audit of Warren 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; Superintendent of Roads; Director of Schools; Trustee; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff did not reveal any matters that we considered to be a significant deficiency. A significant deficiency was identified in the Office of County Clerk. This deficiency may be included in the annual financial report of Warren 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 significant deficiency is presented below:

COUNTY CLERK

1. The office did not review software audit logs.

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 Warren County, Tennessee.

Sincerely,

Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Harold Glenn, Superintendent of Roads
The Honorable Jerry Hale, Director of Schools
The Honorable Darlene Bryant, Trustee
The Honorable Lesa Scott, County Clerk
The Honorable Bernadette Morris, Circuit, General Sessions, and Juvenile Courts Clerk
The Honorable Trenena Wilcher, Clerk and Master
The Honorable Terry Smith, Register
The Honorable Jackie Matheny, Sheriff
Ms. Linda Hillis, Director of Accounts
Mr. Carl Lowe, Mid-East Tennessee Audit Manager

WARREN COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS AS OF JULY 9, 2007

The review of controls over the information system in the Office of the County Clerk indicated a need for improvement. The following finding and recommendation has been made to aid this office in the implementation of controls to better secure its computer system and the information contained therein. This matter was reviewed with management to provide an opportunity for their response. Management offered oral responses to this item but did not submit a written response. We did not include oral responses in this report.

OFFICE OF COUNTY CLERK

THE OFFICE DID NOT REVIEW SOFTWARE AUDIT LOGS

1. **FINDING**

The software applications used by the office generate daily logs that display transaction changes made by users. Because these logs provide the only audit trail of these changes, they should be reviewed daily. The office did not review these logs. Without knowledge of system activity, errors and improper changes could occur and go undetected.

RECOMMENDATION

Management should review these logs on a daily basis. Any unusual transactions should be investigated.

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of August 22, 2005)

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
1	1	Management should formally document policies and procedures for computer operations
2	1	The office should develop a disaster recovery plan