

# WILKINSON COUNTY MISSISSIPPI

## **COMPLIANCE REPORT**

Compliance Special Reports

For the year ended *September 30, 2019*

**SHAD WHITE**

**State Auditor**

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

Director, *Financial and Compliance Audit Division*

**Charlotte Duckworth**

Director, *Compliance Audit Division*



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**WILKINSON COUNTY**

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WILKINSON 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  
Wilkinson County, Mississippi

We have examined Wilkinson 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 Wilkinson 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 Wilkinson County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

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

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**Board of Supervisors.**

**Finding 1:** Public Officials should Ensure Purchase Schedules are Properly Recorded and Documented.

**Applicable State Law:** *Section 31-7-115, Mississippi Code Annotated (1972)*, states, "The State Auditor, or certified public accounts employed by the State Auditor, shall, upon the close of the fiscal year of the County, make an audit of the

books, records, supporting documents and other data of the county purchase clerk and the inventory control clerk. The Auditor shall review the County's compliance with Section 31-7-13(d), (k) and (m). The audit report shall include a schedule of purchases not made from the lowest bidder under the authority of Section 31-7-13(d), with the reasons given therefor. The audit report shall include a schedule of emergency purchases made under the authority of 31-7-13(k). The audit report shall include a schedule of purchases made noncompetitively from a sole source under the authority of Section 31-7-13(m)..."

**Finding Detail:** During the review of the County's purchasing schedule, the auditor noted the Purchase Clerk did not record and document the emergency purchase of a bridge on the "Emergency Purchase Schedule." The Purchase Clerk is not in compliance with state law.

Failure to properly record the emergency purchases on the "Emergency Purchase Schedule" results in noncompliance with state law.

**Recommendation:** We recommend the Board of Supervisors ensure that the Purchase Clerk properly records and documents purchases on the annual purchase schedules, as required by law.

**Official Response:** We will comply.

**Repeat Finding:** No

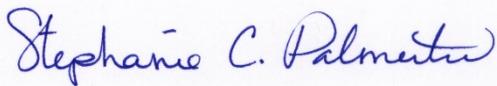
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The accompanying schedules of: (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source, are presented in accordance with *Section 31-7-115, Mississippi Code Annotated (1972)*.

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

Sincerely,



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

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

Schedule 1

Our tests did not identify any purchases form other than he lowest bidder.

Wilkinson County  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2019

Schedule 2

Date	Item Purchased	Amount Paid	Vendor	Reason for Emergency Purchase
1/30/2019	Lock Repair	\$ 227.00	McComb Lock Key	Key broke
11/26/2018	Bridge repair	75,000.00	Solid Solutions, Inc.	Lack of access for residents due to closed bridge

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

Schedule 3

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

**Wilkinson County  
Schedule of Surety Bonds for County  
Officials  
For the Year Ended September 30,  
2019**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Wil Seal	Supervisor District 1	Old Republic	\$100,000
Richard Hollins	Supervisor District 2	Old Republic - Not filed in Bond Book	\$100,000
Venton McNabb	Supervisor District 3	Old Republic	\$100,000
Kenyon Jackson	Supervisor District 4	Old Republic - Not filed in Bond Book	\$100,000
Jennings Nettles	Supervisor District 5	Old Republic	\$100,000
W. Bruce Lewis	County Administrator	Old Republic	\$100,000
David Wilkerson	Chancery Clerk	Western Surety	\$100,000
Consandra Christmas	Purchase Clerk	Old Republic	\$10,000
Mona Whitaker	Assistant Purchase Clerk	Old Republic	\$50,000
Hazel Arbuthnot	Receiving Clerk	Old Republic	\$30,000
Anna Smith	Inventory Control Clerk	No bond on file	\$75,000
Johnny Clark	Constable	Old Republic	\$25,000
Willie Thompson	Constable	Old Republic	\$25,000
Jeanettee Lynn Delaney	Circuit Clerk	Western Surety	\$100,000
Tamike Hamilton	Deputy Circuit Clerk	Western Surety	\$100,000
Reginald Jackson	Sheriff	Old Republic - Not filed in Bond Book	\$100,000
Lee Dixon	Justice Court Judge	Old Republic	\$10,000
Earnest Smith	Justice Court Judge	Old Republic - Not filed in Bond Book	\$10,000
Erika Johnson	Justice Court Clerk	Western Surety	\$100,000
Davasha Nelson	Deputy Justice Court Clerk	Old Republic - Not filed in Bond Book	\$50,000
Jeremy Ephion	Tax Assessor-Collector	Western Surety	\$100,000
Kenodria Brown O'Neal	Deputy Tax Collector	No bond on file	\$10,000
Thomas Jamal Scott	Deputy Tax Collector	Old Republic	\$50,000
Gayle Thomas	Deputy Tax Collector	No bond on file	\$50,000
Brittany Bell	Deputy Tax Collector	No bond on file	\$50,000



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

**Shad White**  
AUDITOR

June 15, 2020

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

Members of the Board of Supervisors  
Wilkinson 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 Filing of Required Retired Employee's Forms.

**Applicable State Law:** *Section 25-11-127(4), Mississippi Code Annotated (1972)*, requires counties hiring service retirees to notify PERS in writing by completing Form 4B "Certification/Acknowledgement of Reemployment of Retiree" with PERS office within five days of employment and the date of termination of the employment.

**Finding Detail:** During the testing of the County's PERS retirees, the auditor noted one instance in which the Form 4B was not completed and filed with PERS within five days of rehiring the employee.

Failure to correctly complete and submit the form 4B within five days results in noncompliance with state law.

**Recommendation:** We recommend that the Wilkinson County Board of Supervisors implement procedures to ensure that Form 4Bs are completed and filed with PERS within five days of employment.

**Official Response:** We will comply.

**Repeat Finding:** No.

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**Circuit Clerk**

**Finding 2:** Public Officials Clerk should comply with State Law over Filing Annual Financial Report.

**Applicable State Law:** *Section 9-1-45(1), Mississippi Code Annotated (1972)*, states that each Chancery and Circuit Clerk shall file, no later than April 15 of each year, with the State Auditor's Office, a true and accurate annual report on a form designed and supplied by the State Auditor's Office immediately after January 1 of each year.

**Finding Detail:** Based on the review of the Circuit Clerk annual financial reports, the auditor noted the Circuit Clerk did not file a 2017 nor 2018 annual financial report with the State Auditor's Office.

Failure to submit the annual financial report could result in the loss or misappropriation of public funds and resulted in non-compliance with state law..

**Recommendation:** We recommend the Circuit Clerk ensure that the annual financial report is filed no later than April 15<sup>th</sup> each year with the State Auditor's Office, as required by state law.

**Official Response:** Will comply with the 2019 Annual Financial Report.

**Repeat Finding:** No.

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**Finding 3:** Public Officials Should Ensure Compliance with State Laws over Statutory Requirements as County Registrar.

**Applicable State Law:** *Section 23-15-225(1)(g), Mississippi Code Annotated (1972)*, states, The registrar shall be entitled to such compensation, payable monthly out of the county treasury, which the board of supervisors of the County shall allow on an annual basis in the following amounts: (g) For counties with a total population of more than ten thousand (10,000) and not more than fifteen thousand (15,000), an amount not to exceed Thirteen Thousand Eight Hundred Dollars (\$13,800.00), but not less than Eight Thousand Fifty Dollars (\$8,050.00).

**Finding Detail:** During the testing of the Circuit Clerk's payroll, the auditor noted the Clerk was overpaid **\$344.44** as the County Registrar. The Clerk received an increase as County Registrar on July 31, 2019. The increase Registrar was not effective until January 2020.

Failure to implement the new laws in the correct fiscal year caused the Circuit Clerk to be overpaid by **\$344.44**.

**Recommendation:** We recommend the Circuit Clerk implement controls to ensure changes in state law are implemented in the correct fiscal year. Also, we recommend the Circuit Clerk to reimburse the County **\$344.44**.

**Official Response:** Will repay to county funds in a timely manner set forth by the County.

**Auditor's Note:** The Circuit Clerk **\$344.44** payment was receipted on 5/19/2020 and deposited on 5/19/2020.

**Repeat Finding:** No

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**Finding 4:** Public Officials Should Ensure Compliance with State Laws over Statutory Requirements for Conducting Elections.

**Applicable State Law:** *Section 23-15-225(5), Mississippi Code Annotated (1972)*, states, "The circuit clerk shall, in addition to any other compensation provided for by law, be entitled to receive as compensation from the board of supervisors the amount of Two Thousand Five Hundred Dollars (\$2,500.00) per year. This payment shall be for the performance of his or her duties in regard to the conduct of elections and the performance of his or her other duties."

**Finding Detail:** During the review of Wilkinson County, the auditor noted the Circuit Clerk was overpaid **\$5,496.48** for conducting elections for 2016, 2017, and 2018:

- On December 31, 2018, the Circuit Clerk submitted a letter to the Board of Supervisors requesting payment of **\$7,500** for 2015, 2016, and 2017 for conducting elections.
- On January 31, 2019, the County paid **\$15,496.48** for conducting elections for 2016, 2017, 2018, and 2019; however, a total of **\$10,000 (\$2,500** per year) should have been paid. Due to the statute of limitations, the Circuit Clerk is allowed only three years of payments, which would have been for 2016, 2017, and 2018. This resulted in the overpayment of **\$5,496.48**.

Failure of properly being compensated for conducting elections resulted in non-compliance with *Mississippi Code Section 23-15-225(5)*.

**Recommendation:** We recommend the Circuit Clerk repay the County **\$5,496.48** for the overpayment for conducting elections.

**Official Response:** Will repay to county funds in a timely manner set forth by County.

**Auditor's Note:** The Circuit Clerk **\$5,496.48** payment was receipted on 5/19/2020 and deposited on 5/19/2020.

**Repeat Finding:** No

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**Finding 5:** Public Officials Should Strengthen Internal Controls over Cash Journals.

**Internal Control Deficiency:** An effective system of internal controls over cash should include maintenance of civil and criminal cash journals monthly and reconciliation of bank statements on a monthly.

**Finding Detail:** Based on testing of the Circuit Clerk's cash journals, the auditor noted that the Circuit Clerk did not have adequate internal controls in place over cash journals. The civil and the criminal cash journals were not printed monthly for review, and the bank statements for the civil and criminal accounts were not reconciled to the cash journals.

Failure to maintain cash journals and reconcile bank statements to the cash journals could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the Circuit Clerk ensure cash journals are maintained and bank reconciliations are performed monthly.

**Official Response:** Have already begun January 2020 and will comply going forward.

**Repeat Finding:** No

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**Finding 6:** Public Officials Should Strengthen Internal Controls over the Clerk's Fee Journal.

**Internal Control Deficiency:** An effective system of internal controls over cash should include maintaining the fee journal on a monthly basis and reconciliation of bank statements monthly.

**Finding Detail:** Based on testing of the Circuit Clerk's fee journal, the auditor noted the following exceptions:

- The fee journal is not properly maintained;
- Fee journals were not printed monthly for review;
- The bank statements were not reconciled to the fee journal;
- Fee/commissions are not posted to the fee journal; and
- Fee/commissions are not deposited in the fee bank account.

The Circuit Clerk did not have adequate internal controls in place over the fee journal. Failure to properly maintain the fee journal and reconcile the bank statements to the fee journal could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the Circuit Clerk implement procedures to ensure fee journals are appropriately maintained and bank reconciliations are prepared each month. Also, fees/ commissions should be posted to the fee journal and deposited in the fee bank account daily.

**Official Response:** Will comply and have already begun in January 2020.

**Repeat Finding:** No

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### **Sheriff**

**Finding 7:** Public Officials Should Ensure Compliance with State Laws over Deposits.

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

**Finding Detail:** Based on the review of the Sheriff's Office deposits, the auditor noted that the Sheriff's department makes weekly deposits resulting in noncompliance with state law.

Failure to deposit funds within one business day of receipt of monies could result in the loss, misappropriation, fraud, waste, and/or abuse of public funds.

**Recommendation:** We recommend the Sheriff implement procedures to ensure daily deposits are made for all collections, as required by state law.

**Official Response:** Will comply effectively on February 19, 2020, on timely deposits.

**Repeat Finding:** No

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**Finding 8:** Public Official Should Strengthen Internal Controls over the Collections and Disbursements of Cash.

**Internal Control Deficiency:** An effective system of internal controls should include the separation of duties in accounting for the collections and disbursement of cash.

**Finding Detail:** During the review of the Sheriff's collections and disbursements of cash, the auditor noted the following exceptions:

- The bookkeeper receipts funds, posts to the general ledger, prepares and makes deposits, reconciles the bank statements, calculates and prepares the monthly settlements, and writes and signs checks; and
- Checks are not stamped "for deposit only" when payments are received.

The Sheriff lacks the necessary controls over the collection and disbursement of cash. Failure to separate duties over collections and disbursements of cash could result in the loss or misuse of public funds.

**Recommendation:** We recommend that the Sheriff implement procedures to ensure adequate separation of duties in accounting for the collection and disbursement of cash. Also, the Sheriff should ensure that all checks received are stamped "for deposit only."

**Official Response:** Will comply.

**Repeat Finding:** No

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### **Tax Collector/Assessor**

**Finding 9:** Public Official Should Ensure Compliance over Payments received for Successfully Completed Certifications.

**Applicable State Law:** *Section 27-3-52(5), Mississippi Code Annotated (1972)*, states, then any tax assessor and/or his deputies or assistants attend and successfully complete all qualifications pursuant to the Mississippi Education and Certification Program and received the certification level of Track II, Evaluator I, they shall receive an additional One Thousand Dollars (\$1,000) annually beginning the next fiscal year after completion

**Finding Detail:** During the testing of the County's certifications, the auditor noted the Tax Collector/Assessor received a certification of Track II, Evaluator I, in August 2014. In October 2017, the Tax Collector/Assessor received an additional \$1,000 in salary annually; however, no other certification was obtained. The Tax Collector/Assessor received additional unallowable payments of \$1,000 from October 2017 to December 2019, resulting in an overpayment of **\$3,749.93**.

Failure to have strong internal controls resulted in the Tax Collector/Assessor being in noncompliance with *Mississippi Code Section 27-3-52(5)*.

**Recommendation:** We recommend the Tax Collector/Assessor ensure that any increase in salary is properly obtained with the required certifications. Also, the Tax Collector/Assessor should repay **\$3,749.93** to the County.

**Official Response:** Will pay back the **\$3,749.93**.

**Auditor's Note:** The Tax Collector/Assessor paid **\$3,749.93** on 5/19/2020. The payment was receipted on 5/19/2020 and deposited on 5/19/2020.

**Repeat Finding:** No.

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### **Board of Supervisors, County Administrator, Chancery Clerk, Circuit Clerk, Tax Assessor/Collector, Justice Court Clerk, Purchase Clerk, Receiving Clerk, Inventory Clerk, Sheriff, Justice Court Judge.**

**Finding 10:** Public Officials Should Ensure Compliance with State Law over Surety Bonding Requirements.

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

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

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

*Section 19-4-9, Mississippi Code Annotated (1972)*, requires the County Administrator's bond should not exceed \$100,000.

*Section 31-7-124, Mississippi Code Annotated (1972)*, requires the Inventory Clerk should be bonded for no less than \$75,000.

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

*Sections 27-1-1 and 27-1-9(a), Mississippi Code Annotated (1972)*, requires Deputy Tax Collectors and Deputy Tax Assessors be bonded no less than \$50,000.

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

*Section 31-7-124, Mississippi Code Annotated (1972)*, requires the Purchase Clerk should be bonded for no less than \$75,000.

*Section 31-7-124, Mississippi Code Annotated (1972)*, requires the Receiving Clerk should be bonded for no less than \$75,000.

*Section 9-11-29(2), Mississippi Code Annotated (1972)*, requires the Justice Court Judge should be bonded for no less than \$50,000

**Finding Detail:** During the testing of the County's surety bonds, the auditor noted the following exceptions:

- Bonds were renewed by payment of invoices and there is no updated bond on file for:
  - One Constable,
  - Circuit Clerk, Justice Clerk,
  - Tax Collector/Assessor, and
  - County Administrator;
- Dates of coverage could not be determined for:
  - One Constable
  - Circuit Clerk,
  - Justice Court Clerk,
  - Tax Collector, and
  - County Administrator;
- Bonds were obtained but were not on file in the bond book for:
  - Two Board of Supervisors,
  - Sheriff,
  - One Justice Court Judge, and
  - One Justice Court Clerk;
- There was no evidence of bonds for:
  - Three Deputy Tax Collectors, and
  - Two Deputy Circuit Clerks;
- The Purchase Clerk and one Justice Court Judge have Surety Riders;
- The Purchase Clerk, Receiving Clerk, two Constables, and Justice Court Judge were not bonded for the statutorily required amount;
- The bonds of the following County officials and employees were either with a Continuation Certificate or issued for an indefinite period of time:
  - Four Board of Supervisors;
  - Sheriff;
  - Purchase Clerk;

- One Constable;
- Two Justice Court Judges;
- Deputy Justice Court Clerk;
- Receiving Clerk; and
- Deputy Circuit Clerk.

A “Continuation Certificate” is a document that extends the life of the original surety bond and covers only the current period rather than both the current and previous periods.

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

**Recommendation:** We recommend the County should implement procedures to ensure the County Officials and employees' bonds meet the requirements of State Laws.

**Official Response:** We will comply.

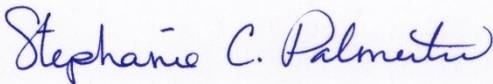
**Repeat Finding:** No

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

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

Sincerely,



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