

TATE COUNTY, MISSISSIPPI

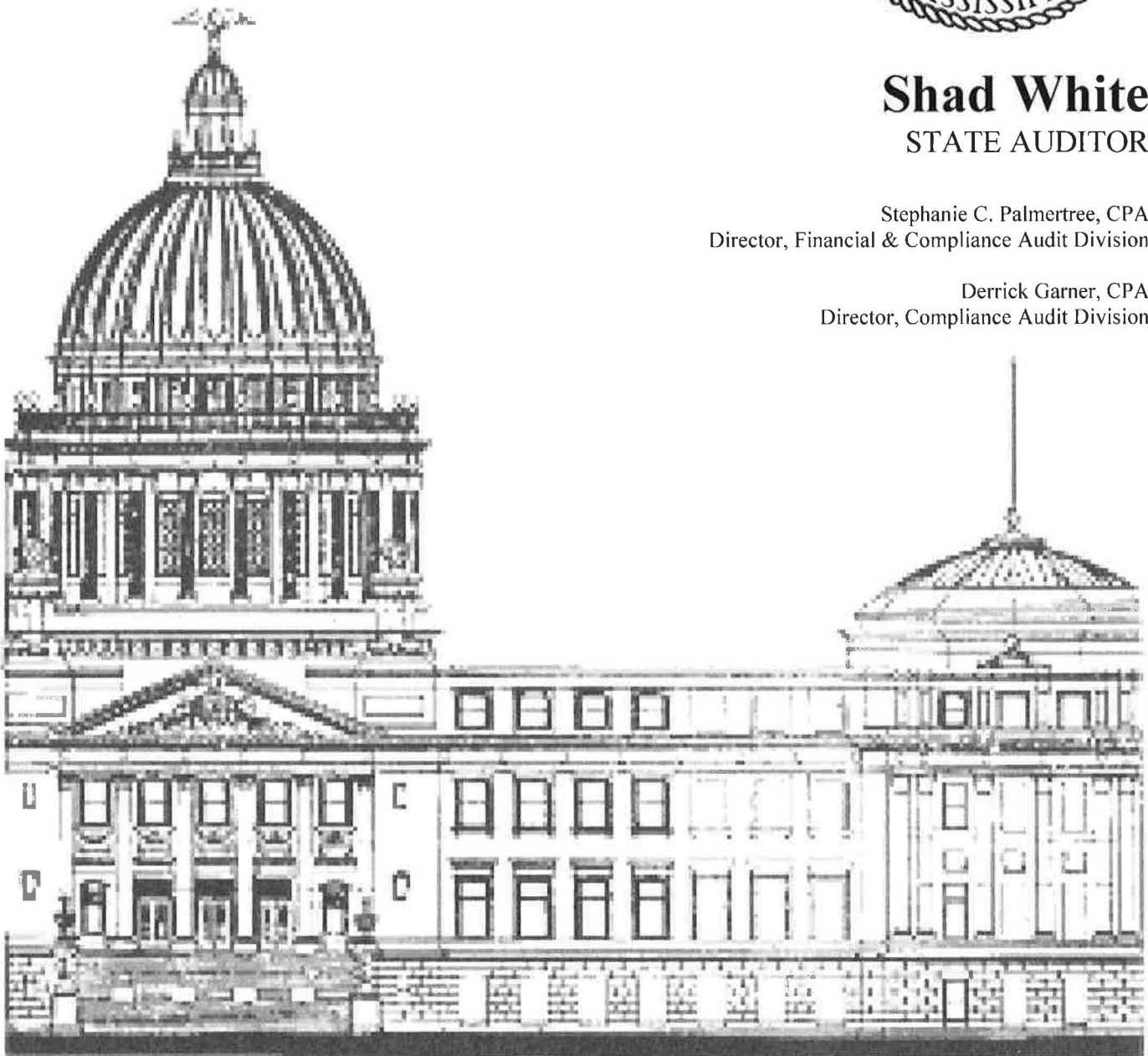
Compliance Special Reports
For the Year Ended September 30, 2017



Shad White
STATE AUDITOR

Stephanie C. Palmertree, CPA
Director, Financial & Compliance Audit Division

Derrick Garner, CPA
Director, Compliance Audit Division



A Report from the Compliance Division Section

www.osa.state.ms.us

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

TATE COUNTY

TABLE OF CONTENTS

SPECIAL REPORTS.....	5
Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by Section 31-7-115, Miss. Code Ann. (1972))	6
Limited Internal Control and Compliance Review Management Report	16

TATE COUNTY

SPECIAL REPORTS

TATE COUNTY

(This page left blank intentionally.)



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, MISSISSIPPI CODE ANNOTATED (1972))

Members of the Board of Supervisors
Tate County, Mississippi

We have examined Tate County, Mississippi's 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 the bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2017. The Board of Supervisors of Tate 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 Tate 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

1. Purchase Clerk did not Collect and Maintain all Receipts and Other Documentation Relating to the use of Credit Cards. In Addition, Purchase Clerk did not Submit the Written Report Monthly to the Board of Supervisors.

Repeat Finding Yes-2016.

Criteria *Section 19-3-68, Mississippi Code Annotated (1972)* provides that the chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit

cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claim docket.

Condition

We noted the following deviations from the prescribed system:

- Numerous instance where the receipts and related documentation was not maintain for purchases made with the County credit card.
- The clerk did not provide a monthly report to the Board.
- Fourteen (14) instances where auditor could not determine if purchases were for official County travel.
- One instance the credit card was used for other than official travel. The purchase was for the Chaplain at the jail.
- Twenty (20) instances of travel charges charged to the Credit Cards without being approved in the official Board Minutes.
- Once instance of approval of travel and charges made after travel completed.

Cause

Clerk did not follow proper procedures.

Effect

The failure to comply with state law could result in the misuse of the credit card.

Recommendation

The Purchase Clerk should ensure that a monthly report itemizing the expenditures and use of the credit card is submitted to the Board of Supervisors as required by state law. In addition, the Board should ensure expenditures on the credit card are properly authorized in the official board minutes before being made.

Official Response

I have been in touch with the Bank Manager about a solution as to how to keep up with the credit card that is not kept here at the Central Shop. I will set up an online account with the Visa card company, when any transaction is processed with the card by whatever Employee or Department Heads, the card that has a transaction will be emailed to my email for the BOS. I was not told I needed to do a report for the BOS, they approve the usage of the card for the employees or department heads before the transaction has ever taken place. The Visa bills along with what tickets I have to go with the invoices are placed in the General County book for payment on the 10th at the Board Meeting that the Board approves once more for payment.

2.

Purchase Transaction Documents Reported to be on State Contract not Retained.

Repeat Finding

No.

Criteria

Section 31-7-12, Mississippi. Code Annotated (1972), states the governing authorities may use approved state contracts for governing authorities without bidding. Governing authorities may buy from anyone selling the exact same item for the same or less without bidding. Items on state contract are subject to bid laws and should be reported in the board minutes.

Condition

Certain purchases reported to be on state contract were not accompanied by a state contract number, and were discovered to show no documentation of competitive bids/quotes.

Cause

The Purchase Clerk failed to attach state contracts, or documentation of competitive bids/quotes.

Effect	Without proper documentation it is impossible to determine if in fact purchasing procedures are being followed correctly. Failure to follow bid laws could result in overpayment for goods or services.
Recommendation	The Purchase Clerk should retain contract numbers for items purchased under state contracts as well as a copy of the state contract utilized, or to be able to provide accessible information of competitive bids/quotes for such purchases.
Official Response	I will with each purchase that is on the state contract in addition to printing the contract number, I will obtain a copy of the sheet from state contract website.

3.	<u>Purchase Clerk Schedules do not Reflect Actual Authorizations from the Official Board Minutes.</u>
Repeat Finding	No.
Criteria	<p><i>Section 31-7-13(m) (viii), Mississippi Code Annotated (1972), states sole source items are exempt from the bidding procedures. However, it requires the Board of Supervisors to approve and document the purchase of sole source items on its minutes. The documentation should include a description of the commodity purchased, the price thereof and the source from whom it was purchased.</i></p> <p><i>Section 31-7-13(k), Mississippi Code Annotated (1972), provides that the governing authority shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the governing authority, then the provisions herein for competitive bidding shall not apply. The officer making the purchase shall certify in writing thereon from whom such purchase was made, or with whom such a repair contract was made, and documentation shall be placed on the minutes of the board of such governing authority.</i></p>
Condition	The Board of Supervisors did not document the approval of the purchase of a sole source item on its minutes. In addition, the Purchase Clerk schedules did not list items that the Board of Supervisors approved as emergency purchases.
Cause	Lack of controls.
Effect	The lack of proper approval and documentation could result in unauthorized purchases.
Recommendation	The Board of Supervisors should approve and document on its minutes the purchase of sole source items. The Purchase Clerk should properly document on the Purchase Schedules all emergency purchases.
Official Response	I will in the future send with the County Administrator for the sole source item to be placed on the minutes along with the documentation to verify that the product is sole source.

4.	<u>Improper Quotes Received for Used Case Rubber Tire Backhoe 580SM for District 3.</u>
Repeat Finding	No.

Criteria	<i>Section 31-7-13 (b), Miss. Code Ann (1972)</i> , states “Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000.00) but not more than Fifty Thousand Dollars (\$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.....The purchasing agent, or the purchase clerk, or their designee, as the case may be, and not the governing authority, shall be liable for any penalties and/or damages as may be imposed by law for any act or omission of the purchasing agent or purchase clerk, or their designee, constituting a violation of law in accepting any bid without approval by the governing authority...”
Condition	<p>During testwork, the Auditor was unable to determine if quotes were received from separate entities for the purchase of Case Rubber Tire Backhoe 580SM for District 3. County chose \$29,000 bid from TB Specialties over \$30,000 bid from Contractor’s Supply Plus. The quotes obtained from the two companies were not signed and sequential numbering listed on the quotes was one digit apart. In addition, the invoice from TB Specialties had Contractor’s Supply Plus’s website listed and a very similar address (Same street number and city but TB Specialties – HWY 78 and Contractor’s Supply Plus – HWY 178). County’s vendor master list has same post office box number for both vendor.</p> <p>Auditor noted that the Board approved the bid on May 22, 2017, for a used Case Rubber Tire Backhoe 580SM for District 3 from improper documentation. Listed below is the sequence the of the documentation for the purchased:</p> <ul style="list-style-type: none"> • Purchase Requisition Date—5/10/17 by County Administrator. • Purchase Order Date—5/10/17—signed by Purchase Clerk. • Invoice Dated 5/18/17. • Receiving Report date 5/19/17—signed by Receiving Clerk and Purchase Clerk. • Check was written on 5/22/17 for Claim 13349, Invoice 11350, in the amount of \$29,000.
Cause	Lack of controls involving purchasing procedures.
Effect	Failure to obtain at least two written bid quotes for purchases over \$5,000 but not over \$50,000 could result in the loss of public funds.
Recommendation	The Purchase Clerk should ensure that purchases over \$5,000, but not over \$50,000 be made from the lowest and best bidder of at least two competitive written bid quotes obtained, in compliance with <i>Mississippi Code Annotated (1972)</i> .
Official Response	I was unaware of the two companies with different names and different addresses were the same. I would not have looked the company up online. I do however, greatly appreciate the extra information in obtaining a quote.

5.	<u>Purchases over \$50,000 are Required to be Published.</u>
Repeat Finding	No.
Criteria	<i>Section 31-7-13(c), Mississippi Code Annotated (1972)</i> , requires purchases which involve an expenditure of more than Fifty Thousand Dollars (\$50,000.00) 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 or municipality in which such agency or governing authority is located.

Condition

The County purchased the following, for the purposes of relocating the E911 offices, without documentation of a state contract number or documentation of the publication for competitive bids:

- Antenna System from Integrated Communications, Inc. in the amount of \$6,549 and Amp with maintenance in the amount of \$44,235.
 - These two purchases were approved by the Board on June 10, 2016, purchased from the same vendor (Integrated Communications, Inc.); the combined purchase totaled \$50,784, with payment being made in October 2017 and February 2018.
- AirbusDS Sentinel Patriot support with M&R (24/7 monitoring & response) in the amount of \$61,308.75. This purchase from Integrated Communications, Inc. was approved on November 10, 2016, but the official minutes did not show any proof of publication or further documentation.
- Purchase of 4 MTR3000 ConnPlus Software License Key with Programming and Labor in the amount of \$28,700 from Integrated Communications, approved by the Board on November 10, 2016.
- Purchase of Software update with Labor in the amount of \$28,700.00 from Integrated Communications, Inc.

Cause

The County did not follow proper bidding procedures.

Effect

The failure to follow proper requirements for advertisement for competitive bids could result in overpayment for goods or services, fraud, or misappropriation 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 purchases are not made prior to bids being accepted and approved. Further, the Purchase Clerk should retain contract numbers for items purchased under state contracts or be able to provide accessible information of advertisement for competitive bids/quotes for such purchases.

Official Response

I will make it a priority in the future with the person taking the minutes to print me out the information pertaining to a purchase and or a notification to be listed in the local paper. I will obtain a copy of the newspaper clipping for my records as well.

6.

Purchase Documents Not Properly Completed as Required by State Law.

Repeat Finding

Yes – 2016.

Criteria

Section 31-7-103, Mississippi. Code Annotated (1972), provides for 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, *Mississippi Code Annotated (1972)*.

Condition

We noted the following deviations from the prescribed system:

- Nineteen (19) instances where Purchase Requisition was not signed by an authorized signer.

- Fourteen (14) instances where the Receiving Report was not signed by an authorized receiver.
- Two Instances of no completed Purchase Requisition.
- Two instances of no Purchase Order for purchase of at least \$1,500 (County policy).
- Five instances of Receiving Report was not completed when a Purchase Order was required.
- Two instances of invoice date and receiving date being prior to Purchase Requisition date and Purchase Order date.
- One instance of Purchase Order not being signed by Purchase Clerk (no deputies recorded in official board minutes).
- One instance of intergovernmental contract for purchase not approved when receiving report was written by someone other than Receiving Clerk.
- One instance where receiving report was written for the “upcharge for credit card payments” instead of items purchased; Receiving Clerk told Auditor he didn’t always see items on the receiving reports that he signed.
- Fourteen (14) instances of quotes not being attached to purchase documentation, or quotes attached were not for the same item.

Cause	The County did not follow proper purchasing procedures.
Effect	Failure to ensure documents are present, completed with sufficient detail and specific amounts as required and in the proper time sequence, results in noncompliance with <i>Section 31-7-103</i> .
Recommendation	The Purchase Clerk should ensure all purchasing transactions have required information as stated in <i>Section 31-7-103</i> .
Official Response	I will in the future make sure that all information needed to be signed and signed off from the Board member or other offices making the purchase be gathered together before being sent in for payment to the vendor. Some shortcuts in the past, I have put the information in and had to wait until it was received to get it in for payment. I know it was an oversight due to last minute getting the purchase order in for payment.

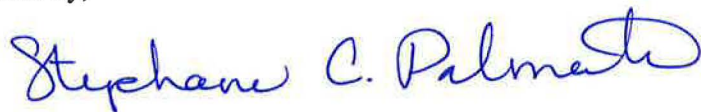
Except for noncompliance referred to in the preceding paragraph, Tate County, Mississippi, complied in all material respects, with state laws governing central purchasing, inventory, and bid requirements for the year ended September 30, 2017.

The accompanying schedules of (1) Purchases From Other Than 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)*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Tate 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 Tate 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.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is fluid and cursive, with the first name "Stephanie" and last name "Palmertree" clearly legible.

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

TATE COUNTY

Schedule 1

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

<u>Date</u> None	<u>Item</u> <u>Purchased</u>	<u>Bid</u> <u>Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	Reason for Accepting Other Than the <u>Lowest Bid</u>
---------------------	---------------------------------	-------------------------------	---------------	-------------------	--

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

Schedule 2

<u>Date</u>	<u>Item</u> <u>Purchased</u>	<u>Amount</u> <u>Paid</u>	<u>Vendor</u>	<u>Reason for</u> <u>Emergency Purchase</u>
None				

TATE COUNTY

Schedule 3

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

<u>Date</u>	<u>Item</u> <u>Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
9/25/2017	vacuum sealer for inmate clothing	\$8,396	Cpi/Guarding



**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
Tate 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 2017 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

Board of Supervisors.

2017-001 The Board of Supervisors did not Properly Publish Travel Expenses in a Local Newspaper, In addition, Travel Reimbursement was Paid Without Proper Verification and Approval.

Repeat Finding No.

Criteria *Section 19-3-67 (5), Mississippi Code Annotated (1972)* states: "Expenses authorized in this section shall be published by the Board of Supervisors in a newspaper of general circulation published in the county; and, if no such newspaper is published in the county, then in a newspaper published elsewhere in the state which has a general circulation in such county. The publication shall be a detailed accounting of the expenses authorized to each member of the board. The cost of publishing such expense accounts shall be paid by the county pursuant to the provisions of *Section 19-3-35.*"

Section 19-3-67 (4), Mississippi Code Annotated (1972) states: "Itemized expense accounts shall be submitted by the member on forms prescribed by the Auditor of Public Accounts for reimbursement of expenses for state officers and employees in such numbers as the county may require. No expenses authorized in this section shall be reimbursed unless the expenses have been

authorized or approved by a vote of a majority of the members of the board duly made and spread upon the minutes of such board.”

Section 25-3-41 (1), Mississippi Code Annotated (1972) states: “Subject to the provisions of subsection (10) of this section, when any officer or employee of the State of Mississippi, or any department, agency or institution thereof, after first being duly authorized, is required to travel in the performance of his official duties, the officer or employee shall receive as expenses for each mile actually and necessarily traveled, when the travel is done by a privately owned automobile or other privately owned motor vehicle, the mileage reimbursement rate allowable to federal employees for the use of a privately owned vehicle while on official travel.”

The Mississippi Department of Finance and Administration sets the rate of reimbursement for actual expenses for meals up to a maximum of \$41 per day. The individual itemized meals should be listed on the expense report to aggregate a total up to \$41.

Condition

The travel expenses incurred by the Board of Supervisors were not published in any newspaper as required by *Miss. Code Section 19-3-67 (5)*.

In addition, review of the travel reimbursement documents showed:

- The County paid mileage reimbursement for Fiscal Year ending 9/30/17 at a rate of \$0.54/mile. The reimbursement rate for the time frame covered was \$0.535/mile creating an overpayment of \$126.35;
- The County reimburses employees and officials at a flat rate of \$41 per day for meals. The meals were not individually itemized to show cost breakdown for each meal; and
- Travel vouchers for reimbursement of expenses incidental to official travel were not verified and approved for payment.

Cause

The County did not properly follow state law.

Effect

Failure to follow proper travel reimbursement amounts could result in unallowed and excess travel cost to the County.

Recommendation

The Board of Supervisors and county employees should request reimbursement for authorized travel expenditures at the appropriate rate allowable for the use of a privately owned vehicle while on official travel. In addition, the board should implement a plan for employees’ that received the wrong rate to reimburse the County. The Board of Supervisors should ensure that all expense reports submitted for payment are verified and approved for payment, and that all expense reports submitted for payment should have all individual meals listed, with the aggregate total being no more than \$41. Finally, the board should implement procedures to ensure all board members’ travel expenses are published in a newspaper of general circulation to be in compliance with state law.

Official Response

The Board of Supervisors has established internal controls to notify all county employees of the new mileage rate established annually for federal employees for the use of a privately owned vehicle while on official travel. The Board of Supervisors has calculated the overpayment made to each individual employee (see the attached schedule). The Board of Supervisors has requested and received a full reimbursement of all overpayments.

The Board of Supervisors has implemented internal controls to verify and approve travel reimbursement. All expense reports shall be verified by the employee’s department head and approved for payment by the comptroller. Supervisor’s expense reports shall be verified by the

county administrator and approved by the comptroller. All meals will be individually listed. Expense reports that do not have individual meal expenses listed will not be approved.

All board members' travel expenses have been published in the newspaper with the ordinary claims docket that is published in the newspaper. However, all future publications shall include a detailed accounting of the expenses authorized to each member of the board.

Auditor's Note: *The excess payment for the incorrect mileage rate being used has been repaid to the County as follows, \$20.00 cash, on 9/28/18, as evidenced by receipt 27014; \$26.16, Check 3431 on 9/28/18, as evidenced by receipt 27016; \$27.56, Check 2008 on 9/28/18, as evidenced by receipt 27012; \$33.40, Check 1011 on 9/28/18, as evidenced by receipt 27011; \$19.62, Check 2014 on 9/25/18, as evidenced by receipt 26990.*

2017-002	<u>The County's Budget Estimates not to be Exceeded, and Final Amended Budget was not Properly Presented in the Board Minutes.</u>
Repeat Finding	Yes. 2016
Criteria	<p><i>Section 19-11-17, Mississippi Code Annotated (1972), provides that no expenditures shall be made, or liabilities incurred, or warrants issued, in excess of the budget estimates as finally determined by the Board of Supervisors, or as thereafter revised under the provisions of this chapter.</i></p> <p><i>Section 19-11-19, Mississippi Code Annotated (1972), provides that the Board of Supervisors may revise the budget of expenses at any regular meeting during the fiscal year by increasing or decreasing the items of said budget in proportion to the increase or decrease of anticipated revenue collections and/or other sources of funds. However, revisions as herein authorized shall not be deemed to permit any expenditures in excess of the various items of the budget as then approved, and any expenditures made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures. The revisions made in the budget, from time to time, shall be spread upon the official minutes of the board at the meeting at which any such revision is made.</i></p>
Condition	The final amended budget was not present in any form in the minutes, other than to state to amend the budget to actual. The auditor also noted that there were clerical errors listing the dates affected and the actual dollar amounts were not presented. As there were no revisions noted in the minutes, it is impossible to verify when expenditures exceeded budget estimates, thus invalidating the expenditure.
Cause	The County did not make budget amendments throughout the year, and did not properly present the Final Amended Budget in the board minutes.
Effect	<p>Any violation for approval expenditures made, liabilities incurred, or warrants issued in excess of the budget estimates could make the Board of Supervisors voting for the expenditures liable for the full amount of the claims allowed, the contract entered into, or the public work provided for.</p> <p>Any expenditure made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures.</p> <p>Failure to spread the final amended budget in detail on the minutes is a violation of state statute and could result in improper amounts recorded in the budget</p>
Recommendation	The Board of Supervisors should ensure that no expenditures are made, liabilities incurred, or warrants issued in excess of the budget estimates approved by the Board of Supervisors, prior to a

revision of the county budget being made and spread upon the official minutes of the board. The Board of Supervisors should ensure the final amended budget is spread in the minutes.

Official Response The Tate County Board of Supervisors are establishing internal controls to ensure that all budget estimates are not exceeded, amendments to the budget estimates will be made prior to those expenditures being approved, and that the final amended budget is spread in detail on the minutes.

2017-003 Bonds for Certain Officials were “Continuation Certificates” or “Bond Remains in Effect”

Repeat Finding No.

Criteria *Section 25-1-15, Mississippi Code Annotated (1972)*, 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 years concurrent with the normal election cycle of the Governor.

Condition Review of the Bond Schedule revealed that several bonds were listed either as “Continuation Certificates” or as “Bond Remains in Effect”. A continuation certificate is a document that extends the life of the original surety bond. A continuation certificate only covers the current bonding period rather than both the current and previous periods.

Cause Proper bonds were not obtained for certain officials.

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 ensure that all bonds secured list a term of office covered, and secure a new bond every four years concurrent with the normal election cycle of the Governor.

Official Response The Board of Supervisors has established internal controls to ensure that all bonds secured will list a term of office covered. The two bonds at issue have been canceled, and new bonds have been issued that cover the term of office.

2017-004 Employees Pay Rate Shall be Properly Recorded in the Official Board Minutes.

Repeat Finding No.

Criteria An effective system of internal control should include executing votes spread upon the official board minutes as written.

Condition During testwork performed, we noted an employee was employed at the Tate County Landfill at a rate of \$7.00 per hour (per Board Meeting held on September 9, 2016, as spread upon the official board minutes). However, the Payroll Change Report found in the **employee file** reflected a Pay Rate of \$15.00 per hour, with a purported Date of Board Approval listed as August 10, 2016. However, this was not spread upon the official board minutes on August 10, 2016. This resulted in payment to the employee greater than the amount allowed by the official board minutes, totaling \$23,658.00.

Cause Payroll was calculated at a rate different than the rate per hour approved and spread upon the official board minutes.

Effect	Payment of salary of an employee at a rate not approved and spread upon the official board minutes could lead to misappropriation of funds, possible fraud, and lack of transparency.
Recommendation	The County should implement an adequate system of internal control to execute votes spread upon the official board minutes as written.
Official Response	A change of a pay rate for all employees employed by Tate County, other than the Sheriff, is completed on a Payroll Change Report. A copy of the Payroll Change Report is to be spread on the minutes. This requirement should ensure that the employee is paid at the appropriate pay rate. The Tate County Board of Supervisors is looking at other internal controls to ensure that this error does not happen again which may include giving the comptroller a copy of the minutes to match with her records. Also, a copy of the minutes may be placed on the employees file as well.

2017-005	<u>Lack of Internal Controls over the County's Payroll Procedures.</u>
Repeat Finding	No.
Criteria	An effective system of internal controls over the payroll functions should include the following: <ul style="list-style-type: none"> • Maintenance of personnel files for each employee; and • A requirement that all payroll documents are completed and verified before an individual is allowed to work.
Condition	We noted the following deficiencies during our audit: <ul style="list-style-type: none"> • One PERS retiree's personnel files could not be located; and • Nine PERS retirees did not have a completed form 4B on file for the current fiscal year, and in most cases were not on file for most of the previous years.
Cause	Personnel files were not properly maintained, documented, or verified.
Effect	This could result in the loss or misappropriation of public funds without proper documentation of employees' personnel files.
Recommendation	The County should implement an adequate system of internal controls over payroll.
Official Response	The Board of Supervisors has implemented internal controls to ensure that all personnel files for each employee are adequately maintained. We are developing a comprehensive checklist to verify that all necessary paperwork, including PERS 4B forms, are completed prior to an individual's first day of employment.

Board of Supervisors, Chancery Clerk, Circuit Clerk, Tax Assessor, and Justice Court.

2017-006	<u>Submission of the Public Depositors Annual Report was not Made Timely as Required by Mississippi State Law.</u>
Repeat Finding	Yes—Chancery Clerk, 2016-3; Board of Supervisors – No; Circuit Clerk – No; Tax Assessor – No; Justice Court - No.
Criteria	<i>Section 27-105-5 (6)(b), Mississippi Code Annotated (1972)</i> , provides that 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	Our test work revealed that the fiscal year 2017 Public Depositors Annual Report was not filed as of August 20, 2018.
Cause	The Public Depositors Annual Report was not filed.
Effect	Without notifying the State Treasurer of its official name, address, federal tax identification number, and providing a list of all accounts that it had with qualified public depositories, including the balance in these accounts, as of its fiscal year end, the risk increases that the county's total deposits may not be properly collateralized and not complying with section 27-105-5 (6)(b).
Recommendation	We recommend that the Board of Supervisors and other County Officials strengthen controls to ensure that in the future that the county is in compliance with state law.
Official Responses	<p>Board of Supervisors – The Board of Supervisors has established internal controls to ensure that the Public Depositors Annual Report is filed timely. The county's comptroller will file this report within thirty days of the fiscal year end.</p> <p>Chancery Clerk - I will ensure that we comply and provide the State Treasurer with this information.</p> <p>Circuit Clerk - I will be filing this form each year from this point forward.</p> <p>Tax Assessor - This office has never been made aware of this report by any governing body of government, including the State Treasurer's office. Now that we have been instructed, we have every intention to stay in compliance.</p> <p>Justice Court Clerk - I was not aware this was a requirement. I will complete this going forward.</p> <p>Sheriff - Going forward we will follow statute and provide the State Treasurer with the required information.</p>

Board of Supervisors, Circuit Clerk, and Sheriff.

2017-007	<u>All County Funds Should be Deposited into a Board Approved Depository.</u>
Repeat Finding	No.
Criteria	<i>Section 27-105-303, Mississippi Code Annotated (1972)</i> , requires that county funds be on deposit in an approved county depository.
Condition	The auditor's test work revealed that the County's has funds deposited into eight unapproved depository for fiscal year 2017.
Cause	Funds were not deposited into an approved county depository.
Effect	Failure to use the County Depository approved by the Board of Supervisors could result in a loss of public funds, and loss of public trust and transparency.

Recommendation	We recommend that Board of Supervisors strengthen controls to ensure all county funds be deposited into an approved county depository as required by state law.
Official Responses	<p>Board of Supervisors - The Board of Supervisors is taking steps to close accounts that have not been approved as a depository for county funds. In addition, the Board of Supervisors is taking steps to have other banks listed as approved depositories for certain county funds.</p> <p>Circuit Clerk - The Circuit Clerk will ensure that all county funds in his office will be deposited into an approved county depository from this point forward.</p> <p>Sheriff - I understand the finding and we will comply with the statute.</p>

Board of Supervisors and Sheriff.

2017-008	<u>Meal Logs are not Being Presented to the Board of Supervisors Monthly.</u>
Repeat Finding	No.
Criteria	<i>Section 19-25-74, Mississippi Code Annotated(1972)</i> states "...in respect to the feeding of prisoners..., the Sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted daily, which shall record the number of meals served to prisoners at each mealtime, and the hours of the days served, and shall make affidavit to correctness thereof and file the same 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.
Condition	During our test work, it was noted that the inmate meal logs were not being filed monthly with the Board of Supervisors.
Cause	Meal logs were not being presented monthly.
Effect	Failure to submit meal logs to the Board of Supervisors for approval as spread upon the official board minutes could result in a loss or misappropriation of public funds by paying for an incorrect number of meals.
Recommendation	The Sheriff should ensure the meal log is maintained and filed monthly with the Board of Supervisors before meal expenses are approved through the claims docket.
Official Responses	<p>Board of Supervisor - The Tate County Sheriff is currently filing the meal log with the Tate County Board of Supervisors prior to the approval of meal expenses on the claims docket.</p> <p>Sheriff - I will make sure the meal log is presented to the Board of Supervisors and made part of the minutes in accordance with the Statute.</p>

Chancery Clerk.

2017-009	<u>Prior Years Audit Report Synopses Have Not Been Published as required by State Law.</u>
Repeat Finding	Yes. 2016.

Criteria	<i>Code Section 7-7-221, Mississippi Code Annotated (1972)</i> , 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	During Fiscal Year 2017, the Board acknowledged receipt of the 2013 and 2014 Audited Financial Statements. The fiscal year 2015 audit report is on file with the Office of the State Auditor. No evidence of publication of the synopsis of the county audit report could be provided to auditors for fiscal years 2013, 2014, and 2015.
Cause	The Board failed to publish a synopsis of the County's Audit Report or provide documentation of publication.
Effect	Failure to publish the annual audit synopsis could lead to loss of public trust and transparency.
Recommendation	The Clerk should strengthen controls to ensure that the publication of the annual audit synopsis is published as required by <i>Code Sections 7-7-221 and 31-7-115, Mississippi Code Annotated (1972)</i> .
Official Response	Untimely preparation and submission of audits created delay in publication of synopsis. 2013, 2014, & 2015 synopsis have been published in the Tate Record. Copy of published synopsis attached. Published 7/10/18, 7/17/18, & 7/31/18.

Auditor's Note: *Official provided evidence of the publications on the above listed dates to the auditor.*

2017-010	<u>The Chancery Clerk Claimed Expenses Disallowed on 2017 Annual Financial Report (AFR).</u>
Repeat Finding	No.
Criteria	<i>Code Section 9-1-43(1), Mississippi Code Annotated (1972)</i> , provides that the Chancery Clerk can only claim expenses deductible on the schedule C as expenses. The Chancery Clerk is also responsible for adequate documentation to support all expenses.
Condition	The Clerk claimed \$3,515 for an expense that was not allowed (Employee amount due to PERS from 2016). The Clerk also duplicated Payroll expenses when claiming the expenses related to Revenues not subject to the Salary limitation for wages of \$14,624 as this amount was part of the actual Gross Payroll per the Trial Balance of \$57,132.50. This duplication created a total of \$18,139 of disallowed expenses.
Cause	The Clerk did not properly document expenses to be claimed.
Effect	The Chancery Clerk had disallowed expenses in the total amount of \$18,139.
Recommendation	We recommend the Chancery Clerk implement procedures to ensure that correct payroll expenditures are included in the Clerk's Annual Financial Report. The Chancery Clerk's should also revise the 2017 Annual Financial Report to reflect the correction to the expenses claimed that were inaccurate. In addition, the Chancery Clerk should also submit payment to the County of \$18,139 for the disallowed expenses.

Official Response Attached is my check in the amount of \$3,515 for unallowed expenses. Page 1, wages does not mention separating salary payments into groups; therefore line 18 has total wages, for which the county has been reimbursed in full. Page 2, line 50, is only requested under retirement contributions, page 3, line 12. Bottom of page 2, asks for revenues less expenses, which I complied with.

Auditor Note: *By including total wages paid on line 18 as an expense, and then again utilizing a portion of that expense again on line 44 results in duplicating of the expenses. The auditor examined the Clerk's Dec 31, 2017 Trial Balance to determine that the total amount of salaries paid for the year was reported on line 18, there were no other expenses for payroll listed on the Trial Balance.*

Chancery Clerk repaid to the County \$3,515.00, Check 33628, on 9/5/2018, as evidenced by Receipt # 27555. Chancery Clerk repaid to the County \$14,624.00, Check 2369, on 5/14/2019, as evidenced by Receipt # 28083. These two payments total \$18,139.

2017-011 The Chancery Clerk Should Maintain Complete and Correct Board Minutes.

Repeat Finding No.

Criteria Code Section 19-3-27, *Mississippi Code Annotated (1972)*, requires the Chancery Clerk, as the clerk of the Board of Supervisors, to keep and preserve a complete and correct record of all the proceedings and orders of the Board.

Condition The following deficiencies were noted during our audit:

- Significant details and supporting documentation were not included in the minutes for multiple actions taken by the Board;
- Titles of the Board Order/Resolution included a date different than the date in the body of the Order/Resolution;
- In several instances the complete Social Security Number of an employee was included in the body of the minutes;
- The supporting documentation did not match the minutes that were recorded; and
- The minutes referred to items as being "attached and part of the minutes of this board", but there were no attachments in the minute book.

Cause The Chancery Clerk did not review the board minutes for accuracy.

Effect It is impossible to determine what actions were taken and/or approved by the Board of Supervisors.

Recommendation The Chancery Clerk should maintain a complete and correct record of all Board proceedings including all supporting documentation.

Official Response We will insure that person completing minutes pays more attention to detail and provide a more thorough record. If you will provide us with entries that are incorrect or incomplete, we will correct those records.

2017-012 Chancery Clerk Fail to Submit the Monthly Report to the Board of Supervisors.

Repeat Finding No.

Criteria	<i>Section 19-11-23, Mississippi Code Annotated (1972)</i> , provides that at the regular meeting in each month, the clerk shall submit to the Board of Supervisors of the county a report showing the expenditures and liabilities incurred against each separate budget item during the preceding calendar month, and like information for the whole of the fiscal year to the first day of the month in which such report is made, together with the unexpended balance of each budget item and the unencumbered balance in each fund. He shall also set forth the receipts from property tax and, in detail, the receipts from other taxes and all other sources by each fund for the same period.
Condition	The Clerk failed to submit a monthly report to the Board of Supervisors during each monthly meeting. In addition, the Clerk failed to set forth the receipts from property tax and receipts from other taxes and all other sources by each fund for the same monthly reports.
Cause	The Chancery Clerk was not provided a monthly report to present to the Board of Supervisors.
Effect	Without monthly reports to review, the Board of Supervisors may not be able to make appropriate decisions as to approval to allow or disallow any expenditures or liabilities incurred, or warrants to be issued in excess of budget estimates. If such expenditures, liabilities or warrants are approved, these amounts will exceed budget estimates, and therefore invalidate any expenditures made in excess of the budget as then approved.
Recommendation	The Clerk should strengthen controls to ensure compliance with state law over submitting the required monthly report to the Board of Supervisors. In addition, the Clerk should provide the receipts from property tax and, in detail, the receipts from other taxes and all other sources by each fund.
Official Response	This duty is delegated to the County Administrator. He and I will assure that we are in compliance.

2017-013	<u>The Chancery Clerk was Overpaid for Board Meetings not Attended by the Deputy Clerk.</u>
Repeat Finding	No.
Criteria	<i>Section 25-7-9(1)(f), Mississippi Code Annotated (1972)</i> , provides that 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 \$20.00.
Condition	During 2017, the Chancery Clerk was paid \$40.00 for attendance at board meetings; statute provides payment of \$20.00 " <i>for each day's attendance</i> " for the clerk and one deputy. The auditor's observation and review of board meeting minutes found that the Chancery Clerk was listed as in attendance, but no Deputy Clerk was listed as being in attendance.
Cause	The Clerk did not follow <i>Code Section 25-7-9(1)(f), Mississippi Code Annotated (1972)</i> .
Effect	The overpayment to the Chancery Clerk for attendance at board meetings resulted in noncompliance with <i>Code Section 25-7-9(1)(f)</i> . This resulted in the Chancery Clerk being overpaid by \$700.
Recommendation	We recommend that in the future the Chancery Clerk complies with <i>Miss. Code Section 25-7-9(1)(f)</i> and only bill the county for per diem for individuals attending board meetings. In addition, we recommend that the Chancery Clerk repay the General Fund in the amount of \$700.00 for overpayment of per diem claimed for the Deputy Clerk.
Official Response	Reimbursed \$700 to Tate County. My check 2249 dated 8/24/18.

Auditor's Note: Chancery Clerk repaid to the County \$700.00, Check 2249 on 8/24/2018, as evidenced by Receipt # 27556.

Circuit Clerk.

2017-014	<u>The Circuit Clerk Claimed Expenses Disallowed on 2017 Annual Financial Report(AFR).</u>
Repeat Finding	No.
Criteria	<i>Section 9-1-43(1), Mississippi Code Annotated (1972)</i> , provides that the Circuit Clerk can only claim expenses deductible on the schedule C as expenses. The Circuit Clerk is also responsible for adequate documentation to support all expenses.
Condition	The Clerk reported amounts as contributions for PERS (both employee and employer) incorrectly. The Clerk made additional payments throughout the year to PERS to avoid having a large balance due at the end of the year. His total overpayment was reported as \$3,792 on his AFR when it should have been only an overpayment of \$449. Auditor also noted that amounts reported in Part II, lines 28, 29, 30 were inadvertently placed on the wrong lines, however this did not cause an error in the calculation, as the calculation was generated as though the numbers were on the correct lines.
Cause	The Clerk did not properly claim expenses.
Effect	The Circuit Clerk overstated the payment of total PERS contributions by \$3,343.
Recommendation	We recommend the Circuit Clerk implement procedures to ensure that correct PERS Contributions are included in the Clerk's Annual Financial Report. The Circuit Clerk should also revise the 2017 Annual Financial Report to reflect the correction to the PERS contribution claimed that was inaccurate, and reimburse any refund received for the original overpayment to the proper recipient. In addition, when filing the revised 2017 Annual Financial Report, Part II, lines 28, 29, 30 should be placed on the correct line as well.
Official Response	The error was caught by PERS in April 2018, adjusted the report, and returned the correct overpayment. The Circuit Clerk will file an amended Clerk's Annual Financial Report for 2017 to reflect this. The error was also corrected on the compilation form to prepare the Clerk's Annual Financial Report.

Auditor's Note: The Circuit Clerk did provide a copy of the letter dated April 12, 2018, from PERS indicating PERS had audited the 2017 Annual Financial Report, and determined there was an overpayment, and issued a refund check to the County, stating the County should refund the applicable amount to the Circuit Clerk. An amended 2017 AFR has not been presented to the auditor.

2017-015	<u>Deputy Circuit Clerks Should Be Properly Bonded.</u>
Repeat Finding	No
Criteria	<i>Section 9-7-123(2), Mississippi Code Annotated (1972)</i> requires that all Deputy Circuit Clerks be bonded for three percent of the prior year's taxes with a minimum of \$50,000 and a maximum of \$100,000.

Condition	As a result of audit procedures performed, it was determined that the Deputy Circuit Clerks were not bonded for fiscal year 2017 as required by <i>Mississippi Code Section 9-7-123(2)</i> .
Cause	The County failed to properly bond the Deputy Circuit Clerks.
Effect	Failure to comply with the state statutes could result in the loss of public funds.
Recommendation	The Circuit Clerk should implement procedures to ensure that all officials are properly bonded as required by state statute.
Official Response	The Circuit Clerk will be working with the County Administrator to address this issue and resolve it as soon as possible.

2017-016	<u>Controls over Cash Receipts in the Circuit Clerk's Office Should Be Strengthened and Funds Should be Deposited Daily.</u>
Repeat Finding	No.
Criteria	<i>Section 25-1-72, Mississippi Code Annotated (1972)</i> requires that all county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter. An effective system of internal control over the receipting of funds should include daily bank deposits.
Condition	Based on test work and observations, we noted that bank deposits are not being made on a daily basis, which is a deficiency of internal control, and not in compliance with <i>Section 25-1-72, Mississippi Code Annotated (1972)</i> .
Cause	Bank deposits were not being made on a daily basis.
Effect	Failure to implement proper controls could result in the loss or misappropriation, fraud, waste, and abuse of public funds.
Recommendation	The Circuit Clerk should strengthen internal controls to ensure compliance with state laws over cash receipts, and that all bank deposits are made daily.
Official Response	The Circuit Clerk will strengthen internal controls by ensuring that the deposits are done daily from this point forward.

Justice Court Clerk.

2017-017	<u>Deputy Justice Court Clerks Should Be Properly Bonded.</u>
Repeat Finding	No.
Criteria	<i>Section 9-11-29(2), Mississippi Code Annotated (1972)</i> requires that all Deputy Justice Court Clerks be bonded in a penalty to equal \$50,000.
Condition	As a result of audit procedures performed, it was determined that the Deputy Justice Court Clerks were not properly bonded for fiscal year 2017.
Cause	The County did not properly bond their employees.

Effect	Failure to comply with the statutes could result in the loss of public funds.
Recommendation	The Justice Court Clerk should implement additional procedures to ensure that all officials are bonded as required by state statute.
Official Response	Knew they had to be bonded. Did not know it was my responsibility. Will work with County Administrator.

2017-018	<u>Cash Collection and Disbursement Functions in the Justice Court Clerk's Office are not Adequately Segregated.</u>
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 of the Justice Court office were not adequately separated for effective internal control. The following discrepancies were noted: <ul style="list-style-type: none"> a. The Justice Court Clerk has access to collections and issues receipts, prepares and makes bank deposits, reconciles bank statements, and writes checks for all disbursements b. The Justice Court Clerk does not have a locked safe to safeguard cash collections during the day and overnight.
Cause	Justice Court Clerk's office breakdown of internal controls.
Effect	Failure to implement adequate internal controls over collections, receipts and disbursements, as well as implementing necessary physical safeguards could result in the misappropriation, fraud, waste, and abuse of public funds.
Recommendation	The Justice Court Clerk should take steps to ensure there is an 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 Office. In addition, ensure that controls are in place to properly safeguard cash collections.
Official Response	We will implement procedures in the future. I do have a safe that would not work when building was first built. Will work to start using.

Sheriff.

2017-019	<u>Retroactive Pay Increase Should not be Granted after Services Rendered.</u>
Repeat Finding	No.
Criteria	Section 96 of the <i>Mississippi Constitution</i> strictly forbids payment of retroactive salary increases to any public employee unless such payment is clearly shown to be back pay previously due but unpaid because of an administrative error.

Condition	Review of the minutes show a request made on July 5, 2017, of a payroll change a new rate of employee pay of \$13.46/hr. from \$12.50/hr., effective March 20, 2015 due to completed certification training. This amount totaled \$4,908.86 for the time period between March 20, 2015 and the date of the request made on July 5, 2017. Inquiry of the Sheriff revealed that there was no pay scale policy in place. Under the facts presented, the pay increase was discretionary, not mandatory, therefore the employee was not entitled to the additional money.
Cause	The County paid a retroactive pay increase.
Effect	Payment of salary an employee was not entitled to could lead to misappropriation of funds, possible fraud and lack of transparency.
Recommendation	All personnel salary payments should be properly authorized in a timely fashion, and no retroactive salary increases should be paid without proper authority.
Official Response	We are working to implement a formal pay scale/structure to be made part of our Policy and Procedures.

2017-020	<u>Inmate Commissary Expenditures Should be for the Benefit of Inmates.</u>
Repeat Finding	No.
Criteria	<i>Section 19-3-81, Mississippi Code Annotated (1972)</i> requires funds derived from the operation of the inmate canteen facility be deposited into a special fund. Any monies in the special fund may be expended solely by the sheriff of the county for any educational related expenses, to purchase equipment and supplies and to provide for maintenance of the equipment purchased for the benefit and welfare of the inmates.
Condition	During our test work, it was noted that a purchase greater than \$5,000 was made from the Commissary Fund. The item purchased was a Guardian Property and Evidence Packaging System at a cost of \$8,565. The purchase of a packaging system is not for the benefit and welfare of the inmates. The improper purchase also did not follow the proper purchasing law in obtaining two quotes for the items.
Cause	The County made purchases from the Commissary Fund that was not for the benefit and welfare of the inmates.
Effect	The purchase of an item not for the benefit of the inmates could result in a loss or misappropriation of public funds.
Recommendation	The Sheriff should ensure that any purchase from the Commissary Fund is for the benefit and welfare of the inmates incarcerated in the county jail. We recommend the Commissary Fund be reimbursed \$8,565 by the General Fund.
Official Response	I mistakenly thought we did obtain two quotes on this but we did not. I also mistakenly thought the purchase with commissary proceeds was permissible due to the improved storage of inmates' personal property while they were housed here. We (I) will not make mistakes like this again.

Election Commissioners.

2017-021	<u>Election Commissioners Were Improperly Paid. In Addition, the Required Election Form was not Completed.</u>
Repeat Finding	No.
Criteria	<p><i>Section 23-15-153(2), Mississippi Code Annotated (1972)</i> requires that, except as provided in this section, and subject to the following annual limitations, the commissioners of election shall be entitled to receive a per diem in the amount of Eighty-four Dollars (\$84.00) to be paid from the county general fund, <u>for every day or period of no less than five (5) hours accumulated over two (2) or more days</u> actually employed in the performance of their duties in the conduct of an election or actually employed in the performance of their duties for the necessary time spent in the revision of the registration books and poll books as required in subsection (1) of this section...</p> <p><i>Section 23-15-153(10), Mississippi Code Annotated (1972)</i> requires that every commissioner of election <u>shall sign personally</u> a certification setting forth the number of hours actually worked in the performance of the commissioner's official duties and for which the commissioner seeks compensation. The certification must be on a form as prescribed in this subsection. The prescribed form includes columns to document the Purpose of Work and the Applicable Code Section to be completed.</p>
Condition	<p>Test work showed that four of the Election Commissioners were overpaid for days worked based on "for every day or period of no less than five (5) hours accumulated over two (2) or more days". The Elections Commissioners combined days to accumulate the required hours in order to be paid the per diem. In addition, one commissioner was overpaid due to a mathematical error. The total overpayments were \$1,892.00.</p> <p>In addition, the auditor noted that several of the certifications setting forth the number of hours actually worked in the performance of the commissioner's official duties and for which the commissioner sought compensation were not signed by the commissioner, nor was the Purpose of Work and Applicable MS Code Section noted.</p>
Cause	The Election Commissioners did not follow State Law when requesting payment.
Effect	The failure to properly prepare and submit Per Diem Claim forms could result in misappropriation, fraud, waste, or abuse of public funds.
Recommendation	<p>We recommend that in the future per diem payments to the Election Commissioners be made in accordance with <i>Miss. Code Section 23-15-153(2) and 23-15-153(10)</i>.</p> <p>Although not required by statute, it is recommended that the number of hours worked, and the accuracy of each certification be verified by the signature of the chairman of the election commission.</p> <p>We recommend that the Election Commissioners repay the General Fund the overpayments totaling \$1,892.00.</p>
Official Response	One Election Commissioner has repaid to the County \$168.00, check 605 on 2/4/2019 as evidenced by receipt # 27554; Another Election Commissioner has repaid to the County \$420.00, cash, on 1/29/19 as evidenced by receipt # 27521. The remaining two Election Commissioners initially disputed the findings, but later have agreed to repay the balances of \$336.00 and \$968.00, the amount due to the County.

Inventory Clerk.

2017-022	<u>Inventory Clerk did not file Inventory Reports Timely.</u>
Repeat Finding	No.
Criteria	<i>Section 31-7-107, Mississippi Code Annotated (1972)</i> , requires inventory reports to be filed with the Board of Supervisors, in triplicate, with copies forwarded to the Office of the State Auditor no later than October 15 of each year.
Condition	The required inventory reports were not presented to the Board of Supervisors; however, per the Property Division of the Office of the State Auditor, the report was filed to them on December 11, 2017.
Cause	The required inventory reports were not filed with the Board of Supervisors in triplicate, with copies forwarded to the Office of the State Auditor no later than October 15.
Effect	The failure to prepare the annual reports could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of funds.
Recommendation	The Inventory Clerk should timely file the required inventory report with the Board of Supervisors and the Office of the State Auditor, as required by law.
Official Response	All future inventory reports will be filed timely with the Board of Supervisors and the Office of the State Auditor as required by law. Tate County is currently in the process of conducting its' annual inventory audit. The 2018 inventory report will be timely filed with the Board of Supervisors and the Office of the State Auditor by October 15, 2018.

2017-023	<u>Internal Controls over Declaring Property as Junk or Obsolete Should be Strengthened.</u>
Repeat Finding	No
Criteria	An effective system of internal controls over obsolete property should include the following: <ul style="list-style-type: none">a. Police Reports provided for stolen items.b. Explanations for items deemed unable to locate.c. Notation of the method of disposal.
Condition	We noted the following deficiencies during our audit: <ul style="list-style-type: none">a. Police Reports were not provided in the official minutes for stolen items.b. Three cell phones were declared as junk or obsolete noted only as "unable to locate". These cell phones were assigned to specific persons. The County made no attempts to make taxpayers whole from these loss of funds.c. Tate County "Inventory of Fixed Assets Removal Request" does not provide for notation as to the method of disposal.
Cause	Lack of internal controls over inventory dispositions.
Effect	The failure to provide proper documentation for removal of assets from inventory could lead to the possibility of the loss or misappropriation of funds.

Recommendation The Inventory Clerk should submit the Police Reports for stolen property, and further documentation as to why an item is unable to be located. Additionally, the Inventory Removal Form should include a notation as to the disposal method used.

Official Response The Inventory Clerk will add an additional line to the Removal Form to include the method of disposal. The Inventory Clerk maintains records in his office to include the removal form and police reports. Police reports are attached to the removal form for stolen items. The Inventory Clerk submits the Removal Form with supporting documentation to the Board of Supervisors upon request for removal. The Inventory Clerk has no knowledge why the police reports that were attached to the Removal Form were not spread on the minutes.

Payroll Clerk

2017-024 The Required PERS Form 4B was not Filed with MS Employees Retirement System.

Repeat Finding Yes. 2016-2

Criteria 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."

Condition Auditor noted that no Form 4B "Reemployment of PERS Service Retiree Certification/Acknowledgement" was filed for the 2017 fiscal year 100% (nine) of the retirees.

Cause Form 4B was not filed.

Effect The failure to properly file Form 4B could jeopardize the provisions for reemployment.

Recommendation We recommend that the County file PERS Form 4B each fiscal year of re-employment.

Official Response The Payroll Clerk and the Board of Supervisors are developing a comprehensive checklist to verify that all necessary paperwork, including PERS 4B forms, are completed prior to an individual's first day of employment. Additionally, the payroll clerk will maintain a list of all PERS retirees working for Tate County, and will file the PERS 4B Form every fiscal year of re-employment.

Payroll Clerk

2017-025 Matching PERS Contributions for Retirees were not Paid.

Repeat Finding Yes

Criteria *Section 25-11-127 (5), Mississippi Code Annotated (1972)* provides that "...the employer of any person who is receiving a retirement allowance and who is employed in service covered by subsection (4) of this section as an employee or contractual employee shall pay to the board the full amount of the employer's contribution on the amount of compensation received by the retiree for his or her employment in accordance with regulations prescribed by the board..."

Condition	Test work showed that the County had not paid the full amount due from the employer in accordance with PERS regulations.
Cause	The County did not pay employer's contribution for retirees.
Effect	The failure to properly pay the employer's contributions results in noncompliance of State law.
Recommendation	We recommend that the County submit corrected reports and payment to PERS for the unpaid contributions in accordance with state law.
Official Response	The Payroll Clerk will perform an audit of PERS retirees to verify what amounts, if any, that Tate County owes PERS. At the conclusion of this audit, Tate County will submit the corrected reports and payment to PERS for any unpaid contributions, if any, in accordance with state law.

Tate 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.

Sincerely,



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