



STATE OF MISSISSIPPI
PHIL BRYANT, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
BRENT CHRISTENSEN
EXECUTIVE DIRECTOR

Financial Audit Management Report

March 4, 2014

Honorable Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956-
Jackson, MS 39205-0956

Dear Mr. Pickering:

This letter is in response to the findings during the Financial Audit Findings of the Mississippi Development Authority (MDA) for the fiscal year ended June 30, 2013. Our response is as follows:

2013-08

Controls Should be Strengthened over Preparation and Review of GAAP Reporting Packages

Response:

MDA concurs with the finding.

Corrective Action Plan:

The Grants and Reporting Area is adding a supervisory section to its current GAAP package check list.

2013-09

Controls should be Strengthened over Cash Receipts

Response:

MDA concurs with the finding.

Corrective Action Plan:

The Grants and Reporting Area is implementing a check list for the process of cash receipts which will include comparison of cash receipts verse bank receipts.

2013-10

Controls Should Be Strengthened over Reconciliations Between Accounting Systems.

Response:

MDA concurs with all the findings.

Corrective Action Plan:

The Grants and Reporting Area is implementing an exit form for the staff to complete when employees leave the department for promotional or personal reason. This will include a list of task completed and task incomplete for the month and/or quarter.

2013-11

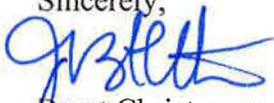
A Review Should Be Performed of Employee Approval Levels in the State Automated Accounting System (SSAS)

Response:

MDA does not concur with the finding. MDA feels the current manual procedures in place for all transactions are sufficient to prevent fraud. We feel that no additional protection from fraud is provided by performing these tasks in SAAS, but we will certainly take employee approval levels into consideration while preparing for the impending transition to MAGIC.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact Brian Daniel at (601) 359-2596.

Sincerely,



Brent Christensen
Executive Director



STATE OF MISSISSIPPI
PHIL BRYANT, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
BRENT CHRISTENSEN
EXECUTIVE DIRECTOR

Single Audit Management Response

April 1, 2014

Honorable Stacey E. Pickering
Office of the State Auditor
State of Mississippi
P. O. Box 849
Jackson, MS 38295-0956

Dear Mr. Pickering:

This letter is in response to the findings of the Single Audit Management Report of the Mississippi Development Authority (MDA) for the fiscal year that ended June 30, 2013. Our response is as follows.

**CFDA/Finding
Number**

Finding and Recommendation

REPORTING

Control Deficiency

Immaterial Noncompliance

14.228

Community Development Block Grant/State Program
Federal Award Number and Year: B-11-DC-28-0001; 2011
B-12-DC-28-0001; 2012

Oth-04

Controls Should Be Strengthened over Reporting Requirements

Response:

MDA concurs with the finding

Corrective Action Plan:

Reporting Bureau staff will reconcile all project approval recommendation memos to accounting records and CAPER reports. All approved projects during the time period will be included in the CAPER for the same time period. Before finalizing the CAPER, Reporting Bureau staff will print reports at the end of August and verify all expenditures for the reporting period July 1 through June 30.

SUBRECIPIENT MONITORING

Control Deficiency

Immaterial Noncompliance

14.228

Community Development Block Grant/State Program
Federal Award Number and Year: B-10-DC-28-0001; 2010

Oth-05

Controls Should Be Strengthened over Subrecipient Monitoring Requirements

Response:

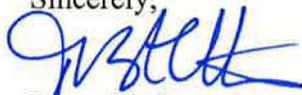
MDA concurs with the finding

Corrective Action Plan:

The Compliance Bureau Manager will implement a stronger supervisory review and ongoing training for the staff person(s) responsible for the audit process.

We appreciate the professional manner in which the audit team conducted the audit. If you have any questions concerning the response, please contact Steve Hardin at (601) 359-2366.

Sincerely,



Brent Christensen
Executive Director