

LAFAYETTE COUNTY MISSISSIPPI

COMPLIANCE REPORT

Special Reports

For the year ended *September 30, 2018*

SHAD WHITE

State Auditor

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LAFAYETTE COUNTY

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LAFAYETTE COUNTY

SPECIAL REPORTS

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

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

Members of the Board of Supervisors
Lafayette County, Mississippi

We have examined Lafayette County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, 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, 2018. The Board of Supervisors of Lafayette 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 Lafayette 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. The Purchase Clerk Should Ensure Compliance with State Law over Submitting Credit Card Usage Reports to the Board of Supervisors Monthly.

Repeat Finding: No.

Criteria:	<i>Section 19-3-68, Mississippi Code Annotated (1972)</i> , states, “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 claims docket.”
Condition:	During the course of test work, it was noted that the monthly credit card transaction report was not submitted to the Board of Supervisors. The claims were prepared and the credit card payments were included in the claims docket individually.
Cause:	The Purchase Clerk did not provide a monthly written report of credit card usage to the Board of Supervisors.
Effect:	The failure to enforce the requirements of <i>Section 19-3-68</i> could result in the misuse of credit cards for unauthorized and disallowed expenditures.
Recommendation:	The Purchase Clerk should ensure that a monthly written report itemizing the expenditures and use of the credit card is submitted to the Board of Supervisors as required by state law.
Official Response:	The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

2.	<u>The Purchase Clerk Should Ensure Compliance with State Law over Purchases Greater than \$50,000.</u>
Repeat Finding:	No.
Criteria:	<i>Section 31-7-13(c)(i)(1), Mississippi Code Annotated (1972)</i> , requires, “Purchases which involve an expenditure of more than Fifty Thousand Dollars (\$50,000) exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located.”
Condition:	As a result of examination procedures performed, we noted one (1) instance where the County purchased asphalt for \$52,467 without advertising for bids for two (2) consecutive weeks in a local newspaper.
Cause:	The County made a purchase in excess of \$50,000 without advertising for or receiving competitive bids.
Effect:	Purchases made in excess of \$50,000 without advertising for or receiving competitive bids could result in overpayment for goods or services, fraud, misappropriation or loss of public funds.

Recommendation: The Purchase Clerk should ensure that purchases that exceed \$50,000 are 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.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

3. The Purchase Clerk Should Ensure Compliance with State Laws over Purchases Made with State Contract Pricing.

Repeat Finding: No.

Criteria: *Section 31-7-12(2), Mississippi Code Annotated (1972)*, states, “Governing authorities may purchase commodities approved by the Department of Finance and Administration from the state contract vendor, or from any source offering the identical commodity, at a price not exceeding the state contract price established by the Department of Finance and Administration for such commodity, without obtaining or advertising for competitive bids.”

Condition: During test work, the following exceptions were noted:

- One (1) instance where a quote for fire equipment referenced a state contract number but items on the quote do not match items provided on the state contract price list.
- One (1) instance where the County overpaid for uniforms by \$16.80 per unit for 21 units, totaling \$352.80 in excess of state contract.
- One (1) instance where an “install equipment on customer chassis” was purchased in the amount of \$67,700 but the description and price was not listed on the state contract reference.

Cause: The County paid greater than state contract price.

Effect: Payment of a claim invoice that is higher than the state contract price could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.

Recommendation: The Purchase Clerk should ensure that the amount paid on a claim invoice is consistent with the state contract price.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

4. The Purchase Clerk Should Ensure Compliance with State Laws over Obtaining Bids for Purchases Greater Than \$5,000 but Not Greater Than \$50,000.

Repeat Finding: No.

Criteria: *Section 31-7-13 (b), Mississippi Code Annotated (1972)*, states “Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000) 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:

During test work, the following exceptions were noted:

- Four (4) instances where the signature was missing on one (1) or more bids;
- One (1) instance where the County did not put the purchase out for bids for the purchase of lumber costing \$7,558; and
- Two (2) instances where no bids were provided for truck repairs in the amounts of \$13,689 and \$19,952 where the repairs included replacement of a complete major component.

Cause:

The Purchase Clerk did not obtain competitive bids or signatures for the aforementioned purchases greater than \$5,000 but less than \$50,000.

Effect:

Failure to obtain at least two (2) competitive written bids for purchases over \$5,000 but not over \$50,000 could result in overpayment for goods or services, fraud, and misappropriation or 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 bid 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:

The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

5. The Purchase Clerk Should Ensure Compliance with Purchasing Laws over Purchases of Single Source Items.

Repeat Finding:

No.

Criteria:

Section 31-7-13(m)(viii), Mississippi Code Annotated (1972), states the following as an exception from bidding requirements: "Noncompetitive items available from one (1) source only. In connection with the purchase of noncompetitive items only available from one (1) source, a certification of the conditions and circumstances requiring the purchase shall be filed by the agency with the Department of Finance and Administration and by the governing authority with the board of the governing authority. Upon receipt of that certification the Department of Finance and Administration or the board of the governing authority, as the case may be, may, in writing, authorize the purchase, which authority shall be noted on the minutes of the body at the next regular meeting thereafter."

Section 31-7-115, Mississippi Code Annotated (1972), states, "...The audit report shall include a schedule of purchases not made from the lowest bidder under the authority of *Section 31-7-13(d)*, with the reasons given therefor. The audit report shall include a schedule of emergency purchases made under the authority of *Section 31-7-13(k)*. The audit report shall include a schedule of purchases made noncompetitively from a sole source under the authority of *Section 31-7-13(m)*"

Condition:	As a result of procedures performed, one (1) instance was noted where the County issued a purchase order for law enforcement supplies from Axon Enterprise, Inc. in the amount of \$30,992 without competitive quotes and prior to Board approval of the vendor as a single-source provider. The determination by OSA noted that these items can be purchased from other vendors, therefore it was determined that the purchase could not be from a sole source. Additionally, it was determined the Purchase Clerk Schedules failed to include the approval of QuickSeries Publishing as the single-source provider for EOCRReady County Emergency Preparedness App.
Cause:	The County issued a purchase order prior to the vendor being approved as a single-source provider and without competitive quotes. The Purchase Clerk did not include a purchase from an approved, single-source provider in the Purchase Clerk Schedule.
Effect:	Issuing a purchase order prior to the Board approving the vendor as a single-source provider could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds. Failure to provide accurate Purchase Clerk Schedules results in an audit report that is not compliant with statute.
Recommendation:	The Purchase Clerk should ensure that purchases orders are not issued prior to Board approval of the vendor as a single-source provider, or without competitive quotes, and include all approved, single-source purchase on the Purchase Clerk Schedule.
Official Response:	The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward. This item did not require a purchase order, which is why the purchase clerk did not have it included on the schedule. In the future, the purchase clerk will include anything declared a sole source by the Board of Supervisors in her file.

6.	<u>The Purchase Clerk Should Ensure Compliance with Purchase Laws for Items Purchased off the Approved Listing of the Mississippi Department of Information Technology Services.</u>
Repeat Finding:	No.
Criteria:	<i>Section 31-7-13(m)(xi), Mississippi Code Annotated (1972), states the following as an exception from bid requirements: "Information technology products. Purchases of information technology products made by governing authorities under the provisions of purchase schedules, or contracts executed or approved by the Mississippi Department of Information Technology Services and designated for use by governing authorities."</i>
Condition:	As a result of procedures performed, we noted one (1) instance where the County overpaid approximately \$5 each for ten (10) radio antennas, totaling approximately \$50 in excess of the Express Products List price.
Cause:	The County paid an amount greater than the Express Products List price.
Effect:	Payment of a claim invoice that is higher than the Express Products List price could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.

Recommendation: The Purchase Clerk should ensure that the amount paid on a claim invoice is consistent with the Express Products List price.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

7. Purchasing Clerk Should Ensure Compliance with Purchasing Laws Guidelines Set by the Mississippi Department of Information Technology Services.

Repeat Finding: No.

Criteria: *Section 31-7-13(m)(xi), Mississippi Code Annotated (1972)*, states the following is an exception from bid requirements: Information technology products. Purchases of information technology products made by governing authorities under the provisions of purchase schedules, or contracts executed or approved by the Mississippi Department of Information Technology Services and designated for use by governing authorities.

The Mississippi Department of Information Technology Services (ITS) *Express Products List (EPL)* states in Section 7.1, #3744 *Instructions for Use*, "Once your technical specifications are developed, solicit quotations from two or more EPL sellers."

Condition: As a result of examination procedures performed, it was noted that the Purchase Clerk did not obtain two or more quotes from EPL sellers for the purchase of two-way radios in the amount of \$53,103.

Cause: The Purchase Clerk did not obtain two (2) or more quotes from EPL sellers.

Effect: Failure to comply with instructions provided by the EPL as administered by the ITS could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.

Recommendation: The Purchase Clerk should take steps to follow instructions provided on the EPL.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

8. The Purchase Clerk Should Ensure Compliance with State Law by Following Prescribed Procedures set by the State Department of Audit.

Repeat Finding: No.

Criteria: *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."

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.”

Condition:	As a result of procedures performed, the following exceptions were noted: <ul style="list-style-type: none">• One (1) instance where a purchase was missing a purchase requisition;• Three (3) instances where the invoice pre-dates the purchase order;• One (1) instance where a purchase requisition was signed by an unauthorized person;• One (1) instance where the receiving report pre-dates the purchase order; and• One (1) instance where a purchase order pre-dates the purchase requisition.
Cause:	The Purchase Clerk did not comply with purchase documentation requirements.
Effect:	Failure to maintain a proper central purchase system could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.
Recommendation:	The Purchase Clerk should ensure that all purchase documentation is complete, approved by authorized personnel in the correct sequence, and complies with the County’s central purchase system.
Official Response:	The Purchase Clerk will facilitate additional controls to ensure purchasing documents are complete and maintained properly.

9. The Purchase Clerk Should Strengthen Controls to Ensure Compliance over Purchases made from The Department of Finance and Administration’s Contract Listing.

Repeat Finding:	No.
Criteria:	The Department of Finance and Administration entered into Contract #8200027988 with Pierce Manufacturing, Inc. for fire trucks and fire apparatus. <i>Section 6.0</i> of said contract, with regards to the payment for equipment, states, “No advance payment shall be made for the Products and Services furnished by Contractor pursuant to this Contract.”
Condition:	As a result of procedures performed, we noted one (1) instance where the claim for a fire truck in the amount of \$355,821 was paid prior to receiving the equipment.
Cause:	The claim was paid on September 4, 2017 but the County did not receive the fire truck until November 30, 2017.
Effect:	Pre-payment is specifically prohibited by this state contract and is a violation of the terms of the contract. Prepayment may result in overstatement of County assets and materially affect the financial statements.
Recommendation:	The Purchase Clerk should ensure that the County does not violate the terms of any contract.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

10. The Purchase Clerk Should Strengthen Internal Controls over Purchasing from Term Bids.

Repeat Finding: No.

Criteria: Proper internal controls should require that term bids and state contract pricing be considered when making purchases.

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

- One (1) instance where the County paid a claim on an invoice for culverts in the amount of \$10,260 by obtaining quotes rather than using term bids previously accepted by the Board of Supervisors, resulting in an excess payment of \$2,206; and
- One (1) instance where the County accepted a term bid for asphalt that exceeded the state contract by the same vendor for the same product.

Cause: The Purchase Clerk did not consider state contract pricing and term bids previously accepted by the Board of Supervisors.

Effect: Failure to consider state contract pricing and term bids previously accepted by the Board of Supervisors could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.

Recommendation: The Purchase Clerk should consider state contract pricing and term bids as previously accepted by the Board of Supervisors.

Official Response: The Purchase Clerk will provide additional training to department heads, Administrative Assistants, and the Assistant Purchase Clerk to decrease the amount of errors made in regards to purchase laws going forward.

11. The Purchase Clerk Should Strengthen Internal Controls over Purchases Greater Than \$50,000.

Repeat Finding: No.

Criteria: Proper internal controls should require that the approval for purchases greater than \$50,000 is spread upon the official board minutes.

Condition: As a result of procedures performed, we noted one (1) instance where a purchase order for fire equipment totaling the amount of \$59,495 was issued without approval being spread upon the official board minutes.

Cause: The Purchase Clerk did not obtain approval from the Board of Supervisors prior to issuing a purchase order for a purchase greater than \$50,000.

Effect:	Failure to obtain approval by the Board of Supervisors for a purchase greater than \$50,000 could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.
Recommendation:	The Purchase Clerk should ensure that the approval for purchases greater than \$50,000 has been spread upon the official board minutes prior to issuing a purchase order.
Official Response:	Any purchases over \$50,000 will be approved by the Board of Supervisors in the future.

Purchase Clerk, Receiving Clerk, and Inventory Clerk

12.	<u>The Purchase Clerk, Receiving Clerk, and Inventory Clerk Should Ensure Compliance with State Laws over Surety Bonds.</u>
Repeat Finding:	No.
Criteria:	<p><i>Section 25-1-15, Mississippi Code Annotated (1972)</i>, requires, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.”</p> <p><i>Section 31-7-124, Mississippi Code Annotated (1972)</i>, 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).”</p>
Condition:	<p>Upon our review of the bond schedule and the surety bonds required to be secured by <i>Section 31-7-124, Mississippi Code Annotated (1972)</i>, the following exceptions were noted:</p> <ul style="list-style-type: none"> • Purchase Clerk’s and Inventory Clerk’s bonds were “Continuation Certificates” followed by one-year bonds. • Assistant Purchase Clerk had no bond on file. • Receiving Clerk and four (4) Assistant Receiving Clerks had no bond on file. • Six (6) Assistant Receiving Clerks had one-year bonds. <p>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.</p>
Cause:	New bonds were not secured every four (4) years concurrent with the normal election cycle as required by state law.
Effect:	Failure to have a bond in place for a specific term or office could limit the amount available for recovery if a loss occurred over multiple terms.
Recommendation:	The Purchase Clerk, Receiving Clerk, and Inventory Clerk should ensure that the bonds secured list a term of office covered, and secure new bonds every four (4) years concurrent

with the normal election cycle of the Governor. Furthermore, the Purchase Clerk, Receiving Clerk, and Inventory Clerk should ensure that Assistant Clerks are bonded as required by law.

Official Response: **Purchase Clerk:** We will have a new bond in place for the length of the term going forward. We have obtained a bond for the Assistant Purchase Clerk.

Receiving Clerk: The Receiving Clerk and Assistant Receiving Clerks will obtain bonds as required. All Receiving Clerks will also obtain new bonds each normal election cycle.

Inventory Clerk: We will have a new bond in place for the length of the term going forward.

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.

Lafayette 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 Lafayette 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 written in a cursive, flowing style.

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

LAFAYETTE 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 not made from the lowest bidder.

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

Schedule 2

Our tests did not identify any emergency purchases.

LAFAYETTE COUNTY

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

		Item				
Date		Purchased		Amount Paid		Vendor
4/3/2018		Spreader Kit W-Charger		\$ 10,549		Municipal Emergency Services
4/3/2018		Battery and Charger		\$ 9,462		Municipal Emergency Services
4/3/2018		Battery and Charger		\$ 7,382		Municipal Emergency Services
4/3/2018		Power Supply W-Pig		\$ 611		Municipal Emergency Services
4/3/2018		Bank Charger DC		\$ 1,425		Municipal Emergency Services
4/3/2018		Chain Set		\$ 833		Municipal Emergency Services
5/25/2018		Tasers		\$ 1,170		Axon Enterprises, Inc.
5/25/2018		Right Hand Holsters		\$ 75		Axon Enterprises, Inc.
5/25/2018		Left Hand Holsters		\$ 75		Axon Enterprises, Inc.
5/25/2018		Warranty		\$ 363		Axon Enterprises, Inc.
5/25/2018		Smart Cartridges		\$ 36		Axon Enterprises, Inc.
5/25/2018		Training Cartridges		\$ 35		Axon Enterprises, Inc.
5/25/2018		Battery Pack		\$ 62		Axon Enterprises, Inc.
5/25/2018		Dataport Download Kit		\$ 188		Axon Enterprises, Inc.



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White

Members of the Board of Supervisors
Lafayette 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

2018-01 The Board of Supervisors Should Ensure Compliance with State Law over Publishing Monthly Travel Expenses.

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*."

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

Cause:	The Board of Supervisors failed to publish travel expenses incurred by the Board Members in a newspaper of general circulation in the County.
Effect:	Failure to publish travel expenses incurred by the Board of Supervisors results in non-compliance with <i>Section 19-3-67(5)</i> .
Recommendation:	The Board of Supervisors should ensure that travel expenses incurred by the Board Members are properly published in a newspaper of general circulation in the County.
Official Response:	The County will publish the travel expenses of the Board of Supervisors in the Oxford Eagle monthly beginning FY19.

2018-02 The Board of Supervisors Should Ensure Compliance with State Laws over Quarterly Budget Appropriation for Tax Assessor/Collector and Sheriff.

Repeat Finding: No.

Criteria: *Section 19-25-13, Mississippi Code Annotated (1972)*, states, “The Board of Supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1 and July 1, appropriate a lump sum for the Sheriff for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (1/4) of the amount approved in the annual budget unless the Sheriff requests a different amount.”

Section 27-1-9(c), Mississippi Code Annotated (1972), states, “The Board of Supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1, and July 1, appropriate a lump sum for the Assessor and Tax Collector for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (1/4) of the amount approved in the annual budget unless the Assessor and Tax Collector requests a different amount.”

Condition: The Board of Supervisors has not spread upon the official board minutes of the first meeting of each quarter beginning on October 1, January 1, April 1 and July 1, the lump sum appropriations for the Sheriff or Tax Assessor/Tax Collector for the expenses of their offices during the current quarter.

Cause: The Board of Supervisors did not comply with *Sections 27-1-9(c) and 19-25-13*.

Effect: Failure to spread upon the official board minutes of the first meeting of each quarter, the lump sum appropriations for the Sheriff, Tax Assessor/Tax Collector for the expenses of their offices during the current quarter is a violation of *Sections 27-1-9(c) and 19-25-13*.

Recommendation: The Board of Supervisors should spread upon the official Board minutes of the first meeting of each quarter beginning on October 1, January 1, April 1, and July 1, the lump sum appropriations for the Sheriff, Tax Assessor/Tax Collector for the expenses of their offices during the current quarter.

Official Response: The Board of Supervisors was not aware of the requirement to appropriate budgeted funds quarterly for the Sheriff and Tax Collector/Assessor. We will begin this process.

2018-03 The Board of Supervisors Should Ensure Compliance with State Laws over Entering Executive Session.

Repeat Finding: No.

Criteria: *Section 25-41-7(4), Mississippi Code Annotated (1972)*, provides reasons that a public body may hold an executive session.

Condition: The Board of Supervisors entered into nine (9) executive sessions with either no stated reason or the reason was not provided by statute.

Cause: The Board of Supervisors did not comply with *Section 25-41-7(4)*.

Effect: Failure to provide a statutory reason for an executive session is a violation of *Section 25-41-7(4)*, which helps ensure open meetings for all public bodies.

Recommendation: The Board of Supervisors should provide a statutory reason for entering an executive session.

Official Response: The Board of Supervisors will state a reason for entering executive session in future meetings.

2018-04 The Board of Supervisors Should Ensure Compliance with State Law over Road Inspection Reports.

Repeat Finding: No.

Criteria: *Section 65-7-117, Mississippi Code Annotated (1972)*, states “Each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County not later than December 31, 1989, and, thereafter, not less than once each fiscal year. Each member shall file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected by him with recommendations by him for a four-year plan for construction and major maintenance of such roads and bridges.”

Condition: During test work, it was determined that Road Inspection Reports had not been spread upon the official minutes of the Board of Supervisors.

Cause: The Road Inspection Reports had not been spread upon the official minutes of the Board of Supervisors.

Effect: Failure to inspect every road and bridge in each district and spread Road Inspection Reports upon the official minutes of the Board of Supervisors may result in insufficient maintenance of public roads and streets.

Recommendation: The Board of Supervisors should inspect all roads and bridges in each district and reports of such should be spread upon the official minutes.

Official Response: The Board of Supervisors will spread road inspection reports and the detailed claims docket on the minutes.

2018-05 The Board of Supervisors Should Strengthen Internal Controls over the Payment of Travel Vouchers.

Repeat Finding: No.

Criteria:	Strong internal controls should require the Board of Supervisors to verify proper completion of travel vouchers prior to approval.
Condition:	As a result of procedures performed, the following exceptions were noted: <ul style="list-style-type: none"> • Nine (9) instances where the travel voucher did not have the signature of an approver; • Thirteen (13) instances where the travel voucher did not have the signature of a verifier; and • Two (2) instances where the travel voucher was unsigned by the traveler.
Cause:	County employees failed to complete travel voucher as prescribed by the Mississippi Department of Finance and Administration.
Effect:	Failure to follow proper travel reimbursement procedures may result in disallowed and excess travel costs to the County.
Recommendation:	The Board of Supervisors should only approve travel vouchers which are completed properly.
Official Response:	All travel vouchers will be signed by the employee requesting reimbursement, a verifier, and an approver in the future.

Board of Supervisors, Chancery Clerk, Circuit Clerk, Justice Court Clerk, Sheriff, Tax Assessor/Collector, Road Manager, County Administrator, Central District Justice Court Judge, Northern District Justice Court Judge, Southern District Constable, and Central District Constable.

2018-06	<u>County Officials Should Ensure Compliance with State Laws over Surety Bonds.</u>
Repeat Finding:	No.
Criteria:	<i>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 (4) years concurrent with the normal election cycle of the Governor.</i>
Condition:	During our review of the County's surety bond schedule and statutorily required surety bonds for officials and employees, several exceptions were noted: <ul style="list-style-type: none"> • Nine (9) officials and employees were covered by "Continuation Certificates" for all or part of the fiscal year. • Eight (8) officials and employees had no bond on file for all or part of the fiscal year. • Twenty-two (22) officials and employees were covered by one-year bonds for all or part of the fiscal year, not a four-year bond concurrent with the normal election cycle of the Governor. <p>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.</p>
Cause:	Surety bonds for officials and employees were not secured in the manner required by state law.

Effect: Failure to have a correct bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation: County officials should ensure that required surety bonds are secured in the correct amounts, that the bonds 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 Response:

Board of Supervisors: We will have a new bond in place for the length of the term going forward. We will extend District 4 Supervisor's bond to the end of the current term.

Chancery Clerk: I was unaware that the "Continuation Certificate" which lists the bond number, amount of the bond, and beginning date of term and ending date of term, was not a sufficient bond. I will correct for future terms.

Circuit Clerk: I will get with the County Administrator to make sure everyone gets properly bonded.

Tax Assessor/Collector: This problem will be handled immediately.

Justice Court Clerk: Did not realize this was a problem. Will correct in the future.

Sheriff: It was brought to my attention that original Sheriff had no current bond on file as required, and the Interim Sheriff was not bonded in the statutorily required amount and was only a one-year bond instead of the four years concurrent with the normal election cycle of the Governor as required by *Section 25-1-15, Mississippi Code Annotated (1972)*. After the original Sheriff's death, the Board of Supervisors appointed the Interim Sheriff to finish the term ending Dec. 31, 2019. At that time, we did not realize that he could not be bonded for a year as the Interim Sheriff. We will apply for an extension on his bond through the end of this term in the required amount of \$100,000. We will have all our employees bonded for the next term, Jan. 1, 2020, through Dec. 31, 2023, to be in compliance with the election cycle.

Road Manager: We are working on this and will have it resolved as soon as possible.

County Administrator: We will have a new bond in place for the length of the term going forward.

Northern District Justice Court Judge: To Whom It May Concern, On March 11, 2019, I was informed by the State Auditor that my bond as an elected official was incorrect. I was not aware of bond not being correct. I will go forward getting it corrected.

Southern District Constable: The Chancery Clerk has always taken care of this and sent over the bonds for me to sign. I was unaware that the bonds were required to be four year bonds concurrent with the four year constable term.

Central District Constable: I was not aware of this issue. The Chancery Clerk always sent us a bond to sign. I will correct this issue as soon as possible. I will check with the Chancery Clerk, and County Administrator, later today and get this corrected.

Central District Justice Court Judge: The continuation certificate bond will be corrected to a four year concurrent bond with the position of Justice Court Judge stated on bond as required.

District 3 Supervisor, County Prosecuting Attorney, and Northern District Justice Court Judge

2018-07 Elected Officials Should Ensure Compliance with State Laws over Filing of the Statement of Economic Interest.

Repeat Finding: No.

Criteria: *Section 25-4-25, Mississippi Code Annotated (1972)*, provides that “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), provides that “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 1st 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...”.

Condition: As a result of procedures performed, it was noted that the District 3 Supervisor, County Prosecuting Attorney, and Northern District Justice Court Judge failed to file Statements of Economic Interest by May 1st, as required by state law, and such statements remained unfiled as of January 31st, 2019.

Cause: Elected Officials did not file their required Statements of Economic Interest by May 1st as required by state law.

Effect: Failure to file the Statement of Economic Interest, as required by state law, results in non-compliance with *Section 25-4-29* 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 on or before May 1st of each year that such official holds office, regardless of the duration.

Official Response: **District 3 Supervisor:** I went to site to complete and realized my wife’s job address had changed. I just forgot to complete after that.

County Prosecuting Attorney: I’m sorry it was an oversight, have this day filed that year.

Northern District Justice Court Judge: To whom it may concern, On March 11, 2019, I was informed by the State Auditor that my Statement of Economic Interest has not been filed since my taking office as an elected official. I deeply apologize for this oversight; however, I was not aware of such a filing. Since it has come to my attention, I have contacted the Ethics Commission in Jackson, MS, and they advised me on how to go about filing. I am now in the process of getting all reports filed.

Chancery Clerk

2018-08	<u>The Chancery Clerk Should Ensure Compliance with State Laws over Collection of Statutory Fees.</u>
Repeat Finding:	No.
Criteria:	<p><i>Section 25-3-21, Mississippi Code Annotated (1972)</i>, states, “The Board of Supervisors may allow to its Clerks reasonable compensation, to be paid out of the county treasury, for making copies of assessment rolls required by law, not to exceed One and One-half Cents (1-½¢) for each personal assessment or Three Cents (3¢) for each separate assessment of lands per copy; but the Board of Supervisors may allow as much as One Hundred Fifty Dollars (\$150.00) in any case for copying the personal roll, and each copy thereof shall be considered a roll.”</p> <p><i>Section 25-7-9(1)(f), Mississippi Code Annotated (1972)</i>, states, “For each day’s attendance on the Board of Supervisors, for himself and one (1) deputy, each \$ 20.00.”</p> <p><i>Section 25-7-9(1)(g), Mississippi Code Annotated (1972)</i>, states, “For other services as Clerk of the Board of Supervisors an allowance shall be made to him (payable semiannually at the July and January meetings) out of the county treasury, an annual sum not exceeding \$3,000.”</p>
Condition:	<p>As a result of procedures performed, the following exceptions were noted:</p> <ul style="list-style-type: none"> • The Chancery Clerk requested \$20 in excess of the amount allowed under <i>Section 25-7-9(1)(f)</i>, for each day’s attendance on the Board of Supervisors’ meeting. • The Chancery Clerk requested \$443 in excess of the amount allowed under <i>Section 25-3-21</i>, for making copies of each personal assessment. • The Chancery Clerk did not request January 2018 Clerk of the Board fees in the amount \$1,500 until September 2018. <i>Section 25-7-9(1)(g)</i> provides that payment must be paid semi-annually at the July and January meetings.
Cause:	The Chancery Clerk requested fees in excess of statutorily allowed amounts, and not within the timeframe allowed by statute.
Effect:	The request of fees in excess of the statutorily allowed amounts may result in the loss of public funds. Failure to request Clerk of the Board fees timely is a violation of <i>Section 25-7-9(1)</i> .
Recommendation:	The Chancery Clerk should take steps to request fees within the amounts and timeframe allowed by state law.
Official Response:	These were careless mistakes on my part. I will pay closer attention in the future and not make these mistakes again.

Circuit Clerk

2018-09	<u>The Circuit Clerk Should Ensure Compliance with State Law over Proper Completion of the Annual Financial Report.</u>
Repeat Finding:	No.
Criteria:	<p><i>Section 9-1-43(4), Mississippi Code Annotated (1972)</i>, 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</p>

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 15th 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 1st 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.”

Condition:	The Circuit Clerk’s officially filed Annual Financial Report contained the following exceptions: <ul style="list-style-type: none">• Retirement Contributions Calculation section was totally omitted.• County Payroll Income included \$4,172 in the Indigent Appeals which was not actually paid through county payroll. This should have been reported in Fee Income as “Other”.
Cause:	The Circuit Clerk failed to complete the Retirement Contributions section of the Annual Financial Report and fee income was reported erroneously as county payroll income.
Effect:	Failure to prepare the Annual Financial Report correctly may result in improper calculation of the salary limitation, and ultimately retirement contributions for the Circuit Clerk, as well as the amount due to the County.
Recommendation:	The Circuit Clerk should submit an Amended Annual Financial Report to the Office of the State Auditor and to PERS.
Official Response:	I will amend the 2018 AFR and get it submitted.

2018-10	<u>The Circuit Clerk Should Ensure Compliance with State Laws over Election Commissioners Per Diem.</u>
Repeat Finding:	No.
Criteria:	<i>Section 23-15-225(3), Mississippi Code Annotated (1972)</i> , states, “As compensation for their services in assisting the county Election Commissioners in performance of their duties in the revision of the voter roll as electronically maintained by the Statewide Elections Management System and in assisting the Election Commissioners, executive committees or Boards of Supervisors in connection with any election, the Registrar shall receive the same daily per diem and limitation on meeting days as provided for the Board of Election Commissioners as set out in <i>Sections 23-15-153 and 23-15-227</i> to be paid from the general fund of the County.”
Condition:	Based on the documentation provided, it could not be verified that the total amount of daily per diem received was within the amount allowed by statute.

Cause:	Supporting documentation was not sufficient to determine how amounts were calculated, in that the Circuit Clerk did not specifically state which days that she worked, only stated a total number of days, which could not be substantiated with the Election Commissioners' days. Further, when listing the statute for which she was to be paid, the description of work done for those days did not match the statute given.
Effect:	Insufficient documentation could lead to the Circuit Clerk being paid more per diem than allowed by statute.
Recommendation:	The Circuit Clerk should identify which days were worked, and correctly list the type of work done, to correlate with the proper statute listed.
Official Response:	The election commissioners tell me how many days to claim based on the commissioners with the most days worked. Since I work 5 days a week and they don't have set days to all work, I claim days they give me as worked for the pay period. I will sit down with the commissioners and work out scheduled days.

2018-11 The Circuit Clerk Should Ensure Compliance with State Laws over Collection of Statutory Fees.

Repeat Finding: No.

Criteria: *Section 25-7-13(2)(k), Mississippi Code Annotated (1972)*, states, "For public service not particularly provided for, the circuit court may allow the Clerk, per annum, to be paid by the County on presentation of the circuit court's order, the following amount....\$5,000."

Section 25-7-13(3), Mississippi Code Annotated (1972), states, "On order of the court, Clerks and Deputies may be allowed five (5) extra days for attendance upon the court to get up records."

Section 25-7-13(2)(m), Mississippi Code Annotated (1972), states, "For each day's attendance upon the circuit court term, for himself and necessary Deputies allowed by the court, each to be paid by the County\$50."

Section 25-7-13(6), Mississippi Code Annotated (1972), states, "For making final records required by law, including, but not limited to, circuit and county court minutes, and furnishing transcripts of records, the Circuit Clerk shall charge Two Dollars (\$2) per page. The same fees shall be allowed to all officers for making and certifying copies of records or papers which they are authorized to copy and certify."

Condition: During the course of test work, the following exceptions were noted:

- The Circuit Clerk was paid \$400 in excess of the statutorily allowed amount under *Section 25-7-13(2)(k)* for public service not particularly provided for.
- The Circuit Clerk requested \$1,500 below the statutorily required amount under *Section 25-7-13(3)* for attendance upon the court to get up records.
- The Circuit Clerk requested \$1,150 below the statutorily required amount under *Section 25-7-13(2)(m)* for attendance upon the circuit court term.
- The Circuit Clerk was paid \$1,352 in excess of the statutorily allowed amount under *Section 25-7-13(6)* for making final records required by law, including, but not limited to, circuit and county court minutes.

Cause: The Circuit Clerk did not request fees within amounts allowed by statute.

Effect: Failure of the Circuit Clerk to request fees within amounts allowed by statute may result in unauthorized payment from the County, and could result in the loss of public funds.

Recommendation: The Clerk should implement procedures to ensure fee payments are within the amounts required by statute.

Official Response: All statutory fees will be requested as by statute. I will make sure all fee calculations are double checked and added twice to avoid errors.

2018-12 The Circuit Clerk Should Strengthen Internal Controls over Reconciling Bank Statements.

Repeat Finding: No.

Criteria: Proper internal controls should require the fee journal bank statements be reconciled in a timely manner.

Condition: As a result of procedures performed, it was noted that the December 31st, 2018 fee journal bank statement was not reconciled in a timely manner.

Cause: The Circuit Clerk originally reconciled the December 31st, 2018 bank statement in a timely manner; however, the same month was reconciled a second time to include expenditures added to the fee journal after the end of the year.

Effect: Failure to timely reconcile bank statements could result in an inaccurate cash balance and further result in changes to the Annual Financial Report.

Recommendation: The Circuit Clerk should take steps to ensure that the fee journal bank statement is reconciled in a timely manner.

Official Response: Bank reconciliation will be completed each month.

Tax Collector-Assessor

2018-13 The Tax Assessor/Collector Should Strengthen Internal Controls over Reconciling Bank Statements.

Repeat Finding: No.

Criteria: An effective system of internal control over the accounting procedures within the Tax Assessor/Collector's office should include proper reconciliation of bank statements.

Condition: As a result of procedures performed, it was noted that the Tax Assessor/Collector did not reconcile the Tax Assessor and Collector bank statement to the correct cash journal.

Cause: The Tax Assessor/Collector did not reconcile the Tax Assessor and Collector bank account to the correct cash journal.

Effect:	Failure to reconcile a bank statement to the correct cash journal could result in the loss of public funds.
Recommendation:	The Tax Assessor/Collector should implement procedures to ensure that bank statements are reconciled to the correct cash journals.
Official Response:	Delta, our computer system, had not updated our system for accounting. All errors have been corrected. Bank reconciliations were all done manually correct. Problem has been resolved.

Sheriff

2018-14	<u>The Sheriff Should Ensure Compliance with State Law over Presentation of Meal Logs and Affidavit to the Board of Supervisors Monthly.</u>
Repeat Finding:	No.
Criteria:	<i>Section 19-25-74, Mississippi Code Annotated (1972), 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.</i>
Condition:	During our test work, it was noted that both the inmate meal logs and an affidavit to the correctness thereof were not being filed monthly with the Board of Supervisors. Additionally, the Board approved claims for food expenses without this report being filed.
Cause:	The Sheriff did not file the meal logs or affidavit to correctness thereof, and the Board approved claims for food expenses without this report being filed.
Effect:	Failure to submit meal logs to the Board of Supervisors for approval as spread upon the official board minutes and an affidavit to the correctness thereof 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, and an affidavit to the correctness thereof before meal expenses are approved through the claims docket.
Official Response:	Inmate meal logs and an affidavit for correctness will be spread on the minutes at the board meetings.

2018-15	<u>The Sheriff Should Ensure Compliance with State Law over Bank Accounts.</u>
Repeat Finding:	No.
Criteria:	<i>Section 27-105-371, Mississippi Code Annotated (1972), states, "All county officials who receive funds under the authority of their office shall deposit such funds into a county depository."</i>

Condition:	The Lafayette County Sheriff's Office Fee Account and the Lafayette County Detention Center Inmate Account are held at a bank other than the county depository selected by the Board of Supervisors.
Cause:	Bank accounts for a previous financial institution were not transferred to the county depository selected by the Board of Supervisors.
Effect:	Holding bank accounts at a financial institution not selected as a county depository may result in the loss of public funds.
Recommendation:	The Sheriff should transfer all deposits to an approved county depository or request that the bank they are using also be approved by the Board of Supervisors as a county depository.
Official Response:	Account FMB – Lafayette County Sheriff's office – this account has a balance of \$2.73 and has been dormant several years. We will close this acct and deposit the \$2.73 in our fee account at Trustmark. The inmate accounts are set up for their commissary accts and stays with the inmate until they are released. The money is only available to the inmates for their personal commissary use. We will make sure that is on the agenda each year so we can leave the funds in the same bank each year.

Inventory Clerk

2018-16	<u>The Inventory Clerk Should Ensure Compliance with State Law over Filing Inventory Reports.</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 th of each year.
Condition:	The required inventory reports were not presented to the Board of Supervisors, nor were they filed with the Property Division of the Office of the State Auditor. These reports remain unfiled as of March 5 th , 2019.
Cause:	The required inventory reports were not filed with the Board of Supervisors, in triplicate and copies were not forwarded to the Office of the State Auditor by October 15 th .
Effect:	Failure to prepare the annual reports could result in reporting inaccurate amounts and increases the possibility of 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:	The Inventory Clerk will file the inventory report and in the future will have it filed by the required dates.

Payroll Clerk

2018-17	<u>The Payroll Clerk Should Ensure Compliance with State Law over Employer's Retirement Contribution.</u>
Repeat Finding:	No.
Criteria:	<i>Section 25-11-127(6)(b), Miss. Code Annotated (1972) states, "The municipality or county in which the retired person holds elective office shall pay to the Board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds."</i>
Condition:	Test work showed that the County had not paid the amount of the employer's contributions on the full amount of the regular compensation for the elective office (Justice Court Judge) that the retired person held in accordance with Mississippi Public Employees' Retirement System (PERS) regulations. The amount underpaid to PERS totaled \$5,103.21
Cause:	The County paid the employer's contribution only on the amount the retired elected official was paid, not on the regular compensation for the elected office.
Effect:	The failure to properly pay the employer's contributions on the regular compensation for the elected office results in noncompliance with 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 underpayment of the Employer PERS contributions will be paid to PERS in April 2019.
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2018-18	<u>The Payroll Clerk Should Strengthen Internal Control over Fee Payments Through Payroll.</u>
Repeat Finding:	No.
Criteria:	Proper internal controls should require an order signed by a judge for fees paid to the Chancery Clerk through the court.
Condition:	As a result of procedures performed, one (1) instance was noted where a payment to the Chancery Clerk in the amount of \$2,775 was issued without a signed judge's order which resulted in an overpayment of \$225 to the Chancery Clerk once the signed order was received.
Cause:	The Payroll Clerk issued a payment to the Chancery Clerk without a signed court order.
Effect:	Payment of fees without a signed court order could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds
Recommendation:	The Payroll Clerk should take necessary steps to ensure that a signed judge's order is received prior to processing payroll for such fees.
Official Response:	All payroll amounts required by judge's order will only be processed with a signed judge's order in the future.

Lafayette 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, with the first name being the most prominent.

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