

# HARRISON 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*



*The Office of the State Auditor does not discriminate on the basis of  
race, religion, national origin, sex, age or disability.*

# HARRISON COUNTY

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## HARRISON COUNTY

### **SPECIAL REPORTS**



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

**Shad White  
AUDITOR**

February 28, 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  
Harrison County, Mississippi

We have examined Harrison 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 Harrison 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 Harrison 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.

The results of our procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our findings, recommendations, and your responses are disclosed below:

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**Board of Supervisors.**

**Finding 1:** Public Officials Should Ensure Compliance with State Law over Purchases.

**Applicable State Laws:** *Section 31-7-103, Mississippi Code Annotated (1972)*, requires a requisition, purchase order and receiving report for all purchases except for those items enumerated by the Office of the State Auditor under the authority of *Section 31-7-113, Mississippi Code Annotated (1972)*, and except for purchases of not more than \$1,500.

*Section 31-7-13(b), Mississippi Code Annotated (1972)*, states that purchases which involve an expenditure of more than \$5,000 but not more than \$50,000, maybe made without publishing or posting advertisement for bids, provided at least two competitive written bids have been obtained.

**Finding Detail:** During the testing of twenty (20) Central Purchasing, we noted the following noncompliance with state law:

- Sixteen (16) 55” inch televisions and super slim fixed television walls from Best Buy did not have bids/quotes totaling **\$5,840**;
- One (1) purchase from Absolute Print Solutions did not have purchasing documentation totaling **\$16,819**; and
- One (1) invoice for the purchase of furniture from Dedeaux Clan Furniture was dated before the requisition and purchase order totaling **\$18,050**.

**Recommendation:** We recommend the Board of Supervisors ensure that the Purchase Clerk comply with Mississippi State purchasing laws.

**Official Response:** Will discuss the due diligence with Purchasing Department to assure all quotes have clarity of breakdown. We will communicate with appropriate departments that all Election Ballots should have a requisition entered for P.O. assignment. We will reiterate the due diligence requirement to assure no invoices are dated prior to the purchase order.

**Repeat Finding:** No.

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

**Finding 2:** Public Officials Should Ensure Compliance with State Purchasing Laws over Purchase Schedules.

**Applicable State Laws:** The County has relied on letters from vendor for defining sole source providers; however, by definition of sole source in Mississippi purchase law and as defined by the Attorney General of Mississippi, vendors cannot claim sole source distinction based on trademark or copyright of a brand.

*Attorney General Opinion No. 2012-00158*, states, “The ultimate gold of the public purchasing statue, found at *Mississippi Code Annotated Section 31-7-13*, is to encourage competition to ensure efficiency and economy in purchases made by public entities. In fact, *Section 31-7-13(c)(iv)(l)*, specifically prohibits a public entity from writing bid specifications that exclude comparable equipment. However, clearly, the Legislature intended, in its adoption of *Section 31-7-13(c)(iv)(l)*, to create an exemption to that prohibition. *Section 31-7-13(c)(iv)(l)* provides the following: Specification pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. However, if valid justification is presented, the Department of Finance and Administration or the board of a governing authority may approve a request for a specific equipment necessary to perform a specific job. Further, such justification, when placed on the minutes of the board of a governing authority, may service as authority for that governing authority to write specifications to require a specific item of equipment needed to perform a specific job...”

*Section 31-7-115, Mississippi Code Annotated (1972)*, states, “The State Auditor, or certified public accounts employed by the State Auditor, shall, upon the close of the fiscal year of the county, make an audit of the books, records, supporting documents and other data of the county purchase clerk and the inventory control clerk. The Auditor shall review the county’s compliance with *Section 31-7-13(d)*, *(k)* and *(m)*. The audit report shall include a schedule of purchases not made from the lowest bidder under the authority of *Section 31-7-13(d)*, with the reasons given therefor. The audit report shall include a schedule of emergency purchases made under the authority of *31-7-13(k)*. The audit report shall include a schedule of purchases made noncompetitively from a sole source under the authority of *Section 31-7-13(m)*...”

**Finding Detail:** During the review of Harrison County’s purchase schedules and Board minutes, we noted the Board of Supervisors approved the following purchases as sole source based on letters from vendors:

- Metrix Solutions - Rocket moves and car upgrades in the Sheriff vehicles totaling **\$21,524**;
- Adapco, Inc – One (1) monitor 4S tracking system for mosquito control totaling **\$5,250**;
- Metrix Solutions - Four (4) body worn cameras & accessories totaling **\$7,960**;
- Election Systems & Software – Ten (10) Model DS200 election scanners totaling **\$59,550**;
- Axxon Enterprises – Twenty (20) tasers for the Sheriff Department totaling **\$30,760**;
- Axxon Enterprises – One (1) handheld backscatter canning device totaling **\$53,250**;
- Adapco, Inc. – Bayer Delta-guard insecticide totaling **\$13,279**;
- Clarke Mosquito Control Products, Inc. – Corteva natular G-30 granule totaling **\$5,680**;
- Adapco, Inc. – Bayer Delta-guard insecticide totaling **\$11,254**;
- TCS Ware, Inc. – Fixed camera licensed plate reader totaling **\$32,995**;
- Transcend Robitics – Vantage F3 Robot w/chemical delivery system totaling **\$28,785**;
- Styker Sales Corporation – Medical equipment totaling **\$75,244**;
- First Arriving, LLC – Public safety marketing and digital dashboard services totaling **\$9,192**; and
- KeyTrak, Inc. – Guardian electronic key distribution system totaling **\$15,115**.

**Recommendation:** We recommend the Board of Supervisors ensure to compliance with *Section 31-7-13(c)(iv)(l), Mississippi Code (1972)*, by properly following state purchasing laws at all times.

#### **Official Responses:**

**Purchase Clerk's Response:** Moving forward, I will attach my research notes, documents, etc. as back-up to include with sole source letters once sole source is in fact confirmed and approved for the Board's agenda.

**Board of Supervisors' Response:** The Board of Supervisors will make sure that any sole source purchases will have adequate documentation substantiating that the purchase is in fact a sole source item and this documentation will be spread on he minutes.

**Repeat Finding:** No.

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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)*.

Harrison 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 Harrison County, Mississippi's compliance with the aforementioned requirements, 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

HARRISON 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 made from other than the lowest bidder.



HARRISON 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>
10/2/2018	Labor & material to repair elevators	\$5,255.90	Coast Elevator	Emergency repair to jail elevator
11/6/2018	Labor & material for chiller	\$7,745.84	Engineered Cooling Services, Inc.	Emergency repair for chiller out at Justice Court
11/10/2018	Labor & material to repair glass & frame east side of Gulfport Courthouse	\$18,645.00	Dunaway Glass	Driver ran truck through east side of Gulfport Courthouse
11/13/2018	Install 25 ton A/C unit rental for Justice Court	\$7,966.45	Engineered Cooling Services, Inc.	Emergency rental of A/C unit until circuit board arrived for Justice Court building
12/12/2018	Labor & material to replace storm shutters east side of Gulfport Courthouse	\$28,500.00	Overhead Door Company of Hattiesburg, Inc.	Driver ran truck through east side of Gulfport Courthouse
12/17/2018	Labor & materials to replace hydraulic packing seals & doors of elevators	\$12,403.20	Coast Elevator	Repair to elevators at Orange Grove library
1/10/2019	Labor & materials to replace pressure switch at Gulfport Courthouse	\$7,871.00	Millerco, Inc.	Replace pressure switch on left bank at Gulfport Courthouse
1/11/2019	Labor & materials to replace 5 pilings on Cuevas-Delisle bridge	\$48,500.00	BEB Enterprises	Replace 5 wooden pilings on bridge with steel and concrete pilings
1/24/2019	Labor & materials to repair transmission on Engine 5 fire truck	\$6,694.45	Johnson Diesel	Repair to Engine 5 fire truck transmission control and coolant system leak
1/29/2019	Labor & materials to repair water line repair	\$7,450.46	Ray C. Weaver Mechanical	Repairs to main water line at jail
2/15/2019	Labor & materials to repair first stage circuit condensor coil w/freon leak	\$12,015.46	Geiger Heating & Air	Repairs to first stage circuit coil at jail
3/6/2019	Labor & materials to repair circuit B condensor coil & the exchange	\$16,968.82	Geiger Heating & Air	Repairs to circuit B condensor coil & exchange at jail
3/6/2019	Supply & install bypass and back flow preventor	\$15,125.00	Danny Miller Plumbing	Installation of bypass & back flow preventor at jail
4/22/2019	Repair of fueling system at Lyman work center	\$25,723.00	MME, Inc.	Replace two single product diesel fuel pumps w/hoses, nozzles, breakaways & swivels
5/8/2019	Labor & materials to check leak to west chiller at Gulfport courthouse	\$22,287.00	Engineered Cooling Services, Inc.	Repair leaks to west chiller and replace refrigerant
7/10/2019	Labor & material to replace and encase 7 pilings at Bell Creek Road bridge	\$39,000.00	BEB Enterprises	Replace 7 pilings at Bell Creek Road bridge
7/22/2019	Repairs to Engine 8 fire truck	\$5,070.54	Sunbelt Fire Apparatus	Parts & labor to repair brakes on vehicle & do a safety check of asset #25267
8/19/2019	Labor & material to repair condensor coil & VFD at Gulfport library	\$8,637.00	Engineered Cooling Services, Inc.	Condensor & VFD went out at Gulfport library

HARRISON COUNTY

Schedule 3

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
7/1/2019	Soter RS full body security scanning system	123,750	OD Security North America

HARRISON COUNTY				
Schedule of Surety Bonds for County Officials				
For the Year Ended September 30, 2019				
UNAUDITED				
Name	Position	Company		Bond
Beverly Martin	Supervisor District 1	Fidelity and Deposit Company		\$50,000
Angel Kibler-Middleton	Supervisor District 2	Fidelity and Deposit Company		\$50,000
Marlin Roger Ladner	Supervisor District 3	Fidelity and Deposit Company		\$50,000
Kent Jones	Supervisor District 4	Fidelity and Deposit Company		\$50,000
Connie Rockco	Supervisor District 5	Fidelity and Deposit Company		\$50,000
Pamela J. Ulrich	County Administrator	Fidelity and Deposit Company		\$100,000
John T. McAdams	Chancery Clerk	Hartford Insurance Company		\$100,000
Jody Webster	Purchase Clerk	Fidelity and Deposit Company		\$75,000
Shannon D. Carnes	Receiving Clerk	Fidelity and Deposit Company		\$75,000
Brooke LaBega	Inventory Control Clerk	Fidelity and Deposit Company		\$75,000
James Morgan	Constable	Ohio Casualty Insurance Company		\$50,000
Paul Johnson	Constable	Fidelity and Deposit Company		\$50,000
Alan Weatherford	Constable	Fidelity and Deposit Company		\$50,000
Sammie Taylor	Constable	Fidelity and Deposit Company		\$50,000
Jeffrey Miguez	Constable	Fidelity and Deposit Company		\$50,000
Connie Ladner	Circuit Clerk	Fidelity and Deposit Company		\$100,000
Lisa Brawner	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Karla Brown	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Michelle Carden	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Olivia Comaduran	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
April Davis	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Reagan Feeley	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Kimberly Fore	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Yokeisha Harper	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Peggy Harvey	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Stewart Lee	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Michelle Marroy	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Paige Miller	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Jill Moran	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Ashley Morgan	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Cody Nash	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Jillian Necaise	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Marie Niolet	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Barry Pickreign	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Stephanie Ritter	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Toni Ross	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Jennifer Smith	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Kamisha Taylor	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Chrishona Wade	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Justin Wetzel	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Jamie White	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Brenda Whitworth	Deputy Circuit Clerk	Fidelity and Deposit Company		\$50,000
Troy Peterson	Sheriff	Fidelity and Deposit Company		\$100,000
Albert Fountain	Justice Court Judge	Fidelity and Deposit Company		\$50,000
David B. Ladner	Justice Court Judge	Fidelity and Deposit Company		\$50,000

Louise D. Ladner	Justice Court Judge	Fidelity and Deposit Company	\$50,000
Melvin J. Ray	Justice Court Judge	Fidelity and Deposit Company	\$50,000
Bruce Strong	Justice Court Judge	Fidelity and Deposit Company	\$50,000
Greg Illich	Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Krisit Brackett	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Elizabeth Cash	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Allan Cramer	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Tiffany Duvic	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Cynthia Eighmey	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Mary Mrtha Evans	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Erin Gassman	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Devin Gist	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Judy E Irons	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Ashley Ladner	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Tammy Ladner	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Jacqueline McBride	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Amanda McKay	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Rebecca Meakins	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Melanie Romero	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Merry Savoy	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Linda Woodall	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Melissa Randall Yarber	Deputy Justice Court Clerk	Fidelity and Deposit Company	\$50,000
Elmer Flurry	Tax Assessor	Fidelity and Deposit Company	\$100,000
David V. LaRosa Sr.	Tax Collector	Fidelity and Deposit Company	\$100,000
Doerr, Terry L	Deputy Tax Assessor	N/A	N/A
Grubbs, Debbie Q	Deputy Tax Assessor	N/A	N/A
Heuser, Michael S	Deputy Tax Assessor	N/A	N/A
Ladner, Paula S	Deputy Tax Assessor	N/A	N/A
Lee, Paul K	Deputy Tax Assessor	N/A	N/A
McLaughlin, Raffie D	Deputy Tax Assessor	N/A	N/A
Parker, Melissa J	Deputy Tax Assessor	N/A	N/A
Stinziano, Robert	Deputy Tax Assessor	N/A	N/A
Wells JR, John T	Deputy Tax Assessor	N/A	N/A
Winchester, William E	Deputy Tax Assessor	N/A	N/A
Bankston, Alexis N	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Barnett, Jordan L	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Barnett, Julie E	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Bonomo, Carolyn A	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Bourg, Kelsie J	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000

DENNIS, SHANTE	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Ellis, Casey M	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Gonzalez, Caitlin	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Hebert, Nicholas	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Jackson, Anita M	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Ladnier, Rachelle J	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Mason, Crystal	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Meaut, Angela M	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Mercer, Marjorie A	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Nash, Sharon D	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Necaise, Arielle K	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Nguyen, Vivian V	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Rhodes, Victoria L	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Rodriguez, Katlyn	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Ross, Jennifer P	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Secrist, Nancy A	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Slaton, Lillie	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Trisotto, Katherine E	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Warrick, Ashley	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Weems, Robin M	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Williams, Maia D	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000
Wood, Chasity L	Deputy Tax Collector	Fidelity and Deposit Company	\$50,000



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

**Shad White**  
AUDITOR

July 1, 2020

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

Members of the Board of Supervisors  
Harrison 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:

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**Board of Supervisors.**

**Finding 1:** Public Officials Should Ensure Compliance with State Laws over County's Cafeteria Plan.

**Applicable State Law:** *Mississippi Code Annotated (1972), Section 25-17-9(2)*, states, "The State Auditor shall compile a list of providers of cafeteria plans which shall contain those providers he deems acceptable to provide benefits or services related to a cafeteria plan of a state agency or local governmental entity. To be deemed acceptable, a provider shall: (a) Be authorized to do business in this state or be a corporation organized or existing under the laws of this state; (b) Maintain an office in this state with sufficient staff and equipment to render the contracted services for plans which are subject to this chapter as required by the State Auditor; (c) Obtain and maintain a comprehensive dishonesty, destruction and disappearance bond in the amount designated by the State Auditor (a copy of which shall be maintained on file at all times in the office of the State Auditor, who shall be promptly notified by the surety on such bond of any change in or cancellation of such bond) unless the provider uses the type of administration which does not require the accumulation or escrow of employees' or employers' monies for reimbursement purposes; and (d) Comply with the guidelines established by the State Auditor pertaining to state agencies' or local governmental entities' cafeteria plans. The State Auditor shall

revise the list annually unless an earlier revision is necessary to remove a provider who does not satisfy the requirements set forth in paragraphs (a) through (d) of this subsection.”

**Finding Detail:** During the review of Harrison County’s Cafeteria Plan, we noted the County does not have a Board approved and signed cafeteria plan that is sponsored by an approved provider.

**Recommendation:** We recommend the Board of Supervisors ensure its cafeteria plan sponsor is approved by the Mississippi State Auditor, as required by state law.

**Official Response:**

**Board of Supervisors’ Response:** We will ensure that the County’s cafeteria plan will be spread on the Board’s minutes as approved by the Board of Supervisors each year. We will also contract with only state approved cafeteria providers to administer the cafeteria plan going forward.

**Human Resource’s Response:** In the future, we will make sure that the Cafeteria Plan provider is authorized to do business in the State of Mississippi. Cafeteria Plan will be spread upon the minutes of Board of Supervisors Agenda for approval by January first of the Plan Year.

**Repeat Finding:** No.

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**Board of Supervisors and Chancery Clerk.**

**Finding 2:** Public Officials Should Ensure Compliance with State Laws over Restoration Contracts.

**Applicable State Law:** *Section 19-15-1, Mississippi Code Annotated (1972)*, states, “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 implement procedures to ensure a valid and approved contract is in place with the Board of Supervisors for the preservation of records as required by state law

**Official Response:**

**Board of Supervisors’ Response:** The Board of Supervisors will ensure that a records preservation contract will be provided by the Chancery Clerk to perform these services and spread upon the board minutes prior to payment in accordance with *Mississippi Code Annotated Code Section 19-15-1*.

**Chancery Clerk’s Response:** In the Fiscal year 2019 budget, the Board of Supervisors approved line item amount of \$45,000 for Records Restoration and Preservation. At the September 3, 2019 Board of Supervisors meeting, the Board of Supervisors approved employee reimbursement in the amount of \$39,030 to the Clerk’s fee account for converting county Chancery Court paper records to digital records. It’s the position of the Chancery Clerk that no contract between him and the Board of Supervisors was required to reimburse for the Chancery Clerk employees performing work for the county where the clerk did not personally benefit. Please see attached Board of Supervisors order and employee reimbursement

pay backup. This payment of claim was paid to the fee account and not paid to the Chancery Clerk. The Chancery Clerk retired in 2016 and was not eligible for additional compensation regarding this matter and did not receive any compensation for this service.

**Auditor's Note:** Per review of the Chancery Clerk's fee journal and the County's vendor file, we noted the Chancery Clerk was reimbursed for the restoration of records in September 2019. The funds were recorded in the fee journal under the *Mississippi Code Section 19-15-1*, which requires a contract with the Board of Supervisors. The County could have paid these employees directly through the County's payroll rather than reimbursing the Chancery Clerk's payroll expenses for his employees. His retirement status does not exempt him from the requirements of *Code Section 19-15-1*.

**Repeat Finding:** No.

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#### **Chancery Clerk.**

**Finding 3:** Public Officials Should Ensure Compliance with State Laws over Homestead Applications.

**Applicable State Law:** *Section 27-33-37(m), Mississippi Code Annotated (1972)* states, if the board employs the clerk, he shall be paid out of the general county fund as follows: for the first two thousand (2,000) applications he may, in the discretion of the board, be paid not exceeding One Dollar (\$1.00) each, for the next two thousand (2,000) applications he may be paid not exceeding Seventy-five Cents (75¢) each, for the next two thousand (2,000) applications he may be paid not exceeding Fifty Cents (50¢) each, for the next two thousand (2,000) applications he may be paid not exceeding Thirty-five Cents (35¢) each, all over the above number he shall be paid not exceeding Twenty-five Cents (25¢) each.

**Finding Detail:** During the testing of the Chancery Clerk's homestead applications, we noted the calculation for the homestead application was incorrectly, which resulted in an overpayment in the amount of **\$97**. Failure to comply with state law resulted in an overpayment for homestead applications.

**Recommendation:** We recommend the Chancery Clerk ensures the homestead applications are properly calculated.

**Official Response:** The payment to the Chancery Clerk for new homestead application services for FY 2019, did exceed the allowable amount by \$97.00. This was due to the Clerk's office applying the seventy-five cent (\$0.75) tier to the applications exceeding 4,000 instead of the correct amount of fifty cents (\$0.50). It is the position of the Chancery clerk that the \$97.00 overpayment was included in the \$78,587.16 settled to the Harrison County General Fund in April 2020 which was the amount in excess of the salary limitation. The correct amounts will be applied in the future to new homestead applications.

**Repeat Finding:** No.

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#### **Justice Court Clerk.**

**Finding 4:** Justice Court Clerk Should Strengthen Internal Controls and Ensure Compliance with State Laws 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 Justice should maintain on a 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)*, requires all county officers who receive funds payable into the county treasury to deposit such funds into the county depository on the day they are collected or on the next business day thereafter.



**Finding Detail:** During the testing of fifteen (15) receipts in the Harrison County Justice Court's office, we noted the following:

- Three (3) of fifteen (15) receipts were deposited three (3) to four (4) days late; and
- Funds are being held in the safe for various time periods until processing of the service.

The Justice Court Clerk did not make timely deposits.

Failure to make timely deposits could result in the misappropriation of public funds.

**Recommendation:** We recommend the Justice Court Clerk strengthen controls to ensure deposits are made daily.

**Official Response:** Justice Court uses a pre-numbered handwritten receipt for civil cases filed by Plaintiffs. Plaintiffs often file multiple cases during a single visit which could create a delay from the time the customer files their case(s) and the time they are actually created and receipted in the Court Software. Another possible cause for delay would be the time of the month were most Plaintiffs are filing a majority of their evictions and we fall behind until we are able to enter & receipt such a large surge of cases. Once a case is created in the database, a computer generated receipt is issued for the filing fee and the payment is deposited in the bank the next business day. Justice Court will implement controls to ensure that going forward receipts are timely deposited.

**Repeat Finding:** No.

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### **Justice Court Judges.**

**Finding 5:** Public Officials Should Ensure Compliance with State Laws over the Statements of Economic Interest.

**Applicable State Law:** *Section 25-4-25, Mississippi Code Annotated (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 Annotated (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 Statements of Economic Interest, we noted the following County Officials did not file Statements of Economic Interest before the required date of May 1<sup>st</sup>, 2019 for three (3) Justice Court Judges.

**Recommendation:** We recommend county officials should file the Statement of Economic Interest annually, no later than May 1st of each year that such official holds office, regardless of the duration.

**Official Response:**

**Justice Court Judge District 1's Response:** Refused to respond.

**Justice Court Judge District 2's Response:** I apologize for any inconvenience the late filing may have caused. It was not with bad intent. The information filed is true and correct. My wife and I have only one job each and we do not have any other financial interest. Please let me know if anything else needs to be addressed. I apologize for your time on this matter.

**Justice Court Judge District 5's Response:** Justice Court Clerk could not get in touch with the Judge for a response.

**Repeat Finding:** No.

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**Sheriff.**

**Finding 6:** Public Officials Should Strengthen Internal Controls over Deposits, Cash Journals, and Settlements.

**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 a 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)*, requires all county officers who receive funds payable into the county treasury to deposit such funds into the county depository on the day they are collected or on the next business day thereafter.

**Finding Detail:** During the testing of the Sheriff Department's receipts and settlements, we noted the following:

- Fifteen (15) deposits were not made seven (7) to eighteen (18) days late totaling **\$15,215**; and
- Seven (7) jail cash journals were not maintained.

The Sheriff did not make timely deposits, make settlements monthly, and maintain a jail cash journal.

Failure to make timely deposits, submit monthly settlements, and maintain a jail cash journal could result in the misappropriation of public funds.

**Recommendation:** We recommend the Sheriff should strengthen controls to ensure deposits are made daily, settlements are submitted monthly, and jail cash journals are maintained.

**Official Response:** In reference to the finding above, the Harrison County Sheriff's Office will continue with our current process in making deposits in a timely manner.

**Repeat Finding:** No.

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**Board of Supervisor and Sheriff.**

**Finding 7:** Public Officials Should Ensure Compliance with State Laws over Presentation of Meal Logs to the Board of Supervisors.

**Applicable Law:** *Section 19-25-74, Miss. Code Ann. (1972)*, states the sheriff shall maintain a log of prisoners being fed daily, which will include the prisoner's name, date, and time of incarceration and release, and number of meals served to prisoners at each mealtime and hours of day. This logs must be filed monthly with the Board of Supervisors. In addition, the Board is not allowed to pay claims for food expenses if this report has not been filed.

**Finding Detail:** During the review of the Board minutes, we noted the Sheriff did not present the meal logs to the Board monthly; however, the Board paid all meal claims. Because the meal logs were not presented to the Board monthly, yet vendor claims were paid, the Sheriff and the Board of Supervisors are in violation of *Mississippi Code Section 19-25-74*.

Failure to present the meal log to the Board of Supervisors for payment monthly could result in the misappropriation of public funds by paying for an incorrect number of meals.

**Recommendation:** We recommend the Sheriff ensure meal logs are presented to the Board of Supervisors monthly before all vendor claims are paid as required by state law.

**Official Response:**

**Board of Supervisors' Response:** The board of supervisors will make sure that the prisoner meal log for each month is reviewed and on file with the County Administrator prior to approval of invoice payment each month.

**Sheriff's Response:** In response to the above finding, pertaining to *Section 19-25-74*, the Harrison County Sheriff's Office will begin submitting Inmate Meal Logs to the Board of Supervisors before each monthly Board Meeting. The log will include the inmates name, date and time of incarceration and release, and number of meals served to prisoners at each mealtime and the hours of the day served. The Harrison County Sheriff's Office acknowledges this finding and will begin submitting Inmate Meal Logs to the Board of Supervisors.

**Repeat Finding:** No.

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**Tax Collector.**

**Finding 8:** Tax Collector Should Strengthen Internal Controls and Ensure Compliance with State Laws over Timely Deposits.

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

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

**Finding Detail:** During the testing of thirty (30) receipts in the Tax Collector's office, we noted deposits were two (2) to five (5) days late totaling **\$9,990**. Failure to make timely deposits could result in the misappropriation of public funds.

**Recommendation:** We recommend the Tax Collector strengthen controls to ensure deposits are made daily.

**Official Response:** The Tax Collector will implement policies and procedures to ensure that all daily deposits are sent to the bank that day or the next business day in accordance with *State statute 25-1-72*.

**Repeat Finding:** No.

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**Chancery Clerk, Deputy Circuit Clerks, Deputy Justice Court Clerk, Assistant Receiving Clerk, Deputy Tax Assessors, Deputy Tax Collectors, Assistant Purchase Clerk, and Inventory Clerk.**

**Finding 9:** The Public Officials and Employees Should Ensure Compliance with State Law over Surety Bonding Requirements.

**Applicable State Law:** *Section 25-1-15, Mississippi Code Annotated (1972)*, requires public officers and employees to obtain a new bond at the beginning of each new term of office or at least every four (4) 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.

*Section 31-7-124, Mississippi Code Annotated (1972)*, requires the Assistant Purchase Clerk and Receiving Clerk should be bonded for no less than \$50,000.

*Section 9-7-123(2), Mississippi Code Annotated (1972)*, requires the Deputy Circuit Clerk should be bonded for no less than \$50,000.

*Section 9-11-29(2), Mississippi Code Annotated (1972)*, requires the Deputy Justice Court Clerk should be bonded for no less than \$50,000.

*Section 31-7-124, Mississippi Code Annotated (1972)*, requires the Inventory Clerk should be bonded for no less than \$75,000.

*Sections 27-1-1 and 27-1-9(a), Mississippi Code Annotated (1972)*, requires Deputy Tax Collectors and Deputy Tax Assessors be bonded no less than \$50,000.

*Attorney General Opinion No. 2016-00054*, states, "It is the opinion of this office that there is no specific statutory requirement that a deputy circuit court clerk maintain an individual bond; and, therefore, the deputy clerk may be bonded through a county blanket bond at the discretion of the board of supervisors. *Section 9-7-123(2)* simply provides that each deputy clerk of the circuit court give bond in the amount of not less than \$50,000 nor more than \$100,000. It should be noted that the blanket bond will list each position under the bond, including the deputy circuit clerk court clerks cover."

**Finding Detail:** During the procedures performed on surety bonds, we noted the following non-compliance:

- The Chancery Clerk's bond was not filed with the Circuit Clerk's office;
- The Deputy Tax Assessors were not bonded during the 2019 audit year; and
- The blanket bond on file for the positions of Assistant Receiving Clerks, Deputy Circuit Clerks, Deputy Justice Court Clerk, and Deputy Tax Collectors was not an official bond. This blanket bond in place is a Government Crime Policy. Additionally, the names of all County employees working in the positions above are not listed the blanket bond.

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. The bonds of the following County officials and employees were either with a Continuation Certificate or issued for an indefinite time:

- The Chancery Clerk;
- Inventory Clerk; and
- (1) Assistant Purchase Clerk.

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 implement procedures to ensure that County officials and employees' bonds meet the requirements of State Laws.

**Official Response:**

- 1.) The board of supervisors was unaware that the Chancery Clerk's bond was not on file with the Circuit Clerk's office as required by statute.

- 2.) The deputy tax assessors were inadvertently omitted from the County's blanket crime bond that is renewed annually. These positions will be added to the blanket crime bond.
- 3.) The County has a blanket crime bond that is \$50,000 per employee per occurrence that is renewed annually. It was believed that the crime bond was sufficient bonding for those positions. Going forward, those positions mentioned above will have a proper surety bond in accordance with state statutes.

#### Continuation Certificates

We will ensure that all positions that are statutorily required to be bonded will have a proper surety bond with a four year term concurrent with the Board of Supervisors' term.

**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 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 testing of the County's PERS Form 4Bs, we noted the following:

- Thirty-three (33) PERS Form 4Bs did not have evidence of being filed within five (5) days;
- Sixteen (16) amended PERS Form 4Bs were not filed within five (5) days of Board approved salary increases;
- Twelve (12) new PERS Form 4Bs were not completed after the Board approved salary increases; and
- One (1) amended PERS Form 4B was not signed or dated by both the retiree and the County's representative.

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 should ensure the County complies with *Section 25-11-127(4)* and PERS by properly filing and filling out the Form 4Bs for rehires and adhering to PERS requirements.

**Official Response:** Going forward, Harrison County will implement procedures to ensure that all PERS forms are timely and accurately completed and submitted to PERS in accordance with state statutes and PERS guidelines.

**Repeat Finding:** No.

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**End of Report**

Harrison 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