

GREENE COUNTY MISSISSIPPI

COMPLIANCE REPORT

Compliance Special Reports
For the year ended *September 30, 2020*

SHAD WHITE, CFE
State Auditor

Stephanie C. Palmertree, CPA, CFE, CGMA
Deputy State Auditor

Joe E. McKnight, CPA
Director, County Audit Section



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GREENE COUNTY

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GREENE COUNTY

SPECIAL REPORTS



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

**Shad White
AUDITOR**

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

Members of the Board of Supervisors
Greene County, Mississippi

We have examined Greene 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, 2020. The Board of Supervisors of Greene 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 Greene 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 Purchasing.

Applicable State Law: *Section 31-7-103, Mississippi Code Annotated (1972)*, requires a purchase requisition, purchase order, and receiving report for all purchases of more than One Thousand Dollars (\$1,000.00) in the aggregate. Further, the Purchase Clerk is required to maintain the central purchasing system of the county.

Section 31-7-13, Mississippi Code Annotated (2013), states, “Motor vehicles or other equipment purchased from a federal agency or authority, another governing authority or state agency of the State of Mississippi, or any governing authority or state agency of another state at a public auction held for the purpose of disposing of such vehicles or other equipment. Any purchase by a governing authority under the exemption authorized by this subparagraph (v) shall require advance authorization spread upon the minutes of the governing authority to include the listing of the item or items authorized to be purchased and the maximum bid authorized to be paid for each item or items.”

Finding Detail: During the review of the County’s purchasing, the auditors noted the following exceptions out of the 20 samples tested:

- Three instances where the receiving report was dated prior to the purchase order date.
- One instance of a purchase requisition completed without a date.
- One instance of a purchase missing the required purchase order form and purchase requisition form.
- One instance of a vehicle bought at auction without prior approval spread upon the board minutes.

Failure to follow purchasing requirements could lead to misappropriation of public funds.

Recommendation: We recommend the County ensure compliance by assuring that purchasing documents are properly completed, present and available. Also, the purchase of vehicles or other equipment made at a public auction are required to have advance authorization spread upon the minutes of the Board.

Official Response: The purchase clerk will ensure all purchasing documents are properly completed.

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)*.

Greene 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 Greene 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,



JOE E. MCKNIGHT, CPA
Director, County Audit Section
Office of the State Auditor

GREENE COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2020

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

GREENE COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2020

Schedule 2

Our tests did not identify any emergency purchases.

GREENE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2020

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

GREENE COUNTY

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**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
Greene 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 2020 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 the Preparation and Approval of the Final Amended Budget.

Applicable State Law: *Section 19-11-11, Mississippi Code Annotated (1972)*, requires the Board of Supervisors to, by resolution, approve and adopt the budget as finally determined and enter the same at length and in detail in its official minutes.

Finding Detail: During the review of the County's budgets, the auditors noted that it did not approve a final amended budget for fiscal year 2020. As a result, the approval and detail of the final amended budget were not included in the minutes of the Board of Supervisors.

Failure to approve the final amended budget could result in misappropriation of public funds and resulted in noncompliance with state law.

Recommendation: We recommend the County ensure compliance by assuring to prepare, approve, and spread the final

amended budget on the minutes each year, as required by state law.

Official Response: The Board gives authorization in the minutes for the Chancery Clerk and Comptroller to amend the budget to close out the fiscal year. Going forward this issue will be resolved and the documents will be recorded in the minutes for each fiscal year.

Repeat Finding: No.

Finding 2: Public Officials Should Ensure Compliance with State Law over Budgeted Expenditures.

Applicable State Law: *Section 19-11-17, Mississippi Code Annotated (1972)*, prohibits the incurring of expenditures in excess of the final budget as approved by the Board of Supervisors.

Finding Detail: During the review of the County's final amended budget, the auditors noted that the actual expenditures exceeded budgeted amounts in the General Fund by **\$79,519** for General Government expenditures for fiscal year 2020.

Failure to limit actual expenditures to budgeted amounts could result in the County having insufficient funds to pay for expenditures and resulted in noncompliance with state law.

Recommendation: We recommend the County ensure compliance by assuring that expenditures are not made in excess of budgeted amounts, as required by state law.

Official Response: This finding was due to a journal entry posting to correct funds recorded in the previous fiscal year. The county does not see this as being a reoccurring issue.

Repeat Finding: No.

Finding 3: Public Officials Should Ensure Compliance with State Law over Advertising and Obtaining Depository Bids.

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, thereafter at such other interval of time as determined by the board of supervisors, but no less frequently than every four (4) years, 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 the County's depository, the auditors noted the Board of Supervisors did not advertise nor receive bids from financial institutions prior to selecting a county depository.

Failure to advertise for public depositories resulted in noncompliance with state law.

Recommendation: We recommend the County ensure compliance by assuring that it advertises and approves its bank depository, as required by state law.

Official Response: We have advertised since this time period and will continue to do so as required by statute.

Repeat Finding: No.

Board of Supervisors and Chancery Clerk.

Finding 4: Public Officials Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Law: *Section 25-1-15, Mississippi Code Annotated (1972)*, requires public officers and employees to obtain a new bond at the beginning of each new term of office or 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.

Finding Detail: During the review of the County's surety bonds, the auditors noted the following exceptions:

- Seventeen County officials and employees were covered by a continuation certificate:
 - One Board of Supervisor
 - Chancery Clerk
 - County Comptroller
 - Purchase Clerk
 - Receiving Clerk
 - Road Manager
 - Two Deputy Circuit Clerks
 - One Constable
 - Sheriff
 - One Justice Court Judge
 - Justice Court Clerk
 - Two Deputy Justice Court Clerks
 - Tax Assessor-Collector
 - Two Deputy Tax Assessor-Collectors
- Two road managers were not bonded for the full fiscal year 2020; and
- One Constable and Inventory Control Clerk were covered by indefinite bonds; instead of official surety bonds.

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. In the event of fraud or misappropriation of funds, having continuation certificates instead of new bonds could limit the amount available for recovery if the loss occurred over multiple terms

Failure to ensure all employees are correctly and sufficiently bonded resulted in noncompliance with state law and regulations.

Recommendation: We recommend the County ensure compliance by assuring that all County officials are properly and sufficiently bonded, as required by state law.

Official Response: The Board of Supervisors have implemented procedures to ensure all employees and officials are bonded properly and that each bond meets the required statutes.

Repeat Finding: No.

Greene 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 black ink, appearing to read "Joe E. McKnight". The signature is fluid and cursive, with a long horizontal stroke at the end.

JOE E. MCKNIGHT, CPA
Director, County Audit Section
Office of the State Auditor

GREENE COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2020
UNAUDITED

Name	Position	Company	Bond
Dillon McInnis	Supervisor District 1	Liberty Mutual	\$100,000
Elton Clark	Supervisor District 2	Liberty Mutual	\$100,000
Wayburn Danny Smith	Supervisor District 3	Liberty Mutual	\$100,000
John W. Barrow	Supervisor District 4	Liberty Mutual	\$100,000
Gary Fairley	Supervisor District 5	Liberty Mutual	\$100,000
Michelle Eubanks	Chancery Clerk	Liberty Mutual	\$100,000
Lavon Pringle	Purchase Clerk	Liberty Mutual	\$75,000
Angela Pearce	Receiving Clerk	Liberty Mutual	\$75,000
Harvey Grimes	Assistant Receiving Clerk	Liberty Mutual	\$75,000
Kenny Dixon	Assistant Receiving Clerk	Liberty Mutual	\$75,000
Dorothy Woods	Assistant Receiving Clerk	Western Surety Company	\$75,000
Jerald Thompson	Assistant Receiving Clerk	Liberty Mutual	\$75,000
Patti Zehner	Inventory Control Clerk	Liberty Mutual	\$75,000
Harvey Grimes	Road Manager	Liberty Mutual	\$50,000
Kenny Dixon	Road Manager	Liberty Mutual	\$75,000
Dorothy Woods	Road Manager	Western Surety Company	\$75,000
Jerald Thompson	Road Manager	Liberty Mutual	\$75,000
Luke Silas	Road Manager	Liberty Mutual	\$75,000
Rayn Walley	Constable	Liberty Mutual	\$50,000
James Wilkins	Constable	Travelers Casualty	\$100,000
Cecelia Bound	Circuit Clerk	Liberty Mutual	\$100,000
Renee Green	Deputy Circuit Clerk	Western Surety Company	\$75,000
Pertina Benjamin	Deputy Circuit Clerk	Western Surety Company	\$75,000
Emily Smith	Deputy Circuit Clerk	Liberty Mutual	\$75,000
Stanley McLeod	Sheriff	Liberty Mutual	\$100,000
Jeffrey W. Byrd	Justice Court Judge	Liberty Mutual	\$50,000
Shannon Busby	Justice Court Judge	Liberty Mutual	\$100,000
Brenda Moreno	Justice Court Clerk	Liberty Mutual	\$50,000
Rita Walley	Deputy Justice Court Clerk	Liberty Mutual	\$50,000
Victoria Moss	Deputy Justice Court Clerk	Liberty Mutual	\$75,000
Mark Holder	Tax Assessor-Collector	Liberty Mutual	\$100,000
Melanie J. Hession	Deputy Tax Assessor-Collector	Western Surety Company	\$75,000
Vonda Matthews	Deputy Tax Assessor-Collector	Western Surety Company	\$25,000
Tammy Kittrell	Deputy Tax Assessor-Collector	Western Surety Company	\$75,000
Tyson Moreno	Comptroller	Liberty Mutual	\$100,000