



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

Management Letter #3 Regarding:

A Review of the Number of Employees at Nissan North America in Canton, Mississippi

October 20, 2010

Mr. Jeffrey Webster
Nissan North America, Inc.
300 Nissan Drive
Canton, MS 39046

RE: 2009 Nissan Employee Verification

Dear Mr. Webster:

Beginning on Monday, June 14, 2010, the Office of the State Auditor's Performance Audit Division (PAD) performed a limited review of the accuracy and reliability of the 2009 employee information of Nissan North American – Canton facility located in Canton, Mississippi. The audit consisted of utilizing Nissan's employee listing that was submitted to the Mississippi Development Authority (MDA). The purpose of the audit was to determine whether the reporting of the number of employees by Nissan was accurate for the purpose of receiving tax incentives from the State of Mississippi.

OSA traced employment data within the payroll section of Nissan's automated employee recordkeeping system. Performance Audit examined and verified three (3) data elements: date of hire; evidence that the employee was working as of December 31, 2009; and that employment was traceable to W-2 and W-4 tax forms. **Based on the OSA's test procedures, Nissan had no negative findings related to their employment record keeping and had 3,340 employees, which exceeds the requisite minimum number of employees.**

Sincerely,

A handwritten signature in cursive script that reads "Keyla Bradford".

Keyla Bradford
Performance Auditor

cc: Mississippi Development Authority