

Brookhaven School District MISSISSIPPI

COMPLIANCE REPORT

Special Reports

For the year ended June 30, 2019

SHAD WHITE

State Auditor

Stephanie C. Palmertree, CPA, CGMA

Director, Financial and Compliance Audit Division

Derrick Garner, CPA, CFE

Director, Compliance Audit Division





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

July 22, 2020

Limited Internal Control and Compliance Review Management Report

Brookhaven School District
326 East Court Street
Brookhaven, Mississippi 39601

Dear Members of the Brookhaven Public School Board:

Enclosed for your review are the internal control and compliance findings for the Brookhaven School District for fiscal year 2019. In these findings, the Office of the State Auditor recommends the Brookhaven School District:

1. Strengthen Internal Controls over User Access to Accounting Software;
2. Strengthen Internal Controls over Activity Fund Cash Receipts;
3. Ensure Compliance with State Laws over Nepotism and Ethics;
4. Ensure Compliance with State Laws over the Issuance of Shortfall Notes;
5. Ensure Compliance with State Laws over Completing and Filing Statements of Economic Interest;
6. Ensure Compliance with State Laws over Completing and Filing PERS Forms 4B;
7. Ensure Compliance with State Laws over Sixteenth Section Lease Payments and Appraisals; and
8. Ensure Compliance with State Laws over Surety Bonds.

Please review the recommendations and submit a plan to implement them by July 22, 2020. The enclosed findings contain more information about our recommendations.

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

This report is intended solely for the information and use of management, individuals charged with governance and Members of the Legislature 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 you find our recommendations enable the Brookhaven School District to carry out its mission more efficiently. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree".

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

The Office of the State Auditor has completed its limited internal control and compliance review of the Brookhaven School District for the year ended June 30, 2019. The Office of the State Auditor's staff members participating in this engagement included Derrick Garner, CPA; Travis Mitchell, CPA; Charlotte L. Duckworth; Staci Cothran, CPA; Ashely McPherson; Brooke Seals; and Kendall Cavett.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of the internal control over financial reporting would not necessarily disclose all matters in the 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 identified a certain deficiency in internal control over financial reporting that we consider to be a *material weakness*, and certain deficiencies in internal control that we consider to be *significant deficiencies*. These matters are noted under the headings **MATERIAL WEAKNESSES** and **SIGNIFICANT DEFICIENCIES**.

In addition, while performing our review, we noted certain instances of noncompliance with laws and regulations that require the attention of management. These matters are noted under the headings **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. OSA has made some recommendation for management consideration that are not in violation with state law.

MATERIAL WEAKNESSES

Finding 1: The School District Should Strengthen Internal Controls over User Access to Accounting Software.

Internal Control Deficiency: Management is responsible for ensuring the security of the District's electronic data, including software and employee records. An effective system of internal controls over information technology should include a periodic review of individuals authorized to access the District's computer systems.

Finding Detail: During the review of authorized software user report, we noted the following individuals with access to the District's accounting software:

- An accounting consulting contract expired on June 30, 2018; however, two (2) of its employees still have full access.
- Five (5) former employees terminated over a year ago still have limited access.
- One (1) former employee terminated over a year ago still has full access.

Failure to ensure former employees and contractors do not have limited or full access to the District's accounting software could result in a security breach and the release of employees' personal information to the public.

Recommendation: We recommend that the Board of Education, Superintendent, and Management should implement policies and procedures to ensure individuals no longer have access to the District's accounting software upon the termination of their employment or other consultant contracts.

Repeat Finding: No.

SIGNIFICANT DEFICIENCIES

Finding 2: The School District Should Strengthen Internal Controls over Receipts for Athletic Events.

Internal Control Deficiency: Management is responsible for ensuring that all revenue is correctly earned and recoded in order to safeguard the assets of the school district. A critical aspect of internal controls is ensuring the total amount of revenue equals the total amount deposited.

Finding Detail: During our testing of eighteen (18) athletic fund revenue, we noted the following weaknesses in internal controls:

- Seven (7) deposits were in excess of ticket sales totaling **\$105.00**.
- Eight (8) deposits were less than ticket sales totaling **\$87.00**.

Inadequate internal controls related to athletic fund revenue collection and receipting could result in a loss of assets and improper revenue recognition.

Recommendation: We recommend that the School District should strengthen internal controls and procedures to ensure receipts from all athletic fund revenue collections are safeguarded, properly recognized, and recorded.

Repeat Finding: No.

INSTANCES OF NONCOMPLIANCE WITH STATE LAW.

Finding 3: The School District Should Ensure Compliance with State Laws over Nepotism.

Applicable Law: *Section 37-9-21, Mississippi Code Annotated (1972)*, states, "It shall be illegal for any superintendent, principal or other licensed employee to be elected by the school board if such superintendent, principal or licensed employee is related within the third degree by blood or marriage according to the common law to a majority of the member of the school board. No member of the school board shall vote for any person as a superintendent, principal or licensed employee who is related to him within the third degree by blood or marriage or who is dependent upon him in a financial way. Any contract entered into in violation of the provisions of this section shall be null and void." *Section 25-4-29(1)(a), Mississippi Code Annotated (1972)*, states, "Every incumbent public official required by paragraphs (a), (b), (d) and (e) of Section 25-4-25 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."

Mississippi Ethics Opinion 14-051-E, requires "...*Section 25-4-105(1), Miss. Code of 1972*, prohibits a school board member from using his or her official position to obtain or attempt to obtain a pecuniary benefit for his or her relatives. The term relative is defined in *Section 25-4-103(q)* and includes the board member's child. Therefore, the school board member, if elected cannot participate in any matter which would create a monetary benefit for his or her child. Examples of actions in which board member should not participate include, but are not limited to, the selection or promotion of a relative or adjustments to his or her salary, benefits or other compensation and any other action which is a necessary predicate to the

relative's compensation, and any claims docket or budget from which the relative is paid, including approval of the annual school district budget. A total and complete recusal requires the board member leave the meeting room before the matter comes up for discussion and remain absent until the vote is concluded... Furthermore, any minutes or record of the meeting or other proceeding should state the recusing board member left the room before the matter came before the board and did not return until after the vote..."

Finding Detail: During our review of related party questionnaires, board minutes, and contracts, we noted the following violations of the Nepotism and Ethics Statutes:

- One member of the School Board voted to approve the reappointment of his daughter as the Director of Alternative Education Services for the District; and
- One member of the School Board voted to approve the reappointment of her sister-in-law as a Speech Pathologist.

Failure of the two Board Members from recusing themselves during the vote for relatives resulted in the violation of *Mississippi Ethics Opinion 14-051-E* and *Mississippi Code Section 37-9-21*.

Recommendation: We recommend that the School Board should ensure compliance with *Mississippi Ethics Opinion 14-051-E* and *Mississippi Code Section 37-9-21*, by recusing themselves during the vote of relative within the third degree.

Repeat Finding: No.

Finding 4: The School District Should Ensure Compliance with State Laws over Issuing Shortfall Notes.

Applicable Law(s): *Section 27-39-333(2), Mississippi Code Annotated (1972)*, states "Any political subdivision which, during a fiscal year, estimates that the amount of the ad valorem taxes or other anticipated revenue from local sources to be collected therein is less than the amount estimated at the time of formulation of its budget for the fiscal year due to circumstances which were unanticipated at the time of formulation of the budget and which will prevent the political subdivision, issue promissory notes in an amount equal to the estimated shortfall of ad valorem taxes and/or revenue from local sources but in no event to exceed twenty-five percent (25%) of its budget anticipated to be funded from the sources of the shortfall for the fiscal year."

Section 37-57-108, Mississippi Code Annotated (1972), states "In the event that the amount of revenue collected or estimated to be collected from local sources, on behalf of a school district during a fiscal year, is less than the amount provided for in the duly adopted budget of said school district for the fiscal year, then the school district may issue promissory notes in an amount and in the manner set forth in Section 27-39-333, not to exceed the estimated shortfall of revenue from local sources, but in no event to exceed twenty-five percent (25%) of its budget anticipated to be funded from the sources of the shortfall for the fiscal year. A school district issuing notes under the provisions of this section shall not be required to publish notice of its intention to do so or to secure the consent of the qualified electors or the tax levying authority of such school district."

Finding Detail: During the testing of limitations on ad valorem taxes, we noted the District's shortfall promissory note issued at 6/30/19 was incorrectly calculated in the amount of **\$189,591.00**. Failure to ensure its shortfall calculation was correct resulted in \$3,688 of the issued shortfall note being escrowed for one year.

Recommendation: The Board Members, Superintendent, and management should ensure compliance with *Mississippi Code Section 27-39-333* and *37-57-108*, by properly calculating its shortfall notes before issuing promissory notes.

Repeat Finding: No.

Finding 5: The School District Should Ensure Compliance with State Laws over Completing/Filing Statements of Economic Interest.

Applicable Law(s): *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...; (b) Members of local school boards that administer public funds, regardless of whether such members are elected or appointed...”

Section 25-4-29(1)(a), Mississippi Code Annotated (1972), states, “Every incumbent public official required by paragraphs (a), (b), (d) and (e) of Section 25-4-25 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.”

Section 25-4-29(2), Mississippi Code Annotated (1972), states, “Any person who fails to file a statement of economic interest within thirty (30) days of the date the statement is due shall be deemed delinquent by the commission. The commission shall give written notice of the delinquency to the person by United States mail or by personal service of process. If within fifteen (15) days of receiving written notice of delinquency the delinquent filer has not filed the statement of economic interest, 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.”

Finding Detail: During our review of the Statements of Economic Interest, we noted the following:

- One Board Member had not filed a Statement of Economic Interest since May 2, 2018 and;
- One Board Member filed her first statement on September 16, 2019. Although, she has been in office for four (4) years.

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 judgement being enrolled against the delinquent filers, as allowed by *Section 25-4-29(2)*.

Recommendation: We recommend that the School District should strengthen controls to ensure that Board Members and the Superintendent file the Statement of Economic Interest annually, no later than May 1st of each year that such official holds office, regardless of the duration.

Repeat Finding: No.

Finding 6: The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Applicable Laws: *Section 25-11-127(4), Mississippi Code Annotated (1972)*, states, “Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment.”

Finding Detail: During the review of thirty-one (31) Brookhaven Public School District’s PERS Form 4Bs, we noted the following exceptions:

- Three (3) employees were overpaid totaling **\$1,901.00**;
- Ten (10) Form 4Bs were not filed within five (5) days of rehiring the employees;
- Thirteen (13) Form 4Bs did not indicate evidence of the filing date to PERS;
- Nineteen (19) Form 4Bs did not indicate the retirement date of the retiree;
- Three (3) Form 4Bs did not indicate the allowable salary and PERS allowable salary;
- Six (6) Form 4Bs were not signed by the employees; and
- Eight (8) rehired/retired employees paid a total salary of **\$78,136**; however, the District did not have 4B forms on file within the District.

Failure to comply with *Section 25-11-127* resulted in the overpayment of three (3) retirees and could result in more overpayments and the assessment of fines against the School District by PERS.

Recommendation: We recommend that the Brookhaven Public School District should strengthen controls to ensure compliance with state laws by properly completing the required Form 4Bs, properly paying salaries, and submitting the forms to PERS within five (5) days from the date of reemployment.

Repeat Finding: No.

Finding 7: The School District Should Ensure Compliance with State Laws over Sixteenth Section Annual Rental Payments and Appraisals.

Applicable Law: *Section 29-3-57, Mississippi Code Annotated (1972)*, states, "Upon a sixty (60) day default in payment of any rentals according to the terms of such lease, the lease shall be declared terminated unless the Board of Education finds extenuating circumstances were present, and the Board shall inaugurate the proper legal proceedings to terminate such lease." *Mississippi Code Section 29-3-65*, states, "One (1) year prior to the date, when any such lands, not subject to competitive bid procedures, shall become available for lease, the Board of Education shall appoint a competent appraiser to appraise the land and report to the Board his recommendation for the fair market rental amount. The Board shall then determine whether the same be a reasonable amount, and shall grant the lease pursuant to *Section 29-3-63*."

Finding Detail: During the testing of twenty-three (23) sixteenth section land leases, the following exceptions were noted:

- Four (4) lease payments were as many as two hundred fifty-eight (258) days late; and
- There was no appraisal noted in the file for one (1) lease agreement prior to entering into new agreements.

Failure to terminate lease agreements due to non-payment of rental payments and appoint a component appraiser resulted in non-compliance with state laws and regulations.

Recommendation: We recommend that the School District should strengthen controls to ensure lease payments are made within sixty (60) days, and an appraiser is appointed one (1) year prior to rental of sixteenth section land as required by state laws.

Repeat Finding: No.

Finding 8: The School District Should Ensure Compliance with State Laws over Surety Bonds.

Applicable Laws: *Section 25-1-15(2), 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 with the normal election cycle of the local government applicable to the employee.”

Section 25-1-15(4), Mississippi Code Annotated (1972) states, “All blanket bonds given on positions of public employment shall be conditioned upon the faithful performance of all duties of the positions covered and insured by said blanket bond. An new bond in an amount not less than that required by law for public employees shall be secured at the beginning of each new term of office of public or appointed official by whom they are employed...”

Section 25-1-19(1), Mississippi Code Annotated (1972) states, “...The bonds of all other county officers and employees, or officers, and employees of any district subdivision, board or commission of a county, including public school districts, shall be approved by the board of supervisors of such county. All bonds shall be filed and recorded in the office of the clerk of the chancery court of the county...”

Section 37-6-15, Mississippi Code Annotated (1972) states, “Before entering upon the discharge of the duties of his office, each member of the school board shall give a surety bond in the penal sum of Fifty Thousand Dollars (\$50,000), with sufficient surety, to be payable conditioned and approved in the manner provided by law. The school board may execute a blanket bond for each school district official and employee (including school business managers and any other employee who receipts and/or disburses school district funds) in the penalty of Fifty Thousand Dollars (\$50,000), unless a different penalty is prescribed by statute, to be payable, conditioned and approved in the manner provided by law. The premium on said bond shall be paid out of the school district maintenance fund.”

Section 37-9-27, Mississippi Code Annotated (1972) states, “The superintendent of any school district, before entering upon the duties of his office, shall furnish a good and sufficient surety bond in the penal sum of One Hundred Dollars (\$100,000.00), with sufficient surety.”

Finding Detail: As a result of procedures performed, we noted the following exceptions with the District’s surety bonds:

- Two (2) of the Board Members’ bonds are continuation certificates;
- The Superintendent’s bond is a continuation certificate;
- The Business Manager and five (5) Principals were covered under a blanket position bond, which does not specify the public servants holding those positions and;
- One Board Member’s continuation certificate is not on file in the Chancery Clerk’s Office.

A “Continuations Certificates” is a document that extends the life of the original surety bond. A “Continuations Certificate” only covers the current bonding 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. Additionally, failure to comply with the state statute, by being correctly and sufficiently bonded, could result in the loss of public funds.

Recommendation: We recommend that the Board should ensure that new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor or with the normal elections cycle of the local government applicable to the employees as statutorily required. Additionally, the Board should ensure all bonds for all employees’ and officials’ bonds are filed with the Chancery Clerk’s office. Furthermore, the Board should ensure all blanket bonds specify the public servant holding the positions covered under its blanket bond.

Repeat Finding: No.

1. OSA recommends that School Board consider obtaining surety bonds for Purchase Agent. As noted in during our test work, the Purchase Agent is covered under a "Continuation Certificate". 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 employment could limit the amount available for recovery if a loss occurred over multiple terms.

End of Report

Brookhaven School District

P. O. Box 540
Brookhaven, MS 39602-0540



Deputy Superintendent
Danny Rushing, PhD
Federal Programs Director
Rob McCreary, M.S.
Director of Finance
Jeffrey Martin

Roderick R. Henderson, Ed. S.
Superintendent

COMPLIANCE REVIEW FINDINGS

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

Dear Mr. White:

On behalf of the Brookhaven School District, I would like to thank you and your staff for the courtesy and professionalism shown during the performance of our State Compliance Audit. We appreciate both the assistance and recommendations made by your office while reviewing the district's policies and financial information. The district is strongly committed to providing accurate information to our stakeholders, while ensuring compliance to all state and federal laws. Please be assured that we are working towards eliminating any practices that may have led to instances of non-compliance with state regulations and to strengthening our internal controls where needed.

Finding 1: The School District Should Strengthen Internal Controls over User Access to Accounting Software.

Response: The district concurs with the finding regarding accounting software access and will strengthen internal controls to limit unauthorized access.

Corrective Action Plan:

- A. The Director of Finance has removed any and all contractors or passed employees from access to the accounting system.

- B. As soon as the Director of Finance is notified of the resignation or termination of an employee with access rights to the system, the access is terminated as of the employees last day of work.
- C. A monthly review of the users will be conducted by the Director of Finance to ensure that system access is only granted to authorized users.

Finding 2: The School District Should Strengthen Internal Controls over Receipts for Athletic Events.

Response: The district maintains that assets are safeguarded however acknowledges that during athletic events, human error has caused a small discrepancy between the number of tickets sold and the dollar amount actually collected. The district concurs with the finding and will implement additional steps to strengthen internal controls over ticket sales.

Corrective Action Plan:

- A. The Athletic Director and/or Principal will meet with the assigned ticket takers prior to the athletic event and stress the importance of accuracy during the collection process.
- B. Hand held calculators will be provided for use when needed at the athletic event.
- C. The Record of Ticket Sales Form will be revised to include a place to denote that a donation was made for those instances in which an individual did not want change and requested the district to keep the excess.

Finding 3: The School District Should Ensure Compliance with State Laws over Nepotism.

Response: The District concurs with the finding regarding related parties and will ensure compliance in the future.

Corrective Action:

- A. One of the board members cited in the finding is no longer on the Board of Trustees. The Director of Finance has notified the Board Attorney of the other relationship in order to help ensure compliance with Sections 37-9-21 and Section 25-4-105 of the Miss. Code Annotated 1972.
- B. The Board Member has been made aware of the statute and has been instructed not to discuss or vote and to recuse themselves from a meeting where personnel recommendations that include the relative are made. In addition, the Board Member has been informed to recuse themselves from the portion of any meeting in which the budget is being adopted or revised.

Finding 4: The District Should Ensure Compliance with State Laws over Issuing Shortfall Notes.

Response: The Director of Finance was unaware that the format used in the advalorem resolution prevented the shortfall on the Homestead Exemption from being included in the shortfall calculation. The District concurs with the finding and has modified the advalorem resolution format and has already transferred the excess calculated to the Debt Service fund.

Corrective Action:

- A. The Director of Finance secured Board Approval to transfer the \$3,688 of excess shortfall as calculated by the State Auditors Office to the Debt Service fund responsible for the shortfall debt repayment.
- B. The Director of Finance has modified the advalorem resolution format to prevent this error from reoccurring.
- C. The Director of Finance will ensure that future shortfall calculations are in compliance with Mississippi Code Section 27-39-333 and 37-57-108.

Finding 5: The School District Should Ensure Compliance with State Laws over Completing/Filing Statements of Economic Interest.

Response: The Director of Finance was unaware that the Statement of Economic Interest had not been filed by two board members, however the District concurs with the finding and will implement controls to ensure that the required Statements of Economic Interest are filed timely.

Corrective Action:

- A. The Administrative Assistant and Superintendent will add the Statement of Economic Interest to the Board Agenda beginning in January of each year to remind the Board of Trustees and the Superintendent of the requirement to complete the Statement of Economic Interest.
- B. The Administrative Assistant will ask the board to provide proof of the completion before May 1st of each year.
- C. The Administrative Assistant will search the website of the Mississippi Ethics Commission in order to ensure the Statement of Economic Interest was filed timely.

Finding 6: The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Response: The District concurs with the finding regarding the untimely filing of PERS Form 4B and has strengthened procedures to aid the Business Office in becoming aware that a retired employee was working in the district and that the form is completed properly.

Corrective Action:

- A. The districts application process now asks if the applicant is receiving benefits from PERS.
- B. Before a retiree can be recommended to the board, the Business Office is notified that a PERS Form 4B must be completed and filed. The employee must submit this form to the Payroll Specialist prior to beginning work, and the Payroll Specialist will ensure timely submission to PERS.
- C. The district also now refrains from allowing a retiree to work prior to board recommendation and approval – they are not allowed to be recommended using the 28 day rule so that the Business Office can submit the form in a timely manner.

Finding 7: The School District Should Ensure Compliance with State Laws over Sixteenth Section Annual Rental Payments and Appraisals.

Response: The School District concurs that there were several lease payments that were overdue and one lease that needed an updated appraisal. It was not until fiscal year 2019, when an in-house review was conducted, that the district realized that several leases that were thought to be current were actually almost a year behind in payment. Steps have been taken to rectify these issues.

Corrective Action:

- A. The Sixteen Section Receptionist sends a letter to each lease holder at least 30 days prior to the due date.
- B. The Sixteen Section Receptionist will prepare a listing for the Superintendent of any leases not paid by the due date. The Superintendent will then request the board cancel for lack of payment, those leases in default of 60 days.
- C. The District will work more closely with the Public Lands Division of the Secretary of State's Office to ensure that lease agreements contain necessary wording to allow cancellation upon lack of payment.
- D. An annual review of the necessary appraisals shall be made in July of each year by the Sixteen Section Receptionist and the list shall be submitted to the

Superintendent to initiate the appraisal. The Board shall consider the appraiser to be appointed to appraise the land and to report to the Board his recommendation for the fair market rental.

Finding 8: The School District Should Ensure Compliance with State Laws over Surety Bonds.

Response: The District concurs and was unaware that a Continuations Certificate was not acceptable and has ensured that current bonds are not continuations. In addition, all individuals covered under the blanket bond are now identified with all bonds being filed with the Chancery Clerk's Office.

Corrective Action:

- A. As per the recommendation, the Business Office undertook a review of all Surety Bonds.
- B. The Director of Finance and each Principal now has an individual bond.
- C. The Superintendent and each Board member now has a bond in effect for the term of office or contract period.
- D. The Assistant Finance Director has ensured that all bonds are properly on file with the Chancery Clerk's Office.
- E. The Business Office also secured a new Purchasing Agent bond as well .

Again, the Brookhaven School District is committed to employing sound business practices that protect and safeguard the resources of the district and to use those resources in an effective and efficient manner while complying with all state and federal guidelines. Thank you for your assistance in identifying areas in which we can better protect our resources.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rod Henderson".

Rod Henderson
Superintendent of Education