



South Tippah School District

COMPLIANCE REPORT

Limited Internal Control and Compliance Review

For the year ended *June 30, 2019*

SHAD WHITE

State Auditor

Stephanie C. Palmertree, CPA, CGMA

Director, *Financial and Compliance Audit Division*

Derrick Garner, CPA, CFE

Director, *Compliance Audit Division*





STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR
September 19, 2019

Limited Internal Control and Compliance Review Management Report

South Tippah School Board
402 Greenlee Street
Ripley, Mississippi 38663

Dear Members of the South Tippah School Board:

Enclosed for your review are the Limited Internal Control and Compliance Review Findings for the South Tippah School District for the Fiscal Year 2019. In these findings, the Auditor's Office recommends the South Tippah School District:

1. Strengthen Internal Controls over Disbursements from the Activity Funds;
2. Strengthen Internal Controls over Activity Fund Cash Receipts and Bank Deposits;
3. Strengthen Internal Controls over Purchasing Procedures and Documentation;
4. Ensure Compliance with State Laws over Securing Surety Bonds;
5. Ensure Compliance with State Laws over Completing/Filing Statements of Economic Interest;
6. Ensure Compliance with State Laws over Completing/Filing PERS Form 4Bs;
7. Ensure Compliance with State Laws over Required Bonds for Construction Projects Greater than \$25,000;
8. Ensure Compliance with State Laws over Obtaining Competitive Bids for Purchases over \$5,000 but not over \$50,000; and
9. Ensure Compliance with State Laws over Board Minutes.

Please review the recommendations and submit a plan to implement them by October 4, 2019. The enclosed findings contain more information about our recommendations.

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

This report is intended solely for the information and use of management, individuals charged with governance and Members of the Legislature and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the South Tippah School District to carry out its mission more efficiently. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is fluid and cursive, with the first name being the most prominent.

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

The Office of the State Auditor has completed its limited internal control and compliance review of the South Tippah School District for the year ended June 30, 2019. The Office of the State Auditor's staff members participating in this engagement included Derrick Garner, CPA; Travis Mitchell, CPA; Brandon Armstrong; and Bryan White, CPA.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be weaknesses. In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We identified certain deficiencies in internal control over financial reporting that we consider to be *significant deficiencies*. These matters are noted under the heading **SIGNIFICANT DEFICIENCIES**.

In addition, while performing our review, we identified certain instances of noncompliance with state laws that require the attention of management. These matters are noted under the heading **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**.

SIGNIFICANT DEFICIENCIES

Finding 1: The School District Should Strengthen Internal Controls over Disbursements from the Activity Funds.

Executive Summary: During our testing of the School District's purchases, it was noted that the decentralized accounting system is used in accounting for activity funds. Therefore, payments for claims are disbursed from the activity funds prior to approval by the School Board.

Recommendation: The School District should strengthen internal controls over the activity funds by requiring that all claims be approved by the School Board prior to the disbursement of funds.

Detailed Analysis: During our review, we noted that the School District's activity funds do not adhere to a centralized purchasing system and the payments on claims are disbursed prior to approval by the Board of Education.

The Mississippi Department of Education's *Financial Accounting Manual for Public School Districts, Section D*, states, "Centralized purchasing is recommended for all districts. It is the most efficient and effective means of handling purchasing. With centralized purchasing, all purchases of the School District are handled by one department. This would include the receiving of all purchases also. This process enhances the controls surrounding the purchasing function of the School District."

While centralized purchasing is not a requirement for activity funds, it is recommended and allows for the greatest amount of internal control by the School Board. Failure to follow an adequate system of internal controls could result in fraud, misappropriation, or loss of public funds.

Finding 2: The School District Should Strengthen Internal Controls over Activity Fund Cash Receipts and Bank Deposits.

Executive Summary: During our testing of athletic event revenue, we noted that revenues collected at ten (10) Blue Mountain High School basketball games were not deposited in a timely manner.

Recommendation: The School District should strengthen internal controls over cash receipts to ensure that funds received are deposited on the same day or the next business day.

Detailed Analysis: During the review of activity funds, we noted that Blue Mountain High School made untimely deposits for ten (10) home basketball games tested. Deposit dates ranged from ten (10) to forty-four (44) days after the date of collection.

An adequate system of internal controls should require that all funds received by the School District be deposited into the School District's approved depository on the day when they are collected or the next business day. Failure to timely deposit funds received could result in fraud, misappropriation, or loss of public funds.

SIGNIFICANT DEFICIENCY AND NONCOMPLIANCE WITH STATE LAW

Finding 3: The School District Should Strengthen Internal Controls over Purchasing Procedures and Documentation.

Executive Summary: During our review of the School District's purchases, we noted three (3) instances where purchase documentation was incomplete or procedures regarding purchase documentation were not followed.

Recommendation: The School District should strengthen internal controls over purchasing by following the proper procedures for obtaining and completing purchase documentation prior to disbursing district funds.

Detailed Analysis: Based upon test work performed, the following internal control deficiencies were noted:

- One (1) instance where a purchase order, in the amount of \$17,169, was not presented on a pre-numbered form.
- One (1) instance where payment was issued to Hotel and Restaurant Supply in an amount exceeding the total of the purchase order by \$178.
- One (1) instance where the purchase orders of a claim in the combined total of \$6,083 did not contain dates, pre-assigned numbers, or names of the vendor.

Section 37-37-1, Mississippi Code Annotated (1972), authorizes and directs the Mississippi Department of Education to prescribe the accounting systems and other essential financial records to be used by all school districts of the state.

Mississippi Department of Education's *Financial Accounting Manual for Public School Districts, Section D*, provides that, all purchase orders shall be pre-numbered.

Failure to follow adequate internal controls could result in fraud as well as misappropriation or loss of public funds.

INSTANCES OF NONCOMPLIANCE WITH STATE LAW

Finding 4: The School District Should Ensure Compliance with State Laws over Securing Surety Bonds.

Executive Summary: During our review of South Tippah School District's surety bonds, we noted that the Superintendent, Principals, and Purchase Agents were covered by "Verification Certificates" and "Continuation Certificates" with indefinite terms of coverage instead of new surety bonds as required by state law.

Recommendation: The School District should ensure that new surety bonds are secured 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 as statutorily required.

Detailed Analysis: During the review of South Tippah School District, we noted the Superintendent's bond is a "Verification Certificate" for an indefinite period;

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 37-9-27, Mississippi Code Annotated (1972), states, "The Superintendent of any school district, before entering upon the duties of his office, shall furnish a good and sufficient surety bond in the penal sum of One Hundred Thousand Dollars (\$100,000), with sufficient surety. Such bond shall be filed and recorded in the office of the Clerk of the Chancery Court in which the School District is located, and shall be payable, conditioned and approved in the manner provided by law. The premium on said bond shall be paid out of the school district maintenance fund."

"Verification Certificates" are documents that verify that a continuous bond, or a bond with an indefinite term, is still in effect. "Continuation Certificates" are documents that extend the life of the original surety bond. Failure to have a new bond in place for a specific term of office as required by state law could limit the amount available for recovery if a loss occurred over multiple terms.

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

Executive Summary: During our review of South Tippah School District's Statements of Economic Interest, it was noted that Board Members did not file the required statement with the Mississippi Ethics Commission by May 1st as required by state law.

Recommendation: The School Board members should ensure that Statements of Economic Interest are filed annually, no later than May 1st of each year that such official holds office, regardless of the duration.

Detailed Analysis: During our review of South Tippah School District's Statement of Economic Interest, it was noted that two (2) Board Members did not file their Statements of Economic Interest with the Mississippi Ethics Commission by May 1st.

Section 25-4-25, Mississippi Code Annotated (1972), states, "Each of the following individuals shall file a Statement of Economic Interest with the commission in accordance with the provisions of this chapter: (a) Persons elected by popular vote...; (b) Members of local school boards that administer public funds, regardless of whether such members are elected or appointed..."

Section 25-4-29(1)(a), Mississippi Code Annotated (1972), states, "Every incumbent public official required by paragraphs (a), (b), (d) and (e) of *Section 25-4-25* to file a Statement of Economic Interest shall file such statement with the commission on or before May 1st of each year that such official holds office, regardless of duration."

Section 25-4-29(2), Mississippi Code Annotated (1972), states, "Any person who fails to file a Statement of Economic Interest within thirty (30) days of the date the statement is due shall be deemed delinquent by the commission. The commission shall give written notice of the delinquency to the person by United States mail or by personal service of process. If within fifteen (15) days of receiving written notice of delinquency the delinquent filer has not filed the Statement of Economic Interest, a fine of Fifty Dollars (\$50) per day, not to exceed a total fine of One Thousand Dollars

(\$1,000), shall be assessed against the delinquent filer for each day thereafter in which the Statement of Economic Interest is not properly filed.”

Failure to file the Statement of Economic Interest, as required by state law, results in non-compliance with *Section 25-4-25* and could result in fines being assessed and a civil judgement being enrolled against the delinquent filers, as allowed by *Section 25-4-29(2)*.

Finding 6: The School District Should Ensure Compliance with State Laws over Completing/Filing PERS Form 4Bs.

Executive Summary: During our review of re-hire of retired employees, it was noted that the School District did not file the required form 4Bs with Public Employee’s Retirement System of Mississippi (PERS) within five (5) days of re-hire as required by state law and PERS.

Recommendation: The School District should ensure compliance with *Section 25-11-127(4)*, *Mississippi Code Annotated (1972)* and *PERS Board Regulation 34, Section 105*, by submitting Form 4Bs to PERS within five (5) days of reemployment or termination of retirees.

Detailed Analysis: During the review of South Tippah School District’s PERS 4Bs, it was noted that the School District failed to submit the PERS Form 4Bs within five (5) days for all twelve (12) employees tested for fiscal year 2018 and nine (9) of twelve (12) employees tested for fiscal year 2019.

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

Failure to file the PERS Form 4Bs as required by *Section 25-11-127(4)*, *Mississippi Code Annotated (1972)*, and *PERS Regulation 34, Section 105*, could result in the overpayment of a retiree and the School District being assessed penalties by PERS.

Finding 7: The School District Should Ensure Compliance with State Laws over Required Bonds for Construction Projects Greater than \$25,000.

Executive Summary: During our review of South Tippah School District’s purchases, it was noted that the School District engaged in an athletic field construction project at a cost greater than \$25,000 without being furnished the proper performance and payment bonds as required by state law.

Recommendation: The School District should ensure compliance with state law requiring that a performance bond and a payment bond, each in an amount not less than the amount of the contract, are furnished to the School District for construction related projects costing more than \$25,000.

Detailed Analysis: As a result of procedures performed, it was noted that the School District was not furnished the required performance and payment bonds related to an athletic field construction project greater than \$25,000 as required by statute. The total quoted price of the renovation project was \$40,000, consisting of \$25,000 to build two (2) new dugouts and \$15,000 to build a new backstop.

Section 31-5-51(1), Mississippi Code Annotated. (1972), states, "Any person entering into a formal contract with the state or any county, city or political subdivision thereof, or other public authority for the construction, alteration, or repair of any public building or public work, before entering into such contract, shall furnish to such public body, except as provided in subsection (5) of this section, bonds with good and sufficient surety as follows:

- a) A performance bond payable to, in favor of or for the protection of such public body, as owner, for the work to be done in an amount not less than the amount of the contract, conditioned for the full and faithful performance of the contract;
- b) A payment bond payable to such public body but conditioned for the prompt payment of all persons supplying labor or material used in the prosecution of the work under said contract, for the use of each such person, in an amount not less than the amount of the contract; and
- c) The bonds herein provided for may be made by any surety company which is authorized to do business in the State of Mississippi and listed on the United States Treasury Department's list of acceptable sureties, or such bonds may be guaranteed by a personal surety as provided for herein. The personal surety shall deposit with the State Treasurer cash or certificates of deposit in an amount not less than the amount of the contract, and the State Treasurer shall hold same in trust and on deposit for the benefit of the public body that is a party to the contract providing for the construction, alteration or repair of the public building or for the public work."

Failure to ensure that the required performance and payment bonds related to construction projects are furnished may result in fraud, misappropriation or loss of public funds.

Finding 8: The School District Should Ensure Compliance with State Laws over Obtaining Competitive Bids for Purchases over \$5,000 but not over \$50,000.

Executive Summary: During our testing of purchases, we noted four (4) instances of noncompliance with state law requiring at least two (2) comparable, competitive written bids for purchases greater than \$5,000 but not greater than \$50,000.

Recommendation: The School District should ensure compliance with state purchase laws by obtaining at least two (2) comparable, competitive written bids for purchases greater than \$5,000 but not greater than \$50,000 when comparable products are available from multiple vendors.

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

- We noted the appearance of the circumvention of competitive bid laws by splitting a single purchase into two (2) purchase orders issued to Skeeter Kell Sporting Goods. The total of the invoices was \$6,083. The \$6,083 was the combined total of Purchase Order No. 7780, in the amount of \$4,938, and Purchase Order No. 7863, in the amount of \$1,145. The items listed on the invoice were uniforms and shoes for the Junior High and High School students at Blue Mountain Schools.
- One (1) instance where comparable, competitive quotes were not obtained for the purchase of a Blodgett oven, model number Sho-100-G DBL, from Hotel & Restaurant Supply in the amount of \$5,819. A separate quote from Ken Jeter Store Equipment, Inc. was for a Blodgett oven, model number ZEPH-200-G DBL, for \$7,997.
- The District purchased a John Deere Gator TS, model year 2018, from Tri Green Equipment, LLC in the amount of \$5,972, without comparable quotes. The quotes from Tri Green Equipment, LLC were for a John Deere Gator TS, model year 2017, and a John Deere Gator TX, model year 2018, whereas the quotes from Scruggs Farms Lawn & Garden were for a John Deere Gator TS and a John Deere Gator TX, both model year 2019.
- One (1) instance where the purchase of a shooting gun (basketball equipment) from Shoot-A-Way in the amount of \$5,440 was treated as a single source purchase without the Board's approval and based upon documentation provided, competitive products existed for the item purchased.

Section 31-7-13(b), Mississippi Code Annotated. (1972), states, "Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000) but not more than Fifty Thousand Dollars (\$50,000), exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids have been obtained."

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 invoices for amounts within those 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 as to appear to be authorized as purchases for which competitive bids are not required."

Section 31-7-13(m)(viii), Mississippi Code Annotated, (1972), states, "Noncompetitive items available from one (1) source, a certification of the conditions and circumstances requiring the purchase shall be filed by the agency with the Department of Finance and Administration and by the governing authority with the board of the governing authority. Upon receipt of that certification the Department of Finance and Administration or the board of the governing authority, as the case may be, may, in writing, authorize the purchase, which authority shall be noted on the minutes of the body at the next regular meeting thereafter. In those situations, a governing authority is not required to obtain the approval of the Department of Finance and Administration."

Purchases made without receiving comparable, competitive written bids could result in overpayment for goods or services, fraud, and misappropriation or loss of public funds.

Finding 9: The School District Should Ensure Compliance with State Laws over Board Minutes.

Executive Summary: During our review of the official board minutes, we noted that the Board Chairman and Secretary of the Board did not sign all official board minutes as required by state law.

Recommendation: The School District should ensure that all official board minutes are signed by the Board Chairman, and attested by the Secretary of the Board as required by state law.

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

- The Board Chairman did not sign the official minutes of twenty-five (25) meetings.
- The Board Secretary did not sign the official minutes of nineteen (19) meetings.

Section 37-6-9, Mississippi Code Annotated (1972) states, "All minutes of the School Board shall be signed by the President of the Board, shall be attested by the Secretary of the Board and shall be adopted by the Board at the next regular meeting, or within thirty (30) working days, whichever occurs later."

Failure of the Board Chairman and Secretary to sign the Board minutes results in noncompliance with the aforementioned code section.

End of Report



SOUTH TIPPAAH SCHOOL DISTRICT

FRANK CAMPBELL, SUPERINTENDENT

**402 GREENLEE AVENUE
RIPLEY, MISSISSIPPI 38663
TELEPHONE: 662-837-7156
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JERRY CHILDS
Business Administrator

SONDRA GRAVES
Payroll/Accounting

STACEY STREET
Trans./Alt. School Director

MELINDA MARSALIS
FED. Programs/Testing Coord.

KAREN HURT
Food Service Supervisor

TWILA GOOLSBY
Director of Curriculum/Assessment

KAREN CHURCHILL
SPED Coordinator

PAT LONG
Administrative Assistant

COMPLIANCE REVIEW FINDINGS

September 24, 2019

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

Dear Mr. White,

The South Tippah School District appreciates the time put forth in the Compliance Audit. We would like to thank you for your recommendations to allow us to be in compliance. We are currently making corrections for all findings in order to be in compliance with state and federal laws.

AUDIT FINDINGS:

Finding 1: The School District Should Strengthen Internal Controls over Disbursements from the Activity Funds.

Response: The School District concurs with the finding and has implemented a plan to strengthen internal controls over disbursements from the Activity Funds by having all claims over a dollar amount approved by the School Board prior to the disbursement of funds.

Corrective Action Plan:

- A.) The School Board is currently working on a board policy to have all activity fund claims over a dollar amount (to be decided by the School Board) be approved by the School Board prior to the disbursement of funds.
- B.) School Principals and School Board.
- C.) This policy is to be implemented by 12/01/2019.

Finding 2: The School District Should Strengthen Internal Controls over Activity Fund Cash Receipts and Bank Deposits.

Response: The School District concurs with the finding and will strengthen internal controls over Activity Fund cash receipts and bank deposits to ensure the policy and procedures of the School District are being followed by having deposits made timely within two business days.

Corrective Action Plan:

- A.) A training session will be held at the beginning of each year to go over policy and procedures of Activity Fund cash receipts and bank deposits with the School Principals and School Secretaries to ensure that deposits are made timely according to School District policy. Also the School Business Administrator will semiannually check each school for compliance.
- B.) School Principals and School Business Administrator.
- C.) This action has begun.

Finding 3: The School District Should Strengthen Internal Controls over Purchasing Procedures and Documentation.

Response: The School District concurs with the finding and will strengthen internal controls over purchasing procedures and documentation to insure the policy and procedures of the School District are being followed by obtaining and completing purchase document prior to disbursing districts funds.

Corrective Action Plan:

- A.) A training session will be held at the beginning of each year to go over policy and procedures of purchasing and required documentation with the School Principals, School Secretaries and Purchasing Agents of the School District. Also the School Business Administrator will semiannually check each school for compliance.
- B.) School Principals, School Secretaries, School Purchasing Agents and School Business Administrator.
- C.) This action has begun.

Finding 4: The School District Should Ensure Compliance with State Laws over Securing Surety Bonds.

Response: The School District concurs with the finding and has made changes. South Tippah School District has spoken with the insurance agent and new surety bonds will be issued with each term or contract.

Corrective Action Plan:

- A.) New bonds will be issued.
- B.) School Business Administrator
- C.) This action is in process.

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

Response: The School District concurs with the finding and recommendation and will strengthen internal controls to ensure compliance that the Superintendent and School Board Members will submit their Statement of Economic Interest with the Mississippi Secretary of State as required by law.

Corrective Action Plan:

- A.) Currently all have completed the process. To ensure compliance in the future the Administrative Assistant and Superintendent have added the Statement of Economic Interest to the Board Agenda Calendar in January to remind the Superintendent and School Board Members of their requirements to complete the Statement of Economic Interest. The School Business Administrator will monitor completion as they are filed.
- B.) Superintendent, School Board Members and School Business Administrator.
- C.) This action is in process.

Finding 6: The School District Should Ensure Compliance with State Laws over Completing/Filing PERS Form 4Bs.

Response: The School District concurs with the finding and recommendation and has strengthened internal controls to ensure compliance with state laws over reemployment of retired public employees.

Corrective Action Plan:

- A.) The School District will submit Form 4Bs to PERS within five (5) days of reemployment or termination of retirees.
- B.) School Business Administrator and Payroll Clerk.
- C.) This action is in process.

Finding 7: The School District Should Ensure Compliance with State Laws over Required Bonds for Construction Projects Greater than \$25,000.

Response: The School District concurs with the finding and recommendation and has strengthened internal controls to ensure compliance with state laws over required bonds for construction projects greater than \$25,000.

Corrective Action Plan:

- A.) The School District will not engage in a construction, alteration, or repair over \$25,000 without being furnished the required bonds. The School District business office will review required bonds before allowing the purchase order to be issued for project.
- B.) School Principals, School Purchasing Agents, School Business Administrator, and Accounts Payable Clerk.
- C.) This action has begun.

Finding 8: The School District Should Ensure Compliance with State Laws over Obtaining Competitive Bids for Purchases over \$5,000 but not over \$50,000.

Response: The School District concurs with the finding and recommendation and has strengthened internal controls to ensure compliance with state laws over obtaining competitive bids for purchases over \$5,000 but not over \$50,000.

Corrective Action Plan:

- A.) A training session will be held at the beginning of each year to go over policy and procedures of purchasing and required documentation with the School Principals, School Secretaries and Purchasing Agents of the School District. The School District business office now reviews all District purchase orders over \$5,000 and will not allow the purchase order to be approved without proper documentation of competitive bids being obtained. Also the School Business Administrator will semiannually check each school for compliance.
- B.) School Principals, School Purchasing Agents, School Business Administrator, and Accounts Payable Clerk.
- C.) This action has begun.

Finding 9: The School District Should Ensure Compliance with State Laws over Board Minutes.

Response: The School District concurs with the finding and recommendation and has strengthened internal controls to ensure compliance with state law over board minutes.

Corrective Action Plan:

- A.) All official board minutes are now being signed by the Board Chairman and attested by the Secretary of the Board at the next regular meeting as required by state law.
- B.) Superintendent and School Board Members.
- C.) This action has begun.

South Tippah School District respectfully appreciates the opportunity to comply with the State Auditor's compliance findings.

Respectfully,

A handwritten signature in black ink, appearing to be 'Frank Campbell', with a long horizontal stroke extending to the right.

Frank Campbell,
Superintendent