



## State of Mississippi

OFFICE OF THE STATE AUDITOR  
PHIL BRYANT  
AUDITOR

September 26, 2006

### LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Claiborne County, Mississippi

In planning and performing our audit of the financial statements of Claiborne County, Mississippi for the year ended September 30, 2004, we considered Claiborne County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control. Our opinions on the financial statements have been previously submitted to you in a separately issued document dated January 26, 2006.

In addition, for areas not considered material to Claiborne County, Mississippi's financial reporting, 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. The fieldwork for these review procedures and tests was completed on January 27, 2006. Our procedures and tests 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. This report does not affect our report dated January 26, 2006, on the financial statements of Claiborne County, Mississippi.

However, because of the reduced scope, these procedures and 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. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

Circuit Clerk.

1. Finding

Section 9-1-43(6), Miss. Code Ann. (1972), requires the Circuit Clerk to maintain a cash journal to account for the receipts and expenses related to the operation of the office. As reported in the prior year's audit report, the cash journal was not reconciled to the bank account. Failure to reconcile the fee journal to the bank account could result in the loss of public funds.

Recommendation

The Circuit Clerk should reconcile the fee journal book balance to the bank account balance each month.

Circuit Clerk's Response

We are getting software from Delta Computer Systems and training for the software will be in August, 2006.

2. Finding

Section 27-105-371, Miss. Code Ann. (1972), requires any unidentifiable funds to be settled into the General Fund of the county. At September 30, 2004, the Circuit Clerk had \$31,817.99 of unidentified cash in the civil account and \$6,381.99 of unidentified cash in the criminal account. Failure to properly identify and account for all funds could result in the loss of public funds.

Recommendation

The Circuit Clerk should settle the unidentified cash into the General Fund of the county.

Circuit Clerk's Response

I am in the process of trying to see if I can identify some of the civil and criminal funds before I turn these over to the county and give the balance to the courts.

3. Finding

Section 9-1-43(1), Miss Code Ann. (1972), limits the compensation of the Circuit Clerks to \$83,160 after making deductions for employee salaries and related salary expenses and expenses allowed as deductions by Schedule C of the Internal Revenue Code. This limit on the Circuit Clerk's compensation was increased to \$90,000 effective October 1, 2004. Therefore, the Circuit Clerk was entitled to \$84,870 for the calendar year ending December 31, 2004. All fees received in excess of this amount less any allowable expenses specified by this statute, are to be deposited into the county General Fund on or before April 1 for the preceding calendar year. The Circuit Clerk failed to pay into the county treasury the full amount in excess of the compensation limit. The amount of the excess compensation not settled to the General Fund was \$2,009 for the year ending December 31, 2004.

Recommendation

The Circuit Clerk should ensure that all amounts in excess of the compensation limit are paid into the county treasury and should remit the \$2,009 to the General Fund.


Circuit Clerk's Response

This was paid to the Chancery Clerk on May 10, 2006.


Auditor's Note

The Circuit Clerk paid \$2,009 to the General Fund as evidenced by receive warrant number 28334 dated May 12, 2006.

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



PHIL BRYANT  
State Auditor



WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division