City of Memphis
TENNESSEE

JIM STRICKLAND
MAYOR

EXECUTIVE DIVISION

December 10, 2020

Mr. Paul Young, Director
Division of Housing and Community Development (HCD)
City of Memphis
170 N. Main Street, Room 300
Memphis, TN 38105

Ms. Kimberly Bailey, Chief Information Officer/Director
Information Technology Division
City of Memphis
119 S. Main Street, Suite 200
Memphis, TN 38103

Directors:

We have completed the City's annual Automated Clearing House (ACH) Data Security Audit. The audit is required in accordance with National Automated Clearing House Association (NACHA) Operating Rules. Additionally, the contract with First Horizon Bank requires annual testing of on-line banking, ACH and Wire Transfer plans due to the critical nature of those processes and applications.

We engaged the independent audit firm of Dixon Hughes Goodman, LLP (DHG) to provide the technical expertise to perform specific audit procedures and to review work performed by City internal auditors.

The objective of the audit was to evaluate compliance with NACHA Operating Rules. The scope of the audit was limited to the on-line payment application and the City's supporting data network and workstations. The audit procedures included personnel interviews; inspection of policies, procedures, and other related documentation; physical observations while onsite; reviews of applicable system configurations and network vulnerability scans.

Based on the work performed, there were no reportable issues identified that impair the City's ability to comply with NACHA Operating Rules for securing ACH data. We sent a letter to First Horizon Bank to confirm completion of the audit.

This audit was not conducted in compliance with Government Auditing Standards (GAS) and does not constitute an audit under GAS. We appreciate the cooperation of IT and HCD management and staff during the performance of this engagement. If you have any questions concerning the audit, we are available to discuss this report with you upon your request.

Sincerely,

Debbie Banks, CFE, CICA, CMFO
City Auditor

c: Jim Strickland, Mayor
Doug McGowen, Chief Operating Officer
Shirley Ford, Chief Financial Officer
Chandell Ryan, Deputy Chief Operating Officer
Mairi Albertson, Deputy Director, HCD
Wendy Harris, Deputy Chief Information Officer, IT Division
Augustine Boateng, Information Security Manager, IT Division
Harry Green, Senior Operating Administrator, HCD
Patricia Lane, Portfolio Manager, HCD
Tenya Coleman, Compliance Reporting Administrator, HCD
Latonya Alexander, Accounting Budget Manager, HCD
Margaret Jackson, Senior Quality Assurance Manager, HCD
Rodney Murray, Managing Principal, IT Advisory Services, Dixon Hughes Goodman, LLP
Tom Tollerton, Managing Director, IT Advisory Services, Dixon Hughes Goodman, LLP
Alex Imani, Senior Consultant, IT Advisory Services, Dixon Hughes Goodman, LLP