



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

**Financial Audit Management Report**

March 20, 2015

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, 2014. Our response is as follows:

**MATERIAL WEAKNESS**

**2014-003      Controls over GAAP Reporting Packages Should be Strengthened**

**Response:**

MDA concurs with the finding.

**Corrective Action Plan:**

The MDA has made adjustments to our internal GAAP preparation procedures to account of the allowance for uncollectible loans receivables. In addition, the MDA will strengthen our internal procedures to more accurately categorize loan balances when possible.

*Continued*

**OTHER CONTROL DEFICIENCY**

**2014-01      Agency Should Ensure Adequate Segregation of Duties Within the Accounting System**

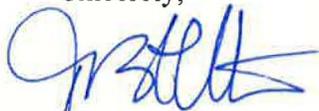
**Response:**

MDA does not concur with the finding. There are two types of controls when dealing with accounting systems, internal and external. MDA feels the manual (external) procedures in place for all transactions were sufficient to prevent fraud. We feel that no additional protection from fraud would have been provided by requiring these approvals to be performed in SAAS (internally).

*As a side note, the State of Mississippi recently implemented a new accounting system (MAGIC) and during the implantation process, MDA analyzed the approval levels of all agency employees and has made every effort to prevent the possibility that a single transaction could be processed through the system completely without multiple employees entering/approving the transaction.*

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

BC:bd