

# JASPER 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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## JASPER COUNTY

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## JASPER 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  
Jasper County, Mississippi

We have examined Jasper 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 Jasper 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 Jasper 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.

Based upon procedures performed, auditors noted Jasper County, Mississippi complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2020.

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)*.

Jasper 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 Jasper 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

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JASPER COUNTY

Schedule 1

Schedule of Purchases Not Made from the Lowest Bidder

For the Year Ended September 30, 2020

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

JASPER COUNTY

Schedule of Emergency Purchases

For the Year Ended September 30, 2020

Schedule 2

Our tests did not identify any emergency purchases.



JASPER 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.



**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  
Jasper 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:

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**Board of Supervisors**

**Finding 1:** Public Officials Should Ensure Compliance with State Law over Budget Amendments.

**Applicable State Law:** *Section 19-11-19, Mississippi Code Annotated (1972)* states, "The board of supervisors may revise the budget of expenses at any regular meeting during the fiscal year by increasing or decreasing the items of said budget in proportion to the increase or decrease in the anticipated revenue collections and / or other sources of funds."

**Finding Detail:** During the review of the County's Board minutes, the auditors noted budget amendments were not approved as they occurred for the fiscal year.

Failure to record all known budget amendments could lead to the misappropriation of public funds and resulted in noncompliance with state law.

**Recommendation:** We recommend the County ensure compliance by assuring to record all budget amendments in the board minutes as they occur, as required by state law.

**Official's Response:** Budget amendments do not occur monthly. Fund transfers are approved periodically by board order, but actual changes to budget are not mentioned in board order. Starting December 1, 2021, any and all fund transfer board orders will be worded to include amendments to the current fiscal year budget.

**Repeat Finding:** No

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**Board of Supervisors and Sheriff.**

**Finding 2:** Public Officials Should Strengthen Internal Controls over Petty Cash Reimbursements.

**Internal Control Deficiency:** An effective system of internal control over petty cash for the Sheriff's Office should include the Board to require vouchers to be prepared prior to reimbursement.

**Finding Detail:** During the review of the County's petty cash, the auditors noted that the Board of Supervisors did not require the Sheriff's office to submit vouchers in order to reimburse the Sheriff's petty cash fund.

Failure to justify reimbursements for the petty cash fund could result in the loss of public funds.

**Recommendation:** We recommend the County strengthen internal controls by implementing adequate procedures that require that vouchers be submitted before reimbursing the Sheriff's Office.

**Official's Response:** We will comply.

**Repeat Finding:** No.

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**Chancery Clerk.**

**Finding 3:** Public Officials Should Strengthen Internal Controls over the Maintenance of the Fee Journal.

**Internal Control Deficiency:** An effective system of internal control over the collection, recording, and disbursement of cash should include maintaining a fee journal and the supporting documentation.

**Finding Detail:** During the testing of the County's fee journal, the auditors noted the Chancery Clerk's fee journal did not post daily collections when received. Said collections were posted in lump sums. In addition, auditors noted various errors in the posting of receipts and checks.

Without necessary controls over the recording of the fee journal and supporting documentation, inaccurate information may be reported and increases the likelihood of loss or misappropriation of public funds.

**Recommendation:** We recommend the County strengthen internal controls by implementing adequate procedures to assure the Chancery Clerk properly maintains the fee journal and supporting documentation. Fee journal deposits should be posted daily, transactions should be posted when received or paid, and transactions of the fee journal should balance and be properly classified.

**Official's Response:** I will comply with the recommendations of the State Auditor's Office.

**Repeat Finding:** No.

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**Finding 4:** Public Officials Should Strengthen Internal Controls over Reconciliation of Bank Statements to the Fee Journal.

**Internal Control Deficiency:** An effective system of internal control should include maintaining a fee journal and reconciling the bank statement to the fee journal.

**Finding Detail:** During the testing of the County's bank reconciliations, the auditors noted the reconciliations prepared by the Chancery Clerk had incorrect reconciling items. Said items were outstanding deposits from the land redemption account, which the Clerk did not have in their possession until much later in the following month.

Erroneous amounts on the reconciliation could result in the misappropriation or loss of public funds.

**Recommendation:** We recommend the County strengthen internal controls by implementing adequate procedures to ensure Chancery Clerk's reconciliations are properly prepared in a timely manner in order to ensure all items have been recorded.

**Official's Response:** I will comply with the recommendations of the State Auditor's Office.

**Repeat Finding:** No.

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**Finding 5:** Public Officials Should Ensure Compliance with State Law over Annual Financial Reports.

**Applicable State Law:** *Section 9-1-45(1), Mississippi Code Annotated (1972)*, states, "Each Chancery and Circuit Clerk shall file, not later than April 15<sup>th</sup> 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<sup>st</sup> 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. The Chancery and Circuit Clerk are responsible for providing all adequate amounts for revenues and expenses related to their office."

**Finding Detail:** During the review of the County, the auditors noted the following exceptions in regards to the Chancery Clerk's 2020 Annual Financial Report:

- \$6,688 in fee revenue was erroneously unrecorded on the fee journal and the 2020 Annual Financial Report; and
- In addition, we disallowed a total of \$708 expenses because the clerk did not have backing documentation for said expenses and said expenses were not allowable expenses. After recalculation of the 2020 Annual Financial Report, the Clerk owed additional over the cap fees owed to the county totaling \$7,396.

Understating fee revenue and claiming disallowed expenses could result in additional amounts being owed to the County.

**Recommendation:** We recommend the County ensure compliance by assuring that the Chancery Clerk file an amended 2020 Annual Financial Report with the Office of the State Auditor and the Public Employees' Retirement System of Mississippi. Also, the Chancery Clerk should establish a system of controls to ensure the fee journal is accurate and complete, and that all expenses are adequately documented.

**Official's Response:** I will comply with the recommendations of the State Auditor's Office.

**Repeat Finding:** No

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**Circuit Clerk.**

**Finding 6:** Public Officials Should Strengthen Internal Controls over Daily Deposits.

**Internal Control Deficiency:** An effective system of internal control over cash should include making daily bank deposits.

**Finding Detail:** During the review of the County's deposits, the auditor tested 20 receipts and noted seven instances in which the Circuit Clerk neglected to make deposits in a timely manner.

Failure to implement proper internal controls could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the County strengthen internal controls by implementing adequate procedures to ensure the Circuit Clerk makes bank deposits daily.

**Official's Response:** I will comply.

**Repeat Finding:** No.

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#### **Justice Court Clerk.**

**Finding 7:** Public Officials Should Strengthen Internal Controls over Daily Deposits.

**Internal Control Deficiency:** An effective system of internal control over cash should include making daily bank deposits.

**Finding Detail:** During the review of the County's deposits, the auditors tested 20 receipts and noted three instances in which the Justice Court Clerk neglected to make deposits in a timely manner.

Failure to implement proper internal controls could result in the loss or misappropriation of public funds.

**Recommendation:** We recommend the County strengthen internal controls by implementing adequate procedures to ensure the Justice Court Clerk makes bank deposits daily.

**Official Response:** I will comply and make daily deposits.

**Repeat Finding:** No

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#### **Tax Assessor / Collector.**

**Finding 8:** Public Officials Should Ensure Compliance with State Law over Surety Bonds.

**Applicable State Law:** *Section 27-1-3, Mississippi Code Annotated (1972)*, states, "The Tax 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. In addition, *Section 25-1-15(4), Miss Code Ann. (1972)* states all blanket bonds given on positions covered and insured by said blanket bond. A new bond in an amount not less than that required by law for public employees shall be secured at the beginning of each new term of office of the public or appointed official by whom they are employed, if applicable, or at least every four (4) years concurrent with the normal election cycle of the Governor."

**Finding Detail:** During the review of the County's surety bonds, the auditors noted that three Deputy Tax Assessors were improperly bonded during fiscal year 2020.

Failure to obtain individual bonds for the appropriate period of time could limit the amount of recovery in case of errors or fraud.

**Recommendation:** We recommend the County ensure compliance by assuring that all Deputy Tax Assessors are properly bonded for a period of time concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee, as required by state law.

**Official's Response:** I was not aware. I will comply.

**Repeat Finding:** No.

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**Finding 9:** Public Officials Should Ensure Compliance with State Law over Surety Bonds.

**Applicable State Law:** *Section 27-1-9(a), Mississippi Code Annotated (1972)*, states, "Each deputy tax collector shall give bond to be payable, conditioned and approved as provided by law in an amount not less than Fifty Thousand Dollars (\$50,000.00) for the faithful discharge of his duties. In addition, *Section 25-1-15(4), Miss Code Annotated (1972)* states all blanket bonds given on positions covered and insured by said blanket bond. A new bond in an amount not less than that required by law for public employees shall be secured at the beginning of each new term of office of the public or appointed official by whom they are employed, if applicable, or at least every four (4) years concurrent with the normal election cycle of the Governor."

**Finding Detail:** During the review of the County's surety bonds, the auditors noted three Deputy Tax Collector Clerks were covered by a blanket bond for an indefinite period of time.

Failure to obtain individual bonds for the appropriate period of time could limit the amount of recovery in case of errors or fraud.

**Recommendation:** We recommend the County ensure compliance by assuring that all Deputy Tax Collectors are properly bonded for a period of time concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee, as required by state law.

**Official's Response:** I was not aware. I will comply.

**Repeat Finding:** No.

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Jasper 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,



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

JASPER COUNTY

Schedule of Surety Bond for County Officials

For the Year Ended September 30, 2020

UNAUDITED

Name	Position	Bonding Company	Bond Amount
Eddie Helms	Supervisor District 1	RLI Insurance Company	\$ 100,000
Sandy Stephens	Supervisor District 2	RLI Insurance Company	\$ 100,000
Doug Rogers	Supervisor District 3	RLI Insurance Company	\$ 100,000
Randy Corley	Supervisor District 4	RLI Insurance Company	\$ 100,000
Curtis Gray, Sr.	Supervisor District 5	RLI Insurance Company	\$ 100,000
Sharon G. King	Chancery Clerk	RLI Insurance Company	\$ 100,000
Bonita Huddleston	Deputy Chancery Clerk	RLI Insurance Company	\$ 50,000
Jessica Lamar	Deputy Chancery Clerk	RLI Insurance Company	\$ 50,000
Sherrie Campbell	Purchase Clerk	RLI Insurance Company	\$ 75,000
Jessica Lamar	Receiving Clerk	RLI Insurance Company	\$ 75,000
Cindy Hendry	Inventory Control Clerk	Western Surety Company	\$ 75,000
Billy Rayner	Circuit Clerk	RLI Insurance Company	\$ 100,000
Mary Ann Thigpen	Deputy Circuit Clerk	RLI Insurance Company	\$ 50,000
Terri Stevens	Deputy Circuit Clerk	RLI Insurance Company	\$ 50,000
Teresa Jones	Deputy Circuit Clerk	RLI Insurance Company	\$ 50,000
Keith Barlow	Constable	RLI Insurance Company	\$ 50,000
Daniel Gilmore	Constable	RLI Insurance Company	\$ 50,000
Randy Johnson	Sheriff	RLI Insurance Company	\$ 100,000
Sullivan Dukes	Justice Court Judge	RLI Insurance Company	\$ 50,000
Marvin Jones	Justice Court Judge	RLI Insurance Company	\$ 50,000
Lydia Pittman	Justice Court Clerk	RLI Insurance Company	\$ 50,000
Hope McCullum	Deputy Justice Court Clerk	RLI Insurance Company	\$ 50,000

Lashana Stevens	Deputy Justice Court Clerk	RLI Insurance Company	\$ 50,000
Tim McRee	Tax Assessor-Collector	RLI Insurance Company	\$ 100,000
Blanket Bond	(3) Deputy Tax Collector/ Assessor	RLI Insurance Company	\$ 100,000