

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations as a result of our examination of Greene County are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND DIRECTOR OF SCHOOLS

FINDING 04.01 **THE OFFICES DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT THEIR INFORMATION RESOURCES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

The offices did not implement adequate controls to protect their information resources. The failure to provide such controls increases the risk that individuals could inappropriately access and manipulate their computer systems, software applications, and sensitive information.

This finding does not identify specific vulnerabilities that could allow someone to exploit the offices' information systems 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 officials with detailed information regarding the specific vulnerabilities we identified, as well as our recommendations for improvement.

RECOMMENDATION

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

OFFICE OF TRUSTEE

FINDING 04.02 **THE TRUSTEE DID NOT CHARGE CHECKS TO THE APPROPRIATE FUNDS UNTIL THE CHECKS CLEARED THE FINANCIAL INSTITUTION**
(Noncompliance Under Government Auditing Standards)

Greene County elected to use a checking system for disbursing county funds, as provided by Section 5-8-210, Tennessee Code Annotated. This statute requires the county trustee to certify that funds are available for checks issued by the various departments and to charge those checks against the appropriate fund upon certification. The trustee certified the availability of funds for the checks issued; however, the trustee did not charge the checks to

the fund on which they were drawn until the checks were cleared or paid by the financial institution.

RECOMMENDATION

The trustee should charge all checks against the appropriate funds after certifying that funds are available.

FINDING 04.03 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF TRUSTEE**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among the official and employees in the Office of Trustee. Officials and employees responsible for maintaining the accounting records of these offices were also involved in receipting, depositing, and/or disbursing funds. We realize that due to limited resources and personnel, management may not be able to properly segregate duties among employees. However, our professional standards require that we bring this matter to the reader’s attention in this report.