



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR

August 13, 2018

Limited Internal Control and Compliance Review Management Report

Dr. Craig P. Orgeron, Executive Director
Mississippi Department of Information Technology Services
3771 Eastwood Drive
Jackson, Mississippi 39211

Dear Dr. Orgeron:

Enclosed for your review is the Limited Internal Control and Compliance Review finding for the Mississippi Department of Information Technology Services (ITS) and Wireless Communication Commission (WCC) for the Fiscal Year 2018. In the finding, the Auditor's Office recommends ITS and WCC.

1. Ensure Compliance with State Laws Over the Recording of Board Minutes.

Please review the recommendation and submit a plan to implement them by August 27, 2019. The enclosed finding contains more information about our recommendation.

During future engagements, we may review the finding in this management report to ensure procedures have been initiated to address these finding.

This report is intended solely for the information and use of management, members of the Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope that you find our recommendation enable ITS and WCC to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of ITS and WCC throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink, reading "Stephanie C. Palmertree", is written over the typed name.

Stephanie C. Palmertree, CPA, CGMA
Director, Financial and Compliance Audit
Enclosure

The Office of the State Auditor (OSA) has completed its Limited Internal Control and Compliance Review of the Mississippi Department of Information Technology Services (ITS) and Wireless Communication Commission (WCC) for the fiscal year ending June 30, 2018. The Office of the State Auditor's staff members participating in this engagement included Derrick Garner CPA, Jeremy K. Ashley, Emily Mathis, Buck Jenkins, CPA, and Katherine Landrum, CPA.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be weaknesses. 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 for this or other fiscal years to ensure compliance with legal requirements.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We did not identify any deficiencies in internal control that we consider to be *deficiency in internal controls*, *significant deficiency*, and *material weaknesses*, as defined above. However, while performing our review, we noted certain instances of noncompliance with State laws that require the attention of management. This matters are noted under the headings **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**.

INSTANCES OF NONCOMPLIANCE WITH STATE LAW

Finding: Agency Should Ensure Compliance with State Laws Over the Recording of Board Minutes.

Executive Summary: During the fiscal year 2018, multiple instances were noted where Department of Information Technology (ITS) and Wireless Communication Commission (WCC) were not properly following state law regarding the documentation and maintenance of board minutes.

Recommendation: ITS and WCC strengthen its controls by requiring all board meetings be properly documented and maintained by the agency to ensure compliance with the state law.

Detailed Analysis: Based on review of the ITS's board meeting minutes for the period April 2017 through May 2019, the auditor noted the following:

- Seven (7) instances where the minutes detailing official agency business were not properly approved and made available to the public within 30 days; days late range from 4 to 7 days.
- Eight (8) instances for WCC's commission meeting minutes for the period of April 2017 through May 2019, where the minutes detailing official agency business were not properly approved and made available to the public within 30 days; days late range from 4 to 12 days.
- Also, during the review of WCC, the auditor noted that all commission minutes reviewed were not signed, documenting approval as official record.

Section 25-41-11, Mississippi Code Annotated (1972), states in part, "the minutes shall be recorded within a reasonable time not to exceed thirty (30) days after recess or adjournment and shall be open to public inspection during regular business hours."

In addition, *Section 25-53-17, Mississippi Code Annotated (1972)* states, “The authority shall keep full, complete, and permanent minutes and records of all its proceedings, including the rules and regulations adopted by it, and said minutes shall be signed by the chairman, or vice-chairman, and attested by the secretary.”

Good internal controls dictate a record of all board actions maintained and signed by a board member, preferably the board chairman or vice-chair, to document approval as the official record of board actions. Board minutes are open to public inspection and, therefore, should be approved by signature of the board chair or vice-chair to ensure the public the minutes are true and authentic documents.

Failure to properly document and maintain board minutes could result in inconsistent records maintained by the agency.

End of Report



Compliance Review Findings
and
Other Audit Findings

Honorable Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P.O Box 956
Jackson, MS 39205-0956

August 29, 2019

Dear Mr. White,

In connection with your examination of the agency's financial records for the year ended June 30, 2018. We have addressed the below findings and created a corrective action plan for each finding.

Compliance Review Findings:

1. Ensure Compliance with State Laws Over the Recording of Board Minutes.

MS Department of Information Technology (ITS) Corrective Action Plan:

- a. The prior month's Board Meeting minutes will be posted when approved and signed by the Board Chair and Vice- Chair. Draft minutes are available 30 days following the meeting by request at meetingminutes@its.ms.gov.
- b. Michele Blocker, Chief Administrative Officer
- c. September 1, 2019

Wireless Communication Commission (WCC) Corrective Action Plan

- a. The Mississippi Wireless Communication Commission ("WCC"), pursuant to its rules and regulations, meets on the first Thursday of each month, or at such date and time as may be selected and announced by the Chair in conformity with the Open Meetings law. See WCC Rules and Regulations, Article II, Sect. 1. The minutes from the previous session are presented by the Chair to the full Commission for approval at each meeting. The instances noted are days on which the Regular Meeting naturally fell on a date more than thirty (30) days beyond the date of the previous meeting or occasions in which the Chair changed the date of the Regular Meeting in advance. Changes to the Regular Meeting date have been made, on rare occasions, to accommodate one or more members of the Commission, a state or federal holiday, or other business of the WCC or its staff. In Compliance with Miss. Code Ann. 25-41-11(1), the WCC will require the minutes to be attested by the Executive Officer and be made available for public viewing within 30 days

following the adjournment of the meeting and the minutes to become official once approved by the Board at a subsequent meeting and signed by the Chair or Vice Chair.

- b. Vicki Helfrich, WCC Executive Officer
- c. The new policy was adopted by the WCC on June 6, 2019.

Other Audit Findings:

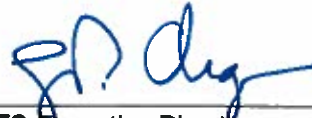
MS Department of Information Technology (ITS) Corrective Action Plan:

1. Three (3) instances in which serial numbers on equipment items did not match the serial numbers recorded in MAGIC.
 - a. This was due to a MAGIC key punch error and all have been corrected now.
 - b. Holly Savorgnan, Director of Internal Services
 - c. Corrected during the audit
2. One (1) instance in which a piece of equipment had been transferred to a location which was different from the location recorded in MAGIC.
 - a. The responsible division had documentation of the transfer but it had not been processed in MAGIC yet. We have notified the divisions to make internal services aware of changes to assets in a timely manner so these can be processed and updated in MAGIC.
 - b. Holly Savorgnan, Director of Internal Services
 - c. Corrected during the audit

Wireless Communication Commission (WCC) Corrective Action Plan:

1. Three (3) instances in which serial numbers on two-way radios did not match the serial numbers recorded in MAGIC.
 - a. The records in MAGIC have been updated to match the serial numbers on the radios. ITS/WCC plans to conduct a full review of inventory numbers and serial numbers recorded in MAGIC to verify accuracy.
 - b. Holly Savorgnan, Director of Internal Services (ITS)
Karana Carroll, Administrative Officer (WCC)
 - c. Corrected during the audit.
2. One (1) instance in which MAGIC did not include the correct state inventory number for a large hitch trailer, and the VIN/serial number of the trailer had not been recorded in MAGIC.
 - a. The records in MAGIC have been updated to match the correct inventory number and the VIN/serial number has been added. ITS/WCC plans to conduct a full review of inventory numbers and serial numbers recorded in MAGIC to verify accuracy.
 - b. Holly Savorgnan, Director of Internal Services (ITS)
Karana Carroll, Administrative Officer (WCC)
 - c. Corrected during the audit
3. One (1) instance in which a piece of radio equipment was not at the location recorded in the MAGIC inventory.

- a. The records in MAGIC have been updated to reflect the correct location. The WCC will notify ITS when asset locations change so the updates can be processed in MAGIC.
- b. Karana Carroll, Administrative Officer (WCC)
- c. Corrected during the audit



ITS Executive Director



WCC Executive Officer



Chief Financial Officer