



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
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October 3, 2003

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

To the County Mayor and County Commissioners:

In conjunction with the annual audit of White 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 Finance Director as of August 18, 2003. This letter transmits the results of our review.

Our audit of White 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, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Finance Director did not reveal any matters that we considered to be a reportable condition. A reportable condition was identified in the Office of County Clerk. This reportable condition may be included in the comprehensive annual financial report of White 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 reportable condition is presented below:

**COUNTY CLERK**

1. The business tax software 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 White County, Tennessee.

Sincerely,



Richard V. Norment  
Assistant to the Comptroller

RVN: pa

Attachment

cc: The Honorable Brenda Officer, Trustee  
The Honorable Connie Jolley, County Clerk  
The Honorable Henry Foster, Circuit and General Sessions Courts Clerk  
The Honorable Lynda McCoy, Clerk and Master  
The Honorable Gary Brogden, Register  
Mr. Keith Ryder, Finance Director  
Mr. Daniel Wilson, Mid-East Tennessee Audit Manager

**WHITE COUNTY, TENNESSEE**  
**REVIEW OF INTERNAL CONTROLS REGARDING INFORMATION SYSTEM**  
**OPERATIONS — FINDINGS AND RECOMMENDATIONS**  
**AS OF AUGUST 18, 2003**

The review of controls over the information system in the Office of County Clerk indicated a need for improvement. The following finding and recommendation have been made to aid the office in the implementation of controls to better secure their 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. We did not include the oral response in this report.

**OFFICE OF COUNTY CLERK**

**THE BUSINESS TAX SOFTWARE DID NOT HAVE ADEQUATE**  
**APPLICATION CONTROLS**

**1. FINDING**

The office did not have sufficient controls over the business tax software application. The following deficiencies were noted:

- A. The application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt.
- B. Users could reset the business license receipt/control numbers. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In lieu of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated.
- C. Business information and receipt history could be deleted.

This lack of application control could allow inappropriate system activity.

**RECOMMENDATION**

Management should contact the software vendor concerning the addition of controls to the business tax software application that would provide an audit trail for any changes to business tax receipt information. The receipt/control number reset capability should be removed from the system. The capability of removing business and history information should be removed. Businesses that are no longer active should be designated as such. These controls would help to ensure the reliability and integrity of the information maintained by the system.

**PRIOR AUDIT RECOMMENDATIONS IMPLEMENTED**

(Ref: Report on Internal Controls Regarding Information System Operations  
as of September 28, 2001)

**OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

<b>Finding Number</b>	<b>Page Number</b>	<b>Subject</b>
1	1	The Office Had Deficiencies in Computer System Back-up Procedures