



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

March 25, 2013

Single Audit Management Report

Ms. Vicki Helfrich, Executive Director
Mississippi Wireless Communication Commission
412 East Woodrow Wilson Avenue
Jackson, Mississippi 39216

Dear Ms. Helfrich:

Enclosed for your review is the other audit finding for the Mississippi Wireless Communication Commission for the Fiscal Year 2012. In this finding the Auditor's Office recommends the Mississippi Wireless Communication Commission maintain documentation of acknowledgment and approval of monitoring visits related to milestones completed for the Broadband Technology Opportunities Program.

Please review the recommendation and submit a plan to implement by April 4, 2013. The enclosed finding contains more information about our recommendation.

During future engagements, we may review the finding in this management report to ensure procedures have been initiated to address this finding.

This report is intended solely for the information and use of management, individuals charged with governance, Members of the Legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendation enables the Mississippi Wireless Communication Commission to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Wireless Communication Commission throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Dendy", is written over a light blue horizontal line.

Patrick Dendy, CPA
Director, Department of Audit

Enclosures

SINGLE AUDIT FINDINGS

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of federal flow-through funds received by the Mississippi Wireless Communication Commission from the State's major federal programs for the year ended June 30, 2012. This audit was conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Office of the State Auditor's staff members participating in this engagement included Amy Buller, CPA; Emily McHan, CPA; and Jeremy Miller, CPA.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Internal Control over Compliance

Management of the Mississippi Wireless Communication Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Mississippi Wireless Communication Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

However, we noted a deficiency in internal control over compliance that requires the attention of management that we have reported on the attached document "Other Audit Finding" as item Oth-25.

Compliance

We have audited the Mississippi Wireless Communication Commission's compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs administered by the Mississippi Wireless Communication Commission. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our audit fieldwork included examining, on a test basis, evidence about the Mississippi Wireless Communication Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported by OMB Circular A-133.

OTHER AUDIT FINDINGS

In planning and performing our audit of the federal flow-through funds received by the Mississippi Wireless Communication Commission for the year ended June 30, 2012, we considered internal control over compliance with the requirements that could have a direct and material effect on the major federal programs. A matter which requires the attention of management was noted. This matter which does not have a material effect on the agency's ability to administer major federal programs in accordance with applicable laws, regulations, or provisions of contracts or grant agreements involves a control deficiency.

A *deficiency in internal control* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

**CFDA/Finding
Number****Finding and Recommendation****Activities Allowed/Unallowed
Allowable Costs/Cost Principles*****Control Deficiency***

11.557

Broadband Technology Opportunities Program (BTOP)

Federal Award Number and Year: NT10BIX5570094 2012

Oth-25

**Documentation Should Be Maintained of Acknowledgment and
Approval of Monitoring Visits Related to Milestones*****Finding:***

The Mississippi Wireless Communication Commission (WCC) has an agreement with the Office of the Governor under funding provided by the Broadband Technology Opportunities Program that allocates federal monies to the WCC for program costs. The WCC has a contract with a vendor to complete program activities. The Department of Information Technology Services (ITS), on behalf of the WCC, submits invoices from the vendor to the Office of the Governor for reimbursement.

During fiscal year 2012, the WCC utilized several types of procedures to ensure that vendor invoices were submitted only after the vendor met certain milestones as outlined in the contract with the vendor. One of these procedures was the use of on-site monitoring visits by agency personnel. During testwork performed on approval of invoices and payments, we noted several instances in which the WCC did not document the acknowledgment and approval of on-site monitoring visits conducted by agency personnel. Failure to consistently document the acknowledgment and approval on on-site monitoring visits could allow payments to vendors to be approved prior to verifying that the required milestones were met as required by the contract.

Recommendation:

We recommend the Mississippi Wireless Communication Commission ensure documentation is maintained related to the acknowledgment and approval on on-site monitoring visits by agency personnel to ensure payments are made in compliance with the terms of the vendor contract.