

# CARROLL COUNTY MISSISSIPPI

## COMPLIANCE REPORT

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Compliance Special Reports

For the year ended *September 30, 2019*

**SHAD WHITE**

**State Auditor**

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

Director, *Financial and Compliance Audit Division*

**Charlotte Duckworth**

Director, *Compliance Audit Division*



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## CARROLL COUNTY

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CARROLL COUNTY

**SPECIAL REPORTS**



**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  
Carroll County, Mississippi

We have examined Carroll 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 bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)* during the year ended September 30, 2019. The Board of Supervisors of Carroll 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 Carroll County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our findings, recommendations, and your responses are disclosed below:

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**Board of Supervisors.**

**Finding 1:** The Board of Supervisors Should Ensure Compliance with State Law over the Duties of the Inventory Clerk.

**Applicable State Law:** *Mississippi State Code of 1972, Annotated Section 31-7-107* states, "each county shall establish and maintain an inventory control system pursuant to requirements prescribed by the State Department of Audit under the authority of *Section 7-7-211* and in accordance with *Section 31-7-113*; provided, however, that not more than a sixty (60) day inventory of supplies, commodities and materials shall be kept on hand unless otherwise approved by the board of supervisors. The inventory control clerk shall be employed or designated in the same manner and by the same entity which

employs or designates the purchase clerk. The inventory control clerk shall be responsible for the maintenance of such system and such other personnel as may be required for the efficient operation of the inventory control system and shall not be a member of the board of supervisors.

**Finding Detail:** During the review of Carroll County, the auditor noted the Inventory Control Clerk did not present the year-end inventory report to the Board for approval.

Failure to follow *Mississippi Code Section 31-7-107* resulted in the County not being in compliance.

**Recommendation:** We recommend the Board of Supervisors ensure that the Inventory Clerk presents the year-end inventory report to the Board for approval, as required by law.

**Official Response (Inventory Clerk):** The inventory situation I inherited is a project I have been trying to rectify since I took over in terms of getting our inventory up to date. While I realize that I am delinquent in my duties of providing the Board of Supervisors with a current inventory, I have waited to do so in order to provide them with documentation that was as accurate as possible. My biggest holdup has been in getting the Construction-In-Progress from the County Engineer. I am not trying to place the blame elsewhere as again, I realize that this was not handled correctly and is something that will definitely be corrected immediately and will be handled in a timely manner in the future. I never like being derelict in my responsibilities and I can assure you this situation will not be repeated going forward.

**Repeat Finding:** No.

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#### **Purchase Clerk.**

**Finding 2:** The Purchase Clerk Should Ensure Compliance with State Law over Purchasing Document Requirements.

**Applicable State Law:** *Section 31-7-103, Mississippi Code Annotated (1972)*, requires a requisition, purchase order and receiving report for all purchases except for those items enumerated by the Office of the State Auditor under the authority of *Section 31-7-113, Mississippi Code Annotated (1972)*, and except for purchases of not more than **\$1,500**.

**Finding Detail:** During the testing of Carroll County, the auditor noted the following non-compliance issues out of twenty-five (25) tested:

- One (1) instance in which there was no evidence of a receiving report signed or dated totaling **\$57,803.00**; and
- Eight (8) instances in which the purchase requisition and receiving reports were signed by the same person totaling **\$113,763.31**.

Failure to ensure the required documents are completed could result in unauthorized purchase and the misappropriation of public funds.

**Recommendation:** We recommend the Purchase Clerk ensure all required documents are presented and completed before purchases are made, as required by state law. Additionally, the Purchase Clerk should ensure the purchase requisition and receiving reports are not signed by the same County employee.

**Official Response:** Carroll County, MS has not been in compliance with Central Purchasing Regulations *Section 37-7-103* and *Section 31-7-113*. Going forward, all bids will be presented to the board and the requirement for two quotes will be followed. Also, measures have been put in place where the same individual will not be signing purchase requisitions and receiving reports.

**Repeat Finding:** No.

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**Board of Supervisors, Chancery Clerk, Purchase Clerk, and Sheriff.**

**Finding 3:** The Board of Supervisors Should Ensure Compliance with State Laws over Credit Card Use.

**Applicable State Law:** *Section 19-25-13, Mississippi Code Annotated (1972)* states, “The board of supervisors may acquire one or more credit cards that may be used by the sheriff and his deputies to pay expenses incurred by them when traveling in or out of state in the performance of their official duties...”

*Section 19-3-68, Mississippi Code Annotated (1972)*, states there should be a complete record of all receipts and documentation pertaining to the use of the credit card and that the Board should be given an itemized list of all expenditures each month to be included in the claims docket.

**Finding Detail:** During the testing of the County, the auditor noted the following exceptions, out of fifteen (15) credit card purchases:

- There was no itemized report of credit card expenditures submitted to the Board to be paid each month;
- Two (2) credit card expenditures were missing the original receipts;
- Four (4) credit card expenditures, totaling **\$409.81**, were paid without Board approval and proper documentation; and
- The Sheriff and the Deputy Sheriff both have credit cards with their names on them along with the Board of Supervisors; however, the Board did not approve the credit cards.

**Recommendation:** We recommend the Board of Supervisors, Chancery Clerk and Purchase Clerk ensure an itemized list of expenses is submitted to the Board monthly, and ensure all credit card expenses be properly documented. Additionally, the Board of Supervisors and the Sheriff should ensure all credit cards for the Sheriff’s Department are approved by the Board of Supervisors, as required by law.

**Official Response:** Carroll County, MS, was not in compliance with *Section 19-25-13* and *Section 19-3-68* concerning credit card purchases. All Board Member will review the monthly credit card reports before approving the claims. All receipts will be attached to the statements with proper documentation and will be approved by the Board before payment.

**Repeat Finding:** No.

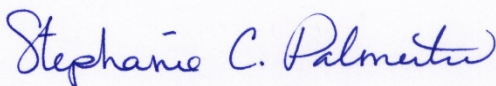
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The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

Carroll 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 Carroll County, Mississippi’s compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



STEPHANIE C. PALMERTREE, CPA, CGMA  
Director, Financial and Compliance Audit



CARROLL COUNTY

Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2019

Schedule 1

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

CARROLL COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2019

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
2/25/2019	2 36" x 30' Culverts 2 48" x 30' Culvert 1 36"	\$2,378.40	Coburn's	Flooding
2/25/2019	Coupler 2 48" x 24' PL Culvert 1 48"	\$4,359.45	G & O Supply	Flooding
2/25/2019	Coupler	\$2,778.45	G & O Supply	Flooding
2/27/2019	4 60" x 20' Culverts	\$7,795.20	G & O Supply	Flooding
3/4/2019	1 9' 10 x 59' Tanker Culvert	\$13,959	The Railroad Yard	Flooding
3/11/2019	1 60' x 30' Culvert 1 60" x 20' Culv	\$5,710.50	G & O Supply	Flooding
3/12/2019	Wrip Wrap 3 loads	\$1,385.86	Dunham, Inc	Flooding
3/20/2019	2 Trailers	\$2,137.69	Dunham, Inc	Flooding
3/25/2019	2 Trailers	\$1,911.28	Dunham, Inc	Flooding
4/10/2019	300# Rock	\$2,988.46	Dunham, Inc	Flooding
4/29/2019	Vdn Clinic	\$6,932.81	Sure Restore	Flooding
		\$52,337.10		

CARROLL COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2019

Our test did not identify any purchases from a sole source.

## Surety Bonds

CARROL COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2019  
UNAUDITED

Name	Position	Company	Bond
Jim Neil	Supervisor District 1	Westen Surety Company	\$100,000
Terry G. Brown	Supervisor District 2	Westen Surety Company	\$100,000
Edward Dill Tucker	Supervisor District 3	Westen Surety Company	\$100,000
Claude Fluker	Supervisor District 4	Westen Surety Company	\$100,000
Rickie Corley	Supervisor District 5	Westen Surety Company	\$100,000
Stanley "Sugar" Mullins	Chancery Clerk	Westen Surety Company	\$100,000
Sherry Blaylock	Purchase Clerk	Westen Surety Company	\$75,000
Marlee Golden	Assistant Purchase Clerk	Westen Surety Company	\$50,000
Rogan G. Jackson	Receiving Clerk	Westen Surety Company	\$75,000
Tara R. McDonald	Receiving Clerk	Westen Surety Company	\$75,000
Franklin Durward Stanton Jr.	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Johnny Burrell	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Debra Sproles	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Louis Green	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Michael Haddon	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Ricky Shirley	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Mary Jane King	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Alan Jackson	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Stephen Everett	Assistant Receiving Clerk	Westen Surety Company	\$50,000
James R. Woodson	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Connie C. Morgan	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Timothy D. Beasley	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Brenda M. Westmoreland	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Barbara W. Matthews	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Latasha Phillips	Assistant Receiving Clerk	Westen Surety Company	\$50,000
Durward Stanton	Inventory Control Clerk	Westen Surety Company	\$75,000
Joe W. Holman	Constable	Westen Surety Company	\$50,000
Robert F. Banks	Constable	Westen Surety Company	\$50,000
Durward Stanton	Circuit Clerk	Westen Surety Company	\$100,000
Clint Walker	Sheriff	Westen Surety Company	\$100,000
Jimmy Avant	Justice Court Judge	Westen Surety Company	\$50,000
Dorothy Branch	Justice Court Judge	Westen Surety Company	\$50,000
Mary Jane King	Justice Court Clerk	Westen Surety Company	\$50,000
Shonna McGehee	Justice Court Clerk	Westen Surety Company	\$50,000
Miriam Dockery	Deputy Justice Court Clerk	Westen Surety Company	\$50,000
Judy Mainelli	Deputy Justice Court Clerk	Westen Surety Company	\$50,000
Wilton A. Neal	Tax Assessor-Collector	Westen Surety Company	\$100,000
Debra Sproles	Deputy Tax Assessor	Westen Surety Company	\$10,000
Tammy Inmon	Deputy Tax Assessor	Westen Surety Company	\$10,000
Alison Dowdle	Deputy Tax Assessor	Westen Surety Company	\$10,000
Beth McGee	Deputy Tax Assessor	Westen Surety Company	\$10,000
Beth McGee	Deputy Tax Collector	Westen Surety Company	\$50,000
Debra Sproles	Deputy Tax Collector	Westen Surety Company	\$50,000
Tammy Inmon	Deputy Tax Collector	Westen Surety Company	\$50,000
Alison Dowdle	Deputy Tax Collector	Westen Surety Company	\$50,000



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

**Shad White  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Carroll 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 2019 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:

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**Board of Supervisors.**

**Finding 1:** The Board of Supervisors Should Ensure Adequate Controls are in Place to Ensure Compliance with State Statutes Related to Ethics.

**Applicable State Law:** *Mississippi Ethic Opinion 08-117-E*, states, "*Section 25-4-105(1), Mississippi Code 1972*, Prohibits a public servant from using his or her position in government to obtain a monetary benefit for his or her spouse. This restriction prohibits an election commissioner from participating in the certification of his or her spouse to a paid, elected office such as county supervisor. To avoid violating *Section 25-4-105(1)*, the election commissioner must recuse himself or herself from certifying election results or taking any other action affecting his or her spouse's candidacy."

**Finding Detail:** During the review of the County's related party questionnaires, Board minutes, and fee bills, the auditor noted one Board Member's spouse is an Election Commissioner. During the November election, the Election Commissioner did not recuse herself from participating in the election while her husband ran for Board of Supervisor.

**Recommendation:** We recommend the Board of Supervisor's spouse ensures compliance with *Mississippi Code Section 25-4-105(1)* by recusing himself or herself from taking any action affecting his or her spouse's candidacy.

**Official Response:** Carroll County, MS was in violation of *Section 25-4-105(1)* during the November 2019 election. In the future an election commissioner will recuse themselves from any involvement affecting his or her spouse's candidacy.

**Repeat Finding:** No.

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**Finding 2:** The Board of Supervisors Should Ensure Compliance with State Law over Four-Year Road Plan.

**Applicable State Law:** *Section 65-7-117, Mississippi Code Annotated (1972)*, states, "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. Based upon such reports, the board of supervisors shall, on or before February 1, 1990, and on or before February 1 of each year thereafter, adopt and spread upon its minutes a four-year plan for construction and maintenance of county roads and bridges. The plan may be amended at any time by a vote of the majority of the members of the board of supervisors."

**Finding Detail:** During the review of the County's Board minutes, the auditor noted the Board of Supervisors did not adopt a Four-Year Road plan and spread upon its minutes. The Board of Supervisors is in violation of State Law.

Failure to adopt a Four-Year Road Plan could result in the lack of funding for the County's Road and Bridge Funds.

**Recommendation:** We recommend the Board of Supervisors inspect all roads, bridges, and ferries in each district and adopt a Four-Year Road Plan annually, as required by law.

**Official Response:** Carroll County, Mississippi, has not been following *Section 65-7-117, Mississippi Code Annotated (1972)*, to file with the Clerk of the Board for a four-year plan for construction and major maintenance of such roads and bridges. We will follow the recommendation of the State Audit Department to adopt and spread upon its minutes a Four-year plan for the construction and maintenance of county roads and bridges.

**Repeat Finding:** No.

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**Finding 3:** The Board of Supervisors Should Establish a Written Credit Card Policy.

**Internal Control Deficiency:** An effective system of internal control should include a written policy over the use of credit cards.

**Finding Detail:** During the testing of expenses, we noted the Board of Supervisors has not established a credit card policy for the County resulting in inadequate controls surrounding its credit card. Without a written credit card policy, there are no guidelines of procedures to follow regarding the use of the County's credit card. This could result in the improper use of County funds.

**Recommendation:** We recommend the Board of Supervisors ensure a written policy governing the use of the County credit card is implemented, as required by law.

**Official Response:** Carroll County, Mississippi, going forward the Board will put in place an approved credit card policy.

**Repeat Finding:** No.

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**Chancery Clerk.**

**Finding 4:** The Chancery Clerk Should Ensure Compliance with State Laws over the County's Synopsis.

**Applicable State Law:** *Section 7-7-221 Mississippi Code Annotated (1972)*, “requires the clerk of the board of supervisors shall deliver a copy of the aforesaid synopsis to some newspaper published in the county, and, if no newspaper is published in the county, then to a newspaper having a general circulation therein, to be published.”

**Finding Detail:** During the review of the County’s Board minutes, the auditor noted the Chancery Clerk did not file the synopsis of annual audit reports as required by statute. Chancery Clerk is not in compliance with state law. Failure to publish the synopsis following the annual audit reports resulted in non-compliance with *Mississippi Code Section 7-7-221*.

**Recommendation:** We recommend the Chancery Clerk ensure the publication of the synopsis following each annual audit report, as required by state law.

**Official Response:** The Clerk of the Board will publish an audit synopsis of the most recent audit in the local paper as prescribed in *Mississippi Code Section 7-7-221*. The 2017 audit report synopsis was not published in the paper on a timely manner, but as of today has been prepared and delivered to the local paper to publish. The new Clerk of the Board will spread on the minutes the proof of publication from the paper as soon as it is returned to him.

**Repeat Finding:** No.

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### **Circuit Clerk.**

**Finding 5:** The Circuit Clerk Should Ensure Compliance with State Laws over Contracts for Conducting Elections.

**Applicable State Law:** *Section 23-15-301, Mississippi Code Annotated (1972)*, provides that all expenses of printing the tickets or primary election ballots, for necessary stationery, and for paying the managers, clerks, and returning officer of every primary election authorized by this chapter held in any county shall be paid by the board of supervisors of such county out of the general funds of the county.

*Mississippi Attorney General Opinion 2006 WL 1966801*, states, “... Since we have said that programming DRE units are the equivalent of printing ballots and is an expense to be borne by the county under *Section 23-15-301*, we are of the opinion that a circuit clerk or election commissioner who enters such an agreement with the executive committee would be entitled to compensation in an amount agreed upon by the two parties and approved by the board of supervisors.”

**Finding Detail:** During the testing of the Circuit Clerk’s payroll, the auditor noted the Circuit was paid **\$10,200** for conducting elections; however, there was no contract between the Board and the Circuit Clerk with an agreed amount and services to be performed.

Failure of the Circuit Clerk to enter into a contract with the Board of Supervisors for conducting an election or programming machines is a violation of the *Mississippi Code Section 23-15-301* and *Mississippi Attorney General Opinion 2006 WL 1966801*.

**Recommendation:** We recommend the Circuit Clerk ensure there is a valid contract with the Board of Supervisors for the conducting of elections in place, as required by law.

**Official Response:** In my sixteen plus years of office, there has never been any mention in any training I have received nor in any previous audits that such a written contract was required to have Board approval. I can assure you this oversight was not willful negligence on my part but part rather is from a lack of communication of what is required. I do not think it should be the policy of the Auditor’s office to expect us to automatically know what required Board approval without ever having been told exactly what those requirements are. Now that I know, I have already received Board approval for the contracts in question for election in calendar 2020. Personally, I would appreciate and welcome a concentrated effort by Audit to communicate expectations and requirements so those of us who attempt to do exactly what we are supposed to do at least know what expectations and requirements are.

**Auditor's Note:** According to the *Mississippi Code Section 23-15-301*, *Mississippi Attorney General Opinion 2006 WL 1966801*, and the Mississippi Secretary of State's Election Division, there must be an approved contract with the Executive Committee along with a contract with the Board of Supervisors approved in the Board minutes. Based on review of documentation for the Circuit's office, there was no approved with the Board of Supervisors for the 2019 audit year.

**Repeat Finding:** No.

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**Sheriff.**

**Finding 6:** The Sheriff Should Strengthen Internal Controls over Deposits.

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

**Internal Control Deficiency:** An effective system of internal controls should include monitoring of the maintenance and reconciliation of records documenting revenue collections. The Sheriff should maintain on a daily basis receipts and expenditures as they occur along with the date, receipt, or check number, payor, or payee, and amount. In addition, the deposits should be made in a timely manner.

**Finding Detail:** During the testing of five (5) receipts in the Sheriff Department's, the auditor noted deposits were made two (2) to thirteen (13) days after collection, resulting in untimely deposits by the Sheriff.

Failure to make timely deposits could result in the misappropriation of public funds.

**Recommendation:** We recommend the Sheriff strengthen controls ensuring that deposits are made daily, as required by state law.

**Official Response:** The department was making weekly deposits because of small amounts of cash collected. We will make daily deposits in the future.

**Repeat Finding:** No.

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**Finding 7:** The Sheriff Should Strengthen Controls to Ensure Adequate Segregation of Duties.

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

**Finding Detail:** During the review of the Sheriff's questionnaire, the auditor noted the same personnel is responsible for preparing deposits and taking them to the bank. Additionally, all personnel are working from the same cash drawer.

Failure to implement controls over cash in the Sheriff's office could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the Sheriff strengthen internal control policies to ensure there are proper separation of duties surrounding monies collected and deposited within the Sheriff's office.

**Official Response:** No person other than the office manager deals with cash recording and depositing. Her name is on every deposit slip and she is the sole person who handles cash drawer. Sometimes deputies receive checks from the public for the officer safety fund and those are turned into the office manager to record and deposit.

**Repeat Finding:** No.



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### **Board of Supervisors and Payroll Clerk.**

**Finding 8:** The Board and Payroll Clerk Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

**Applicable State Law:** *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.”

*PERS Board Regulation 34, Section 105*, states, “To lawfully employ a PERS service retiree under *Section 103*, the employer must notify PERS in writing of the terms of the eligible employment within five (5) days from the date of employment and also from the date of termination on a form prescribed by the Board.

**Finding Detail:** During the review of County’s PERS Form 4Bs, the auditor noted the following exceptions:

- Eight (8) Form 4Bs did not indicate evidence of the filing dates to PERS; and
- One (1) Form 4B did not indicate the retirement date of the retiree.

Failure to timely notify PERS may result in the assessment of a \$300 penalty per occurrence payable by the employer.

**Recommendation:** We recommend the Board of Supervisors and Payroll Clerk ensure compliance with state laws by properly completing the required Form 4Bs and submitting the forms to PERS within five (5) days from the date of reemployment.

**Official Response:** Upon receipt of the finding from the auditor concerning Forms 4B and 9C, we supplied proof of original retiree reemployment forms. We will fax the forms to PERS within the five-day window of the reemployment date and the date of termination.

**Repeat Finding:** No.

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### **Board of Supervisors, Chancery Clerk, Circuit Clerk, Coroner, Justice Court Clerk, Tax Assessor/Collector, and Sheriff.**

**Finding 9:** The Board, Chancery Clerk, Circuit Clerk, Coroner, Justice Court Clerk, Tax Assessor/Collector and Sheriff Should Ensure Compliance with State Laws over the Filing of a Statement of Economic Interest Each Year by May 1<sup>st</sup>.

**Applicable State Laws:** *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 1 of each year that such official holds office, regardless of duration.....2) Any person who fails to file a statement of economic interest within thirty (30) days of the date of the statement is due shall be deemed delinquent by the commission...a fine of Fifty Dollars (\$50.00) per day, not to exceed a total fine of One Thousand Dollars (\$1,000.00) shall be assessed against the delinquent filer for each day thereafter in which the statement of economic interest is not properly filed. The commission shall enroll such assessment as a civil judgment with the circuit clerk in the delinquent filer’s county of residence...”

**Finding Detail:** During the review of Statements of Economic Interest, the auditor noted the following elected officials had not filed their forms by May 1<sup>st</sup>:

- Five Board of Supervisors;
- Chancery Clerk
- Circuit Clerk;
- Coroner;
- Justice Clerk;
- Tax Assessor/Collector; and
- Sheriff.

Failure to file the required Statement of Economic Interest could result in the assessment of fines and enrollment of civil judgement against all non-compliant elected officials.

**Recommendation:** We recommend the Board of Supervisors, Chancery Clerk, Circuit Clerk, Coroner, Justice Court Clerk, Tax Assessor/Collector, and Sheriff each file a Statement of Economic Interest each year, as required by law.

**Official Responses:** Carroll County, MS violates *Section 25-4-25* and *Section 25-4-29* by not completing Statements of Economic Interest for elected officials in a timely manner. Going forward, measures have been put in place where all Statement of Economic Interest will be completed and submitted before the May 1<sup>st</sup> deadline.

**Repeat Finding:** No.

#### **Board of Supervisor, Deputy Circuit Clerk, Deputy Justice Court Clerk, Justice Court Judge, and Sheriff**

**Finding 10:** The Board, Deputy Circuit Clerk, Deputy Justice Court Clerk, Justice Court Judge, and Sheriff Should Ensure Compliance with State Laws over Surety Bonding Requirements.

**Applicable State Law:** *Section 25-1-15(2), Mississippi Code Annotated (1972)*, requires public employs that are required to give individual bond to obtain a new bond at least every four years concurrent with the County's normal election cycle.

*Section 25-1-19, Mississippi Code Annotated (1972)*, requires all bonds for public employees should be approved by the Board of Supervisors, and these bonds should be filed and recorded in the Chancery Clerk's Office; however, the Chancery Clerk's bond should be filed in the Circuit Clerk's office.

*Section 19-3-5, Mississippi Code Annotated (1972)*, requires the Board of Supervisors' bond should not to exceed \$100,000.

*Section 19-19-3, Mississippi Code Annotated (1972)*, requires the Constables should be bonded for no less than \$50,000.

*Section 19-25-5, Mississippi Code Annotated (1972)*, requires the Sheriff to be bonded no less than \$100,000.

**Finding Detail:** During the procedures performed on surety bonds, the auditor noted the following non-compliance:

- One Deputy Justice Court Clerk's bond was not filed or recorded in the Chancery Clerk's office; and
- The Sheriff was not bonded for the entire audit year.

A "Continuation Certificate" is a document that extends the life of the original surety bond and covers only the current period rather than both the current and previous periods. The bonds of the following County officials and employees were either with a Continuation Certificate or issued for an indefinite period of time:

- One (1) Board of Supervisor;
- One (1) Constable;
- One (1) Deputy Circuit Clerk; and
- One (1) Justice Court Judge.

Failure to have a bond in place for a specific term could limit the amount of available for recovery if a loss occurred over multiple terms as well as the current term.

**Recommendation:** We recommend the County ensure that County officials and employees' bonds meet the requirements of state laws.

**Official Responses:** Carroll County, MS, has not been in compliance with *Section 25-1-15* and *Section 25-1-19(1)* concerning surety bonds. Going forward new bonds will always be obtained instead of using continuation certificates. Bonds will also be obtained and recorded in a timely manner and be approved by the appropriate officials.

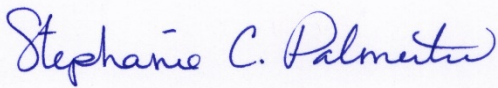
**Repeat Finding:** No.

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Carroll County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is written in a cursive style.

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