

# ADAMS COUNTY MISSISSIPPI

## COMPLIANCE REPORT

---

Special Reports

For the year ended *September 30, 2018*

**SHAD WHITE**

**State Auditor**

**Stephanie C. Palmertree, CPA, CGMA**

Director, *Financial and Compliance Audit Division*

**Derrick Garner, CPA, CFE**

Director, *Compliance Audit Division*



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

**ADAMS COUNTY**

TABLE OF  
CONTENTS

SPECIAL REPORTS..... 4

    Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk  
    Schedules (Required By *Section 31-7-115, Mississippi Code Annotated (1972)*).....5

    Limited Internal Control and Compliance Review Management Report..... 11

## ADAMS COUNTY

### **SPECIAL REPORTS**



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR**

**Shad White  
AUDITOR**

February 25, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE ANNOTATED (1972))**

Members of the Board of Supervisors  
Adams County, Mississippi

We have examined Adams 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 bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)*, during the year ended September 30, 2018. The Board of Supervisors of Adams 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 Adams 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:

---

**Board of Supervisors.**

**Finding 1.** The Board of Supervisors Should Authorize County Employees to Serve as Assistant Receiving Clerks and Ensure Clerks Issue Purchase Requisitions, and Accept Delivery of Purchases.

**Applicable State Law:** *Section 31-7-101, Mississippi Code Annotated (1972)*, authorizes only the Receiving Clerk and Assistant Receiving Clerks to accept delivery of all equipment, heavy equipment, machinery, supplies, commodities, material, and services purchased by the County.

**Finding Detail:** We noted ten (10) instances in which the Receiving Clerk indicated to us that she did not receive the items purchased although she signed the receiving report. This noncompliance was due to the Receiving Clerk not receiving all goods purchased by the County, specifically those purchased by the Road Department.

**Effect:** This could result in the loss of public funds.

**Recommendation:** The Board of Supervisors should implement procedures to ensure all purchases are received by the Receiving Clerk, or appoint an adequate number of Assistant Receiving Clerks.

**Official Response:** \_The Receiving Clerk shall appoint, with the consent of the Adams County Board of Supervisors, sufficient Assistant Receiving Clerks that will be bonded as required, and all future deliveries for any county department will only be signed by these said approved clerks.

The appointment of the Assistant Requisition Clerks for each department shall be immediately memorialized in the minutes of the Board and renewed annually simultaneously with the appointment of the Purchasing Clerk.

**Repeat Finding::** No.

---

**Finding 2.** The Board Failed to Approve and Document a Sole-source Purchase.

**Applicable State Law:** *Section 31-7-13(M)(VIII), Mississippi Code Annotated (1972)*, requires that, for purchases of noncompetitive items only available from one (1) source, a certification of the conditions and circumstances requiring the purchase shall be filed by the requesting department with the Board of Supervisors. Upon receipt of that certification, the Board may authorize the purchase in writing and such authorization must be noted on the minutes of the next regular board meeting.

**Finding Detail:** A sole-source purchase of a finger-printing ID scanner, costing \$28,597, was not properly authorized by the Board of Supervisors. In addition, the purchase was not documented within the minutes as required by state law.

**Effect:** Failure to properly approve purchases and maintain accurate purchasing records could result in violation of state purchasing statutes or the misappropriation of public funds.

**Recommendation:** The Board should ensure all sole-source purchases listed on the purchase schedules are approved and documented in the minutes.

**Official Response:** \_The Purchasing Clerk shall provide sufficient documentation evidencing a sole-source and request Board approval prior to purchasing from that provider. A line item will be added to the Purchasing Clerk's schedule for future sole source purchases that will verify that the purchase has been Board-approved and reflected in the minutes.

**Repeat Finding::** No

---

## **Purchase Clerk.**

**Finding 3.** No Bids Obtained or Documented for Purchases Greater Than \$5,000 but Less Than \$50,000.

**Applicable State Law:** *Section 31-7-13(b), Mississippi Code Annotated (1972)*, states, "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."

**Finding Detail:** We noted three (3) instances, totaling \$44,208, in which the Purchase Clerk failed to obtain and/or document bids for purchases in excess of \$5,000 but less than \$50,000. Failure to obtain the required competitive written bids could result in the loss of public funds.

**Recommendation:** The Purchase Clerk should ensure that purchases over \$5,000 but not over \$50,000 are made from the lowest and best bidder of at least two (2) competitive written bids, which have been signed by a representative of the bidder as required by state law.

**Official Response:** In the three (3) instances where quotes were not attached to the copies of accounting's purchase order paperwork, I am certain quotes were obtained and attached to purchasing's copies but not accounting's. However, we have already implemented the actions of attaching quote copies to both purchasing and accounting's purchase order paperwork and will continue to do so for both departments.

**Repeat Finding:** No.

---

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, Mississippi Code Annotated (1972)*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

Adams 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 Adams County, Mississippi's compliance with the aforementioned requirements, 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 being the most prominent.

Stephanie C. Palmertree, CPA, CGMA  
Director, Financial and Compliance Audit  
Office of the State Auditor

ADAMS COUNTY

Schedule 1

Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2018

Our tests did not identify any purchases from other than the lowest bidder.



ADAMS COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2018

Schedule 2

Our tests did not identify any emergency purchases.

## ADAMS COUNTY

Schedule 3Schedule of Purchases Made Noncompetively From a Sole Source  
For the Year Ended September 30, 2018

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
4/11/2018	Fingerprint scanner	\$28,597	MorphoTrust USA, LLC



**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  
Adams 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 2018 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.**

**Finding 1:** Surety Bonds Should be Approved by the Board of Supervisors and the Supervisors' Bonds Should be Approved by the Chancery Clerk.

**Applicable State Law:** *Section 25-1-19(1), Mississippi Code Annotated (1972)*, requires: (1) the bonds of the members of the Board of Supervisors to be approved by the Chancery Clerk; and (2) the bonds of the Chancery and Circuit Clerks and all other county officers and employees to be approved by the Board of Supervisors.

**Finding Detail:** The Chancery Clerk did not approve the Board of Supervisors' bonds. In addition, the Board of Supervisors did not approve any county employees' bonds. Failure to have a bond approved could limit the amount available for recovery if a loss occurred over multiple terms. Additionally, failure to comply with the state statute by being correctly and sufficiently bonded could result in the loss of public funds.

**Recommendation:** The Board should approve all county employees' bonds. The Chancery Clerk should approve the bonds of the supervisors.

**Official Response:** Future bonds for county employees will be approved by the Board of Supervisors, and the Board's bonds will be approved by the Chancery Clerk and spread across the minutes in order to remain in strict compliance with the statute.

**Repeat Finding:** No.

---

**Finding 2:** The County Should Pay Only Actual Travel Expenses Incurred by Officials and Employees.

**Applicable State Law:** *Section 25-3-41(5), Mississippi Code Annotated (1972)*, provides authority for any officer or employee of the County, or any department, board or commission thereof, who is required to travel in the performance of his official duties, to receive funds before the travel for the purpose of paying necessary expenses incurred during the travel. Upon return from the travel, the officer or employee is required to provide receipts of transportation, lodging, meals, fees and any other expenses incurred during the travel. Any portion of the funds advanced which is not expended during the travel must be returned to the County.

**Finding Detail:** It is the County's policy to advance funds to officials and employees to pay for travel expenses. However, travelers are not required to furnish receipts for expenses incurred nor are they required to return any unspent funds to the County. This noncompliance has placed the County in violation of *Section 25-3-41(5)* and has resulted in the unauthorized expenditure of public funds.

**Recommendation:** The Board of Supervisors should adopt a travel policy that requires an accounting for all funds advanced and the return of any unspent funds to the County.

**Official Response:** The County will amend its travel and meal policy to require the submission of the attached form which requires receipts for all travel advances as well as travel reimbursement for employees. An employee will also be designated to ensure said form has been remitted. All funds that were advanced but were not expended will be required to be returned by the employee timely. Failure to reconcile travel by the submission of the required form as well as reimbursement of documented unexpended funds will result in a return of all advanced funds by the employee.

**Repeat Finding:** No.

---

**Finding 3:** The Board Should Ensure the Public Depositor's Annual Report is Filed with the State Treasurer's Office on Time.

**Applicable State Law:** *Section 27-105-5(6)(b), Mississippi Code Annotated (1972)*, states that every public depositor is required to notify the State Treasurer's office no later than thirty (30) days following its fiscal year-end of its name, address, tax identification number and listing of deposit accounts.

**Finding Detail:** Documentation obtained from the Mississippi Office of the State Treasurer indicates the County's report was received on November 19, 2018, fifty (50) days after the end of fiscal year 2018. Failure to file the report in a timely manner places the County in violation of state law and delays the reconciliation of any differences between the County's report and reports filed by the County's public depositories.

**Recommendation:** The Board of Supervisors should implement procedures to ensure the County's Public Depositor Annual Report is filed within thirty (30) days of its fiscal year-end as required by state law.

**Official Response:** The Public Depositor's Annual Report will be filed within thirty (30) days of the fiscal year-end as statutorily required. In the future, we will both mail and e-mail the report in order to further document the timely submission.

**Repeat Finding:** No.

---

**Finding 4:** The Board of Supervisors Should Determine the Price at Which a Retiring Law Enforcement Officer May Purchase His Sidearm.

**Applicable State Law:** *Section 45-9-131, Mississippi Code Annotated (1972)*, requires the Board of Supervisors to determine the amount to be paid by a retiring law enforcement officer for the purchase as his personal property one (1) sidearm which was issued to him by the law enforcement agency from which he is retiring.

**Finding Detail:** The Board of Supervisors approved the purchase of a firearm by two (2) individuals retiring from the Sheriff's office; however, no purchase price was established by the Board for these purchases. Failure by the Board to establish a purchase price for the officers' weapons is a violation of state statute.

**Recommendation:** The Board of Supervisors should ensure that all future approvals for the purchase of a service weapon by a retiring officer include the purchase price.

**Official Response:** At the time that any retiring officer has requested to purchase their service weapon, it shall be approved by the Board of Supervisors and the purchase price shall then be spread across the minutes as required.

**Repeat Finding:** No.

---

**Finding 5:** A Four-year Road Plan Was Not Adopted and Recorded in Board Minutes.

**Applicable State Law:** *Section 65-7-117, Mississippi Code Annotated (1972)*, requires the Board of Supervisors, on or before February 1 of each year, to adopt and spread upon its minutes a four-year plan for the construction and maintenance of county roads and bridges.

**Finding Detail:** A four-year road plan was not spread across the minutes in 2018. Failure to adopt the four-year road plan could result in a lack of funding for construction and maintenance of the County's roads and bridges.

**Recommendation:** The Board of Supervisors should ensure that the four-year road plan is adopted and spread across the minutes each year.

**Official Response:** All future updated four-year road plans will be accompanied by a certification of the minutes ensuring strict compliance.

**Repeat Finding:** No.

---

**Finding 6:** The Road Manager Should Prepare All Requisitions for the County Road Department.

**Applicable State Law:** *Section 65-17-1(2), Mississippi Code Annotated (1972)*, requires the Road Manager to prepare all requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials, and services for the Road Department and to submit them to the county purchasing department for processing in accordance with the central purchasing system.

**Finding Detail:** None of the three requisitions for the Road Department purchases selected for testing were signed by the Road Manager. Purchases by other than the authorized individual could result in the loss of public funds.

**Recommendation:** The Board of Supervisors should implement procedures to ensure that requisitions for Road Department purchases are prepared and signed by the Road Manager.

**Official Response:** The Road Manager shall immediately memorialize his delegation of requisitions for the Road Department in the minutes of the Board of Supervisors with the understanding that he or she is still responsible for all Road Department requisitions.

**Repeat Finding:** No.

---

#### **Board of Supervisors & Chancery Clerk.**

**Finding 7:** The Chancery Clerk Failed to Make Timely Deposits to the County for Her Employees' Payroll Expenditures.

**Applicable State Law:** Mississippi county supervisors can vote to pay chancery clerk employee salaries if reimbursed by the Clerk's office. The Chancery Clerk is required to reimburse the County his or her employee payroll expenditures prior to the issuance of payroll checks.

**Finding Detail:** We noted twelve (12) instances where the employee payroll reimbursement checks from the Chancery Clerk to the County were issued between eight (8) and forty-one (41) days after the County had issued the employees' payroll checks. Failure to reimburse the County for the Chancery Clerk's employee payroll in advance resulted in an unauthorized loan from the County to the Chancery Clerk.

**Recommendation:** The Board of Supervisors should ensure that payroll reimbursements from the Chancery Clerk are made to the County in a timely fashion so as not to give the Chancery Clerk an interest-free loan.

#### **Official Responses:**

**Board of Supervisor:** It is the current policy of the Chancery Clerk that all funds payable to the County are deposited by the end of the next business day. Adams County bookkeeping complies with this policy by making a daily deposit. All future payroll checks from the Chancery Clerk will be included in that day's deposit to ensure compliance of this policy.

**Chancery Clerk:** The Chancery Clerk shall take all steps necessary and proper to ensure that reimbursement checks are sent to bookkeeping and are timely deposited. Payroll reimbursement from the Chancery Clerk will be in hand and deposited before the county employees have been paid through the normal payroll process.

**Repeat Finding:** No.

---

**Finding 8:** The Board of Supervisors Should Not Approve Claims for the Feeding of Prisoners Unless the Sheriff Has Filed the Required Meal Log.

**Applicable State Law:** *Section 19-25-74, Mississippi Code Annotated (1972)*, prohibits the Board of Supervisors from approving for payment claims submitted for the feeding of prisoners in the county jail unless and until the Sheriff has filed with the Board the required log of meals served to prisoners in the preceding month.

**Finding Detail:** The Board approved all vendor claims submitted for the feeding of prisoners without the Sheriff submitting the required meal logs. The failure of the Board to require submission of the meal log prior to approval of the claims submitted for such feeding places the Board in violation of state law.

**Recommendation:** The Board should implement procedures to ensure that claims submitted for the expenses of feeding prisoners are not approved for payment until the meal log has been submitted by the Sheriff.

#### **Official Responses:**

**Board of Supervisors:** Please see the response provided by the Adams County Sheriff.

**Sheriff:** Sheriff's Lieutenant has been retrained as to the proper procedures of filing the attached report timely. On said reports we now include: BOARD OF SUPERVISORS APPROVED ON THE X DAY OF Y, 20ZZ.

**Repeat Finding:** No.

---

**Board of Supervisors, Circuit Clerk, Justice Court Judge, Justice Court Clerk, Tax Collector, and Tax Assessor.**

**Finding 9:** County Official and County Employees' Bonds Were "Continuation Certificates" and Several Bonds had "Indefinite Terms."

**Applicable State Law:** *Section 25-1-15(1) and Section 25-1-15(2), Mississippi Code Annotated (1972)*, requires a new bond in the amount required by law to be secured at the beginning of each new term of office or every four (4) years whichever is less for public officials and employees, respectively.

**Finding Detail:** 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. We noted that the following county officials have a "Continuation Certificate" or "indefinite terms":

- Four (4) members of the Board of Supervisors,
- Chancery Clerk,

- Circuit Clerk and Deputy Circuit Clerks,
- Tax Assessor,
- Two (2) Assistant Receiving Clerks,
- Four (4) Port Commissioners,
- Justice Court Judge and Justice Court Clerk (2),
- County Administrator (no bond on file for fiscal year 2018),
- Assistant Receiving Clerk, and
- Inventory Control Clerk.

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. Additionally, failure to comply with the state statute by being correctly and sufficiently bonded could result in the loss of public funds.

**Recommendation:** The county officials should ensure that everyone required by state law be properly bonded. The county officials should also ensure that bonds secured list a term of office covered and secure a new bond every four (4) years concurrent with the normal election cycle of the County.

**Official Responses:**

**Board of Supervisors:** The employees/officers stated had sufficient and enforceable sureties to protect the County as acquired by the duly authorized insurance agent of the County. The County points out that the port commissioners are not members of the political subdivision known as Adams County, but rather a separate political subdivision organized and directed under a different set of statutes. The employee and official's bonds that were noted above will be converted to "definite term" bonds. Notwithstanding the foregoing, the Board shall review and approve sufficient bonds at the next meeting and spread it across the minutes.

**Circuit Clerk:** I was not aware that a "Continuation Certificate" was not sufficient. This will be corrected.

**Justice Court Clerk:** We will get the correct bonds in the future.

**Tax Assessor:** Will follow up on the above mentioned problems.

**Tax Collector:** The employee's bonds that were noted for the Tax Collector's office will be replaced with "definite term" bonds.

**Repeat Finding:** No.

**Purchase Clerk.**

**Finding 10:** The Purchase Clerk Did Not Submit a Monthly Credit Card Report to the Board of Supervisors and Unauthorized Purchases Were Made With the County's Credit Card.

**Applicable State Law:** *Section 19-3-68, Mississippi Code Annotated (1972)*, authorizes the Board of Supervisors to acquire one (1) or more credit cards which may be used by members of the Board of Supervisors and county employees to pay travel expenses incurred when traveling in the performance of their official duties. Credit card users must furnish receipts for the use of the cards each month to the Chancery Clerk or Purchase Clerk who must then submit a written report to the Board of Supervisors each month itemizing all credit card use.

**Finding Detail:** For twelve (12) months of the board minutes reviewed, the required monthly credit card report was not submitted to the Board of Supervisors by the Purchase Clerk or the Chancery Clerk. Additionally, a county credit card was used to pay expenditures other than those incurred for travel in the amount of \$89,498. The failure to enforce the requirements of this section could result in the misuse of the credit card for unauthorized and disallowed expenditures.



**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 and receipts of expenditures are maintained. The Purchase Clerk should also not make any purchases other than travel expenses unless using an approved State Procurement Card or by obtaining a waiver to use another procurement card.

**Official Response:** It was recently brought to my attention that credit card reports must be presented to the Adams County Board of Supervisors and is now being presented and spread across the Board's minutes.

Documentation will also be spread across the minutes as soon as possible to document the procurement card is approved by the Department of Finance and Administration as soon as it has been completed and returned by DFA.

**Repeat Finding:** No.

---

#### **Chancery Clerk.**

**Finding 11:** The Chancery Clerk Should Deposit All Fees into the County Depository.

**Applicable State Law:** *Section 27-105-371, Mississippi Code Annotated (1972)*, requires all county officials who receive funds under the authority of their office to deposit such funds into the county depository.

**Finding Detail:** Statutory fees paid to the Chancery Clerk through the county payroll system were not deposited into the county depository as required. Failure to deposit chancery fees into the fee clearing account can cause the Chancery Clerk's fee journal to be misstated as well as cause her Annual Financial Report to be incorrect.

**Recommendation:** The Chancery Clerk should maintain the fee clearing account accurately by depositing all fees into the fee clearing account and post these transactions to the fee clearing journal.

**Official Response:** We have requested that the Chancery Clerk's payroll be deposited into the Chancery Clerk fee clearing account.

**Repeat Finding:** Yes - 2016

---

**Finding 12:** The Chancery Clerk Should File Her Original Surety Bond With the Circuit Clerk's Office.

**Applicable State Law:** *Section 25-1-19(1), Mississippi Code Annotated (1972)*, requires the original of the Chancery Clerk's bond, after it is recorded, to be deposited and filed in the Circuit Court Clerk's office.

**Finding Detail:** The Chancery Clerk did not file her original surety bond with the Circuit Clerk's office. Failure to file the original bond with the Circuit Clerk's office places the Chancery Clerk in violation of state statute.

**Recommendation:** The Chancery Clerk should deposit and file the original surety bond with the Circuit Clerk's office.

**Official Response:** The Chancery Clerk will deposit and file the original surety bond with the Circuit Clerk's office.

**Repeat Finding:** No.

---

**Finding 13:** The Chancery Clerk was Overpaid for Attending Board Meetings.

**Applicable State Law:** *Section 25-7-9(1)(f), Mississippi Code Annotated (1972)*, authorizes payment to the Chancery Clerk

in the amount of \$20 each for the Clerk and one (1) deputy for each day's attendance at meetings of the Board of Supervisors.

**Finding Detail:** Although the attendance of a deputy was not documented in the board minutes, the Clerk was paid \$40 for each board meeting in 2018. The Clerk was overpaid \$560 in 2018 for attending board meetings.

**Recommendation:** The Clerk should only request payment for her attendance at board meetings. If a Deputy Clerk is also in attendance, the Clerk should ensure the Deputy's attendance is also documented in the minutes.

**Official Response:** We will document the Deputy Clerk's attendance.

**Repeat Finding:** No.

---

**Finding 14:** The Chancery Clerk Should Settle Land Redemption Proceeds Timely and Correctly in Accordance with State Law.

**Applicable State Law:** *Section 27-45-1, Mississippi Code Annotated (1972)*, requires the Chancery Clerk to make his land redemption settlements within twenty (20) days of the end of each month and to make a complete report thereof to the Board of Supervisors.

*Section 27-43-3, Mississippi Code Annotated (1972)*, allows a fee of \$35 to the Sheriff for serving either a first or second notice of the impending expiration of the time of redemption with respect to land sold.

**Finding Detail:** The following noncompliance was noted in settlements of land redemption proceeds in 2018:

- We noted three (3) instances of land redemption collections being settled more than twenty (20) days after the end of the month in which they were collected and;
- No evidence of the required monthly reports to the Board of Supervisors was recorded in the minutes of the board meetings.

The Chancery Clerk is in violation of state law for failure to settle land redemption proceeds in a timely manner and for failure to make the required monthly reports to the Board of Supervisors.

**Recommendation:** The Chancery Clerk should implement procedures to ensure land redemption proceeds are settled within twenty (20) days of the end of the month in which they are collected and that the fees are calculated correctly. She should also submit the required monthly reports of land redemptions to the Board of Supervisors.

**Official Response:** a. We will ensure all land redemption settlements are made timely.

b. Per statute, we will spread the monthly tax redemption settlement reports across the minutes of the Board of Supervisors.

**Repeat Finding:** No.

---

### **Circuit Clerk.**

**Finding 15:** The Circuit Clerk was Overpaid for Services Rendered as the County Registrar.

**Applicable State Law:** *Section 23-15-225(1)(e), Mississippi Code Annotated (1972)*, limits the Circuit Clerk's compensation for services provided as the County Registrar to \$18,400 per year.

**Finding Detail:** The Circuit Clerk received compensation in the amount of \$23,098 for County Registrar services in 2018 resulting in an overpayment of \$4,698. The Circuit Clerk was overpaid in the amount of \$4,698 for serving as the County Registrar.

**Recommendation:** The Clerk should ensure that all payments received are in compliance with the applicable state statute.

**Official Response:** The amount of \$1,924 per month for County Registrar has been paid to Clerk since taking office. We were never told this was incorrect. Correction will be made.

**Auditor's Note:** The overpayment was repaid to the County on October 3, 2019.

**Repeat Finding:** No.

---

**Finding 16:** The Circuit Clerk was Overpaid for State Fail Cases in 2018.

**Applicable State Law:** *Section 25-7-13(4), Mississippi Code Annotated (1972)*, authorizes payment in an amount not to exceed \$400 in one (1) year as the Clerk's fees in state cases where the state fails in the prosecution, or in cases of felony where the defendant is convicted and the cost cannot be made out of his estate.

**Finding Detail:** The Circuit Clerk received payment in the amount of \$2,400 for state fail cases in 2018 resulting in an overpayment of \$2,000. The Clerk was overpaid in the amount of \$2,000 for state fail cases in 2018.

**Recommendation:** The Clerk should ensure all payments received are within the statutorily-imposed limits.

**Official Response:** I acknowledge that the County was mistakenly overbilled on state fail cases in 2018. This amount will be refunded to the County. The Circuit Court billing form will be corrected so this will not happen again.

**Auditor's Note:** The overpayment was repaid to the County on October 3, 2019.

**Repeat Finding:** No.

---

**Finding 17:** The Circuit Clerk Should Settle Fees Received in Excess of the Salary Limitation on or Before April 15 of the Subsequent Calendar Year.

**Applicable State Law:** *Section 9-1-43(1), Mississippi Code Annotated (1972)*, limits the compensation of Circuit Clerks to \$90,000 after making deductions for employer contributions paid by the Circuit Clerk to the Public Employees' Retirement System, employee salaries and related salary expenses and expenses allowed as deductions on Schedule C by the Internal Revenue Code. All fees received in excess of the salary limitation must be deposited by the Clerk into the County's general fund on or before April 15 of the subsequent calendar year. However, *Section 25-11-127(6)(a)(ii)* further limits the compensation of a state retiree who is elected to a county office to 25 percent of the retiree's average compensation.

**Finding Detail:** The Circuit Clerk, who retired from state service in June 2015, exceeded his salary cap by \$93,457 in calendar year 2017 and did not fully settle the excess compensation to the County until August 13, 2018. Failure to settle the fees received in excess of the Clerk's salary limitation could result in the loss of public funds.

**Recommendation:** The Clerk should ensure that all compensation received in excess of his salary limitation is settled to the County's general fund no later than April 15 of the subsequent year.

**Official Response:** Due to the necessity of retaining funds in order to pay payroll, the full amount of funds due to the County were not paid immediately. \$73,457 was paid on May 3, 2018, \$10,000 was paid on May 24, 2018, and the remaining balance of \$10,000 was paid on August 13, 2018.

**Repeat Finding:** No.

---

**Finding 18:** The Circuit Clerk Should Record Only Allowable Expenses.

**Applicable State Law:** *Section 9-1-43(1), Mississippi Code Annotated (1972)*, the only expenses allowed to be deducted from the Circuit Clerk's fee income are employer contributions paid by the Circuit Clerk to the Public Employees' Retirement System, employee salaries and related salary expenses, and expenses allowed as deductions on Schedule C by the Internal Revenue Code.

**Finding Detail:** The Circuit Clerk recorded expenses in the amount of \$211, which were either insufficiently documented or are not allowed by state statute. Included in these expenses was \$100 for limited-distribution advertising and \$111 for charitable contributions in the form of meals. The Circuit Clerk will owe an additional \$211 to the County Treasury for fees received in excess of the statutory limit.

**Recommendation:** The Clerk should not claim these expenses on his 2018 Annual Financial Report and reimburse the County for the \$211 of unallowable expense.

**Official Response:** Register tapes for expenses paid are stapled behind check stubs in the checkbook. Administrative Assistant failed to give those to the auditor. Those will be provided. Pens are used for office supplies. Meals are purchased only when employees have to work through lunch or stay after hours because of court or elections, or if personnel are short-handed and cannot leave the office unattended. Will need to check documentation on advertising.

**Auditor's Note:** The finding amount was adjusted to reflect the documentation provided by the Circuit Clerk. The remaining \$211 was repaid to the County on October 3, 2019.

**Repeat Finding:** No.

---

**Finding 19:** Public Funds Should be Deposited into the County Depository No More Than One (1) Business Day After Receipt.

**Applicable State Law:** *Section 25-1-72, Mississippi Code Annotated (1972)*, requires, "All county officers who receive funds payable into the county treasury to deposit such funds into the county depository on the day they are collected or on the next business day thereafter."

**Finding Detail:** As a result of procedures performed, it was determined that deposits were not made timely for eleven (11) out of the twenty-five (25) receipts tested in the Circuit Clerk's office. Failure to make bank deposits on a daily basis could result in the loss or theft of public funds.

**Recommendation:** The Circuit Clerk should implement procedures to ensure that public funds are deposited in accordance with state law, i.e., no more than one (1) business day after receipt.

**Official Response:** Because of state requirement for separation of duties and small number of office staff, only the Administrative Assistant is designated to make deposits. Due to health problems, the Administrative Assistant was absent from work a good bit during 2018. This problem will be corrected and a backup employee will be chosen to make deposits.

**Repeat Finding:** No.

---

### **Justice Court Clerk.**

**Finding 20:** The Justice Court Clerk Should Submit the Required Report of Fines and Penalties to the Board of Supervisors.

**Applicable State Law:** *Section 9-11-19(1), Mississippi Code Annotated (1972)*, requires the Justice Court Clerk to receive and account for all fees, costs, fines and penalties charged and collected in the justice court, and, monthly to report in writing under oath, to the clerk of the Board of Supervisors who shall upon receipt submit such report to the Board of Supervisors of all such fees, costs, fines and penalties received, including cash bonds and other monies which have been forfeited in criminal cases; and, at least semiannually, any delinquent fines and penalties, giving the date, amount, and names of persons

from whom such monies were received.

**Finding Detail:** The Justice Court Clerk did not file the monthly reports of all fees, costs, fines, and penalties received or the semiannual reports of any delinquent fines and penalties as required. Failure to submit the required reports places the Justice Court Clerk in violation of state law.

**Recommendation:** The Justice Court Clerk should ensure the reports of collections and delinquent accounts are submitted to the Board of Supervisors as required.

**Official Response:** I will be sure to get the monthly report to the Board of Supervisors each month and a delinquent report every six (6) months.

**Repeat Finding:** No.

---

Adams 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,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is fluid and cursive.

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