

CLAY 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*



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CLAY COUNTY

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CLAY 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
Clay County, Mississippi

We have examined Clay 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 Clay 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 Clay 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 control 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 procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our findings and recommendations and your responses are disclosed below:

Purchase Clerk

Finding 1: Public Officials Should Ensure Compliance with State Law over Following Prescribed Procedures set by the State Department of Audit.

Applicable State Laws: *Section 31-7-103, Mississippi Code Annotated. (1972)*, states, "The central purchase system shall comply with the requirements prescribed by the State Department of Audit under the authority of *Section 7-7-211* and in accordance with *Section 31-7-113*, and the Purchase Clerk shall be responsible for the maintenance of such system."

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Section 31-7-113, Mississippi Code Annotated (1972), states, “The State Department of Audit, under the authority of Section 7-7-211, shall design and prescribe the form of the inventory to be made, the form of the purchase requisition, the form of the purchase order, the form of the receiving report; prescribe systems of filing and prescribe the system of records necessary for the maintenance of a central purchase system, receiving system and an inventory control system; and shall promulgate and prescribe such other documentation, procedures and regulations necessary for the efficient maintenance of such systems.”

Finding Detail: As a result of procedures performed, the following exceptions were noted:

- One (1) instance where a purchase order to Hood Equipment stated a repair would be \$1,500; however, the invoice and claim information show the repair was \$9,652; and
- Two (2) instances where vendor’s signatures were not present on bids.

Failure to properly maintain the central purchase system could result in fraud or misappropriation of public funds.

Recommendation: The Purchase Clerk should strengthen controls to ensure that accurate documentation is listed on purchase orders, that vendor invoices do not exceed approved purchase orders, and that all bids are signed by the vendors.

Official Response: The first instance, the first PO issued was an estimate for parts, labor, etc. After the vendor got into the repair, the work was much more than originally thought. We got board approval to pay that vendor. The second instance was merely an oversight where signatures were left off of two bids.

Repeat Finding: No.

Finding 2: Public Officials Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Laws: *Section 25-1-15, Mississippi Code Annotated (1972)*, states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or the normal election cycle of the local government applicable to the employee.”

Section 31-7-124, Mississippi Code Annotated (1972), states, “The Purchase Clerk, Receiving Clerk and Inventory Control Clerk shall give bond in a penalty equal to Seventy-five Thousand Dollars (\$75,000) with sufficient surety, to be payable, conditioned and approved as provided by law. All Assistant Purchasing, Receiving and Inventory Control Clerks shall be bonded in a penalty not less than Fifty Thousand Dollars (\$50,000).

Finding Detail: Review of the bond schedule revealed the following instances of noncompliance:

- The Purchase Clerk’s and Receiving Clerk’s bonds were listed as “Continuation Certificates”;
- Two (2) Assistant Purchase Clerks had no bond on file as of May 15, 2019; and
- Two (2) Assistant Receiving Clerks had no bond on file as of May 14, 2019.

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. Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred.

Recommendation: The Purchase Clerk and Receiving Clerk implement controls to ensure new bonds are acquired every four (4) years concurrent with the normal election cycle of the governor and should ensure that Assistant Purchase and Receiving Clerks are bonded as required by law.

Official Responses:

Purchase Clerk: I am working with the Chancery Clerk to get these bonds issued and in compliance.

Receiving Clerk: The exception is noted. The necessary measures will be taken to ensure new bonds are issued every four years.

Repeat Finding: No

Inventory Control Clerk

Finding 3: Public Officials Should Ensure Compliance with State Law over Inventory Report.

Applicable State Law: *Section 31-7-107 Mississippi Code Annotated (1972)*, states, "...the Inventory Control Clerk, pursuant to regulations promulgated by the State Auditor, shall perform physical inventories of assets of the county on or before October 1 of each year and shall file with the Board of Supervisors, in triplicate, a written report of such inventory. The Clerk of the Board of Supervisors shall keep the original of each inventory report so filed by the Inventory Control Clerk as a permanent record of the county and shall forward a copy to the State Department of Audit not later than October 15."

Finding Detail: During our test work, it was noted that the fixed asset report was not filed with the Board of Supervisors by October 1, nor filed with State Department of Audit by October 15. It was submitted on January 2, 2019.

Failure to file the inventory report to the Board of Supervisors for approval or the State Department of Audit within the required dates could result in a loss or misappropriation of public funds.

Recommendation: The Inventory Control Clerk should file the fixed asset report with the Board of Supervisors by October 1st and to the State Department of Audit by October 15th.

Official Response: The County's Annual Fixed Asset Report was not filed with the Office of Auditor due to reconciliation issues. We will attempt to complete and file this report Board and the office of State Auditor in a timely manner.

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 of the purchasing system.

Clay 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 Clay 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,



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

CLAY COUNTY

Schedule 1

Schedule of Purchases Not Made from the Lowest Bidder

For the Year Ended September 30, 2018

<u>Date</u>	<u>Item Purchased</u>		<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
5/11/2018	Highway Diesel	\$	2.62/gal	White Oil	\$ 2.53/gal	Completely out, lowest bidder could not deliver today, but White Oil could.

CLAY COUNTY

Schedule of Emergency Purchases

For the Year Ended September 30, 2018

Schedule 2

Our tests did not identify any emergency purchases.

CLAY COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2018

Our tests did not identify any purchases made noncompetitively from a sole source.



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
Clay 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: Public Officials Should Ensure Compliance with State Law over Cafeteria Plan Provider.

Applicable State Law: *Section 25-17-9 (2), Mississippi Code Annotated (1972)*, states, "The State Auditor shall compile a list of providers of cafeteria plans which shall contain those providers he deems acceptable to provide benefits or services related to a cafeteria plan of a state agency or local governmental entity..."

Section 25-17-9 (3), Mississippi Code Annotated (1972), states, "Only providers who appear on the most recent list compiled by the State Auditor shall, directly or indirectly, provide benefits included in or administrative services related to cafeteria plans of a state agency or local governmental entity..."

Finding Detail: Clay County's cafeteria plan provider is not on the list of the 2018 approved providers. Failure to select a provider from the list of approved providers could result in misappropriation of public funds.

Recommendation: The Board of Supervisors should only choose providers listed on the list of approved providers.

Official Response: The exception has been noted. The Board of Supervisors will make the necessary change to ensure the County's cafeteria plan is listed with an approved provider.

Repeat Finding: No.

Board of Supervisors, Chancery Clerk, Circuit Clerk, Justice Court Clerk, Sheriff, Tax Assessor/Collector, and Constable-District 1

Finding 2: Public Officials Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Law: *Section 25-1-15, Mississippi Code Annotated (1972)*, states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or the normal election cycle of the local government applicable to the employee.”

Finding Detail: Review of the bond schedule revealed that the following county officials and employee’s bonds were listed as “Continuation Certificates”:

- Four (4) Supervisors
- Chancery Clerk
- Circuit Clerk
- Three (3) Deputy Circuit Clerks
- Justice Court Clerk
- Sheriff
- Tax Assessor/Collector
- Constable District 1

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. 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 county officials should ensure that the bonds secured list a term of office covered and that new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor.

Official Responses:

Board of Supervisors: The exception has been noted. The Clerk will ensure new bonds are issued for the next four years for the Board of Supervisors.

Chancery Clerk: The exception is noted. The necessary measures will be taken to ensure new bonds are issued every four years.

Circuit Clerk: Signed up each term for a bond, they issued bond with continuation certificates. Was unaware that it was not new since I had a bond and it was paid for. I had bond and was unaware that it made a difference, seeing as they were all bonded.

Justice Court Clerk: I have no response.

Sheriff: Exception has been noted and will be corrected at the beginning of the next term of office.

Tax Assessor/Collector: The appropriate measures will be taken to correct this matter.

Constable District 1: Was not aware of this previously, going forward I will ensure that the correct procedures will be followed.

Repeat Finding: No.

Board of Supervisors-Supervisor District 5, Tax Assessor/Collector, Constable District 1

Finding 3: Public Officials Should Ensure Compliance with State Law over Filing Statements of Economic Interest.

Applicable State Law: *Section 25-4-25, Mississippi Code Annotated (1972)*, states, “Each of the following individuals shall file a Statement of Economic Interest with the commission in accordance with the provisions of this chapter: a) Persons elected by popular vote...”

Section 25-4-29, Mississippi Code Annotated (1972), states, “1)Required statements hereunder shall be filed as follows: a) Every incumbent public official required....to file a Statement of Economic Interest shall file such statement with the commission on or before May 1 of each year that such official holds office, regardless of duration.....2) Any person who fails to file a Statement of Economic Interest within thirty (30) days of the date of the statement is due shall be deemed delinquent by the commission...a fine of Fifty Dollars (\$50) per day, not to exceed a total fine of One Thousand Dollars (\$1,000) shall be assessed against the delinquent filer for each day thereafter in which the Statement of Economic Interest is not properly filed. The commission shall enroll such assessment as a civil judgment with the Circuit Clerk in the delinquent filer’s county of residence...”

Finding Detail: The District 5 Supervisor and District 1 Constable failed to file a Statement of Economic Interest by May 1, as required by state law; however, such statements were filed on January 23, 2019.

The Tax Assessor-Collector failed to file a Statement of Economic Interest by May 1, as required by state law, and such statement remained unfiled as of May 6, 2019.

Failure to file the Statement of Economic Interest, as required by state law, results in non-compliance with *Section 25-4-25* and could result in fines being assessed and a civil judgment being enrolled against the delinquent filer, as allowed by *Section 25-4-29 (2)*.

Recommendation: The elected officials should file the Statement of Economic Interest annually, no later than May 1 of each year that such official holds office, regardless of the duration.

Official Responses:

District 5 Supervisor: My daughter forgot to file it for me.

District 1 Constable: I have contacted the Ethics Commission. They were unable to access the report. Will follow up with them next week.

Tax Assessor-Collector: This filing was overlooked by me. I have taken the appropriate action and filed said paperwork. This no on my calendar to avoid this in the future.

Repeat Finding: No.

Board of Supervisors, Payroll Clerk

Finding 4: Public Officials Should Ensure Compliance with State Law over Reemployment of PERS Service Retirees.

Applicable State Law: *Section 25-11-127 (4) Mississippi Code Annotated (1972)*, states, “The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

- (a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or
- (b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation."

Finding Detail: During our review of the County's PERS form 4Bs, we noted that four (4) retired employees were paid in excess of the amounts allowed by *Section 25-11-127(4)* by \$26,621 in total.

Failure to follow state statute could result in retirees' benefits being canceled where necessary, and a demand could be made for the return of any such benefits erroneously issued to the retiree according to *PERS Board Regulations Title 27 Part 210 Chapter 34:111*.

Recommendation: The Board of Supervisors and Payroll Clerk should ensure retirees are paid according to the PERS form 4B, section 2, and do not exceed the approved annual compensation as approved by PERS.

Official Responses:

Board of Supervisors: Employees are well aware of their earnings and the consequences of exceeding the limit. The penalty is against the retiree, not the county. In the future, the county will continue to make every effort to work with the Retiree.

Payroll Clerk: We will correct this going forward.

Repeat Finding: No.

Chancery Clerk

Finding 5: Public Officials Should Ensure Compliance with State Law over Proper Completion of the Annual Financial Report.

Applicable State Law: *Section 9-1-43(4), Mississippi Code Annotated (1972)*, states, "...The following monies paid to the Chancery Clerk shall be subject to the salary limitation prescribed under subsection (1): (a) all fees required by law to be collected for the filing, recording or abstracting of any bill, petition, pleading or decree in any civil case in chancery; (b) all fees collected for land recordings, charters, notary bonds, certification of decrees and copies of any documents; (c) all land redemption and mineral documentary stamp commissions; and (d) any other monies or commissions from private or governmental sources for statutory functions which are not to be held by the court in a trust capacity. Such fees as shall exceed the salary limitations shall be maintained in a bank account in the county depository and accounted for separately from those monies paid into the chancery court clerk clearing account."

Section 9-1-45(1), Mississippi Code Annotated (1972), states, "Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk's spouse or children. Each Chancery and Circuit clerk shall provide any additional information requested by the Public Employees' Retirement System for the purpose of retirement calculations."

Finding Detail: The following errors were found on the Annual Financial Report as prepared by the Chancery Clerk:

- The amount of fees received for Recording, Filing, Indexing, and Copies should be corrected for the \$2,130 of income received on December 31, 2018, but not recorded.

- Expenses were not included on the Annual Financial Report for professional fees in the amount of \$155, office expenses in the amount of \$194, interest expenses (for line of credit) in the amount of \$809, shared employee expenses in the amount of \$3,296, and the amounts that should be netted against filing fees for mineral stamps and refunds in the amount of \$345.
- Wages in the amount of \$36,747, Employer Retirement Contributions in the amount of \$5,500, and Employer Social Security/Medicare Contribution in the amount of \$2,811 for the Comptroller's salary were included as expenses in the computation of Net Income Subject to Salary Limitation. These fees should have been accounted for in the Expenses for Revenue Not Subject to the Salary Limitation. Additionally, \$9,230 of wages were included in Expenses for Revenue Not Subject to Salary Limitation on the original filing; however, those wages were a duplication of wages already included in expenses subject to the salary limitation.

Failure to prepare the Annual Financial Report correctly may result in improper calculation of salary limitations, retirement contributions for the Chancery Clerk, as well as the amount due to the County.

Recommendation: The Chancery Clerk should prepare the Annual Financial Report accurately, and submit the amended report to the Office of the State Auditor and PERS.

Official Response: Exceptions were noted. The Clerk will make the necessary changes to the AFR report to ensure it is filed correctly.

Repeat Finding: No.

Finding 6: Public Officials Should Strengthen Internal Control over Reimbursing County for Payroll.

Internal Control Deficiency: An effective system of internal controls over payroll should include the timely reimbursement of county funds for the Chancery Clerk's employee payroll costs. The Chancery Clerk employed deputies whose payroll is processed with the county payroll; additionally, the County submits PERS contributions on behalf of all employees, even though their payroll is processed separately from the county payroll.

Finding Detail: The following instances were noted where the Chancery Clerk reimbursed the County for her deputies' PERS contributions after the actual payroll dates, instead of paying in advance:

- Twenty-three (23) instances of reimbursing PERS contributions for both payrolls for the month in the following month.
- One (1) instance where the reimbursement for PERS contributions was made more than one (1) year after the payroll date.
- October 2018 payroll was written in December 2018 to the County and cleared the bank in January 2019.
- November 2018 payroll was written in December 2018 to the County, reissued in January 2019, and cleared the bank in January 2019.
- December 2018 payroll was written on March 1, 2019 to the County, and cleared the bank on March 4, 2019.

Failure to reimburse the County for the Chancery Clerk's employee PERS contributions and payroll in advance results in an unauthorized and interest free loan to the Chancery Clerk.

Recommendation: The Chancery Clerk should pay deputies' PERS contributions and payroll, including benefits, to the county in advance of the payroll period.

Official Response: The Chancery Clerk has always reimbursed the Payroll Clearing Fund by the 15th day of the month. However, the exception was noted that reimbursement should be by the 5th working day of each month. Going forward, funds will be settled by the Clerk timely. The one instance of reimbursement greater than one year to the Payroll Clearing Fund was merely an oversight by the Clerk. Once the matter was brought to the Clerk's attention, the funds were settled immediately. The other exception have been noted. Going forward, reimbursements will be settled in a timely manner.

Repeat Finding: No.

Finding 7: Public Officials Should Strengthen Controls over Reconciling Bank Statements to the Fee Journal.

Internal Control Deficiency: Proper internal controls should include proper entry of amounts of deposits, proper oversight over items listed as outstanding, and timely reconciliation of the statement.

Finding Detail: During test work performed, the following internal control exceptions were noted:

- Four (4) instances where the amount that was deposited to the bank, was entered into the Fee Journal (Transaction Ledger) incorrectly, by the amount of \$100 each time. The Clerk carried these amounts as “adjustments per bank”, as a direct deposit being shorted, instead of accounting for the monies which were actually a deposit to her Credit Union account affecting the net pay deposited to her Fee Account.
- One (1) deposit of \$2,439 was listed as “adjustments per bank”. Only \$2,130 of the deposit was received in December, 2018; the balance was receipts for January 2019.
- The Clerk had listed as an outstanding check “12/31/17 PERS – Reimb for Match and W/Held”. There was no check number listed, and in fact a check was written on 12/28/18, and cleared the bank on January 2, 2019.
- The Clerk had listed as an outstanding check, #3073, dated 12/28/18, in the amount of \$1,514. Review of the January, 2019 bank statement revealed that this check did not clear the bank. A different check (#3083, dated 12/31/18) did clear the bank on January 17, 2019, and was in sequence with other checks dated in January 2019.
- The Fee Journal check register included a line noted as “Archival Fee-Dec” with no dollar amount listed. Inquiry of the Clerk revealed that this amount of \$226 was settled to the County on February 14, 2019.
- The Bank Reconciliation as of 12/31/2018 print out has a footer with a date of 4/10/19 Indicating the reconciliation was not completed in a timely manner.

Failure to properly reconcile the bank account may result in a loss or misappropriation of public funds.

Recommendation: The Chancery Clerk should reconcile her bank account in a timely manner, accounting for all outstanding items, and tracing items that remain outstanding for proper resolution of those items.

Official Response: The Clerk posted four (4) \$100 personal credit union deductions incorrectly on her journal. The exception has been noted. The Clerk will make the necessary corrections. The other exceptions are noted. The Clerk will make every effort to correct these issues to ensure everything is correct.

Repeat Finding: No.

Circuit Clerk

Finding 8: Public Officials Should Ensure Compliance with State Law over Payment of Fees Received in Excess of the Salary Limitation.

Applicable State Law: *Section 9-1-43 (1) Mississippi Code Annotated (1972)*, states, “All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15th for the preceding calendar year.”

Finding Detail: Based on test work performed, the County did not receive payment for Circuit Clerk’s fees received in excess of the salary limitation until May 2nd. Failure to pay the County for fees received in excess of salary limitation by April 15th could result in the loss or misappropriation, fraud and abuse of public funds.

Recommendation: The Circuit Clerk should pay any amount of fees received in excess of the salary limitation to the County on or before April 15th.

Official Response: The check was in the amount of \$12,645 which I had to get out of my Vanguard account which took about a week to get out. I also had PERS amount of \$7,124 and federal and state taxes due on that date. I had not planned for that large of an amount due at once. The check was written and given to the county on May 2, 2019.

Repeat Finding: No.

Finding 9: Public Officials Should Strengthen Controls to Ensure Proper Segregation of Duties in the Circuit Clerk's Office.

Internal Control Deficiency: An effective system of internal controls should include an adequate segregation of duties.

Finding Detail: During reviewing the Circuit Clerk's narrative, we noted one (1) clerk is writing the deposits and taking them to the bank. Failure to implement adequate segregation of duties could result in the fraud or the loss of public funds.

Recommendation: The Circuit Clerk should takes steps to ensure adequate segregation of duties regarding the collection and disbursement functions in the Circuit Clerk's office is implemented.

Official Response: The office has been operating this way for 15 ½ years with no issues from auditors until now. This will also change with someone else taking to bank. I check all statements to checking account, which write checks. I also compare each month to ledgers to account for the money taken in to deposits.

Repeat Finding: No.

Clerk of the Board

Finding 10: Public Officials Should Ensure Compliance with State Law over Publication of Tax Levy.

Applicable State Law: *Section 27-39-319, Mississippi Code Annotated (1972)*, states, "When a resolution levying ad valorem taxes has been adopted by the Board of Supervisors, the Clerk of the Board of Supervisors shall certify immediately a copy of such resolution to the State Tax Commission. ... If a newspaper is published within such County, then such resolution shall be published in its entirety, at least one (1) time, within ten (10) days after its adoption."

Finding Detail: As a result of procedures performed, it was noted that the 2017-2018 tax levy for Clay County was not published in a newspaper at least one (1) time, within ten (10) days after its adoption. Failure to publish the tax levy could mislead the public as to the proper amount of taxes being levied.

Recommendation: The Clerk of the Board should take care to ensure that the tax levy is properly published, as required by State Law.

Official Response: The exception is noted. The clerk will make a diligent effort to ensure the notice is published.

Repeat Finding: No

Election Commissioners

Finding 11: Public Officials Should Ensure Compliance with State Law over Claim Forms.

Applicable State Law: *Section 23-15-153(5), Mississippi Code Annotated (1972)*, states, "The Election Commissioners shall be entitled to receive a per diem in the amount of One Hundred Dollars (\$100), to be paid from the county general fund, not to exceed fourteen (14) days for every day or period of no less than five (5) hours accumulated over two (2) or more days actually employed in the performance of their duties for the necessary time spent in the revision of the county

voter roll as electronically maintained by the Statewide Elections Management System and in the conduct of a runoff election following either a general or special election.”

Section 23-15-153(10), Mississippi Code Annotated (1972), states, “Every Election Commissioner shall sign personally 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 the form as prescribed in this subsection. The Commissioner’s signature is, as a matter of law, made under the Commissioner’s oath of office and under penalties of perjury...When properly completed and signed, the certification must be filed with the Clerk of the County Board of Supervisors before any payment may be made. The certification will be a public record available for inspection and reproduction immediately upon oral or written request of any person.”

Finding Detail: As a result of procedures performed, the following exceptions with Election Commissioners claim forms were noted:

- Two (2) instances where purpose of work was not listed;
- Two (2) instances where actual hours were not listed;
- Two (2) instances where per diem days earned were not listed;
- One (1) instance where no section codes were listed;
- Five (5) instances where the Election Commissioners were underpaid for election days for a total of \$660;
- Twelve (12) instances where claims forms were not signed by Election Commissioners; and
- One (1) instance where per diem days were added incorrectly and an Election Commissioner was overpaid \$100.

The failure to properly prepare and submit claim forms could result in the loss or misappropriation, fraud, waste, and abuse of public funds.

Recommendation: The Election Commissioners should complete the claim forms correctly on the forms prescribed in statutes listed above.

Official Response: I reviewed and understood what we need to do.

Repeat Finding: No

Clay 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 County 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