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JACKSON COUNTY, MISSISSIPPI

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

SEPTEMBER 30, 2005

LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW
MANAGEMENT REPORT

Members of the Board of Supervisors:
Jackson County, Mississippi

In planning and performing our audit of the financial statements of Jackson County, Mississippi for the year ended September 30, 2005, we considered Jackson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Jackson 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. 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. This report does not affect our report dated November 3, 2006, on the financial statements of Jackson County, Mississippi.

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. 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 and other matters that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

Finding – Inventory Control

The cost of at least two items on the County's asset inventory listing was incorrect. Asset #16978 had a recorded cost of \$51,988 when the actual cost was \$3,150. Asset #19593 had a recorded cost of \$30,000 when the actual cost was \$300. These both appear to be clerical errors.

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Recommendation

As we have recommended in the past, the County should reconcile capital assets purchased per the general ledger with capital asset additions per the asset inventory listing.

Response

We are now balancing our daily input. We run a total from all purchase order and/or other valuation (donated equipment) entered each day, and balance to a report of items entered which is available from Delta. We feel that will eliminate the data input errors.

Finding – Circuit Clerk

The restitution receivable in court case 2001-10010C was reduced from \$51,950 to \$22,130. There were notes in the file that the judge had reduced the restitution. However the only court order in the file indicated the restitution was to be \$55,950. While it appears that the judge's intent may have been to reduce the restitution, we have not been provided with any documentation of this other than a few notes in the file.

Recommendation

We recommend that changes to fines and/or restitution receivable only be made upon receipt of the signed court order from the judge.

Response

This was a one time error and procedures have been put in place to insure this will not happen again.

Finding – Tax Collector

The September 2005 tax settlement to the County (as well as other entities receiving settlements from the Tax Collector) was not made in a timely manner. Hurricane Katrina caused severe disruptions in the Tax Collector's computer system which impacted their entire operations. The September 2005 settlements were made in various installments from October 2005 through September 2006.

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Recommendation

Due to the cause of the late settlements being the impact of Hurricane Katrina and our understanding that settlements are now being made in a timely manner, we make no further recommendation with respect to this finding.

Response

Settlements will continue to be made in a timely manner.

Bryce L. Saunders & O'Neil, LLC

November 3, 2006