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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

TO THE MEMBERS OF THE BOARD OF SUPERVISORS
NOXUBEE COUNTY, MISSISSIPPI

In planning and performing our audit of the financial statements of Noxubee County, Mississippi for the year ended September 30, 2005, we considered Noxubee 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 Noxubee 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 September 21, 2006, on the financial statements of Noxubee 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:

Board of Supervisors

1. Finding

Section 19-11-17, Miss. Code Ann. (1972), prohibits the incurring of expenditures in excess of the final budget as approved by the Board of Supervisors. While reviewing the budgetary versus actual information we noted that actual expenditures exceeded budgeted amounts in some of the funds.

Recommendation

The Board of Supervisors should not make expenditures in excess of budgeted amounts.

Board of Supervisors' Response

The Board will make the required budget motion in the future.

2. Finding

Section 19-11-19, Miss. Code Ann. (1972), states the Board of Supervisors may revise the budget at any regular meeting during the fiscal year. In our review of the minutes we could not find where the Board of Supervisors revised the budget for all instances where actual expenditures exceeded budgeted estimates.

Recommendation

The Board of Supervisors should revise the budget when actual expenditures exceed budgeted estimates.

Board of Supervisors' Response

An analysis of the budget overages shows that most were due to furniture and equipment purchased. The attached procedure was submitted to the Board for approval on September 8, 2006.

Sheriff

3. Finding

Section 19-25-73, Miss. Code Ann. (1972), allows the Sheriff to feed prisoners and limits such costs to \$6.00 per prisoner per day when the Sheriff prepares the meals. The Sheriff exceeded this allowed cost. The actual meal cost per prisoner per day was \$6.31.

Recommendation

The Sheriff should search for ways to reduce the cost of preparing meals so that the \$6.00 limit will not be exceeded.

Sheriff's Response

Gasoline has gone up and that has made the food prices go up also. However, I'll do what I can to reduce prices to make the cost go down.

Circuit Clerk

4. Finding

Section 9-1-43, 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. While testing certain civil transactions to verify that all revenue coming into the office is properly receipted and recorded in the cash journal, we noted the following exceptions:

- a. We noted two instances where marriage licenses were issued but no corresponding receipts or entries in the cash journal were made to document the transactions.
- b. We noted two instances where payments made on outstanding fines were posted on the accounts receivable listing but no corresponding receipts or entries in the cash journal were made to document the transactions.

Recommendation

The Circuit Clerk should ensure that all transactions arising out of the operation of the office are properly recorded in the fee journal as required by state law.

Circuit Clerk's Response

I will comply with the stated recommendation.

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.

Rea, Shaw, Giffin & Stuart, LLP

REA, SHAW, GIFFIN & STUART, LLP

Meridian, Mississippi
September 21, 2006