



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

Management Letter #11 Regarding:

A Review of the Number of Employees at Howard Industries in Ellisville, Mississippi

November 16, 2011

Mr. Chuck Mobley
Bureau Manager
Mississippi Development Authority
P. O. Box 849
Jackson, MS 39205

RE: 2008 Howard Industries Employee Verification

Dear Mr. Mobley:

Beginning on Monday, November 14, 2011, the Office of the State Auditor's (OSA) Performance Audit Division (PAD) performed a review of the accuracy and reliability of the 2008 employee information of Howard Industries (Howard) – Ellisville and Laurel facilities located in Jones County Mississippi. This review, originally scheduled for the fall of 2008, was delayed due to circumstances outside the control of either Howard Industries or the Office of the State Auditor.

The purpose of this audit was to determine whether Howard met its obligation to employ no fewer than 700 additional persons by July 1, 2008. This employment figure was an addition to their base employment of 2,039 persons reported at the effective date of the Memorandum of Understanding (MOU) dated April 15, 2003.

The audit utilized Howard's employee listing for July 1, 2008. From this listing, a 5% sample was chosen. PAD examined and verified the following data elements: date of hire, evidence that the employee was employed as of July 1, 2008, and that employment was traceable to W-2 and W-4 tax forms. In addition, employment data was traced to payroll documents provided by Howard. ***Based on the OSA's test procedures, only 5 out of 170 W-4s and 1 out of 170 time records were not provided during the audit. However, Howard had no significant findings related to their employment figures and OSA's procedures verified that Howard employed 3,373 persons on June 30, 2008; which exceeded the requisite minimum number of employees per the MOU.***

Sincerely,

A handwritten signature in blue ink that reads "Brandie Branch".

Brandie Branch
Performance Auditor

cc: Howard Industries