

TALLAHATCHIE COUNTY, MISSISSIPPI

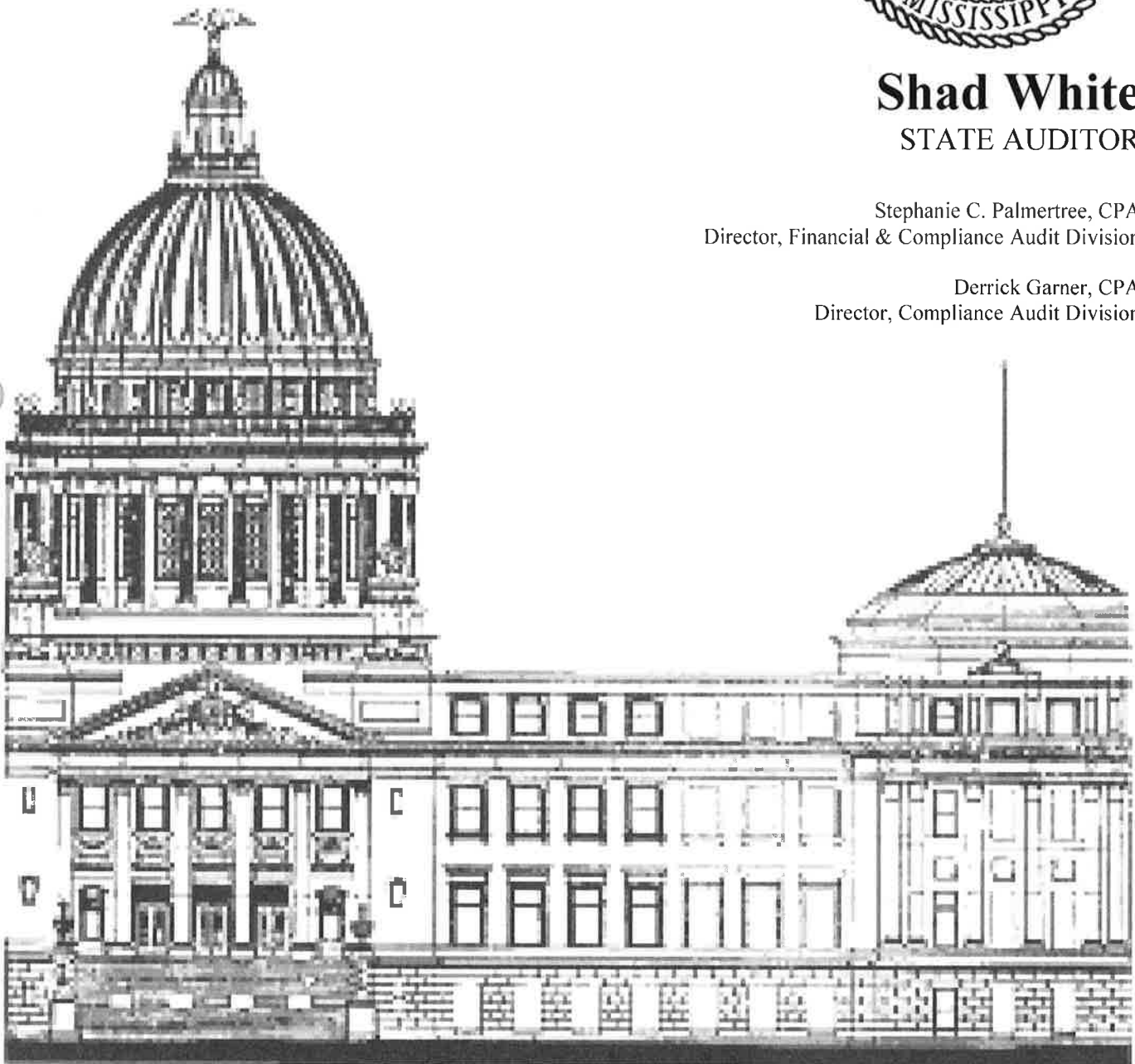
Special Reports
For the Year Ended September 30, 2017



Shad White
STATE AUDITOR

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A Report from the Compliance Division Section

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TALLAHATCHIE COUNTY

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TALLAHATCHIE COUNTY

SPECIAL REPORTS

TALLAHATCHIE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL
SYSTEM AND PURCHASE CLERK SCHEDULES
(AS REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))

Members of the Board of Supervisors
Tallahatchie County, Mississippi

We have examined Tallahatchie 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, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2017. The Board of Supervisors of Tallahatchie County, Mississippi is responsible for the County's compliance with those requirements.

We believe our examination provides a reasonable basis for our findings. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Tallahatchie 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 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 examination procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our findings and recommendations and your responses are disclosed below.

Purchase Clerk.

2017-001	<u>Purchase Clerk completed a sales order prior to the bid being accepted and approved by the board.</u>
Repeat Finding	No
Criteria	<i>Section 31-7-13, Miss. Code Ann. (1972)</i> specifies that purchases which involve an expenditure of more than \$50,000, exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county in which such governing authority is located.
Condition	The County purchased one (1) Hydraulic Excavator and Shovel for a purchase price of \$105,000. Competitive bids were sought by advertisement as required by statute on June 29, 2017 and July 6, 2017. Bids were accepted and approved on July 21, 2017; however, the sales order was dated July 17, 2017 prior to bids being accepted and approved.
Cause	The purchase clerk did not follow state law.
Effect	Sales orders made prior to bids being accepted and approved could result in a loss of public funds.

Recommendation The Board of Supervisors and Purchase Clerk should ensure that purchases with an estimated cost of more than \$50,000 are advertised for competitive bids as required by state law, and that purchases are not made prior to bids being accepted and approved.

Official's Response We will comply with purchase laws.

2017-002 Purchasing transactions reviewed did not contain the required documentation and/or sufficient detail.

Criteria *Section 31-7-103, Miss. Code Ann. (1972)*, requires a purchase 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, Miss. Code Ann. (1972)*.

Condition We noted the following deviations from the prescribed system:

1. Three (3) purchase requisitions were not signed;
2. Four (4) purchases were made without the required requisition and;
3. Ten (10) instances where purchase documents appeared to be completed after the fact, as evidenced by the dates on the purchase order and by exact amounts of a particular commodity on a purchase order.

Cause The Purchase Clerk did not obtain the required documentation for purchasing transactions.

Effect Failure to ensure documents are present and completed with sufficient detail and specific amounts as required and in the proper time sequence, results in noncompliance with *Section 31-7-103, Miss Code Ann. (1972)*.

Recommendation The Purchase Clerk should ensure all purchasing transactions have required information as stated in *Miss. Code Ann. (1972) Section 31-7-103*.

Official's Response We will comply with purchase laws.

2017-003 Purchases over \$5,000 but not over \$50,000 require two (2) competitive written bids and documentation of the lowest and best bid.

Repeat Finding No

Criteria *Section 31-7-13(b), Miss. Code Ann. (1972)*, requires purchases which involve an expenditure of more than \$5,000 but not more than \$50,000, exclusive of freight and shipping charges may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids have been obtained.

Condition The County purchased the following:

- 1) One (1) Kubota RTV-X100CRL-A for \$19,951 purported to be on state contract; however, the state contract price of \$19,699.20 was not followed.
- 2) Five (5) JD HX15 Flex-Wing Rotary Cutters for a total price of \$75,073.20 purported to be on state contract; however, the state contract price of \$74,044.80 was not followed.
- 3) One (1) Rescue One Boat, Motor, and Trailer without two (2) written bids.
- 4) Repair of sewer line at jail in Sumner without two (2) written bids and no emergency declaration.
- 5) One (1) 2017 Ram 2500ST - while the County received two (2) bids of \$37,900 and \$49,650, both bids were higher than the state contract price of \$34,791 without justification for accepting the higher bid.
- 6) One (1) 2017 Ford F150 Crew - while the County received two (2) bids of \$37,719 and \$37,011.52, both bids were higher than the state contract price of \$28,135 without justification for accepting the higher bid.

- 7) Eleven (11) sets of Turn-out gear without two (2) written bids.
- 8) Hot water mixing valve replaced without two (2) written bids and no emergency declaration.
- 9) 112 Garbage Carts and lids without two (2) written bids.

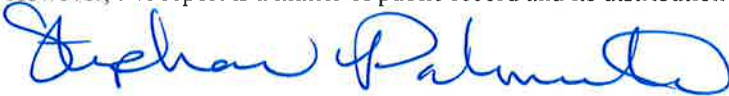
Cause	The County did not follow purchasing statutes for purchases over \$5,000 but not over \$50,000.
Effect	Failure to obtain at least two (2) written bids for purchases over \$5,000 but not over \$50,000, and approving the lowest and best bid, could result in the loss of public funds.
Recommendation	The Purchase Clerk should ensure that bids are obtained for the necessary goods and services. In addition, the Purchase Clerk should ensure that State Contract price is followed.
Official's Response	We will comply and pay attention to details.

Except for the noncompliance referred to in the preceding paragraph, Tallahatchie County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2017.

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, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and is fairly presented when considered in relation to that examination.

Tallahatchie 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 the state legal compliance requirement, central purchasing system, and inventory control system of Tallahatchie County, Mississippi, 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.



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

TALLAHATCHIE COUNTY

Schedule 1Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2017

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	Reason for Accepting Other Than the <u>Lowest Bid</u>
7/10/2017	52 Ton Air-Cooled Chiller	\$29,305	Trane	\$26,400	Fastest Delivery Date.
7/31/2017	2018 Western 4700 SF-OX Dump Body	\$142,555	Burroughs Companies	\$140,000	Fastest Delivery Date.

TALLAHATCHIE COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2017

Schedule 2

Our tests did not identify any emergency purchases.

TALLAHATCHIE COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2017

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/22/2016	Rescue One Boat, Yamaha Motor, Phoenix Trailer	\$24,080	Rescue One Connector Boats



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
Tallahatchie County, Mississippi

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 to ensure compliance with legal requirements. The scope of our review covered Fiscal Year 2017.

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.

2017-001	<u>All supervisors must inspect county roads. In addition, a four-year road plan must be adopted for construction and major maintenance of such roads and bridges.</u>
Criteria	In accordance with <i>Section 65-7-117, Miss. Code Ann. (1972)</i> , each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County not less than once each fiscal year. Each member shall file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected by the supervisor, with recommendations by the supervisor for a four-year plan for construction and major maintenance of such roads and bridges. Based upon such reports, the board of supervisors shall, on or before February 1 of each year, adopt and spread upon its minutes a four-year plan for the construction and maintenance of county roads and bridges.
Condition	Road inspection reports were not prepared or filed with the Clerk of the Board by the five (5) supervisors for the fiscal year ended September 30, 2017. A four-year plan for the construction and maintenance of county roads and bridges was not adopted and spread upon the minutes on or before February 1, 2017.
Cause	The supervisors did not prepare or file the road inspection reports with the Clerk of the Board, and a four-year plan for the construction and maintenance of county roads and bridges was not adopted and spread upon the minutes in compliance with <i>Section 65-7-117, Miss. Code Ann. (1972)</i> .

Effect	Failure to inspect roads and bridges annually, and adopt a four-year road plan resulted in noncompliance with <i>Miss Code Section 65-7-117</i> .
Recommendation	Each member of the Board of Supervisors should inspect all roads and bridges under the jurisdiction of the County at least annually. Reports detailing the condition of roads and bridges inspected and recommendations should be filed with the Clerk of the Board each fiscal year.
Official's Response	Board of Supervisors will comply with state law.

2017-002	<u>No public servant shall be a contractor with a governmental entity of which he is an employee.</u>
Repeat Finding	No
Criteria	<i>Section 25-4-105(3)(a), Miss Code Ann. (1972)</i> , states that no public servant shall be a contractor, subcontractor or vendor with the governmental entity of which he is a member, officer, employee or agent, other than in his contract of employment, or have a material financial interest in any business which is a contractor, subcontractor, or vendor with the governmental entity of which he is a member, officer, employee or agent.
Condition	We noted during our test work that on April 30, 2017 the Board of Supervisors purchased a camera system and installation from an employee in the amount of \$1,376.87. Also, on March 6, 2017, June 9, 2017, and July 20, 2017 lettering and T-shirts totaling \$1,013.50 were purchased from the same employee.
Cause	The County purchased goods and services from vendors who were employees of the County.
Effect	Failure to comply with this statute can result in ethics violations in accordance with <i>Sections 25-4-109 and 25-4-111, Miss. Code Ann. (1972)</i> .
Recommendation	The Board of Supervisors should not enter into contracts with employees of the County. In addition OSA recommends that the Board inquire with the Ethics Commission to determine if any action should be taken i.e. return the money.
Official's Response	Board of Supervisors will comply with state laws.

2017-003	<u>Required employee bonds were written as "indefinite" coverage for the entire period of employment rather than the term.</u>
Repeat Finding	No
Criteria	<i>Section 25-1-15, Miss. Code Ann. (1972)</i> , requires a new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor.
Condition	Review of the Bond Schedule revealed that required employee bonds were written as "indefinite" coverage for the entire period of employment rather than the term.
Cause	The County did not secure a new bond every four (4) years concurrent with the normal election cycle of the Governor.
Effect	Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms.
Recommendation	The Board of Supervisors should secure new bonds to be in compliance with state laws.
Official's Response	Board of Supervisors will comply with state laws.

Board of Supervisors and Tax Collector.

2017-004	<u>The Tax Collector shall not issue or renew a motor vehicle tag for any individual having delinquent solid waste fees.</u>
Repeat Finding	No
Criteria	<i>Section 19-5-22, Miss. Code Ann. (1972)</i> , provides that the Board of Supervisors may notify the Tax Collector of any unpaid fees assessed under <i>Section 19-5-21</i> within 90 days after they become due. Upon receipt of said delinquency notice, the Tax Collector shall not issue or renew a motor vehicle road and bridge privilege license for any motor vehicle owned by a person who is delinquent in the payment of the fees until these fees in addition to any other taxes or fees assessed against the motor vehicle are paid. Payment of all delinquent garbage fees shall be deemed a condition of receiving a motor vehicle road and privilege license tag.
Condition	Our observations revealed that the Board routinely approves solid waste contracts for payment of delinquent solid waste fees, and thus the Tax Collector allows individuals with delinquent solid waste fees to purchase their motor vehicle tag by paying a partial payment up front with the intent to repay the remainder of the delinquent balance over a period of time, which is expressly prohibited by statute.
Cause	The Board of Supervisors and Tax Collector issued motor vehicle tags for individuals having delinquent solid waste fees.
Effect	Allowing the renewal or issuance of a motor vehicle road and bridge privilege license by a person who is delinquent in the payment of garbage fees is in direct violation of state statute, resulting in noncompliance by the Tax Collector.
Recommendation	The Tax Collector should mark motor vehicle tags related to persons delinquent in the payment of garbage fees as nonrenewable or non-issuable until all delinquent garbage fees are paid in full. The County cannot enter into a written agreement with any person to accept a partial payment on delinquent garbage fees and the remainder in installments in exchange for releasing the hold on the motor vehicle tag.
Official's Response	Board of Supervisors and Tax Assessor will try to comply with state laws.

Chancery Clerk.

2017-005	<u>Cash collection and disbursement functions over accounting functions not adequately segregated.</u>
Repeat Finding	No
Criteria	An effective system of internal control should include adequate segregation of duties.
Condition	Observations revealed that there is not adequate segregation of duties in the accounting functions. The Comptroller maintains the general ledger, collects receipts, writes all county checks, completes all deposits, and reconciles all county bank statements.
Cause	The Chancery Clerk did not implement adequate internal controls over accounting functions.
Effect	Failure to have adequate segregation of duties could result in the loss, misappropriation, waste and abuse of public funds.
Recommendation	Accounting functions involving receipts and disbursing of funds, recording transactions and reconciling accounts should be performed by different people or reviewed by someone not completing the duties.
Official's Response	Chancery Clerk will comply with state law.

2017-006	<u>The Chancery Clerk was overpaid for "Fees not otherwise provided".</u>
Repeat Finding	No
Criteria	Pursuant to <i>Miss. Code Ann. Section 25-7-9(1)(j)</i> , the clerks of the chancery courts shall charge the following fees: (j) For public service not otherwise specifically provided for, the chancery court may by order allow the clerk to be paid by the county on the order of the board of supervisors, an annual sum not exceeding \$5,000.
Condition	During 2017, the Chancery Clerk was paid \$6,000 for public service not otherwise specifically provided for, resulting in an overpayment of \$1,000 to the Chancery Clerk.
Cause	The Chancery Clerk was paid in excess of the annual sum allowed for public service not otherwise specifically provided for.
Effect	The overpayment to the Chancery Clerk for public service not otherwise specifically provided for resulted in noncompliance with <i>Miss. Code Ann. Section 25-7-9(1)(j)</i> .
Recommendation	The County should pay the Chancery Clerk in accordance with <i>Miss. Code Ann. Section 25-7-9(1)(j)</i> . We recommend that the Chancery Clerk repay the General fund the overpayment of \$1,000.
Official's Response	Chancery Clerk will refund the County for overpaid fees.

Note: The Chancery Clerk remitted to the General Fund 2017 excess "fees not otherwise provided" of \$1,000 as evidenced by the County's receipt # 18812 on May 29, 2018.

2017-007	<u>The Chancery Clerk was overpaid for attending board meetings.</u>
Repeat Finding	No
Criteria	Pursuant to <i>Miss. Code Ann. section 25-7-9(1)(f)</i> The clerks of the chancery courts shall charge the following fees: (f) For each day's attendance on the Board of Supervisors, for himself and one (1) deputy, each \$20.
Condition	During 2017, the Chancery Clerk was paid \$40 for attendance at board meetings; statute provides payment of \$20 " <i>for each day's attendance</i> " for the clerk and one (1) deputy. Our observation and review of board meeting minutes found that while listing attendance at the meetings, no deputy clerk was listed as being in attendance.
Cause	The Chancery Clerk was paid \$40 for attending Board meetings, where there was no listing in the attendance at the meetings of a deputy clerk being in attendance.
Effect	The overpayment to the Chancery Clerk for attendance at board meetings resulted in noncompliance with <i>Miss. Code Ann. section 25-7-9(1)(f)</i> . This lead to the Chancery Clerk being overpaid by \$580.
Recommendation	We recommend that in the future the Chancery Clerk complies with <i>Miss. Code Ann. Section 25-7-9(1)(f)</i> and only bill the county for per diem for attending the county for herself, and a deputy clerk that actually attends the Board meetings, and that the Chancery Clerk should repay the General Fund in the amount of \$580.
Official's Response	Chancery Clerk will comply with state law and list deputy clerks on attendance roll.

Note: The Chancery Clerk has not remitted to the General Fund 2017 excess "attending Board meetings" of \$580 as of the issuance of this report.

2017-008	<u>The Chancery Clerk claimed expenses disallowed on Annual Financial Report.</u>
Repeat Finding	No
Criteria	Under 9-1-43(1), Miss. Code Ann (1972), the Chancery Clerk can only claim expenses deductible on the Schedule C expenses. The Chancery Clerk is also responsible for adequate documentation to support all expenses.
Condition	The Clerk claimed \$2,032 for an expense that was not allowed (employee amount due from 2016), and had \$50 in expenses that were not documented. The Clerk also claimed the total amount paid for 2016 contribution (\$5,588) which included the employee (\$2,032) and employer portion (\$3,556) of the prior year PERS contribution due. The Clerk claimed the prior year employer portion (\$3,556) only on line 19 of their Annual Financial Report, and the total amount paid on prior year Annual Financial Report is included in the total on line 20 of \$17,456.
Cause	The Chancery Clerk claimed incorrect amounts on the Annual Financial Report.
Effect	Due to inadequate documentation and the noncompliance with Miss. Code Section 9-1-43(1), the Chancery Clerk had \$2,032 in disallowed expenses, and \$50 in undocumented expenses. The Clerk owes an additional \$1,383 for the current year's Annual Financial Report, which represents the total corrected amount due of \$2,302, less \$919 (amount paid when filed on Mar 22, 2018).
Recommendation	The Chancery Clerk's Annual Financial Report should be revised to reflect the correction to the expense claimed that was inaccurate, as well as submit payment of \$1,383 as the additional amount owed.
Official's Response	The Chancery will correct Annual Financial Report and issue check to PERS.

Note: The Chancery Clerk sent the correct financial report to the State Auditor's office on May 30, 2017 and remitted to the Mississippi Public Employees' Retirement System \$1,383 on check number 5062 dated May 29, 2018.

2017-009	<u>Prior Year Audit report synopsis has not been published.</u>
Repeat Finding	No
Criteria	Section 7-7-221, Miss. Code Ann. (1972) provides that after the annual audit has been made, the Clerk of the Board of Supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor, in a newspaper published in the county, and, if no newspaper is published in the county, then to a newspaper having a general circulation therein. The clerk shall forward a copy of the published synopsis to the State Auditor within sixty (60) days of its publication
Condition	No evidence of publication of the synopsis of the county audit report could be provided to auditors for Fiscal Year 2014 (last completed audit).
Cause	Chancery Clerk failed to publish annual audit synopsis.
Effect	Failure to publish the annual audit synopsis could lead to loss of public trust and transparency.
Recommendation	The Clerk should ensure that the publication of the annual audit synopsis is published as required by Sections 7-7-221 and 31-7-115, Miss. Code Ann. (1972).
Official's Response	The Fiscal Year 2014 audit report ad was published on April 12, 2018.

Circuit Clerk.

2017-010	<u>Deputy Circuit Clerks should be properly bonded.</u>
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Repeat Finding	No
Criteria	<i>Section 9-7-123(2), Miss. Code Ann. (1972), requires that all Deputy Circuit Clerks be bonded for three (3) percent of the prior year's taxes with a minimum of \$50,000 and a maximum of \$100,000.</i>
Condition	As a result of test work performed, it was determined that the Deputy Circuit Clerks were not properly bonded for Fiscal Year 2017. The Deputy Circuit Clerks were bonded insufficiently for \$50,000 rather than \$100,000 that is the maximum based upon three (3) percent of the prior year's taxes.
Cause	The Deputy Circuit Clerks were bonded for less than the amount required by statute.
Effect	Failure to comply with the statute could result in loss of public funds.
Recommendation	The Circuit Clerk should implement additional procedures to ensure that all officials are properly bonded in accordance with state statute.
Official's Response	The Circuit Clerk will comply with state law.

2017-011 The Circuit Clerk was overpaid as the "County Registrar".

Repeat Finding	No
Criteria	Pursuant to <i>Miss. Code section 23-15-225(1)(f)</i> , the registrar shall be entitled to such compensation, payable out of the county treasury, which the Board of Supervisors of the county shall allow on an annual basis in the following amounts: for counties with a total population of more than fifteen thousand (15,000) and not more than twenty-five thousand (25,000) an amount not to exceed Sixteen Thousand One Hundred Dollars (\$16,100), but not less than Nine Thousand Two Hundred Dollars (\$9,200).
Condition	During 2017, the Circuit Clerk was paid \$16,200 as County Registrar, resulting in an overpayment of \$100.
Cause	The County did not correctly pay the Circuit Clerk per the statute listed above.
Effect	The overpayment to the Circuit Clerk as County Registrar resulted in noncompliance with <i>Miss. Code Ann. Section 23-15-225(1)(f)</i> .
Recommendation	The County should pay the Circuit Clerk in compliance with <i>Miss. Code Ann. Section 23-15-225(1)(f)</i> . We recommend that the Circuit Clerk repay the General Fund the overpayment of \$100.
Official's Response	The County should have been aware of the statute. This results in only \$100 overpayment.

Note: The Circuit Clerk remitted to the General Fund 2017 excess "County Registrar Fees" of \$100 as evidenced by the County's receipt #18819 on June 1, 2018.

2017-012 Controls over cash receipts in the Circuit Clerk's office should be strengthened.

Repeat Finding	No
Criteria	An effective system of internal control over the receipting of funds requires 1) a system to ensure transactions are receipted in the correct receipt journal, 2) that bank deposits are made on a daily basis.
Condition	Based on test work and observations, we noted that civil receipts are often posted to the criminal receipt journal, and criminal receipts are posted to the civil receipts journal, and that bank deposits are not being made on a daily basis, which is a deficiency of internal control.
Cause	The Circuit Clerk failed to implement proper controls over cash receipts.

Effect	Failure to properly post receipts to the correct receipt journal and implement proper controls could result in the loss, misappropriation, waste, and abuse of public funds.
Recommendation	The Circuit Clerk should implement a system of internal controls to ensure that all criminal and civil receipts are posted to their respective journals, and that all bank deposits are made on a daily basis.
Official's Response	The Circuit Clerk will comply with state law.

Justice Court Clerk – District 1

2017-013	<u>Justice Court Clerk failed to review and pursue collection from individuals on payment plans.</u>
Repeat Finding	No
Criteria	An effective system of internal control over Fines Receivable should include regular review and attempts to collect.
Condition	Based on our observations, we noted that payment plans for Fines Receivable are not being honored, and reviews and attempts to collect are not being made on a regular basis.
Cause	The Justice Court Clerk does not regularly review payment plans and attempt to collect.
Effect	Failure to implement proper controls could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should implement a system of internal controls to ensure that payment plans for Fines Receivable are being reviewed and attempts to collect are made on a regular basis.
Official's Response	Justice Court Clerk will comply with proper internal controls.

2017-014	<u>Internal controls in the Justice Court Clerk's office should be strengthened.</u>
Repeat Finding	Yes
Criteria	An effective system of internal control over the accounting procedures within the Justice Court Clerk's office should include daily bank deposits and timely reconciliation of bank accounts.
Condition	During the course of our review, it was noted that bank deposits were not being made daily, and the bank accounts were not being reconciled by the Justice Court Clerk, which is a deficiency of internal control.
Cause	The Justice Court Clerk did not implement proper internal controls over the accounting procedures.
Effect	Failure to implement proper controls and reconcile bank accounts could lead to loss, misappropriation, waste, and abuse of public funds.
Recommendation	The Justice Court Clerk should implement a system of internal controls to ensure that all bank deposits are made daily and establish procedures to ensure that bank reconciliations are prepared on a monthly basis.
Official's Response	Justice Court Clerk will strengthen internal controls.

Justice Court Clerk – District 1 & 2.

2017-015	<u>Cash collection and disbursement functions in the Justice Court Clerk's office are not adequately segregated.</u>
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Repeat Finding	No
Criteria	An effective system of internal controls should include adequate segregation of duties, maintenance and reconciliation of records documenting daily collections, and adequate physical safeguards over cash collections.
Condition	The cash collection and disbursement functions in the Justice Court Clerk's office were not adequately segregated for effective internal control. The following discrepancies were noted: <ul style="list-style-type: none"> a) The Justice Court Clerk has access to collections, issues receipts, prepares and makes bank deposits, takes deposits to the bank, posts to the cash journal, makes monthly settlements, reconciles the bank statements, and writes checks for all disbursements. b) The Justice Court Clerk did not make daily deposits. c) The Justice Court Clerk did not prepare daily check-up sheets. d) The Justice Court Clerk's office does not have a locked safe to safeguard cash collections during the day and overnight. Daily check-up sheets are printed off when deposits are made, which is sometimes for several days of collections.
Cause	The Justice Court Clerk did not implement proper internal controls over cash collections and disbursement functions.
Effect	Failure to implement adequate internal controls over collections, receipts and disbursements along with necessary physical safeguards could result in the loss, misappropriation, waste, and abuse of public funds.
Recommendation	The Justice Court Clerk should take steps to ensure that there is adequate segregation of duties in the collection, recording, and disbursement functions of the Justice Court Clerk's office or that there is external oversight over operations of the Justice Court Clerk's office. The Justice Court Clerk should also ensure that records documenting daily collections are properly maintained and reconciled to the daily deposits, and ensure that controls are in place to properly safeguard cash collections.
Official's Response	Justice Court Clerk District 1: Justice Court Clerk will strengthen internal controls. Justice Court District 2: Due to your findings in the Justice Court office: being the Clerk of this office I felt it was my duty to take care of the money in this office.

Justice Court Clerk – District 2

2017-016	<u>Bank deposits should be made on a daily basis.</u>
Repeat Finding	No
Criteria	An effective system of internal control over cash should include daily bank deposits.
Condition	Based on our observations, we noted that bank deposits are not being made on a daily basis, which is a deficiency of internal control.
Cause	The Justice Court Clerk did not make daily bank deposits.
Effect	Failure to implement proper controls could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should implement a system of internal controls to ensure that all bank deposits are made daily.
Official's Response	The Justice Clerk will comply with state law.

2017-017	<u>Justice Clerk failed to review and pursue collection from individuals on payment plans.</u>
Repeat Finding	No
Criteria	An effective system of internal control over Fines Receivable should include regular review and attempts to collect.
Condition	Based on our observations, we noted that payment plans for Fines Receivable are not being honored, and review and attempts to collect are not being made on a regular basis, which is a deficiency of internal control.
Cause	The Justice Court Clerk did not review cases placed on a payment plan, nor attempt to collect payments for cases placed on a payment plan.
Effect	Failure to implement proper controls could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should implement a system of internal controls to ensure that payment plans for Fines Receivable are being reviewed and attempts to collect are made on a regular basis.
Official's Response	The Justice Clerk will comply with state law.

Sheriff.

2017-018	<u>Submission of the Public Depositor Annual Report not made timely.</u>
Repeat Finding	No
Criteria	Pursuant to <i>Section 27-105-5(6)(b), Miss. Code Ann. (1972)</i> , public depositors shall comply with the following requirements (b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit.
Condition	Test work revealed that the Public Depositor Annual Report was not filed for three (3) accounts of the Sheriff's office, and remained unfiled as of May 1, 2018.
Cause	The Sheriff's office did not comply with state law.
Effect	Failure to file the Public Depositor Annual Report resulted in noncompliance with state law.
Recommendation	We recommend that in the future that the county complies with <i>Section 27-105-5(6)(b)</i> .
Official's Response	The Sheriff will comply with state law.

2017-019	<u>No adequate accounting of the Purchase Information Purchase Evidence (PIPE) Fund.</u>
Repeat Finding	No
Criteria	<i>Section 99-27-37, Miss. Code Ann. (1972)</i> , authorizes the establishment of a fund for the purpose of defraying expenses incurred by law enforcement in the procuring of evidence in drug and alcohol cases. An effective system of internal control over these funds should include proper documentation of all funds received and expended.

Condition	The forms used to document expenditures from this fund were not made available. Two (2) requests for documentation were made to the Sheriff, and ultimately we were told that the documentation could not be found.
Cause	The Sheriff had no adequate accounting documentation of the PIPE Fund.
Effect	Failure to implement proper accounting procedures and controls could result in the loss, misappropriation, waste, and abuse of public funds.
Recommendation	The Sheriff should establish procedures to document the balance available to purchase information on a current basis and ensure that the forms used to document purchases of information are all properly completed.
Official's Response	No funds were used during this period. Will comply when funds are used.

2017-020	<u>Bank statements are not being reconciled.</u>
Repeat Finding	No
Criteria	An effective system of internal control over cash includes a monthly reconciliation of the bank statements.
Condition	Of the three (3) bank accounts used by the Sheriff's office, none were being reconciled.
Cause	The Sheriff's office did not prepare monthly bank reconciliations.
Effect	Failure to reconcile bank accounts could lead to misappropriation or loss of public funds.
Recommendation	The Sheriff should establish procedures to ensure that bank reconciliations are prepared on a monthly basis.
Official's Response	Will try to do better.

Solid Waste.

2017-021	<u>Reconciliation of garbage collections posted in the solid waste records with the bank account should be completed.</u>
Repeat Finding	No
Criteria	An effective system of internal control should include the reconciliation of garbage fee collections posted in the solid waste records with the collections recorded in the general ledger and the reconciliation of the bank account to the solid waste records.
Condition	During the testing of the collateralization of public funds, it was noted that the Solid Waste Clerk does not reconcile the bank statement on a monthly basis.
Cause	The Solid Waste Clerk did not properly reconcile the solid waste records with the bank account.
Effect	Failure to reconcile collection records and bank accounts could result in loss or misappropriation of public funds.
Recommendation	The Board of Supervisors and Solid Waste Clerk should establish and maintain procedures to ensure that solid waste records are reconciled to the bank statements and to the garbage fee collections recorded in the county's general ledger.
Official's Response	I will comply.

Tallahatchie 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 entity 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.



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