

# SOUTH DELTA SCHOOL DISTRICT MISSISSIPPI

## **COMPLIANCE REPORT**

Limited Internal Control Compliance Review and Management Report  
For the year ended *June 30, 2020*

**SHAD WHITE**  
**State Auditor**

**Stephanie C. Palmertree, CPA, CGMA**  
Deputy State Auditor  
**Charlotte Duckworth**  
Director, *Compliance Audit Division*



*The Office of the State Auditor does not discriminate on the basis of  
race, religion, national origin, sex, age or disability.*



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**Limited Internal Control and Compliance Review Management Report**

South Delta School District Board  
106 Athletic Drive  
Rolling Fork, MS 39159

Dear Members of the South Delta School Board:

Enclosed for your review are the Limited Internal Control and Compliance Review Findings for the South Delta School District for the fiscal year 2020. In these findings, the Auditor's Office recommends the South Delta School District:

1. Strengthen Internal Controls over Activity Fund Cash Receipts;
2. Strengthen Internal Controls and Ensure Compliance with State Law over Annual Reconciliation of Public Funds;
3. Ensure Compliance with State Law over Sole Source Purchases;
4. Ensure Compliance with State Law over Emergency Purchases;
5. Ensure Compliance with State Law over School Bus Purchases;
6. Ensure Compliance with State Law over Purchase over \$5,000 but less than \$50,000;
7. Ensure Compliance with State Law over Sixteenth Section Appraisals, Lease Payments, and Taxes;
8. Ensure Compliance with State Law over Reemployment of Retired Public Employees;
9. Ensure Compliance with State Law over Surety Bonds; and
10. Ensure Compliance with State Law over Personnel Files.

Please review the recommendations and submit a plan to implement them by October 3, 2022. 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 Delta 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 written in a cursive style with a large initial 'S' and a stylized 'P'.

STEPHANIE PALMERTREE, CPA, CGMA  
Deputy State Auditor  
Office of the State Auditor

The Office of the State Auditor has completed its limited internal control and compliance review of the South Delta School District for the year ended **June 30, 2020**.

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 deficiency in internal control over financial reporting that we consider to be significant deficiency. These matters are noted under the heading **SIGNIFICANT DEFICIENCY**. We also noted certain a deficiency in controls that we noted under the heading **OTHER DEFICIENCY**.

We noted certain instances of noncompliance with state laws that require the attention of management. These matters are noted under the headings **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. The Auditor's Office has also made a recommendation for management's consideration that it is not in violation of state law.

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## **SIGNIFICANT DEFICIENCY**

**Finding 1:** The School District Should Strengthen Internal Controls over Activity Fund Receipts.

**Internal Control Deficiency:** *The Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Tread-way Commission* specifies that a satisfactory control environment is only effective when there are adequate control activities in place. Good internal controls require the functions of processing, recording transactions, and maintaining custody of related assets be properly recorded to ensure the assets are safeguarded against loss from unauthorized use or theft.

Management is responsible for ensuring that all revenue is correctly earned, recorded, and deposited in order to safeguard the assets of the School District. A critical aspect of internal controls is ensuring the total amount of revenue equals the total amount deposited.

**Finding Detail:** During the testing of the School District's activity funds, the auditor noted the following exceptions:

- Two instances in which deposits were less than total ticket sales, totaling **\$10**; and
- Six instances in which deposits were in excess of tickets sold, totaling **\$70**.

Inadequate internal controls related to activity funds revenue collections and proper receipting could result in a loss of assets and improper revenue recognition.

**Recommendation:** We recommend the South Delta School District strengthen controls over activity funds by enforcing policies and procedures to ensure receipts from all activity funds are safeguarded, adequately recognized, and recorded.

**District's Response:** Our gate workers do not always end with the exact amount of money that is showing on the ticket sheet. They are asked to do their best in retuning change, and we ask them to deposit all funds at the end of the night. We will ask them to do their best to have the exact amount of deposits to reconcile to ticket forms.

**Repeat Finding:** No.

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## OTHER DEFICIENCY AND INSTANCE OF NONCOMPLIANCE WITH STATE LAW

**Finding 2:** The School District Should Strengthen Internal Controls and Ensure Compliance with State Law over the Reconciliation of the Public Depositor's Annual Report.

**Internal Control Deficiency:** An effective system of internal control over the recording of transactions for the School District's investment accounts should include proper classification of revenues, expenditures/expenses, gains, and losses. Management is responsible for accurately reporting year-end balances of its investments in the State Treasurer's Report, financial statements and general ledger.

**Applicable State Law:** *Section 27-105-5(6)(b), Mississippi Code Annotated (1972)*, requires that not later than thirty (30) days following its fiscal year-end, a public depositor shall notify the State Treasurer of its official name, address, federal tax number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year-end.

**Finding Detail:** During the review of School District's Public Depositor Annual Reports, the auditor noted the following exceptions:

- The 2019 Public Depositor Annual Report was not submitted to the State Treasurer's Office; and
- On the 2020 Public Depositor Annual Report, the Certificates of Deposit statement had a year-end investment balance of **\$7,105,622**; however, the School District reported the balance of **\$7,000,000** to the State Treasurer's Office, which is an understatement by **\$105,622**.

Failure to submit the Public Depositor Annual Report promptly and accurately could result in the State Treasurer's Office having inaccurate records and increases the risk that the District's total deposits may not be properly collateralized. Also, failure to reconcile and record all transactions within the general ledger from its investment accounts resulted in the School District reporting the investments balances incorrectly at year-end, which could result in the misappropriation or loss of public funds.

**Recommendation:** We recommend the South Delta School District strengthen controls and ensure compliance by developing procedures to ensure the Public Depositor Annual Report is submitted to the State Treasurer's Office within 30 days of fiscal year-end with accurate bank balances, as required by state law. Additionally, we recommend the School Board implement a system of internal controls that will ensure the School District's investment account year-end balances are correctly recorded in the general ledger and financial statements.

**District's Response:** We were not aware that we should include accrued interest for certificates of deposits in the report. We will add the accrued interest on future reports. A copy of the signed report was in our files and the original was

mailed. I do not know why they did not receive the form. I emailed the Treasurer's office and was told that it could have been a mistake on their end in receiving the report. I emailed and mailed them a copy of our signed form on 8/26/2020 and 8/27/2020.

**Repeat Finding:** No.

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## INSTANCES OF NONCOMPLIANCE WITH STATE LAW

**Finding 3:** The School District Should Ensure Compliance with State Law over Sole – Source Purchases.

**Applicable State Law:** *Section 31-7-13(m)(viii), Mississippi Code Annotated (1972)*, states, “Noncompetitive items available from one (1) source only. In connection with the purchase of noncompetitive items only 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.”

*Attorney General Opinion No. 2012-00158*, states, “The ultimate goal of the public purchasing statute, found at *Mississippi Code Annotated Section 31-7-13*, is to encourage competition to ensure efficiency and economy in purchases made by public entities. In fact, *Section 31-7-13(c)(iv)(1)*, specifically prohibits a public entity from writing bid specifications that exclude comparable equipment. However, clearly, the Legislature intended, in its adoption of *Section 31-7-13(c)(iv)(1)*, to create an exemption to that prohibition. *Section 31-7-13(c)(iv)(1)* provides the following: Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. However, if valid justification is presented, the Department of Finance and Administration or the board of a governing authority may approve a request for a specific equipment necessary to perform a specific job.”

**Finding Detail:** During the testing of the School District's purchasing procedures, the auditor noted the School Board approved two sole – source purchases of Apple MacBooks and iPads, totaling **\$36,878**.

The District relied on a letter from Apple, Inc., which stated that Apple, Inc. was a sole-source provider; however, by definition of sole source in Mississippi purchase law and as defined by the Attorney General of Mississippi, vendors cannot claim sole – source distinction based on trademark or copyright of a brand. While Apple, Inc. produces Apple products such as the Mac Book and iPad, similar laptops and tablets are produced by other vendors. Additionally, Apple products can be purchased from third party vendors and are not distinctly sold by Apple, Inc.

Failure to follow purchasing laws could result in fraud or misappropriation of public monies and resulted in the District's non-compliance with state law.

**Recommendation:** We recommend the South Delta School District ensure purchases are in compliance with *Section 31-7-13(c)(iv)(1), Mississippi Code Annotated (1972)*.

**District's Response:** Our Board approved the one Apple purchase on June 12, 2018. At the time, we were not aware that there were issues with Apple purchases. In the future, we will follow procedures, when purchasing from Apple.

**Repeat Finding:** No.

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**Finding 4:** The School District Should Ensure Compliance with State Law over Emergency Purchases.

**Applicable State Law:** *Section 31-7-13(c), Mississippi Code Annotated (1972)*, requires the District may obtain from the lowest and best bidder after advertising for two (2) consecutive weeks in the local newspaper when the expenditure is in excess of \$50,000 exclusive of freight and shipping charges.

*Section 31-7-13(k), Mississippi Code Annotated (1972)*, states, “If the governing authority, or the governing authority acting through its designee, shall determine that an emergency exists in regard to the purchase of any commodities or repair so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the governing authority...At the board meeting next following the emergency purchase or repair contract, documentation of the purchase or repair contract, including a description of the commodity purchased, the price thereof and the nature of the emergency shall be presented to the board and shall be place on the minutes of the board for such governing authority.”

**Finding Detail:** During the testing of the School District’s purchasing expenditures, the auditor noted that on September 16, 2019 the School Board declared an emergency purchase for repairs of the high school’s roof, totaling **\$135,711**; however, the District did not complete repairs at that time. The School Board did not approve payment for the repairs until May 12, 2020; therefore, this repair does not meet the criteria of an emergency purchase.

Based on the timing of this repair, it was not detrimental to the interest of the District. Failure by the School District to advertise purchases for competitive bids resulted in the District’s noncompliance with state purchasing laws.

**Recommendation:** We recommend the South Delta School District ensure compliance with *Mississippi Code Section 31-7-1(c)* or *31-7-13(k)* by properly obtaining competitive bids or declaring an emergency for purchases over \$50,000, as required by law.

**District’s Response:** The emergency resolution was approved on March 16, 2020. The insurance company gave us the amount that they would claim as a loss amount and the contractor agreed to do the work for that agreed upon amount. The work started in April and the first payment was made in May.

**Auditor’s Note:** Based on the timing of the declaration of the emergency and the payment of the claim, the repairs to the High School roof does not meet the criteria as an emergency. The Board of Education should approve emergency purchases only for repairs or commodities of immediate needs of the District.

**Repeat Finding:** No.

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**Finding 5:** The School District Should Ensure Compliance with State Law over the Purchase of School Buses.

**Applicable State Law:** *Section 37-41-101, Mississippi Code Annotated (1972)*, specifically states no School Board of any District may purchase or lease a school bus for the transportation of its pupils without the authorization of the State Board of Education. Furthermore, for the safety of the District’s pupils, all school buses purchased or lease must conform with the specification of the State Board of Education.

**Finding Detail:** During the testing of the School District’s purchasing expenditures, the auditor noted the Board approved the purchase of school buses, totaling **\$266,650**; however, there was no evidence of approval from the Mississippi Department of Education.



Failure to submit and obtain the approval of school bus purchases from the Mississippi Department of Education resulted in a violation of *Section 37-41-101* and could result in the District's school bus purchases not meeting the specifications required for the safety of the District's pupils.

**Recommendation:** We recommend the South Delta School District ensure compliance by developing internal control procedures to ensure all school bus purchases have been approved by the Mississippi Department of Education as required by state law.

**District's Response:** We are all now aware of the requirements and will make sure that all requirements are met before we purchase buses in the future.

**Repeat Finding:** No.

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**Finding 6:** The School District Should Ensure Compliance with State Law over Obtaining Quotes for Purchases over \$5,000 But Not Over \$50,000.

**Applicable State Law:** *Section 31-7-13(b), Mississippi Code Annotated (1972)*, requires the District to obtain at least two (2) competitive written bids for purchases over \$5,000 but not over \$50,000 exclusive of freight and shipping charges. The District is required to accept the lowest and best competitive written bid.

**Finding Detail:** During the testing of the School District's purchasing procedures, the auditor noted the District accepted a quote from Evans Construction of MS totaling **\$5,840**; however, the second quote obtained was not comparable.

Failure to obtain at least two competitive bids resulted in the School District not being in compliance with State purchasing laws.

**Recommendation:** We recommend the South Delta School District ensure compliance with *Section 31-7-13(b), Mississippi Code Annotated (1972)*, by properly obtaining at least two bids for purchases over \$5,000 but not over \$50,000, as required by law.

**District's Response:** We will make sure that all quotes have comparable descriptions in the future.

**Repeat Finding:** No.

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**Finding 7:** The School District Should Ensure Compliance with State Law over Sixteenth Section Lease Payments, Taxes, and Appraisals.

**Applicable State Law:** *Section 29-3-57, Mississippi Code Annotated (1972)*, states, "The superintendent of education shall keep a current docket as to the expiration date of all leases on sixteenth section lands; likewise, he shall keep a correct current docket upon the existing leases or any extensions thereof as to the amounts and time of payment of rentals provided for by such lease. It shall be the duty of the superintendent of education to collect promptly all rentals due and all principal and interest due upon loans and investments of sixteenth section funds. Upon a sixty (60) day default in payment of any rentals according to the terms of such lease, the lease shall be declared terminated unless the board of education finds extenuating circumstances were present, and the board shall inaugurate the proper legal proceedings to terminate such lease."

*Section 29-3-71, Mississippi Code Annotated (1972)*, states, “Sixteenth section lands reserved for the use of schools, or land reserved or granted in lieu of or as a substitute for the sixteenth sections, shall be liable, after the same shall have been leased, to be taxes as other lands are taxes during the continuance of the lease, but in case of sale thereof for taxes, only the title of the lessee or his heirs or assigns shall pass by the sale.” In addition, the standard lease agreement used by the district between the lessee and lessor state, “Lessee shall pay all taxes levied, if any, on said property on time to prevent default.”

*Section 29-3-65, Mississippi Code Annotated (1972)*, states, “One (1) year prior to the date, when any such lands, not subject to competitive bid procedures, shall become available for lease, the board of education shall appoint a competent appraiser to appraise the land and report to the board his recommendation for the fair market rental amount. The board shall then determine whether the same be a reasonable amount, and shall grant the lease pursuant to *Section 29-3-63*.”

**Finding Detail:** During the review of the School District’s sixteenth section land leases, the auditor noted the following instances of non-compliance out of 20 tested:

- Three instances where payments were more than 60 days late; however, the lease agreements were not terminated;
- Four instances where taxes were not current, totaling **\$2,462**; however, the lease agreements were not terminated; and
- Six instances where no appraisals were noted on file one year prior to entering into the new lease agreements.

Failure to terminate lease agreements due to the non-payments of property taxes, rental payments, and appoint a competent appraiser resulted in noncompliance with state laws and regulations.

**Recommendation:** We recommend the South Delta School District ensure compliance by assuring lease payments are made within 60 days, taxes are current, and an appraiser is appointed one year before the rental of sixteenth section land, as required by state law.

**District’s Response:** The Board has requested to get an update on delinquent leases every month. They will start acting on them monthly. The Sixteenth Section coordinator will communicate with the taxing authority and give the Board updates on delinquent taxes and the Board will act on them. The appraisals or tax assessor certificates are required to be given to the Secretary of State, when the leases are approved. We are not sure why they weren’t in the lease folders, but we will ensure they are filed in the lease folders as the new leases are approved.

**Repeat Finding:** No.

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**Finding 8:** The School District Should Ensure Compliance with State Law over Reemployment of Retired Public Employees.

**Applicable State Law:** *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.”

**Finding Detail:** During the review of the School District's PERS Form 4Bs, the auditor noted four out five Form 4Bs were not submitted to PERS within five days of rehire.

Failure to file Form 4Bs, as required by PERS, could result in the overpayment of a retiree and the District being assessed penalties by PERS.

**Recommendation:** We recommend the South Delta School District ensure compliance by submitting the Form 4Bs to PERS within five days from the date of reemployment.

**District's Response:** We went over this with our administrators on February 27, 2020 and remind them periodically. We will do a better job to make sure the form is completed before the retiree starts to work.

**Repeat Finding:** No.

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**Finding 9:** The School District Should Ensure Compliance with State Law over Surety Bonds.

**Applicable State Law:** *Section 25-1-15(2), Mississippi Code Annotated (1972)*, states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."

*Section 37-39-21, Mississippi Code Annotated (1972)*, states, "The purchasing agent of any school board, before entering upon his official duties in such capacity, shall furnish a good and sufficient surety bond in the penal sum of Fifty Thousand Dollars (\$50,000.00), with sufficient surety. Such bonds shall be payable, conditioned and approved in the manner provided by law, and shall be filed and recorded in the office of the clerk of the chancery court in which the school district is located. The premium on said bond shall be paid out of the school district(s) maintenance fund(s)."

*Section 37-9-31, Mississippi Code Annotated (1972)* states, "All school principals and attendance center principals shall furnish good and sufficient surety bonds in like manner as required of superintendents. The amount of such bonds shall be not less than Fifty Thousand Dollars (\$50,000), with sufficient surety."

**Finding Detail:** Based on the review of the School District's surety bonds, the auditor noted the following exceptions:

- Ten surety bonds were for indefinite terms, instead of new bonds with definite terms for:
  - Five Principals,
  - Two Cafeteria Managers,
  - One Secretary,
  - One Office Manager;
  - One Assistant Payroll Clerk; and
- The Business Manager's bond was a continuation certificate and it was not filed with the Chancery Clerk.

A "continuation certificate" is a document that extends the life of the original surety bond. A continuation certificate only covers the current bonding period rather than both the current and previous periods.

Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms. Additionally, failure to comply with the state statute, by being correctly and sufficiently bonded, could result in the loss of public funds.

**Recommendation:** We recommend the South Delta School District ensure compliance by securing new bonds every four 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. Additionally, the Board should ensure all bonds for employees' and officials' bonds are filed with the Chancery Clerk.

**District's Response:** Once we became aware that these bonds were not correct, we began purchasing the correct bonds. All of our continuation/indefinite bonds have been replaced. We will make sure that all bonds are on file at the Chancery.

**Repeat Finding:** No.

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**Finding 10:** The School District Should Ensure Compliance with State Law over Obtaining and Maintaining Background Checks and Certifications from Mississippi Board of Education.

**Applicable State Law:** *Mississippi Code Section 37-19-17(2)*, states that current criminal records background checks and current child abuse registry checks that are obtained, and that such criminal record information and registry checks are on file for any new hires applying for employment as a licensed or non-licensed employee at a school and not previously employed in such school under the purview of the State Board of Education or at such local school district prior to July 1, 2000. Ultimately, the criminal records information and registry must be kept on file for any new hires.

**Finding Detail:** During the review of School District's personnel files, the auditor noted the following exceptions out of 28 tested:

- The District did not obtain a background check to maintain on file for eight of its certified employees; and
- The District did not maintain on file the certifications from the Mississippi Board of Education of two of its certified employees.

Failure to obtain and maintain background checks, and certifications for certified employee could result in a wrongful hire of an employee.

**Recommendation:** We recommend the South Delta School District ensure compliance by obtaining and maintaining on file current criminal background checks and certifications for all new hires, as required by state law.

**District's Response:** We will get background checks for the eight that are missing and will make sure all background checks are completed and filed for all employees. Also, we will print the two certifications and make sure that we have certification in all files.

**Repeat Finding:** No.

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## OTHER RECOMMENDATION BY THE OFFICE OF THE STATE AUDITOR

The Office of the State Auditor recommends that the School Board consider obtaining new surety bonds for all employees required to be bonded. As noted during our test work, the Principals, Cafeteria Managers, Secretary, Office Manager Assistant Payroll Clerk and Business Manager are covered by renewals or continuation certificates. A "continuation certificate" is a document that extends the life of the original surety bond. A continuation certificate only covers the current bonding period rather than both the current and previous periods. Failure to have a bond in place for a specific term of employment could limit the amount available for recovery if a loss occurred over multiple terms.

**End of Report**

***South Delta School District***  
***Erra K. Kelly, Superintendent***

***Post Office Box 219***  
***Rolling Fork, Mississippi 39159***

***Telephone: 662-873-4302***  
***Fax: 662-873-6114***

Shad White, State Auditor  
Office of the State Auditor  
State of Mississippi  
Jackson, MS 39205-0956

**RE: Compliance Review Findings**

Dear Mr. White:

The South Delta School District presents the following responses and corrective action plans for the compliance review findings presented by your office.

**Finding 1:** The School District Should Strengthen Internal Controls over Activity Fund Receipts.

Response: The gate (ticket booth) workers accuracy in reconciling the monies on the reporting form once events have concluded do not always end with the exact amount of money that is showing on the ticket sheet. They are asked to do their best in returning reconciled report, and to deposit all funds at the end of the night. We encourage them to do their best to have the exact amount of deposits reconciled to ticket forms.

Correction Action Plan: Procedures have been implemented to ensure that beginning and ending ticket numbers listed on the ticket count forms coincide with the cash received and is reconciled with the number of tickets sold. Also, any funds received the same day of the event will be deposited or placed in the night depository if the event ends after banking hours.

The Principal(s) is responsible for the corrective action plan.

This corrective action plan has already been implemented.

**Finding 2:** The School District Should Strengthen Internal Controls and Ensure Compliance with State Laws over the Reconciliation of the Public Depositor's Annual Report.

Response: We were not aware that we should include accrued interest for certificates of deposit in the report. We will add the accrued interest on future reports. A copy of the signed report was in our files and the original was mailed. I do not know why they did not receive the form. I emailed the Treasurer's office and was told that it could have

been a mistake on their end in receiving the report. I emailed and emailed them a copy of our signed form on 8/26/202 and 8/27/2020.

Corrective Action Plan: The district will make sure the report is submitted timely and include the interest in the balance sheet. Timelines will be reviewed occasionally to make sure they are met.

The Business Manager is responsible for the corrective action plan.

The corrective action plan has already been implemented.

**Finding 3:** The School District Should Ensure Compliance with State Laws over Sole – Source Purchases:

Response: The School Board of South Delta approved the one (1) Apple purchase on June 12, 2018. At the time, we were no aware that there were issues.

Corrective Action: The district will ensure purchases are in compliance with Section 31-7-13(c)(iv)(1), Mississippi Code Annotated (1972).

The School Board Members is responsible for the corrective plan.

The corrective action plan has already been implemented.

**Finding 4:** The School District Should Ensure Compliance with State Laws over Emergency Purchases.

Response: The South Delta School District emergency resolution was approved on March 16, 2020. The insurance company gave us the amount that would claim as a loss and the contractor agreed to do the work for that agreed upon amount. The work started in April and the first payment was made in May.

Correction Action Plan: The School Board Members have been made aware that only emergency purchases for repairs or commodities of immediate needs of the district be approved.

The School Board Members are responsible for the corrective action plan.

The corrective action plan has already been implemented.

**Finding 5:** The School District Should Ensure Compliance with State Laws over the Purchase of School Buses.

Response: The district is now aware and will make sure that all requirements are met before we purchase buses in the future.



Corrective Action Plan: The district will comply with Section 31-41-101 going forward by making sure all purchases are approved by Mississippi Department of Education.

The Transportation Director is responsible for the corrective action plan.

The corrective action plan has already been implemented.

**Finding 6:** The School District Should Ensure Compliance with State Laws over Obtaining Quotes for Purchases over \$5,000 But Not Over \$50,000.

Response: The South Delta School District will make sure all quotes have comparable descriptions in the future.

Corrective Action Plan: The district will comply with Section 31-7-13(b), Mississippi Code Annotated (1972) going forward by obtaining the proper bids.

**Finding 7:** The School District Should Ensure Compliance with State Laws over Sixteenth Section Lease Payments, Taxes, and Appraisals.

Response: The School Board has requested to get an update on delinquent leases every month. They will start acting on them monthly. The Sixteenth Section Coordinator will communicate with the taxing authority and give the Board updates on delinquent taxes and the Board will act on them. The appraisals or tax assessor certificates are required to be given to the Secretary of State, when the leases are approved. We are not sure why they weren't in the lease folders, but we will ensure they are filed in the lease folders as the new leases are approved.

Corrective Action Plan: The district will ensure that lease payments, taxes and appraisals are made timely.

The Sixteenth Section Manager and Bookkeeper is responsible is for the corrective action plan.

The corrective action plan has already been implemented.

**Finding 8:** The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Response: A meeting was held with the administrative staff on February, 27, 2020 to remind them periodically to make sure paperwork is done timely. We will do a better job to make sure the form is completed before the retiree starts to work.

Corrective Action Plan: The district will work to ensure that all Form 4Bs is submitted to PERS within five days of rehire.



The Payroll Clerk is responsible for the corrective action plan.

The corrective plan has already been implemented.

**Finding 9:** The School District Should Ensure Compliance with State Laws over Surety Bonds.

Response: After becoming aware that the bonds were not correct, we began purchasing the correct bonds. All of our continuation/indefinite bonds have been replaced. We will make sure that all bonds are on file at the Chancery Clerk Office.

Corrective Action Plan: The district will secure new bonds as required by law and file them with the Chancery Clerk office.

The Business Manager is responsible for the corrective action plan.

The corrective action plan has already been implemented.

**Finding 10:** The School District Should Ensure Compliance with State Laws over Obtaining and Maintaining Background Check and Certifications from Mississippi Board of Education.


Response: Background checks will be obtained for the eight (8) that are missing and we will make sure all background checks are completed and filed for all employees. Also, we will print the two (2) certifications and make sure that we have certification in all files.

Corrective Action Plan: The district will ensure that background checks are completed and filed on all employees. Also, we will include a copy of teacher's certifications in the individual teacher's personnel files.

The Office Manager for the Superintendent is responsible for the corrective action plan.

The corrective action plan has already been implemented.

Sincerely,

  
Erra K. Kelly  
Superintendent