

# FORREST COUNTY MISSISSIPPI

## COMPLIANCE REPORT

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Compliance Special Reports

For the year ended *September 30, 2019*

**SHAD WHITE**

**State Auditor**

**Stephanie C. Palmertree, CPA, CGMA**

Director, *Financial and Compliance Audit Division*

**Derrick Garner, CPA, CFE**

Director, *Compliance Audit Division*



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## FORREST COUNTY

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FORREST COUNTY

**SPECIAL REPORTS**



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR**

**Shad White  
AUDITOR**

October 7, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE ANNOTATED (1972))**

Members of the Board of Supervisors  
Forrest County, Mississippi

We have examined Forrest County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code Annotated (1972)* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2019. The Board of Supervisors of Forrest County, Mississippi, is responsible for the County's compliance with those requirements.

Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Forrest County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Forrest County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory, bid requirements for the year ended September 30, 2019.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

Forrest County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended for use in evaluating Forrest County, Mississippi's compliance with the requirements above, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

STEPHANIE C. PALMERTREE, CPA, CGMA  
Director, Financial and Compliance Audit  
Office of the State Auditor

FORREST COUNTY

Schedule 1

Schedule of Purchases Not Made from the Lowest Bidder

For the Year Ended September 30, 2019

Our tests did not identify any purchases from other than the lowest bidder.



FORREST COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2019

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/25/2018	GEO Circulating Motor	12,152	Terry Service	Pump for geothermal system
7/8/2019	Wiring & Repair	3,050	Ico Tech, Inc.	Lightening strike
7/10/2019	Ice Machine	4,164	Mingledorff's	Ice Machine broken during excessive heat
8/24/2019	Os-scanner	1,575	Election Systems	Flooding damage

FORREST COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2019

Our tests did not identify any purchases from a sole source.

## Surety Bonds

### FORREST COUNTY

#### Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2019

UNAUDITED

Name	Position	Company	Bond
David Hogan	Supervisor District 1	Brierfield Insurance Company	\$100,000
Charles Marshall	Supervisor District 2	Brierfield Insurance Company	\$100,000
Burkett Ross	Supervisor District 3	Brierfield Insurance Company	\$100,000
Roderick Woullard	Supervisor District 4	Western Surety Company	\$100,000
Chris Bowen	Supervisor District 5	Brierfield Insurance Company	\$100,000
Betty Carlisle	County Administrator	Brierfield Insurance Company	\$100,000
Jimmy Havard	Chancery Clerk	Brierfield Insurance Company	\$100,000
Rochell Campbell	Purchase Clerk	Brierfield Insurance Company	\$75,000
Ashleigh Fontaine	Assistant Purchase Clerk	RLI Insurance Company	\$50,000
Marth Jane White	Receiving Clerk	Brierfield Insurance Company	\$75,000
Beverly D. Temple	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Brian Dewease	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Christa Little	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Clarissa Kelly	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Daniel L. Lee	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
David Mazingo	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Deann Dean Clay	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Debbie Smith	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Diane Zachary	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Donna Parker	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Doris Middleton	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Douglas Bolton	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Greg Gibson	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
James L. Murphy	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Joel G. Hill	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Luke Ellis	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Melanie Schneider	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Melissa Chambliss Pack	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Nancy Farris	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Nathanael Robertson	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Nickie Graham	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
O.B. Cooley	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Pamela Diane Williams	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Robbie Conway	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Robert Taylor	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Ronald D. Sellers	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Sandi D. Carter	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Shali Carter	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Shannon S Abney	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000

Susan Tew	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Tanya Berry	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Thomas Macdermont	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Tommy Pledger	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Virginia Culpepper	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Yvonne Herrington	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Paulette Jones Wallace	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Wallance Breland	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
John Matthew Burt	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Benjamin (Frank) Wade	Inventory Control Clerk	Brierfield Insurance Company	\$75,000
James Slade	Road Manager	Brierfield Insurance Company	\$100,000
Robert Taylor Jr.	Assistant Road Manager	Brierfield Insurance Company	\$50,000
Penny Steed	Chief Financial Officer	Brierfield Insurance Company	\$100,000
Amber Polk Jerrell	Chancery Clerk	Brierfield Insurance Company	\$50,000
	Comptroller		
Jennifer Brown - Travis	Constable	Brierfield Insurance Company	\$50,000
John Klem	Constable	Brierfield Insurance Company	\$50,000
Elbert Michael Harris	Constable	Traveler's Casualty & Surety Company	\$50,000
Tommy Joe Cook	Constable	Traveler's Casualty & Surety Company	\$50,000
Gwen Wilks	Circuit Clerk	Brierfield Insurance Company	\$100,000
William (Billy) R. McGee	Sheriff	Brierfield Insurance Company	\$100,000
Burnice (Wes) Curry	Justice Court Judge	Brierfield Insurance Company	\$50,000
Gay Polk-Payron	Justice Court Judge	Brierfield Insurance Company	\$50,000
Robert Davis	Justice Court Judge	Brierfield Insurance Company	\$50,000
Zachary Monroe Vaughn	Justice Court Judge	Brierfield Insurance Company	\$50,000
Keitha Sparkman Scott	Justice Court Clerk	Brierfield Insurance Company	\$50,000
Bethanie Carlisle	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Cheryl Holder	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Faye Moffett	Deputy Justice Court Clerk	Brierfield Insurance Company	\$75,000
Juanita Wilson	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Louise V. Jackson	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Patricia Watts	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Temeraka Garner	Deputy Justice Court Clerk	RLI/Southgroup Insurance Company	\$50,000
Keiaundria Lester	Deputy Justice Court Clerk	RLI/Southgroup Insurance Company	\$50,000
Kayla Dawn Labone	Deputy Justice Court Clerk	RLI/Southgroup Insurance Company	\$50,000
April Chmiel	Deputy Justice Court Clerk	RLI/Southgroup Insurance Company	\$50,000
Sonja Thompson	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Lacrecia Travis	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Loren Courtney	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Delbert Dearman	Tax Collector	Brierfield Insurance Company	\$100,000

Mary Ann Palmer	Tax Assessor	Brierfield Insurance Company	\$100,000
Bryan Hunter	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Cassie Brantley	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Quitman Griffin Jr.	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Richard Tew	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Sandra Brady	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Yvonne Herrington	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Bruce Templeton	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Addie Cognevich	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Daniel Patrick Frank	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Travis M. Clark	Deputy Tax Assessor	Brierfield Insurance Company	\$25,000
Alice E. Downs	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Janet Latham	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Lori L. Ellington	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Malcolm Berch	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Peggy Jean Ballard	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Valerie Leeper	Deputy Tax Collector	RLI/Southgroup Insurance Company	\$50,000
Charla Dunlap	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Elsie Bass	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Shelly Simmons	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Wanda Lee	Deputy Tax Collector	RLI Insurance Company	\$50,000
Tracey Parker	Deputy Tax Collector	RLI Insurance Company	\$50,000
Robbie Conway	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Jennifer Sherrer	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Paula D. Johnson	Deputy Tax Collector	RLI Insurance Company	\$50,000
Sandra C. Wilson	Deputy Tax Collector	RLI Insurance Company	\$50,000
Stephanie R. Smith	Deputy Tax Collector	RLI Insurance Company	\$50,000
Zachary Howell	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Rhonda Creel	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Chasity Nichole Pierce	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Lisa Benson	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Rebecca Bunch	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000
Hope Ann Dement	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000
Carolyn Nelson	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000
Debbie Smith	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000
Brittany Stuart	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
Shad White  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Forrest County, Mississippi

In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions to ensure compliance with legal requirements. The scope of our review covered the 2019 Fiscal Year.

We have performed some additional limited internal control and state legal compliance review procedures, as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

**Board of Supervisors.**

**Finding 1:** Public Officials Should Ensure Compliance with State Law concerning the Approving and Documenting of the Duties of the Road Manager.

**Applicable State Law:** *Section 65-17-1(2), Mississippi Code Annotated (1972)*, states, "The board of supervisors shall adopt the general policies to be followed in the administration of the county road department and shall appoint as administrative head of the county road department a county road manager who shall be educated or experienced in the construction and maintenance of highways, bridges and other facets of county highway responsibilities... The county road manager, under the policies determined by the board of supervisors and subject to the board's general supervision and control, shall administer the county road department, superintend the working, construction and maintaining of the public roads and the building of bridges in such county, and carry out the general policies of the board in conformity with the estimates of expenditures fixed in the annual budget as finally adopted by the board or as thereafter revised by appropriate action of the board. All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system."

**Finding Detail:** During procedures performed of Forrest County's personnel policies and Board minutes, we noted the Board does not have written personnel policies and procedures for the duties of the Road Manager. The County is in violation of *Mississippi Code Section 65-17-1(2)*.

Failure to document and approve the job description for the Road Manager resulted in noncompliance with *65-17-1(2)* and could result in a lack of transparency and loss of public trust.

**Recommendation:** We recommend the Board of Supervisors document adoptions of the approved job description for the Road Manager's position, ensuring compliance with state law.

**Official Response:** While the quoted statute does not reference a required job description, the Board will draft and adopt the same at its next regularly scheduled meeting.

**Auditor's Note:** The above statute specifically states, the Board shall adopt policies and procedures for the administration of the County's Road Manager under the Board of Supervisors' direction.

**Repeat Finding:** No.

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**Finding 2:** Public Officials Should Ensure Compliance with State Law over the Inspections of Roads and Bridges.

**Applicable State Law:** *Section 65-7-117, Mississippi Code Annotated (1972)*, states, "Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on the file for three (3) years."

**Finding Detail:** During the review of Board minutes and inquiry of County personnel, we noted the Board of Supervisors did not inspect every road, bridge, and ferry in each district annually and spread upon its minutes. Failure to inspect every road, bridge, and ferry in each of the County's districts resulted in noncompliance with *Mississippi Code Section 65-7-117*.

**Recommendation:** We recommend the Board of Supervisors inspect all roads, bridges, and ferries in each of the County's district annually, ensuring compliance with state law.

**Official Response:** Acknowledged.

**Repeat Finding:** No.

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### **Board of Supervisors and Chancery Clerk.**

**Finding 3:** Public Official Should Ensure Compliance with State Laws over Restoration Contracts.

**Applicable State Law:** *Section 19-15-1, Mississippi Code Annotated (1972)*, requires the county may contract with the Chancery Clerk for the preservation of any record deemed by the board of supervisors to be essential to the operation of government or containing information necessary to protect the rights and interests of persons or to establish and affirm the powers and duties of governments in the resumption of operations after the damage or destruction of the original records. There must be a contract with the Chancery Clerk which specifies the duties to be performed. The preservation of records must be in accordance with a records control schedule approved by the Local Government Records Committee as provided in *Section 25-60-1*.

**Finding Detail:** During the review of Chancery Clerk's fee journal, we noted the Board of Supervisors did not have a contract with the Chancery Clerk for the preservation of records while in office; however, the Chancery Clerk was paid for

these services. Failure to have a valid contract on file within the County resulted in the Board of Supervisors and Chancery Clerk being in violation of *Mississippi Code Section 19-15-1*.

**Recommendation:** We recommend the Chancery Clerk ensure a valid and approved contract is signed with the Board of Supervisors for the preservation of records, as required by law.

**Official Response:** Although *Code Section 19-15-1* neither distinguishes the Clerk from other vendors contacted for these purposes nor requires that "there must be a contract with the Chancery Clerk which specifies the duties to be performed." The Board of supervisors will formalize the longstanding arrangement with the Clerk via contract at its next regularly scheduled meeting.

**Auditor's Note:** As stated above, *Section 19-15-1, Mississippi Code (1972)*, requires that the County's Board of Supervisors should have an approved contract with the Chancery Clerk for the preservation of records.

**Repeat Finding:** No.

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#### **Chancery Clerk.**

**Finding 4:** Public Officials Should Strengthen Internal Controls over the Reconciliation of Bank Statements and Fee Journal.

**Applicable State Law:** An effective system of internal controls over cash should include maintaining a fee journal and reconciling the bank statements monthly to the fee journal.

**Finding Detail:** During the testing of the Chancery Clerk's 2019 bank statements and fee journal, we noted the bank statements were not monthly reconciled to the fee journal. The Chancery Clerk did not have the necessary controls in place over cash. Failure to reconcile the bank statements to the fee journal could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the Chancery Clerk strengthen controls to ensure the bank statements are reconciled to the fee journal monthly.

**Official Response:** We are in disagreement with this finding, as our bank statement for the Chancery Clerk fee journal was reconciled for December, as well as the accrual entries for January to close the Clerk's books and submit to the Audit Department and PERS as a retired clerk choosing not to run for the FY 20 term. We also submitted to you a February and March statement showing the account closing. I have attached the December fee journal showing the end of December figures and the bank reconciliation for the same. Then you see the accruals (January) that occurred in January and were balanced to the January bank statement, including pulling these accruals into the December month by month for complete closeout reporting on the PERS statement. You were sent the February and March statements showing the final closing of the account for this clerk.

**Auditor's Note:** As noted by the State Auditor's Office, the fee journal is on a cash basis, not on an accrual. Also, the bank statements must be reconciled to the cash balance of the fee journal every month. Additionally, based on testing performed, the December 2019 bank statement does not reconcile to the fee journal cash balance.

**Repeat Finding:** No.

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#### **Circuit Clerk.**

**Finding 5:** Public Officials Should Ensure Compliance with State Law over Fee Journal Expenses.



**Applicable State Law:** *Section 9-1-43, Mississippi Code Annotated (1972)*, limits the compensation of the Chancery Clerk to \$90,000 after making deductions for employee salaries and related salary expenses and expenses allowed as deduction by Schedule C of the Internal Revenue Code. A business expense must be both ordinary and necessary to be deductible. All fees received in excess of this amount, less any allowable expenses, are to be paid to the County's General Fund on or before April 15 for the preceding calendar year.

The Chancery Clerk is allowed expense deductions on the fee journal and annual report if they are valid on the IRS Schedule C expenses. The Chancery Clerk is also responsible for ensuring that all expenditures allowed under the IRS Schedule C expenses are documented and properly supported.

**Finding Detail:** During the testing of the Circuit Clerk's fee journal expense, we noted disallowed expenses totaling **\$838** due to the lack of invoices for 2019. Failure to maintain proper documentation for all expenses resulted in \$838 in disallowed expenses claimed by the Circuit Clerk.

**Recommendation:** We recommend the Circuit Clerk ensure all expenses within the fee journal are correctly invoiced, documented, and maintained, as required by law.

**Official Response:** Due to an oversight, receipts were not kept for these transactions.

**Repeat Finding:** No.

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**Finding 6:** Public Officials Should Strengthen Internal Controls over the Reconciliation of Bank Statements and Fee Journal.

**Internal Control Deficiency:** An effective system of internal controls over cash should include maintaining a fee journal and reconciling the bank statements to the fee journal.

**Finding Detail:** During the testing of the Circuit Clerk's December 2019 bank statements and fee journal, we noted the bank statements were not reconciled to the fee journal. The Circuit did have the necessary controls in place over cash.

Failure to reconcile the bank statements to the fee journal could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the Circuit Clerk strengthen controls to ensure bank statements are reconciled to the fee journal monthly.

**Official Response:** The previous employee who controlled the fee account did not know to reconcile bank statement to fee journal. It had not been brought to our attention before this time that we need to do so. As of January 2020, that is being done on a monthly basis.

**Repeat Finding:** No.

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## **Sheriff**

**Finding 7:** Public Officials Should Strengthen Controls and Ensure Compliance with State Law over Deposits.

**Internal Control Deficiency:** An effective system of internal controls should include monitoring of the maintenance and reconciliation of records documenting revenue collections. The Sheriff should maintain on daily basis receipts and expenditures as they occur along with the date, receipt, or check number, payor or payee, and amount. Also, the deposits should be made in a timely manner.

**Applicable State Law:** *Section 25-1-72, Mississippi Code Annotated (1972)*, states, "All county officers who receive funds payable to the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."

**Finding Detail:** During the testing of the Sheriff Department's receipts, we noted eleven (11) of fifteen (15) receipts were deposited four (4) to ten (10) days late. Failure to make timely deposits could result in the misappropriation of public funds and the noncompliance with *Mississippi Code Section 25-1-72*.

**Recommendation:** We recommend the Sheriff implement controls to ensure deposits are made daily, as required by law.

**Official Response:** We will implement procedures to ensure deposits are made in compliance with State Law. If the designated individual cannot make the deposit, the designee will make the deposit.

**Repeat Finding:** No.

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**Finding 8:** Public Officials Should Ensure Compliance with State Laws over Canteen Service Contracts.

**Applicable State Law:** *Section 19-3-81, Mississippi Code Annotated (1972)*, states, "In lieu of the authority to operate an inmate canteen facility under subsection (1) of this section, the board of supervisors of any county, in its discretion, may authorize the sheriff to contract with a private company for the provision of commissary services to inmates of the county jail." Additionally, no contracts should exceed the term of office.

**Finding Detail:** During the review and inquiry of the Sheriff Department's canteen services, we noted there was no contract for the canteen services for the County Jail noted with Inmate Supply, LLC, for 2019. The Sheriff nor the Board of Supervisors had a valid contract for its canteen services.

Failure to have a contract with the County Jail's canteen service resulted in the violation of *Mississippi Code Section 19-3-81*, and could result in the misappropriation of public funds.

**Recommendation:** We recommend the Board of Supervisors and the Sheriff ensure there is a valid and approved contract on file for its canteen services, which does not extend beyond their terms of office, as required by law.

**Official Response:** I did not take office until January 6, 2020. I have since requested bid proposals and received approval through the Board of Supervisors to enter into a contract for commissary services.

**Repeat Finding:** No.

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**Board of Supervisors, Tax Assessor, and Tax Collector.**

**Finding 9:** Public Officials Should Ensure Compliance with State Laws over Inter-local Agreements.

**Applicable State Law:** *Section 17-11-13, Mississippi Code Annotated (1972)*, states, "Every agreement made by a local governmental unit hereunder shall, prior to and as a condition precedent to its entry into force, be submitted to the Attorney General of this state who shall determine whether the agreement is in proper form and compatible with the laws of this state. No agreement may be considered that does not cite the specific authority under which each of the local governing units involved may exercise the powers necessary to fulfill the terms of the joint agreement. The Attorney General shall approve any such agreement submitted to him hereunder unless he shall find that it does not meet the conditions set forth herein and elsewhere in the laws of this state and shall detail in writing addressed to the governing bodies of the units concerned the specific respects in which the proposed agreement fails to meet the requirements of law."

As noted by the *Mississippi Attorney General*, the inter-local agreements predate the terms of office of the current county and municipal governing authorities, neither are bond by the subject of the inter-local agreement

**Finding Detail:** During the review of Forrest County Tax Assessor's and Tax Collector's inter-local agreements, we noted the following:

- The inter-local agreement with the City of Hattiesburg has not been renewed since 2008; and
- The inter-local agreement with the City of Petal has not been renewed since 2004.

Failure to renew inter-local agreements with each new term of office could result in the Tax Assessor and Tax Collector being overpaid and resulted in the new Board of Supervisor Members and City Council Members being responsible for the prior Board's liability.

**Recommendation:** We recommend the Tax Assessor, Tax Collector, and Board of Supervisors ensure there are new inter-local agreements approved with each new term of office, as required by law.

**Official Response:** The Attorney General has consistently opined that such agreements are voidable by successor officials but not void in the absence of related action. See e.g., MS ag Op., Fair (Feb. 21, 2014). No such action has been taken by any party to the agreement in question, which explicitly provides for automatic annual renewal in the absence of written notice termination. Accordingly, it is the considered opinion of the Tax Collector, the Tax Assessor, and the Board of Supervisors that the agreements remain valid without the need for formal renewal.

**Auditor's Note:** *Mississippi Attorney General Opinion 2014 WL 988337*, which as noted above, states, "However, the Mississippi Supreme Court, as well as official opinions of this office, have held that governing authorities may not bind successors in office in the exercise of their discretionary authority... See MS AG Op., Horton (February 10, 2006), wherein we stated, "governing authorities may not bind their successors in office to contracts which remove rights and powers conferred by law, unless there is express authority to do so." Assuming this inter-local agreement predates the term of office of the current county and municipal governing authorities, it is our opinion that the current county and municipal governing authorities are not bound to continue the subject inter-local agreement.

Therefore, as stated in the finding above, the inter-local agreement must be updated at the beginning of each new term not to exceed four (4) years.

**Repeat Finding:** No.

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### **Board of Supervisors and Payroll Clerk.**

**Finding 10:** Public Officials Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

**Applicable State Law:** *Section 25-11-127(4), Mississippi Code Annotated (1972)*, states, "Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment."

*PERS Board Regulation 34, Section 105*, states, "To lawfully employ a PERS service retiree under *Section 103*, the employer must notify PERS in writing of the terms of the eligible employment within five (5) days from the date of employment and also from the date of termination on a form prescribed by the Board.

**Finding Detail:** During the review of twenty (20) Forrest County's PERS Form 4Bs, we noted the following:

- All twenty (20) PERS Form 4Bs did not have evidence of being filed within five (5) days;
- Four (4) amended PERS Form 4Bs were not filed within five (5) days of Board approved salary increases; and
- One (1) retiree was overpaid \$62 based on PERS report.

The Board of Supervisors and Payroll Clerk did not ensure the PERS Forms were not properly completed, retirees were overpaid, and not filed within five (5) days of rehire, the County is not in compliance with *Mississippi Code Section 25-11-*

127(4). Failure to file 4Bs as required resulted in the overpayment of the retirees and could result in the County being assessed penalties by PERS.

**Recommendation:** We recommend the Board of Supervisors and Payroll Clerk ensure the County complies with *Section 25-11-127(4)* by properly completing, filing, and paying the appropriate salaries according to the Form 4Bs for rehires.

**Official Response:** We acknowledge that any change in employment status or compensation must be reported within 5 days and will do in the future.

**Repeat Finding:** No.

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#### **Justice Court Judge.**

**Finding 11:** Public Officials Should Ensure Compliance with State Laws over the Filing of a Statement of Economic Interest Each Year by May 1<sup>st</sup>.

**Applicable State Law:** *Section 25-4-25, Mississippi Code Ann. (1972)*, provides that "Each of the following individuals shall file a statement of economic interest with the commission in accordance with the provisions of this chapter: a) Persons elected by popular vote..."

*Section 25-4-29, Mississippi Code Ann. (1972)*, provides that "1) Required statements hereunder shall be filed as follows: a) Every incumbent public official required....to file a statement of economic interest shall file such statement with the commission on or before May 1 of each year that such official holds office, regardless of duration.....2) Any person who fails to file a statement of economic interest within thirty (30) days of the date of the statement is due shall be deemed delinquent by the commission...a fine of Fifty Dollars (\$50.00) per day, not to exceed a total fine of One Thousand Dollars (\$1,000.00) shall be assessed against the delinquent filer for each day thereafter in which the statement of economic interest is not properly filed. The commission shall enroll such assessment as a civil judgment with the circuit clerk in the delinquent filer's county of residence..."

**Finding Detail:** During our review of the Statement of Economic Interest, we noted one (1) Justice Court Judge did file the Statement of Economic Interest before the required date of May 1<sup>st</sup>, 2019. Failure to file the required Statement could result in the assessment of fines and enrollment of civil judgment against all non-compliant elected officials.

**Recommendation:** We recommend the Justice Court Judge file a Statement of Economic Interest each year, as required by *Section 25-4-25*.

**Official Response:** This completely slipped my mind, and upon notice, I immediately took steps to rectify the situation. My filings are now up to date and current. Thank you for bringing this to my attention, and I will endeavor not to let this slip past my attention again.

**Repeat Finding:** No.

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#### **Board of Supervisors and Chancery Clerk.**

**Finding 12:** Public Officials and Employees Should Ensure Compliance with State Law over Surety Bonding Requirements.

**Applicable State Law:** *Section 25-1-15(2), Mississippi Code Annotated (1972)*, requires public employs that are required to give individual bond to obtain a new bond at least every four years concurrent with the County's normal election cycle.

*Section 25-1-19, Mississippi Code Annotated (1972)*, requires all bonds for public employees should be approved by the Board of Supervisors, and these bonds should be filed and recorded in the Chancery Clerk's Office; however, the Chancery Clerk's bond should be filed in the Circuit Clerk's office.

**Finding Detail:** During the procedures performed on surety bonds, we noted the following noncompliance:

- The Chancery Clerk's bond was not filed in the Circuit Clerk's office; and
- One (1) Justice Court Clerk's bond was not filed in the Chancery Clerk's office until May 14, 2020.

A Continuation Certificate is a document that extends the life of the original surety bond and covers only the current period rather than both the current and previous periods. During the testing of the surety bonds, we noted the bonds of the following County officials and employees were either with a Continuation Certificate:

- One (1) Board of Supervisor;
- County Administrator;
- Chief Financial Officer;
- Chancery Clerk Comptroller
- Purchase Clerk;
- Forty (40) Assistant Receiving Clerks;
- Inventory Clerk;
- Eight (8) Deputy Circuit Clerks;
- Justice Court Clerk;
- Twelve (12) Deputy Justice Court Clerks;
- Thirteen (13) Deputy Tax Collectors;
- Eleven (11) Deputy Tax Assessors;
- Road Manager;
- Assistant Road Manager; and
- Forty-three (43) Deputy Sheriffs.

Failure to have a bond in place for a specific term could limit the amount of available for recovery if a loss occurred over multiple terms, as well as the current term.

**Recommendation:** We recommend the Board of Supervisors ensure that County officials and employees' bonds meet the requirements of State Laws.

**Official Response:** Acknowledge and corrected for the future.

**Repeat Finding:** No.

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Forrest County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information, and use of management, the Board of Supervisors, and others within the County and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,

STEPHANIE C. PALMERTREE, CPA, CGMA  
Director, Financial and Compliance Audit  
Office of the State Auditor