

QUITMAN COUNTY MISSISSIPPI

COMPLIANCE REPORT

Compliance Special Reports

For the year ended *September 30, 2019*

SHAD WHITE

State Auditor

Stephanie C. Palmertree, CPA, CGMA

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QUITMAN COUNTY

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QUITMAN COUNTY

SPECIAL REPORTS



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

**Shad White
AUDITOR**

July 25, 2022

**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
Quitman County, Mississippi

We have examined Quitman 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 Quitman 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 Quitman 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.

Purchase Clerk.

Finding 1: Public Officials Should Ensure Compliance with State Law over the Central Purchasing System.

Applicable State Law: *Section 31-7-13(b), Mississippi Code Annotated (1972)*, states, "Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000.00) but not more than Fifty Thousand Dollars (\$50,000.00),

exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids have been obtained.”

Section 31-7-13(c)(1), Mississippi Code Annotated (1972), states, “Purchases which involve an expenditure of more than Fifty Thousand Dollars (\$50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located.”

Section 31-7-13(c)(2), Mississippi Code Annotated (1972), states, “Reverse auctions shall be the primary method for receiving bids during the bidding process.”

Section 31-7-13(o), Mississippi Code Annotated (1972), states, “No contract or purchase as herein authorized shall be made for the purpose of circumventing the provisions of this section requiring competitive bids, nor shall it be lawful for any person or concern to submit individual invoice for amounts within authorized for a contract or purchase where the actual value of the contract or commodity purchased exceeds the authorized amount and the invoices therefor are split so to appear to be authorized as purchases for which competitive bids are not required.”

Section 31-7-105, Mississippi Code Annotated (1972), states, “Upon acceptance of any bid by the board of supervisors, as provided in *Section 31-7-13*, the clerk of the board of supervisors, shall forthwith deliver to the purchase clerk a certified copy of such accepted bid. The accepted bid or offer to furnish equipment, heavy equipment, machinery, supplies, commodities, materials or services shall constitute the sole source for such purchase, unless such purchase is otherwise authorized by law. The term “lowest and best bid” shall not include any person, firm, partnership or corporation other than the person, firm, partnership or corporation actually submitting the bid determined to be the lowest and best bid.”

Section 31-7-113, Mississippi Code Annotated (1972), states, “The State Department of Audit shall design and prescribe the form of the inventory to be made, the form of the purchase order, the form of the receiving report; prescribe system of filling and prescribe the system of records necessary for the maintenance of a central purchasing system.”

Finding Detail: During the review of Quitman County, the auditor noted the following exceptions with purchases that exceeded **\$5,000**:

- The following purchases were made without obtaining two or more competitive bids:

VENDOR:	AMOUNT:
Riverside Ag Supply	\$10,363
Allen Samuels	\$27,522
Allen Samuels	\$24,808
Cannon Chevy	\$38,959
Hoskins Mid-South Plumbing	\$14,500
IVM Solutions	\$43,939
Kirk Brothers	\$8,505
Marchbanks Specialty	\$5,405

- A **\$79,285** purchase made from Taylor Made Ambulance was made without using the reverse auction method;
- Two claims were paid to Hall Manufacturing for **\$30,911** each to possibly split invoices to avoid using the reverse auction method to purchase four rotary mowers;
- One instance where the purchase was approved in the Board minutes prior to the purchase requisition date;
- Three instances where the amount paid exceeded the annual bid price which resulted in a total of **\$2,025**; and
- One instance where minute documentation differed from the purchase documentation. On the signed Board minutes for June 3rd, the Board approved a purchase from Max Multimedia for **\$5,750** for a sound system. On June 17th, the Board approved a correction to the quotes submitted but not the approval of the corrected purchase price. However, the minutes attached to the purchase documentation were edited and included a purchase to Infoware/Max Multimedia for **\$13,640**.

Failure to obtain quotes or use the reverse auction method when applicable is a violation of *Section 31-7-13(c)(2)*.

Recommendation: We recommend that the Purchase Clerk obtain two or more competitive quotes for purchases greater than \$5,000 and use the reverse auction method for purchases greater than **\$50,000**.

Official Response:

- **Riverside Ag Supply:** This purchase order was done like all other daily purchase orders issued to the Road Department in that I thought they would comply with purchases under \$5,000. I gave this purchase order thinking they were just getting parts and supplies as usual. I didn't know it was for this large amount until the invoice came in. I have mentioned to the Road Department many times that you have to get two (2) quotes for anything costing \$5,000 or more. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Allen Samuels:** This purchase order was done like all other daily purchase orders issued to the Sheriff Department in that I thought they would comply with Purchases under \$5,000. Previously, I had issued many purchase orders to the Sheriff Department for Allen Samuels but always for parts and repairs. The purchase of vehicles for various departments is discussed in board meetings and I never know about them usually until the vehicle comes in. I thought the Sheriff, Board of Supervisors, and County Administrator had complied with State purchase laws. When I received the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Allen Samuels:** This purchase order was done like all other daily purchase orders issued to the Sheriff Department in that I thought they would comply with Purchases under \$5,000. Previously, I had issued many purchase orders to the Sheriff Department for Allen Samuels but always for parts and repairs. The purchase of vehicles for various departments is discussed in board meetings and I never know about them usually until the vehicle comes in. I thought the Sheriff, Board of Supervisors, and County Administrator had complied with State purchase laws. When I received the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Cannon Chevrolet:** This purchase order was done like all other daily purchase orders issued to the Road Department in that I thought they would comply with Purchases under \$5,000. The purchase of vehicles is discussed in board meetings and I never know about them usually until the vehicle comes in. I thought the Road Manager, Board of Supervisors, and County Administrator had complied with State purchase laws. When I received the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Hoskins Mid-South Plumbing:** The County Administrator contracted services for the Annex Building plumbing repairs. No purchase order was issued. Therefore, there is no paperwork through the purchase order system.
- **IVM Solutions:** This purchase order was done like all other daily purchase orders issued to the Road Department in that I thought they would comply with Purchases under \$5,000. The purchase of vehicles is discussed in Board meetings and I never know about them usually until the vehicle comes in. I thought the Road Manager, Board of Supervisors, and County Administrator had complied with purchase laws. When I received the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Kirk Brothers:** This purchase order was given to employee at the Ambulance Department for repairs to the County-owned ambulance. The ambulance broke down and needing immediate repairs, employee took it to Kirk

Brothers in Greenwood. I heard nothing about how much the repairs would be until the invoice came. I did not approve this expenditure. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.

- **Marchbanks Specialty:** I issued this purchase order based upon County Administrator's request. I thought it was only roof repairs to the County-owned Deporres building not knowing it would end up being over \$5,000.
- **Taylor Made Ambulance:** This purchase order was given to County Administrator for the purchase of a new ambulance. I am not involved in reverse auctions. I thought the Board of Supervisors and County Administrator had complied with State purchase laws. When I received the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.
- **Hall Manufacturing:** This purchase order was given to employee at Road Department I had no idea this was for two (2) grass cutters. Usually equipment like this is discussed in the Board meetings. I thought the Road Manager, Board of Supervisors, and County Administrator had complied with State purchase laws. When I receive the invoices on these kinds of purchases, I always ask the County Administrator for the quotes. I never received any quotes for this purchase. After receiving the invoice and entering it, I forwarded it to the Board of Supervisors on the claims docket.

Without knowing any details about purchases approved in the Board minutes prior to purchase requisition date, I cannot answer why or how this may have been done. Without knowing any details about "no purchase documentation was attached to claim information" I cannot answer why this may have been done. Without knowing any details where the annual bid was exceeded resulting in a total of **\$2,025** overpayment, I cannot answer why or how this may have been done. I have provided the requisition for sound system, the purchase order as issued, the quotes from two vendors, the receiving report, and the proof of payment. Also included is the Board Order dated June 3, 2019 which approved such purchase. As I stated above, I am not involved in the Board meetings nor do I write any minutes. As Purchase Clerk, I attempt to comply with all state purchase laws. I have trusted the County Administrator, the Road Manager, and the Sheriff along with the Board of Supervisors to also comply with all state purchase laws. Seeing the numerous problems that have occurred with purchasing, I will no longer issue any purchase orders without having the requisition "in hand" either actually or digitally. If quotes are necessary, I will also have them "in hand" prior to issuing a purchase order. On any purchase greater than \$50,000, I will ensure that the County complies with state law before issuing a purchase order.

Auditor's Note: OSA's auditor provided the County Administrator all information detailing the reasoning for the finding of non-compliance within the central purchasing system before the issuing of this report. Additionally, because the Purchase Clerk has been designated by the Board of Supervisors, he/she is responsible for the County's purchasing department policies and acting as final clerk in the interest of economy, on all goods requisitioned, questioning needs, quantity, and quality specifications.

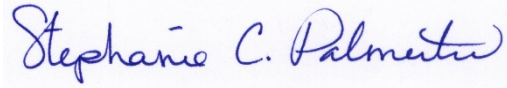
Repeat Finding: No.

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)*.

Quitman 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 Quitman 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'.

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

QUITMAN 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.

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

Schedule 2

Our tests did not identify any emergency purchases.

QUITMAN 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.

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

Name	Position	Company	Bond
Sheridan Boyd	Supervisor District 1	Old Republic Surety Company	\$100,000
Greg Thomas	Supervisor District 2	Western Surety Company	\$100,000
Johnny N. Tullos Jr.	Supervisor District 3	Western Surety Company	\$100,000
Manuel Killebrew	Supervisor District 4	Western Surety Company	\$100,000
Jesse G. Ellis	Supervisor District 5	Western Surety Company	\$100,000
Jeremy Moore	Supervisor District 5	Western Surety Company	\$100,000
Velma Wilson	County Administrator	Western Surety Company	\$100,000
T.H. Butch Scripper	Chancery Clerk	Western Surety Company	\$100,000
Stacie Veal	Deputy Chancery Clerk	Western Surety Company	\$50,000
Michelle Brower	Deputy Chancery Clerk	Western Surety Company	\$50,000
Tracy G. Pinkston	Purchase Clerk	Western Surety Company	\$75,000
Sheryl S. Cole	Assistant Purchase Clerk	Western Surety Company	\$50,000
Rosie B. Autman Moss	Receiving Clerk	Western Surety Company	\$75,000
Sheryl S. Cole	Assistant Receiving Clerk	Western Surety Company	\$50,000
Carol Foster	Assistant Receiving Clerk	Western Surety Company	\$50,000
Stacie Veal	Inventory Clerk	Western Surety Company	\$75,000
Tyrone Survillion	Constable District 1	RLI Insurance Company	\$50,000
Thomas Bryant	Constable District 2	RLI Insurance Company	\$50,000
Brenda Wiggs	Circuit Clerk	Western Surety Company	\$100,000
Bobbie Buggs	Deputy Circuit Clerk	Western Surety Company	\$50,000
Oliver Parker	Sheriff	Western Surety Company	\$100,000
Anthony Cox	Deputy Sheriff	Western Surety Company	\$50,000
Ashley Pratcher Jr.	Deputy Sheriff	Western Surety Company	\$50,000
Bennie Christian	Deputy Sheriff	Western Surety Company	\$50,000
Britton Crawford	Deputy Sheriff	Western Surety Company	\$50,000
Carol Brown	Deputy Sheriff	Western Surety Company	\$50,000
Cedric Holman	Deputy Sheriff	Western Surety Company	\$50,000
Chadwick E. Smith	Deputy Sheriff	Western Surety Company	\$50,000
Christopher Martin	Deputy Sheriff	Western Surety Company	\$50,000
Damian Downs	Deputy Sheriff	Western Surety Company	\$50,000
Dan Harrel	Deputy Sheriff	Western Surety Company	\$50,000
Darryl Linzy	Deputy Sheriff	Western Surety Company	\$50,000
James McGregory	Deputy Sheriff	Western Surety Company	\$50,000
Jason West	Deputy Sheriff	Western Surety Company	\$50,000
Jimmy Matthews Sr.	Deputy Sheriff	Western Surety Company	\$50,000
Marvin Pryor	Deputy Sheriff	Western Surety Company	\$50,000
Melvin Wilson	Deputy Sheriff	Western Surety Company	\$50,000
Nicholas Turner	Deputy Sheriff	Western Surety Company	\$50,000
Oddie Orange	Deputy Sheriff	Western Surety Company	\$50,000
Raymond Thomas	Deputy Sheriff	Western Surety Company	\$50,000
Rena Wade	Deputy Sheriff	Western Surety Company	\$50,000
Robert Haywood III	Deputy Sheriff	Western Surety Company	\$50,000

Rocky Jaco	Deputy Sheriff	Western Surety Company	\$50,000
Stanley Perry	Deputy Sheriff	Western Surety Company	\$50,000
Terry Williams Sr.	Deputy Sheriff	Western Surety Company	\$50,000
Thomas Bryant	Deputy Sheriff	Western Surety Company	\$50,000
Tyrone Survillion	Deputy Sheriff	Western Surety Company	\$50,000
Willie Horhn	Deputy Sheriff	Western Surety Company	\$50,000
Brenda Cook	Justice Court Judge District 1	Western Surety Company	\$50,000
Joe M. Brown	Justice Court Judge District 2	Western Surety Company	\$50,000
Gloria Survillion	Justice Court Clerk	Western Surety Company	\$50,000
Samantha Pennington	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Alice Smith	Tax Assessor/Collector	Western Surety Company	\$100,000
Sallie M. Price	Deputy Tax Collector	Western Surety Company	\$50,000
Tiffany Griffin	Deputy Tax Collector	Western Surety Company	\$50,000
Dorothy Peoples	Deputy Tax Collector	Western Surety Company	\$50,000
Robert Andrews	Road Manager	Western Surety Company	\$50,000
Barbara Redeaux	Court House Deputy	Western 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
Quitman 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:

Board of Supervisors.

Finding 1: Public Officials Should Ensure Compliance with State Law over Appointing Employees to Serve as Purchasing Clerk, Receiving and Assistant Receiving Clerks, and Requisitioners.

Applicable State Law: *The Professional Education Curriculum for County Purchase Clerks*, promulgated by the Office of the State Auditor, as authorized by *Section 7-7-211, Mississippi Code Annotated (1972)*, provides the following "Purchase Requisition Guidelines:

1. Purchase requisitions (Exhibit 1) are issued by the department or office requesting commodities or services except for exempted purchases.
2. The purchase requisition must be signed by an authorized person in the requesting department who has been assigned the authority to obligate the department's budget.
3. The purchase requisition must be numbered, either by pre-numbering or at the time a purchase order is issued.
4. The purchase requisition must be prepared in triplicate. Copies 1 and 2 must be delivered to the purchase clerk. Copy 3 is to be filed in the department or office that made the request.

5. The purchase clerk matches copy 1 of the purchase requisition with copy 2 of the purchase order and forwards them to the clerk of the board of supervisors.
6. All purchase requisitions must be recorded in the purchase requisition/order docket. The purchase requisition docket may be maintained separately or jointly with the purchase order docket.
7. The purchase requisition form may be tailored to meet the individual needs of each county.
8. It is desirable that the same person not sign both the purchase requisition and receiving report.
9. It is important only for each appropriate department or file to receive a copy of the requisition form. The actual copy number of the form is not important but is provided for organizational purposes.”

Section 31-7-101, Mississippi Code Annotated (1972), states, “From and after the first Monday of January 1989, the supervisors of each county in the state shall establish a central purchase system. The central purchase system shall be administered by a county department of purchasing headed by a purchase clerk who, unless the chancery clerk is appointed by the board of supervisors as purchase clerk as hereinafter authorized, shall be appointed by the county administrator, with the approval of the board of supervisors, in any county required to operate under a countywide system of road administration, or who shall be appointed by the board of supervisors in any other county... the receiving clerk and any assistant receiving clerks shall be appointed by and serve at the will and pleasure of the board of supervisors.”

Finding Detail: During the review of Quitman County, the auditor noted that the Board of Supervisors failed to authorize employees to serve as the purchasing clerk, receiving and assistant receiving clerks, and requisitioners.

Failure to appoint such individuals could result in fraud or misappropriation of county monies.

Recommendation: We recommend that the Board of Supervisors authorize employees to serve as Purchase Clerk, Receiving and Assistant Receiving Clerks, and to sign purchase requisitions at least every four (4) years.

Official Response: The Board will comply with *Section 7-7-211* and *31-7-101* as described by said guidelines 1-9.

Repeat Finding: No.

Finding 2: Public Officials Should Ensure Compliance with State Law over Adopting the Final Amended Budget.

Applicable State Law: *Section 7-7-211(b), Mississippi Code Annotated (1972), states, “To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable.”*

Mississippi County Financial Accounting Manual, Section B – Budgeting states, “The final amended budget of all funds for a fiscal year, which may be amended up to the end of the fiscal year, must be entered on the minutes of the Board of Supervisors no later than October 31, next following the close of the fiscal year.”

Finding Detail: During the review of Quitman County, the auditor noted that the Board approved amending the budget-to-actual on 9/30/2019, which is prior to the October 31st deadline; however, no budget was spread upon the minutes as required. Upon further review and inquiry, the auditor noted that the County does not actually prepare an actual final budget in the prescribed format. Instead, they only approved amending the budget-to-actual and printed a copy of the general ledger. We also noted that the County failed to make budget amendments throughout the year. Due to this, we were unable to determine whether the original budgeted amounts were exceeded.

Failure to adopt a final amended budget could result in a lack of transparency and loss of public trust.

Recommendation: We recommend that the Board of Supervisors adopt the final amended budget for the previous fiscal year no later than October 31st, immediately following the close of the fiscal year. The final amended budget should also be spread upon the official minutes.

Official Response: According to *Section 7-7-211(b), Mississippi Code Annotated (1972)*, going forward the county shall conform its budgeting, accounting and reporting financial facts to the best practice listed in this said section and comply with State laws.

Repeat Finding: No.

Finding 3: Public Officials Should Ensure Compliance with State Law over the Board Attorney's Salary.

Applicable State Law: *Section 19-3-47(1)(a), Mississippi Code Annotated (1972)*, states, "The board of supervisors shall have the power, in its discretion, to employ counsel by the year at an annual salary at an amount that it deems proper, not to exceed the maximum annual amount authorized by law for payment to a member of the board."

Section 19-3-69, Mississippi Code Annotated (1972), states, "The board of supervisors of each county may, in its discretion, contract with certain professionals when the board determines that such professional services are necessary and in the best interest of the county."

The board of supervisors shall spread upon its minutes its finding that the professional services are necessary and in the best interest of the county. The contract for professional services shall be approved by the attorney for the board of supervisors and made a part of the minutes. Notwithstanding any other provision of law, the board of supervisors may request and consider the price of the services in its initial and subsequent contact with professionals.

A professional within the meaning of this section shall be limited to:

(a) Attorneys at law, admitted to practice law in this state by the State Board of Bar Admissions."

Finding Detail: During the review of Quitman County, the auditor noted that the Board Attorney received legal fees in the amount of \$40,335, which is \$6,635 greater than allowed by statute without a contract between the Board of Supervisors and the Board Attorney for the engagement of further legal services that fall beyond the scope as Board Attorney.

Failure to ensure compliance with the statute mentioned above could result in excess cost to the County.

Recommendation: We recommend that the Board of Supervisors ensure compliance with the statute mentioned above by establishing a contract with the Board Attorney for the engagement of further legal services.

Official Response: When the Board of Supervisors of Quitman County directs the Board Attorney to do certain professional services necessary and in the best interest of the county (such as obtaining easements for road and bridge projects), the Board Attorney proceeds with these services then submits an itemized statement which is presented in the Claims Docket and requires approval of the Board of Supervisors. Then the order approving the Claims Docket is spread among the minutes of the Board of Supervisors. In the future, the Board Attorney shall make sure that any contract for professional services outside that covered by his annual salary shall be spread among and made part of the minutes of the Board of Supervisors if this has not been done in the past.

Repeat Finding: No.

Finding 4: Public Officials Should Ensure Compliance with State Law over the Tax Assessor/Collector's Salary.

Applicable State Law: *Section 25-3-3(6), Mississippi Code Annotated (1972)*, states, “In addition to all other compensation paid to assessors and tax collectors, the board of supervisors of a county shall allow for such assessor or tax collector, or both, to be paid additional compensation when there is a contract between the county and one or more municipalities providing that the assessor or tax collector, or both, shall assess or collect taxes, or both, for the municipality or municipalities; and such assessor or tax collector, or both, shall be authorized to receive such additional compensation from the county and/or the municipality or municipalities in any amount allowed by the county and/or the municipality or municipalities for performing those services.”

Finding Detail: During the review of Quitman County, the auditor noted that the Tax Assessor/Collector assesses/collects the taxes for the City of Marks and the Town of Crowder and is compensated a total of **\$13,850** annually to do so. The interlocal agreements between the County and the municipality/town do not state how much the Tax Assessor/Collector shall be compensated and there is no record of a Board order that allows the Tax Assessor/Collector to be compensated the **\$13,850**.

Failure to document, either via the interlocal agreements or Board order, how much the Tax Assessor/Collector will be compensated for assessing/collecting the municipality/town’s taxes could result in the Tax Assessor/Collector being overpaid for the services rendered.

Recommendation: We recommend that the Board of Supervisors either update the interlocal agreement or issue a Board order to state how much the Tax Assessor/Collector shall be paid for assessing/collecting the municipality/town’s taxes.

Official Response: The Board shall comply with *Section 25-3-3(6), Mississippi Code Annotated (1972)* and the County's Tax Assessor/Collector shall work with the Board Attorney in securing the interlocal agreements between the County and the town/municipality regarding compensation for her services. The interlocal agreements shall be spread upon the minutes of the Board.

Repeat Finding: No.

Finding 5: Public Officials Should Ensure Compliance with State Law over Paying Employees as Vendors.

Applicable State Law: *Section 25-4-105(3), Mississippi Code Annotated (1972)*, states, “No public servant shall:

- (a) Be a contractor, subcontractor or vendor with the governmental entity of which he is a member, officer, employee or agent, other than in his contract of employment, or have a material financial interest in any business which is a contractor, subcontractor or vendor with the governmental entity of which he is a member, officer, employee or agent.”

Finding Detail: During the review of Quitman County, the auditor noted two employees of the County were also vendors of the County. These employees were:

- County Administrator – **\$2,835**
- Assistant County Administrator – **\$648**

Paying employees of the County as vendors, results in noncompliance with *Section 25-4-105(3)*.

Recommendation: We recommend that the Board of Supervisors ensure no employees of the County are also paid as vendors of the County. We also recommend that the monies are remitted back to the County.

Official Response: In reference to *Section 25-4-105(3)*, County Administrator was reimbursed for expenditures for the Marks Mule Train & Martin Luther King, Jr's Poor People Campaign Project. Copies of credit card receipts are available to validate the amount she contributed that exceed the amount she was reimbursed. The reimbursement was through funds received from a National Park and Service grant. Assistant County Administrator received additional payment for clerical assistance rendered from this grant. She too also provided a portion of the funds she received from the grant to this

project. Be it noted that these funds didn't personally benefit the said employees, but were beneficial to help with the said project.

Repeat Finding: No.

Auditor's Note: Auditor reviewed the documentation provided; however, the expenditures provided did not equal the amount paid to the County employees. Per documentation provided, the aforementioned vendor payments were the result of administering a grant.

Finding 6: Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.

Applicable State Law: *Section 25-11-127(1)(a), Mississippi Code Annotated (1972)*, states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section... 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."

Section 25-11-127(4), Mississippi Code Annotated (1972), states, "The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

- (a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or
- (b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half (½) of the required number of working days or up to one-half (½) of the equivalent number of hours and receive up to one-half (½) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (½) of the number of days or hours for a single full-time position.

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 Quitman County, the auditor noted the following exceptions with the reemployment process of retired public employees:

- All five of the PERS Form 4Bs were not submitted within five days; and
- Two of the elected officials, who were also PERS retirees, should have submitted a Form 9C.

Failure to properly file PERS Form 4Bs and Form 9Cs could jeopardize the provisions for re-employment.

Recommendation: We recommend that the Payroll Clerk file Form 4Bs and Form 9Cs timely, and retirees should not be rehired before ninety (90) days have lapsed. We also recommend that the Payroll Clerk ensure the retired public employees are not compensated more than allowed by the PERS Form 4B.

Official Response: The Board will comply with *Section 25-11-127(1)(a), Mississippi Code Annotated (1972)*, regarding processing PERS retirees. The Board will comply with *Section 25-11-127 (4), Mississippi Code Annotated (1972)*, regarding processing PERS retirees.

Repeat Finding: No.

Finding 7: Public Officials Should Ensure Compliance with State Law over Authorizing Bank Depositories.

Applicable State Law: *Section 27-105-305, Mississippi Code Annotated (1972)*, states, “The board of supervisors at the regular December 1997 meeting, and annually thereafter or, in the discretion of the board of supervisors, every two (2) years thereafter, shall give notice to all financial institutions in its county whose accounts are insured by the Federal Deposit Insurance Corporation (or any successor thereto), by publication, that bids will be received from financial institutions at the following January meeting, or some subsequent meeting, for the privilege of keeping the county funds, or any part thereof, which notice shall refer by name to this article and it shall not be necessary to incorporate in the notice the provisions of this article; and at the January meeting, or a subsequent meeting as may be designated in the notice, as the case may be, the board of supervisors shall receive such bids or proposals as the financial institutions may make for the privilege of keeping the county funds, or any part thereof.”

Finding Detail: During the review of Quitman County, the auditor noted the Board of Supervisors did not advertise nor select a bank depository for Fiscal Year 2019.

Failure to advertise and authorize a bank depository is a violation of *Section 27-105-305, Mississippi Code Annotated (1972)*.

Recommendation: We recommend that the Board of Supervisors advertise and authorize bank depositories every two years.

Official Response: The Board was presented bids by the Chancery Clerk that were opened on January 21, 2020, for authorization of depository for Quitman County. The bids were submitted from Citizens Bank & Trust and First Security Bank, both located in Marks, MS. The Board voted to accept the bids and use both banks to serve as the depositories for the county. Book and Page 2020, 492.

Repeat Finding: No.

Auditor’s Note: Per Chancery Clerk, Quitman County did not select a bank depository for Fiscal Years 2018 or 2019.

Finding 8: Public Officials Should Ensure Compliance with State Law over Filing the Four-Year Road Plan.

Applicable State Law: *Section 65-7-117, Mississippi Code Annotated (1972)*, states, “Each member of the board of supervisors shall inspect every road and bridge in the county under the jurisdiction of the county not later than December 31, 1989, and, thereafter, not less than once each fiscal year. Each member shall file with the clerk of the board a report, under oath, of the condition of the roads and bridges inspected by him with recommendations by him for a four-year plan for construction and major maintenance of such roads and bridges. 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 the 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 Quitman County, the auditor noted that on January 2, 2018, each member of the Board of Supervisors certified that every bridge and road in their district was examined. However, a four-year road plan was not established nor filed with the Clerk of the Board.

Failure to file a four-year road plan is a violation of *Section 65-7-117* and could result in the County's roads not being inspected and maintained.

Recommendation: We recommend that the Board of Supervisors ensure the four-year road plan is established and filed with the Clerk of the Board no later than February 1st of each year.

Official Response: A copy of the four-year road plan was submitted and attested to on January 7, 2019. Refer to Book 2019 and pages 262-266.

Repeat Finding: No.

Auditor's Note: Although a report was filed detailing every bridge and road in each Supervisors' district, a road plan, detailing the next four (4) year repairs, was not completed.

Finding 9: Public Officials Should Strengthen Controls over Insurance Premiums.

Internal Control Deficiency: The County should only pay insurance premiums on those individuals employed by the County.

Finding Detail: During the review of the Quitman County, the auditor noted the County paid insurance premiums on four individuals who were not employed by the County.

Paying insurance premiums on individuals not employed by the County results in loss of public funds.

Recommendation: We recommend the Board of Supervisors refrain from paying the insurance premiums for individuals not employed by the County.

Official Response:

- **Employee A:** Former County employee hired date was 06/01/2009. She currently works for Quitman County Soil and Water Conservation. The Board agreed, she could keep insurance. She makes the monthly premium payment to reimburse the County.

Auditor's Note: Auditors did not note any reimbursements within the County's general ledger. Regardless, it is still not within the County's authority to pay insurance premiums on previous employees.

- **Employee B:** He was hired as the County's Building Inspector on June 17, 2002. Board order Book and Page 68 378. The County pays his insurance benefits in lieu of salary.

Auditor's Note: The Board order was never provided to the auditors. Regardless, this is not within the County's authority and circumvents both state and federal income tax, and PERS.

- **Employee C:** She serves as Youth Court Administrator and is paid a monthly salary. Her hire date was effective February 1, 2019. See Board Order Book and Page # 2019 339. Chancellor entered a Board Order which confirmed this appointment. Judge's order was filed February 22nd. Book and page 2019 340.

Auditor's Note: Auditors did not see where this individual received a monthly salary from the County.

- **Employee D:** Serves as the County Prosecuting Attorney's Court Administrator. She was hired January 1, 2004.

Repeat Finding: No.

Board of Supervisors, Chancery Clerk, Circuit Clerk, Justice Court Clerk, Purchase Clerk, Receiving Clerk, Sheriff, and Tax Assessor/Collector.

Finding 10: Public Officials Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Law: *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 9-7-123(2), Mississippi Code Annotated (1972), states, “Each deputy clerk of the circuit court, before he enters upon the duties of the appointment, shall take the oath of office, and shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to three percent (3%) of the sum of all the state and county taxes shown by the assessment rolls and the levies to have been collectible in the county for the year immediately preceding the commencement of the term of office for the circuit clerk. However, the amount of such bond shall not be less than Fifty Thousand Dollars (\$50,000.00) nor more than One Hundred Thousand Dollars (\$100,000.00). The bond shall cover all monies coming into the hands of the deputy clerk by law or order of the court. The board of supervisors, in its discretion, may pay the bond on behalf of the deputy clerk.”

Section 27-1-3, Mississippi Code Annotated (1972), states, “The assessor may, with the approval of the board of supervisors of the county, appoint deputies, who shall take the oath of office, and shall be required by the assessor to give bond to him in an amount not less than Ten Thousand Dollars (\$10,000.00) for the faithful discharge of their duties. The appointment shall be in writing, filed with the clerk of the board of supervisors, whose approval shall be entered on the minutes of such board.”

Finding Detail: During the review of Quitman County, the auditor noted the following exceptions with the County’s surety bonds:

- The following positions had Renewals/Continuation Certificates:
 - Two Board of Supervisors
 - Chancery Clerk
 - One Deputy Chancery Clerk
 - Purchase Clerk
 - Assistant Purchase Clerk
 - Receiving Clerk
 - Two Assistant Receiving Clerks
 - Circuit Clerk
 - Sheriff
 - Eighteen Deputy Sheriffs
 - Justice Court Clerk
 - One Deputy Justice Court Clerk
 - Two Deputy Tax Collectors
- The following individuals were not bonded during the 2019 Fiscal Year:
 - One Deputy Tax Assessor was not bonded and one Deputy Tax Assessor was bonded as a Deputy Tax Collector.
 - Two Deputy Circuit Clerks
 - One Deputy Chancery Clerk
- The Deputy Circuit Clerks are bonded for **\$50,000** rather than **\$100,000** as required by *Section 9-7-123(2)*.

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 bonds in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation: We recommend that the Public Officials secure bonds that list a term of office covered, are of sufficient amount, and new bonds are secured every four years concurrent with the normal election cycle of the Governor.

Official Responses:

- **Board of Supervisors:** The Board shall comply with *Section 25-1-15(2), Mississippi Code Annotated (1972)* with issuance of new surety bond every four years to said Board Member listed above.
- **Chancery Clerk:** Quitman County shall recognize a new bond beginning at the start of each new term of office. I shall comply.
- **Circuit Clerk:** The Board shall comply with *Section 9-7-123 (2), Mississippi Code Annotated (1972)*, with the surety bond requirements for Deputy Circuit Clerks
- **Justice Court Clerk:** The Board shall comply with *Section 25-1-15(2), Mississippi Code Annotated (1972)*. The new bonds are on file in the Chancery Clerk's office.
- **Purchase Clerk:** The Board shall comply with *Section 25-1-15(2), Mississippi Code Annotated (1972)*, the said employees will be bonded as required by state law.
- **Receiving Clerk:** The Board shall comply with *Section 25-1-15(2), Mississippi Code Annotated (1972)*, in regards the said Clerks listed above.
- **Sheriff:** The Board shall comply with *Section 25-1-15(2), Mississippi Code Annotated (1972)*, with the Sheriff and all Deputy Sheriffs requiring new bonds every four-year cycle.
- **Tax Assessor/Collector:** The Board shall comply with *Section 27-1-3, Mississippi Code Annotated (1972)*, with the surety bonds requirements for Deputy Tax Assessors and Deputy Tax Collectors.

Repeat Finding: No.

Chancery Clerk.

Finding 11: Public Officials Should Ensure Compliance with State Law over Reconciling Bank Accounts.

Applicable State Law: *Section 7-7-211(b), Mississippi Code Annotated (1972)*, states, "The department shall have the power and it shall be its duty:...(b) To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable."

The Mississippi County Financial Accounting Manual, promulgated by the Office of the State Auditor, as authorized by *Section 7-7-211, Mississippi Code Annotated (1972)*, provides, that bank statements are to be reconciled monthly to the journals.

Finding Detail: During the review of Quitman County, the auditor noted that the court and fee journal accounts were not properly reconciled; therefore, the cash balance of the bank accounts were unable to be reconciled to the book balances.

Failure to accurately and timely reconcile bank accounts and fee journal cash balance could result in fraud and misappropriation of public funds.

Recommendation: We recommend that the Chancery Clerk ensure the bank statements are properly reconciled on a monthly basis and the cash balance in the bank accounts is reconciled to the book balances.

Official Response: I shall reconcile the cash balance in the Chancery Clerk fee journal to the bank balance.

Repeat Finding: No.

Finding 12: Public Officials Should Ensure Compliance with State Law over Publication of the Audit Synopsis.

Applicable State Law: *Section 7-7-221(1), Mississippi Code Annotated (1972)*, states, “As soon as possible after an annual audit of the fiscal and financial affairs of a county by the State Auditor, as the head of the State Department of Audit, has been made and a copy of such report of audit or examination has been filed with the board of supervisors of such county and the clerk thereof, as required in *Section 7-7-215*, the clerk of the board of supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor.”

Finding Detail: During our review of Quitman County, we noted that the Fiscal Year 2018 audit report was received by the County on December 18, 2019. However, the County has not published an audit synopsis.

Failure to publish the annual audit synopsis could lead to loss of public transparency.

Recommendation: We recommend that the Chancery Clerk ensure that the publication of the annual audit synopsis is published.

Official Response: I shall comply and publish all audit synopses as required.

Repeat Finding: No.

Finding 13: Public Officials Should Ensure Compliance with State Law over Maintaining Fee Journal.

Applicable State Law: *Section 9-1-43(3), Mississippi Code Annotated (1972)*, states, “The chancery clerk and the circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the chancery and circuit clerk.”

Finding Detail: During the review of Quitman County, the auditor noted two lunacy checks totaling **\$1,600** were not recorded in the fee journal.

Failure to correctly complete the fee journal could result in fraud or misappropriations of public funds.

Recommendation: We recommend that the Chancery Clerk maintain an accurate record of accounting system including his fee journal.

Official Response: I shall deposit all monies incurred by my office into the Chancery Clerk’s fee journal account.

Repeat Finding: No.

Finding 14: Public Officials Should Ensure Compliance with State Law over Fee Journal Expenses.

Applicable State Law: *Section 9-1-43(1), Mississippi Code Annotated (1972)*, states, “ After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under *Sections 25-11-106.1* and *25-11-123(f)(4)*, employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-four Thousand Five Hundred Dollars (\$90,000.00). All such fees received by the office of chancery or circuit clerks that are in excess of the salary limitation shall be deposited by such clerk into the county general fund on or before April 15 for the preceding calendar year.”

Finding Detail: During the review of Quitman County, the auditor noted the following exceptions:

- Chancery Clerk claimed additional payroll expenses in prior years and understated his Calendar Year 2019 payroll expenses. Current expenses including deputies’ payroll should be accounted for in the year they are incurred; and
- Three disallowed expenses were included in the Clerk’s Annual Financial Report:

EXPENSE:	REASON:	AMOUNT:
Delta Academy	Limited Audience Advertising	\$125
MSPH – Parent Booster Club	Limited Audience Advertising	\$100
Nutrien Ag Solutions	Not relevant to the Office	\$125

Failure to accurately report expenses on the fee journal could result in fraud or misappropriation of public funds.

Recommendation: We recommend that the Chancery Clerk maintain an accurate accounting system.

Official Response:

- **Payroll Issue:** This has been corrected for 2020 and each payroll period is settled the County before payroll checks are issued.
- **Disallowed Expenses:** I will not expend any Chancery Clerk Fee monies on these types of expenditures. I have refunded the sum of \$350.00 to the Quitman County General Fund on June 22, 2020. Check #1028 Receipt #16946.

Repeat Finding: No.

Finding 15: Public Officials Should Ensure Compliance with State Law over Timely Deposits.

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 the review of Quitman County, the auditor noted 14 of the 15 receipts tested were deposited between two to ten business days after the monies were receipted.

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

Recommendation: We recommend that the Chancery Clerk deposit monies the same day or the next business day after the monies are receipted.

Official Response: I shall comply and deposit monies collected the same day or the next business day.

Repeat Finding: No.

Finding 16: Public Officials Should Ensure Compliance with State Law over Filing the Public Depositors' Annual Report.

Applicable State Law: *Section 27-105-5(6)(b), Mississippi Code Annotated (1972)*, states, "Public depositors shall not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification 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. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit."

Finding Detail: During the review of Quitman County, the auditor noted that the Public Depositors' Annual Report for Fiscal Year 2019 had not been filed as of February 28, 2020.

Without notifying the State Treasurer of its official name, address, federal tax identification number, and providing a list of all accounts that it had with qualified public depositories, including the balance in these accounts, as of its fiscal year end, the risk increases that the county's total deposits may not be properly collateralized.

Recommendation: We recommend that the Chancery Clerk file the Public Depositors' Annual Report within 30 days of fiscal year end.

Official Response: I shall file the Public Depositors' Annual Report with the Board of Supervisors and the State Treasurer as required.

Repeat Finding: No.

Circuit Clerk.

Finding 17: Public Officials Should Ensure Compliance with State Law over Establishing an Adequate Cash Journal.

Applicable State Law: *Section 7-7-211(b), Mississippi Code Annotated (1972)*, states, "The department shall have the power and it shall be its duty:...(b) To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable."

The Mississippi County Financial Accounting Manual, promulgated by the Office of the State Auditor, as authorized by *Section 7-7-211, Mississippi Code Annotated (1972)*, provides, that bank statements are to be reconciled monthly to the journals.

Section 9-1-43(3), Mississippi Code Annotated (1972), states, "The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the chancery and circuit clerk."

Section 9-1-43(6), Mississippi Code Annotated (1972), states, "The chancery clerk and the circuit clerk shall establish and maintain a cash journal for recording cash receipts from private or government sources for furnishing copies of any papers of record or on file, or for rendering services as a notary public, or other fees wherein the total fee for the transaction is

Ten Dollars (\$10.00) or less. The cash journal entry shall include the date, amount and type of transaction, and the clerk shall not be required to issue a receipt to the person receiving such services.

Finding Detail: During the review of Quitman County, the auditor noted that the Circuit Clerk does not maintain an adequate cash journal. The Circuit Clerk maintains a ledger that only documents the receipts into the fee account but does not include any disbursements. Due to the cash journal not having a correct cash balance, the Circuit Clerk is unable to reconcile the clearing account to the cash journal. The Circuit Clerk also enters the payroll checks issued from the County at the gross amount rather than the net amount.

Failure to maintain a cash journal results in the Circuit Clerk not being able to reconcile the clearing account to the cash journal. This could also result in fraud, misappropriation, or loss of public funds.

Recommendation: We recommend that the Circuit Clerk maintain a cash journal that details all receipts and disbursements of the clearing account.

Official Response: I got my degree in education; primarily teaching elementary math and sciences – not accounting. General audits have expressed this same finding; however, no one has provided me with an example of a cash journal that I could use as an example to go by. The “cash journal” I use reflects the money received in office, civil, and criminal accounts. I record the gross amount from the County because I use it to fill out my Annual Financial Report every year. Since the last County audit, I have been writing only one (1) check out of my clearing account each month to myself in order to have a zero balance in the account. I have no other disbursements. The deposits into the “fee account” is my own money. I now write myself one (1) check per month. I would be glad to use a cash journal if I could find one that I can use.

Repeat Finding: Yes; 2018-5.

Finding 18: Public Officials Should Ensure Compliance with State Law over the Annual Financial Report.

Applicable State Law: *Section 9-1-43(1), Mississippi Code Annotated (1972)*, states, “After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under *Sections 25-11-106.1* and *25-11-123(f)(4)*, employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety Thousand Dollars (\$90,000.00). All such fees received by the office of chancery or circuit clerks that are in excess of the salary limitation shall be deposited by such clerk into the county general fund on or before April 15 for the preceding calendar year. If the chancery clerk or circuit clerk serves less than one (1) year, then he shall not receive as compensation any fees in excess of that portion of the salary limitation that can be attributed to his time in office on a pro rata basis. Upon leaving office, income earned by any clerk in his last full year of office but not received until after his last full year of office shall not be included in determining the salary limitation of the successor clerk. There shall be exempted from the provisions of this subsection any monies or commissions from private or governmental sources which: (a) are to be held by the chancery or circuit clerk in a trust or custodial capacity as prescribed in subsections (4) and (5); or (b) are received as compensation for services performed upon order of a court or board of supervisors which are not required of the chancery clerk or circuit clerk by statute.

Section 9-1-45(1), Mississippi Code Annotated (1972), states, “Each chancery and circuit clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a clerk’s spouse or children. Each chancery and circuit clerk shall provide any additional information requested by the Public Employees’ Retirement System for the purpose of retirement calculations.”

Finding Detail: During the review of Quitman County, the auditor noted that the Circuit Clerk failed to complete the Annual Financial Report entirely. The Clerk only documented the revenues that were received into the office and all other applicable lines were left blank.

Failure to complete the Annual Financial Report could result in loss of transparency and the loss or misappropriation of public funds.

Recommendation: We recommend that the Circuit Clerk complete all applicable sections of the Annual Financial Report.

Official Response: I always fill out the Annual Financial Report on the forms provided by the Auditor's Office. This form is always mailed to PERS. They (PERS) complete it and send me a corrected copy.

Repeat Finding: No.

Finding 19: Public Officials Should Ensure Compliance with State Law over Timely Deposits.

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 the review of Quitman County, the auditor noted that out of 15 sample receipts tested, seven were not deposited in a timely manner. These monies were deposited three to nine business days after monies were receipted.

Failure to timely deposit receipts could result fraud, misappropriation, or loss of public funds.

Recommendation: We recommend that the Circuit Clerk ensure monies are deposited on the same day or next business day after the monies are received.

Official Response: This finding was made by the last County audit and I have done my best to comply with this regulation in 2020. It is very hard to make a deposit of \$35.

Repeat Finding: Yes.

Purchase Clerk.

Finding 20: Public Officials Should Ensure Compliance with State Law over Monthly Credit Card Expenditure Reports.

Applicable State Law: *Section 19-3-68, Mississippi Code Annotated (1972)*, states, "The chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the board of supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket."

Finding Detail: During the review of Quitman County, the auditor noted that the Purchase Clerk failed to present an itemized list of credit card expenditures to the Board of Supervisors at the monthly meeting.

Failure to report credit card expenditures could result in fraud or misappropriation of public funds.

Recommendation: We recommend that the Purchase Clerk present an itemized report of monthly credit card expenditures to the Board of Supervisors.

Official Response: Itemized expenditures for each credit card purchase, by county employees are presented and listed on the monthly claim docket, noting the credit card numbers and the county employees responsible for each purchase. Bi-monthly, the claim docket is emailed to each Board Member to review claims that are submitted. In addition, copies of the claim docket are printed and distributed at each board meeting for discussion prior to board's approval. Copies of the claims docket are also made available for the public at each meeting. During each meeting, the board in its entirety accepts all expenditures; inclusion of credit purchases by county employees. Complete records of all credit card numbers and all receipts and other documents relating to the use of county's credit cards are on file in the purchase clerk office.

Auditor's Note: As stated in the above law, there should be an itemized list of receipts for the use of such credit cards monthly presented to the Board in the same manner as its claims docket; therefore, this list should be separate and outside the claims docket.

Repeat Finding: No.

Sheriff.

Finding 21: Public Officials Should Strengthen Internal Controls over the Purchase of Information and Evidence.

Internal Control Deficiency: Proper internal controls include filling out the purchase of evidence/information vouchers for purchase of evidence/information accurately and completely.

Finding Detail: During the review of Quitman County, the auditor noted that out of the 21 vouchers for fiscal year 2019, none included a witness signature.

Failure to completely fill out evidence/information vouchers could result in fraud or misappropriation of county funds.

Recommendation: We recommend the Sheriff's Office strengthen controls to ensure the vouchers are accurately and correctly completed.

Official Response: The Sheriff will ensure that signatures are included on all vouchers for reimbursement and that the voucher is filled out completely.

Repeat Finding: No.

Finding 22: Public Officials Should Ensure Compliance with State Law over Timely Deposits.

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 the review of Quitman County, the auditor noted seven out of the 15 receipts tested were deposited between two and six business days after monies were receipted.

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

Recommendation: We recommend that the Sheriff ensure to deposit monies the same day or the next business day after the monies are receipted.

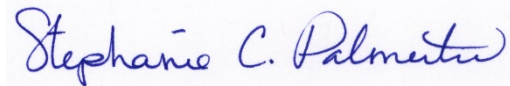
Official Response: The clerk at the Quitman County Sheriff's Department will make daily deposits as required by *Section 25-1-72, Mississippi Code Annotated (1972)*.

Repeat Finding: No.

Quitman 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 with a large initial 'S'.

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