

# KEMPER COUNTY MISSISSIPPI

## COMPLIANCE REPORT

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Special Reports

For the year ended *September 30, 2019*

**SHAD WHITE**  
State Auditor

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



*The Office of the State Auditor does not discriminate on the basis of  
race, religion, national origin, sex, age, or disability.*

## KEMPER COUNTY

### TABLE OF CONTENTS

SPECIAL REPORTS.....	4
Independent Accountant's Report on Central Purchasing System, Inventory Control System, and Purchase Clerk Schedules (Required by <i>Section 31-7-115, Mississippi Code Annotated 1972</i> ).....	5
Surety Bonds Schedule .....	10
Limited Internal Control and Compliance Review Management Report.....	12

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## KEMPER COUNTY

## **SPECIAL REPORTS**



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

**Shad White  
AUDITOR**

February 13, 2020

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

Members of the Board of Supervisors  
Kemper County, Mississippi

We have examined Kemper County, Mississippi's compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code Annotated (1972)*, and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code Annotated (1972)*, during the year ended September 30, 2019. The Board of Supervisors of Kemper County, Mississippi, is responsible for the County's compliance with those requirements.

We believe our examination provides a reasonable basis for our findings. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Kemper 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.

Based on the results of our examination procedures, we found no instances of noncompliance with the aforementioned code sections.

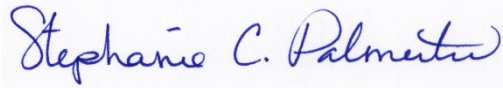
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The accompanying schedules of: (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source, are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

This report is intended for use in evaluating Kemper 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,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is written in a cursive style with a large initial 'S' and a stylized 'P'.

Stephanie C. Palmertree, CPA, CGMA  
Director, Financial and Compliance Audit  
Office of the State Auditor

KEMPER COUNTY

Schedule 1

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

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

KEMPER 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>
1/11/2019	Bridge Repair on Kellis Store Road	\$20,000	Grant Blakeney LLC	Emergency Timber Pile Repair



KEMPER COUNTY

Schedule 3

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

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

<b>KEMPER COUNTY</b>			
<b>Schedule of Surety Bonds for County Officials</b>			
<b>For the Year Ended September 30, 2019</b>			
<b>UNAUDITED</b>			
<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Bond</b>
James P. Granger	Supervisor District 1	Western Surety Company	\$100,000
Johnny B. Whitsett	Supervisor District 2	Western Surety Company	\$100,000
Justin Greer	Supervisor District 3	Western Surety Company	\$100,000
Mike Luke	Supervisor District 4	Western Surety Company	\$100,000
Christopher Cole	Supervisor District 5	Western Surety Company	\$100,000
Yolanda Jackson Cook	County Administrator	Western Surety Company	\$100,000
Sharline Watkins	Chancery Clerk	Western Surety Company	\$100,000
Shelia Mattar	Purchase Clerk	Western Surety Company	\$75,000
Totsetta Hearn	Assistant Purchase Clerk	Western Surety Company	\$50,000
Judith Sullivan	Assistant Purchase Clerk	Western Surety Company	\$50,000
Johnny Griffin	Receiving Clerk	Western Surety Company	\$75,000
Aimee Renee-Vallery Cole	Assistant Receiving Clerk	Western Surety Company	\$50,000
Shekelia McClendon	Assistant Receiving Clerk	Western Surety Company	\$50,000
Keith Terrell Odom	Assistant Receiving Clerk	Western Surety Company	\$50,000
Jeanisha Rush	Assistant Receiving Clerk	Western Surety Company	\$50,000
Shelly Sandford	Assistant Receiving Clerk	Western Surety Company	\$50,000
Catherine Walton	Assistant Receiving Clerk	Western Surety Company	\$50,000
Thomas Luke, II	Inventory Control Clerk	Western Surety Company	\$75,000
Gregory Williams	Road Manager	Western Surety Company	\$50,000
Johnny Brown	Assistant Road Manager	Western Surety Company	\$50,000
Samuel Brown	Assistant Road Manager	Western Surety Company	\$50,000
Randy Thorton	Constable	Western Surety Company	\$50,000
Ray Williams	Constable	Western Surety Company	\$50,000
Tracey Murray	Circuit Clerk	Western Surety Company	\$100,000
Linda Sue Edwards	Deputy Chancery Clerk	Western Surety Company	\$50,000
Linda Sue Edwards	Deputy Circuit Clerk	Western Surety Company	\$50,000
Totssetta Hearn	Deputy Circuit Clerk	Western Surety Company	\$50,000
Ambert Young-Holiday	Deputy Clerk	Western Surety Company	\$50,000
Shirely Jackson	Deputy Clerk	Western Surety Company	\$50,000
Patricia Jowers	Clerk	Western Surety Company	\$50,000
Judi Sullivan	Deputy Clerk	Western Surety Company	\$50,000
James Moore, Sr.	Sheriff	Western Surety Company	\$100,000
John Haggard	Deputy Sheriff	Western Surety Company	\$50,000
Timothy Hardy, II	Deputy Sheriff	Western Surety Company	\$50,000
Charles Hazelwood	Deputy Sheriff	Western Surety Company	\$50,000
Arnold Jenkins, Jr.	Deputy Sheriff	Western Surety Company	\$50,000
Jeffrey Jowers	Deputy Sheriff	Western Surety Company	\$50,000
Robert Joyner	Deputy Sheriff	Western Surety Company	\$50,000
Michael Mattox	Deputy Sheriff	Western Surety Company	\$50,000
Toby Pinson	Deputy Sheriff	Western Surety Company	\$50,000
Eric Scott	Deputy Sheriff	Western Surety Company	\$50,000
Bryon Walker	Deputy Sheriff	Western Surety Company	\$50,000
Charles Ward	Deputy Sheriff	Western Surety Company	\$50,000
Melissa White	Deputy Sheriff	Western Surety Company	\$50,000
Mary Gully	Justice Court Judge	Western Surety Company	\$50,000

Linda Wright		Justice Court Judge		Western Surety Company		\$50,000
Cheryl Keeton		Justice Court Clerk		Western Surety Company		\$50,000
Latisha Campbell		Deputy Justice Court Clerk		Western Surety Company		\$50,000
Joycelyn Robertson		Tax Assessor-Collector		Western Surety Company		\$100,000
Intern Garbage Fee Department		Assistant Billing Clerk		Western Surety Company		\$50,000
Terry Bostick		Coroner		Western Surety Company		\$10,000



**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  
Kemper 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:** Public Officials Should Ensure Compliance with State Laws over Four-Year Road Plan.

**Applicable State Law:** *Section 65-7-117, Miss. Code Ann. (1972)*, states, "Each member of the board of supervisors shall inspect every road, bridge, and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges, and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on the file for three (3) years."

**Finding Detail:** During the review of the Kemper County's Board minutes, the auditors noted the Board of Supervisors did not adopt a Four-Year Road Plan and did not spread it upon its minutes.

Failure to adopt a Four-Year Road Plan could result in the lack of funding for the County's road and bridge funds. Also, by not adopting a Four-Year Road Plan, the Board of Supervisors are not in compliance with state law.

**Recommendation:** We recommend the Board of Supervisors ensure compliance with state laws by implementing procedures to inspect all roads, bridges, and ferries in each district and adopt a Four-Year Road Plan, annually.

**Official Response:** The Board of Supervisors completed this task, but unfortunately, it was not spread upon the minutes.

**Repeat Finding:** No.

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**Finding 2:** Public Officials Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

**Applicable State 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."

*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 Kemper County's PERS Form 4Bs, the auditor's noted the following instances of noncompliance:

- One retiree was rehired before the 90-day requirement; and
- Four retirees' Form 4Bs were not submitted within five days of rehire.

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 ensure compliance with state laws by implementing procedures to properly file the required Form 4Bs to PERS within five days and rehiring retirees only after the 90 days of retirement.

**Official Response:** Will comply moving forward.

**Repeat Finding:** No.

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### **Board of Supervisors, Tax Assessor/Collector, and Payroll Clerk**

**Finding 3:** Public Officials Should Ensure Compliance with State Law over All Payments to the Tax Assessor/Collector.

**Applicable State Laws:** *Section 25-3-3(2)* and *Section 25-3-3-(4) Mississippi Code Annotated (1972)*, limit certain payments to the Tax Assessor/Collector as follows:

- For counties having a total assessed valuation of at least Two Hundred Fifty Million Dollars (\$250,000,000.00) but less than Five Hundred Million Dollars (\$500,000,000.00), a salary of Fifty-six Thousand Dollars (\$56,000.00).
- In addition to all other compensation paid pursuant to this section, the Board of Supervisors shall pay to a person serving as both the tax assessor and tax collector in their County an additional Five Thousand Dollars (\$5,000.00) per year.

**Finding Detail:** During the review of the Tax Collector's payroll, the auditors noted the Tax Collector was paid an additional **\$5,686.61** from October 2018 to January 2020 for operating two offices and earning three certifications from the State. However, the County does not have two operating offices nor has the Tax Collector earned the additional certification that they were being compensated for. Also, the increase in salary was not presented to the Board of Supervisors for approval.

Failure to ensure additional salary payments were according to statutory limits resulted in an overpayment to the Tax Collector.

**Recommendation:** We recommend the Board of Supervisors, Payroll Clerk, and the Tax Assessor/Collector ensure compliance with state laws by ensuring the salary of the Tax Assessor/Collector is within the statutory limits and approved by the Board of Supervisors. Additionally, the Tax Assessor/Collector should repay **\$5,686.61** to the County for the overpayment.

**Official Responses:**

**Board of Supervisors:** The appropriate parties have been notified of this inconsistency, and the necessary steps have been put in place to correct the matter and to ensure that the Tax Assessor/Collector's salary follows the statutorily-imposed limit. The Tax Assessor/Collector has agreed to repay monies owed.

**Tax Assessor/Collector:** I will comply by repaying the above amount that was overpaid to me. I was not aware that I was being overpaid. The County pays other employees that are supposed to make sure the salaries are set and paid correctly. Being overpaid was strictly an error that I had nothing to do with and one that I was strictly unaware of. When the County assessed value went up, I got a raise, and I thought the raise amount was correct.

**Auditor's Note:** At the issuance of this report, the Tax Assessor/Collector has not reimbursed the County.

**Repeat Finding:** No.

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**Board of Supervisors, Chancery Clerk, Circuit Clerk, and Tax Assessor/Collector**

**Finding 4:** Public Officials Should Ensure Compliance with State Laws over the Statements of Economic Interest.

**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 the Kemper County's Statements of Economic Interest, the auditors noted the following County officials did not file their forms by May 1<sup>st</sup>:

- Three (3) members of the Board of Supervisors;
- Circuit Clerk;
- Chancery Clerk; and
- Tax Assessor/Collector.

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

**Recommendation:** We recommend the Board of Supervisors, Circuit Clerk, Chancery Clerk, and Tax Assessor/Collector ensure compliance with state law by ensuring to file a Statement of Economic Interest each year.

**Official Response:** We will make sure that the Statements of Economic Interest with the Commission are filed before the deadline.

**Repeat Finding:** No.

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### **Board of Supervisors and Tax Assessor/Collector**

**Finding 5:** Public Officials Should Ensure Compliance with State Laws over Delinquent Garbage Fees.

**Applicable State Laws:** *Section 19-5-22, Mississippi Code Annotated (1972)*, provides, in part, that the Board of Supervisors may notify the Tax Collector of any unpaid fees assessed under *Section 19-5-21* within 90 days after they become due. Upon receipt of said delinquency notice, the Tax Collector shall not issue or renew a motor vehicle road and bridge privilege license for any motor vehicle owned by a person who is delinquent in the payment of the fees until these fees in addition to any other taxes or fees assessed against the motor vehicle are paid. Payment of all delinquent garbage fees shall be deemed a condition of receiving a motor vehicle road and privilege license tag. *Section 19-5-22* uses the term “shall” and thus the language of the statute is mandatory, not discretionary.

*Attorney General Opinion No. 96-0553*, states, “*Section 19-5-22(4)(b)* states that the tax collection may forward the license tag renewal notices to the billing and collection entity, and that entity shall stamp a nonrenewal message on those delinquent in the payment of garbage fees. The billing and collection entity then returns the notices to the tax collector. *Section 19-5-22 (4)(c)* states that the billing and collection entity shall notify any person who is delinquency is paid, and shall enclose the procedure for paying such delinquency. It is the opinion of this office that the notice set forth in *Section 19-5-22(4)(b)* and *(c)* are separate provisions. *Subsection (b)* is permissive and *(c)* is mandatory.”

**Finding Detail:** During the testing of Kemper County’s solid waste fees, the auditors noted the following instances of noncompliance:

- The Board of Supervisors and Tax Collector allowed individuals with delinquent solid waste fees to purchase their motor vehicle upon making payment arrangements;
- Per the Mississippi Department of Revenue’s registration hold report, the Tax Collector released registration holds on 615 motor vehicles with delinquent garbage bills, 25 of which were County employees, in order to issue license plates. This report also noted that once the license plate was issued the registration hold was placed back on the motor vehicle the same day; and
- The Tax Collector did not place registration holds on motor vehicles noted from the County’s solid waste billing company, Three Rivers, in the months of July, August, and September 2020, totaling **\$175,512**.

Failure to properly collect delinquent garbage fees from taxpayers resulted in the noncompliance with *Mississippi Code Section 19-5-21, 19-5-22* and *Attorney General Opinion No. 96-0553*.

**Recommendation:** We recommend the Board of Supervisors and Tax Assessor/Collector ensure compliance by ensuring delinquent garbage fees are collected, as required by state laws and regulations.

**Official Response:**

**Board of Supervisors:** We will comply.

**Tax Collector/Assessor:** The Board of Supervisors has not appointed a hearing officer and has not given any delinquent garbage individuals due process, as required by state statute. I cannot withhold a car tag until due process is given. I have not been properly notified that this action has been taken by any Board appointed hearing officer.

**Auditor's Note:** As noted above, upon the notice to the Tax Collector/Assessor of delinquent garbage bills in excess of ninety (90) days from the Board of Supervisors, it is the responsibility of the Tax Office to place a hold on the registration until the complete garbage bill has been satisfied.

**Repeat Finding:** No.

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### **Chancery Clerk**

**Finding 6:** Public Officials Should Ensure Compliance with State Law over the Annual Reconciliation of Public Funds.

**Applicable State Law:** *Section 27-105-5(6)(b), Mississippi Code Annotated (1972)*, requires, in part, that no later than 30 days following its fiscal year-end, a public depositor shall notify the State Treasurer of its official name, address, federal tax number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year-end.

**Finding Detail:** During the review of the Kemper County Public Depositor Annual Report, the auditors noted the report was not submitted to the State Treasurer's Office for fiscal year 2019.

Failure to submit the Public Depositor Annual Report promptly could result in the State Treasurer's Office having inaccurate records and increases the risk that the County's total deposits may not be properly collateralized.

**Recommendation:** We recommend the Chancery Clerk ensure compliance over the reconciliation of public funds by ensuring the Public Depositor Annual Report is submitted to the State Treasurer's Office within 30 days of fiscal year-end, as required by state law.

**Official Response:** In the future, the County will comply.

**Repeat Finding:** No.

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### **Circuit Clerk**

**Finding 7:** Public Officials Should Ensure Compliance with State Law Over Depositing Payroll Checks and Fees into the Appropriate Clearing Account.

**Applicable State Law:** *Section 9-1-43(5), Mississippi Code Annotated (1972)*, states, "There is created in the county depository in each county a clearing account to be designated as the "circuit court clerk civil clearing account," into which shall be deposited: (a) all such monies and fees as the clerk of the circuit court shall receive from any person complying with any writ of garnishment, attachment, execution or any other like process authorized by law for the enforcement of a judgment; (b) any portion of any fees required by law or court order to be collected in civil cases; (c) all fees collected for the issuance of marriage licenses; and (d) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court.

There is created in the county depository in each county a clearing account to be designated as the "circuit court clerk criminal clearing account," into which shall be deposited: (a) all such monies as are received in criminal cases in the circuit court pursuant to any order requiring payment as restitution to the victims of criminal offenses; (b) any portion of any fees and fines required by law or court order to be collected in criminal cases; and (c) all cash bonds as shall be



deposited with the court. The clerk of the circuit court shall account for all monies deposited in and disbursed from such account and shall be authorized and empowered to draw and issue checks on such account, at such times, in such amounts and to such persons as shall be proper and in accordance with law; however, such monies as are forfeited in criminal cases shall be paid by the clerk of the circuit court to the clerk of the board of supervisors for deposit in the general fund of the county.

The following monies paid to the circuit 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 action in circuit court; (b) copies of any documents; and (c) 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.”

**Finding Detail:** During the testing of the Circuit Clerk’s fee journal, the auditors noted the following instances of noncompliance:

- There was no evidence that the Circuit Clerk deposited their payroll check into the fee clearing account each month; and
- The amounts posted to the fee journal did not agree with the amounts recorded by Payroll.

**Recommendation:** We recommend the Circuit Clerk ensure compliance over the fee clearing account by ensuring all fees are accurately deposited into the fee clearing account and that these transactions are posted to the fee clearing journal, as required by state law.

**Official Response:** The Board was not aware of this matter.

**Repeat Finding:** No.

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**Finding 8:** The Circuit Clerk Should Ensure Compliance with State Laws over Recording and Depositing Fees.

**Applicable State Law:** *Section 9-1-43, Mississippi Code Annotated (1972)*, states, in part, that the Circuit Clerk is liable on their official bond for the proper deposit and accounting of all monies received by their office. *Subsection (5)* provides that the following monies paid to the Circuit Clerk are 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 action in civil court; (b) copies of any documents; and (c) 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.

**Finding Detail:** During the testing of the Circuit Clerk’s settlements, the auditors noted that the settlement amounts recorded by the Circuit Clerk were **\$446** more than the settlement amounts deposited by the Circuit Clerk.

**Recommendation:** We recommend the Circuit Clerk ensure compliance over recording and depositing fees by ensuring amounts settled to the Circuit Clerk’s fee journal agrees with the amounts deposited by the Clerk.

**Official Response:** The Board was not aware of this matter.

**Repeat Finding:** No.

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**Justice Court Clerk.**

**Finding 9:** Public Officials Should Ensure Compliance with State Laws over Submitting Required Reports of Fines and Penalties to the Board of Supervisors.

**Applicable State Law:** *Section 9-11-19(1), Mississippi Code Annotated (1972)*, requires, in part, the Justice Court Clerk to receive and account for all fees, costs, fines and penalties charged and collected in the justice court, and, monthly to

report in writing under oath, to the clerk of the Board of Supervisors who shall upon receipt submit such report to the Board of Supervisors of all such fees, costs, fines, and penalties received, including cash bonds and other monies which have been forfeited in criminal cases; and, at least semiannually, any delinquent fines and penalties, giving the date, amount, and names of persons from whom such monies were received.

**Finding Detail:** During the review of the Kemper County's Board minutes, the auditors noted that the Justice Court Clerk did not file monthly reports of all fees, costs, fines, and penalties received or the semiannual reports of any delinquent fines and penalties, as required by state law.

Failure of the Justice Court Clerk to submit monthly reports to the Board of Supervisors resulted in the noncompliance with *Mississippi Code Section 9-11-19(1)*.

**Recommendation:** We recommend the Justice Court Clerk ensure compliance over the reporting of collections and delinquent accounts by submitting the monthly reports to the Board of Supervisors, as required by state law.

**Official Response:** I will begin submitting the monthly report of fines and penalties collected starting January 31, 2020.

**Repeat Finding:** No.

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### **Sheriff.**

**Finding 10:** Public Officials Should Strengthen Controls Over and Ensure Compliance with State Laws over Deposits.

**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 daily basis receipts and expenditures as they occur along with the date, receipt, or check number, payer or payee, and amount. Also, the deposits should be made in a timely manner.

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

**Finding Detail:** During testing of the Sheriff's office receipts, the auditors noted five receipts were deposited five to 20 days late.

Failure to make timely deposits could result in the misappropriation of public funds and resulted in noncompliance with *Section 25-1-72*.

**Recommendation:** We recommend the Sheriff strengthen controls over deposits to ensure compliance with state law over by making deposits daily.

**Official Response:** We will comply with the deposit being made in a timely manner.

**Repeat Finding:** No.

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### **Tax Assessor/Collector**

**Finding 11:** Public Officials Should Ensure Compliance with State Laws over Monthly Settlements.

**Applicable State Law:** *Section 27-29-11, Mississippi Code Annotated (1972)*, states, "The tax collector shall make reports in writing, verified by his affidavit, on the first day of each month or within twenty (20) days thereafter, except as

hereinafter provided, to the Auditor of Public Accounts and to the clerk of the board of supervisors, of all taxes collected by him during the preceding month for the state, levee and county respectively...”

**Finding Detail:** During the testing of the Tax Assessor/Collector’s settlements, the auditors noted that five out of 12 tax settlements were filed after the 20<sup>th</sup> day of the preceding month.

**Recommendation:** We recommend the Tax Assessor/Collector ensure compliance over monthly settlements by ensuring settlements of all tax revenue are performed on or before the 20<sup>th</sup> day of the preceding month, as required by state law.

**Official Response:** I will comply. In the past, the checks were written and submitted on or before the twentieth day of each month. Going forward, when the checks are given, a signature and date will be required when the check is issued.

**Repeat Finding:** No.

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**Finding 12:** Public Officials Should Strengthen Controls Over and Ensure Compliance with State Laws over Financial Documentation.

**Internal Control Deficiency:** An effective system of internal control over the collection, recording, and disbursement of cash should include maintaining a cash journal, bank statements, bank reconciliations, deposit slips, daily check-up sheets, distribution of money, and all settlements.

**Applicable State Laws:** *Section 7-7-211(j), Mississippi Code Annotated*, states, “In any instances in which the State Auditor is or shall be authorized or required to examine or audit, whether pre-audit or post-audit, any books, ledgers, accounts, or other records of the affairs of any public hospital-owned or owned and operated by one or more political subdivision or parts thereof or any combination... it shall be sufficient compliance therewith, in the discretion of the State Auditor...”

*Section 39-5-9, Mississippi Code Annotated (1972)* and the Mississippi Department of Archives states that daily revenue reports should be retained three (3) years following submissions of the audit. Documentation for all deposits of revenue. Each file generally contains supporting documentation of funds received, such as revenue transmittal, copy of receipt, cashier’s daily report, recap report, transfer report to deposit money, deposit slip, detail recap, and cash balance report.

**Finding Detail:** During audit procedures performed in the Tax Collector’s Office, the auditors noted the following fiscal year-end documentation was not ready and available for testing by the State Auditor’s Office:

- Tax Collector’s cash journal;
- Monthly bank statements;
- Daily deposits slip;
- Monthly bank reconciliations;
- Daily activity listing sheets;
- September 30 distribution of Tax Collector’s funds; and
- Motor vehicle, real and personal property settlement reports.

Due to the lack of required financial documentation, the auditors were unable to complete compliance testing described and agreed upon in the County’s engagement letter. Therefore, the State Auditor’s office was unable to determine if the Tax Assessor/Collector’s office complied with all aspects of its cash operations.

**Recommendation:** We recommend the Tax Assessor/Collector strengthen controls over and ensure compliance with financial documentation by ensuring all financial information is ready and available for review and testing for the State Auditor’s Office upon request, as required by state law.

**Official Response:** Due to low staffing, I was behind on reconciling my tax collector cash journal. In January 2020, I gave all of the above information to our CPA to reconcile and correct it for me. Their office will have it completed through September 2019 and back to me by February 19, 2020. As soon as they have it completed, I will catch up on October, November, and December immediately. I will comply.

**Auditor's note:** The Tax Assessor/Collector provided the required documentation after an order was passed by the Board of Supervisors.

**Repeat Finding:** No.

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**Finding 13:** Public Officials Should Strengthen Controls over Bank Statements and Reconciliations.

**Internal Control Deficiency:** An effective system of control over the collections, recording, and disbursement of cash should include maintaining monthly bank reconciliations and cash journals.

**Finding Detail:** During the cash count in the Tax Assessor/Collector's office, the auditors noted the bank statements were not reconciled to the cash journal from the months of October 2018 to February 2020.

Failure to accurately reconcile the bank statements within the Tax Assessor/Collector's office could result in fraud and misappropriation of public funds.

**Recommendation:** We recommend the Tax Assessor/Collector strengthen controls over bank statements and reconciliations by ensuring a cash journal is adequately maintained, and bank statements are reconciled monthly to the cash journal.

**Official Response:** Due to low staffing, I was behind on reconciling my tax collector cash journal. In January 2020, I gave all of the above information to our CPA to reconcile and correct it for me. Their office will have it completed through September 2019 and back to me by February 19, 2020. As soon as they have it completed, I will catch up on October, November, and December. I will comply and keep my cash journal reconciled correctly going forward. I will comply by immediately reconciling my banks.

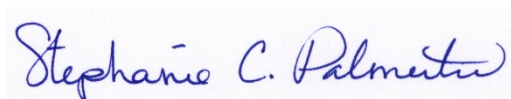
**Repeat Finding:** No.

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Kemper County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them. Minor grammatical changes may have been made to responses in order to provide clarity. These changes did not change the substance of the Official Response.

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,



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