AT A GLANCE SUMMARY – COMPLIANCE AUDIT OF MISSISSIPPI AUCTIONEER COMMISSION

AUDIT RESULTS
The audit found multiple deficiencies and numerous instances of noncompliance with State Law. For detailed information regarding these findings, please refer to the full Compliance Report located on the Office of the State Auditor website (http://www.osa.ms.gov). The most egregious examples of inadequate internal controls and failure to comply with law included:

- Travel of the Executive Director did not appear to be necessary for the operations of Mississippi Auctioneer Commission (MAC) and is considered excessive. Over 10% of the overall expenditures of MAC were due to the Executive Director’s in-state travel. Over a three year period the Executive Director was paid over $38,000 in travel reimbursements.

- The Executive Director operates a private business and often advertised that she was available to meet clients during normal MAC business hours and often when she was in travel status with MAC. Additionally, the Executive Director’s personal cell phone was paid 100% by MAC and it is the primary contact number for her private business.

- The Executive Director has not submitted personal or medical leave for any period during the three years audited. On multiple occasions she submitted documentation that she worked 8 hours for MAC while reporting on social media that she was attending personal events.

- The Executive Director’s travel reimbursement requests often contradict her personal social media posts. For example, the reimbursement request might state that she was in one city but her social media reported that she was in a different city.

- Excessive purchases for janitorial supplies, office supplies and other consumables were made with MAC’s procurement card. Personal purchases were also made with the procurement card multiple times during the years under audit. Personal purchases include 13 high powered velocity fans, personalized tumblers, iTunes purchases, speakers, etc.

- The Commission did not meet in accordance with State Law and did not maintain any oversight over the operations of MAC.

- Inadequate procedures over financial affairs resulted in incorrect and untimely financial reports filed with Department of Finance and Administration, untimely transfers of state funds, and lack of any receipt logs.

CONCLUSION
The lack of compliance with state law and adequate internal controls have resulted in fraud, waste and abuse at the Mississippi Auctioneer Commission. The findings mentioned in this summary and detailed in the full report have been turned over to the Investigative Division of the Office of the State Auditor to determine if there is any potential criminal activity. Additionally, the commissioners of the Mississippi Auctioneer Commission should review the full report and determine appropriate corrective action to ensure that the agency fulfills its obligations to be good stewards of the taxpayers’ money and trust.

**BACKGROUND**

Under authority of Section 7-7-211 of the *Mississippi Annotated Code (1972)*, the Mississippi Office of the State Auditor (OSA) conducted an audit of compliance with Mississippi State Law and of internal control practices for the Mississippi Auctioneer Commission. The audit began May 2017 and was concluded in September 2017. The initial scope of the audit included only fiscal year 2015; however, due to pervasive deficiencies, the scope was expanded to include fiscal years 2016 and 2017. The Mississippi Auctioneer Commission (MAC) employs one full time staff as the Executive Director and is comprised of five Commissioners. MAC operates by authority of Title 73, Chapter 4 of the *Mississippi Annotated Code (1972)* and is funded by License Fees.

<table>
<thead>
<tr>
<th>Procurement Card Purchases</th>
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<tr>
<td>Personal Purchases</td>
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<td>31%</td>
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</table>
Expenditures by Type

- Salaries: 59%
- Travel: 2%
- Contractual Services: 28%
- Commodities: 11%
TRAVEL WAS CLAIMED FOR PONTOTOC, MS FOR APRIL 29, 2016. PONTOTOC IS 315 MILES FROM FOLSOM.

PHONE NUMBER LISTED IS AUCTIONEER COMMISSION PHONE.

TRAVEL FOR “AROUND TOWN” IN JACKSON, MS WAS CLAIMED FOR THURSDAY, JULY 2, 2015.

PHONE NUMBER LISTED IS AUCTIONEER COMMISSION PHONE.

TRAVEL FOR “AROUND TOWN” IN JACKSON, MS WAS CLAIMED FOR MARCH 10, 2016 AND MILEAGE WAS CLAIMED ON MARCH 11, 2016 FOR A SURPRISE INSPECTION.

BULLDOG CLASSIC WAS HELD MARCH 10TH–13TH

TRAVEL TO PHILADELPHIA, MS WAS CLAIMED ON MAY, 26, 2016; “AROUND TOWN” TRAVEL WAS CLAIMED FOR MAY 27, 2016 AND TRAVEL TO AN AUCTION CHECK WAS CLAIMED FOR MAY, 28, 2016.

MEMORIAL DAY WEEKEND WAS MAY 27TH–30TH.
EXECUTIVE DIRECTOR REPORTED AND RECORDED NO LEAVE ON THURSDAY, DECEMBER 10, 2015.

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EXECUTIVE DIRECTOR REPORTED AND RECORDED NO LEAVE ON TUESDAY, DECEMBER 29, 2015

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EXECUTIVE DIRECTOR REPORTED AND RECORDED NO LEAVE ON THURSDAY, JUNE 30, 2016.