STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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October 25, 2006

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

To the County Mayor and Board of County Commissioners:

In conjunction with the annual audit of Macon County, we have performed a limited review of the information systems in the Offices of County Mayor, Supervisor of Roads, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Register, and Sheriff as of September 18, 2006. This letter transmits the results of our review.

Our audit of Macon 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 Supervisor of Roads, Director of Schools, Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Register, and Sheriff did not reveal any matters that we considered to be a reportable condition. Reportable conditions, however, were identified in the Office of County Mayor. These reportable conditions may be included in the annual financial report of Macon 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 conditions is presented below:

COUNTY MAYOR

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

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 Macon County, Tennessee.

Sincerely,

Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Charles Porter, Supervisor of Roads
The Honorable Mike Prock, Director of Schools
The Honorable Diane Cook, Trustee
The Honorable James Howser, County Clerk
The Honorable Rick Gann, Circuit and General Sessions Courts Clerk
The Honorable Melinda Ferguson, Register
The Honorable Mark Gammons, Sheriff
Mr. Jeff Bailey, Middle Tennessee Audit Manager

MACON COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM OPERATIONS — FINDINGS AND RECOMMENDATIONS AS OF SEPTEMBER 18, 2006

The review of controls over the information system in the Office of County Mayor indicated a need for improvement. It should be noted that this was the first information system review performed at the Ambulance Service, which is under the supervision of the Office of County Mayor. The following recommendations 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 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 Ambulance Service 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 Ambulance Service 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.