



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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December 30, 2003

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of Carter County, we have performed a limited review of the information systems in the Offices of Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Director of Finance as of December 8, 2003. This letter transmits the results of our review.

Our audit of Carter 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 Trustee, County Clerk, Circuit and General Sessions Courts Clerk, Register, and Director of Finance did not reveal any matters that we considered to be a reportable condition. Reportable conditions were identified in the Office of Clerk and Master. These reportable conditions may be included in the comprehensive annual financial report of Carter County. These matters are also presented in detail in the enclosed Review of Internal Controls Regarding Information System Operations — Findings and Recommendations.

A brief summary of the reportable conditions is presented below:


CLERK AND MASTER

1. The office generated duplicate receipts for collections.
2. The delinquent tax application did not have adequate application controls.

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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 Carter County, Tennessee.

Sincerely,



Richard V. Norment
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Randal Lewis, Trustee
The Honorable Mary Gouge, County Clerk
The Honorable John Paul Mathes, Circuit and General Sessions Courts Clerk
The Honorable Charlotte McKeehan, Clerk and Master
The Honorable Johnny Holder, Register
Mr. Jason Cody, Director of Finance
Mr. Clifford Tucker, East Tennessee Audit Manager

**CARTER COUNTY, TENNESSEE
REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM
OPERATIONS — FINDINGS AND RECOMMENDATIONS
AS OF DECEMBER 8, 2003**

The review of controls over the information system in the Office of Clerk and Master indicated a need for improvement. It should be noted that this was the first information system review to be performed in this office. 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 oral responses in this report.

OFFICE OF CLERK AND MASTER

RECOMMENDATIONS

1. THE OFFICE SHOULD DISCONTINUE ISSUING DUPLICATE RECEIPTS FOR COLLECTIONS

The office issued manual receipts for collections. Information from the manual receipts was then entered into the court software, and computer-generated receipts were issued, resulting in a duplication of effort. Issuance of duplicate receipts should be discontinued. Giving consideration to the costs associated with the acquisition and on-going maintenance of the computer system, the office should issue computer-generated receipts.

2. ADEQUATE CONTROLS OVER THE DELINQUENT TAX APPLICATION SHOULD BE IMPLEMENTED

Management should contact their software vendor about adding controls to the delinquent tax application that would provide an audit trail for any deletions and/or changes to master tax records.

PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED

(Ref: Review of Internal Controls Regarding Information System Operations as of August 10, 2001)

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

Finding Number	Page Number	Subject
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1	1	The Court Software Did Not Have Adequate Application Controls
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