



## State of Mississippi

OFFICE OF THE STATE AUDITOR  
PHIL BRYANT  
AUDITOR

December 19, 2006

### LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Clay County, Mississippi

In planning and performing our audit of the financial statements of Clay County, Mississippi for the year ended September 30, 2004, we considered Clay County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Our opinions on the financial statements have been previously submitted to you in a separately issued document dated February 22, 2006.

In addition, for areas not considered material to Clay County, Mississippi's financial reporting, 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. The fieldwork for these review procedures and tests was completed on February 22, 2006. Our procedures and tests 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. This report does not affect our report dated February 22, 2006, on the financial statements of Clay County, Mississippi.

However, because of the reduced scope, these procedures and 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. In accordance with Section 7-7-211, Miss. Code Ann. (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.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

Board of Supervisors.

1. Finding

Section 65-15-7, Miss. Code Ann. (1972), authorizes the Board of Supervisors to levy taxes for bridge and culvert purposes. As reported in the prior year's audit report, the Board of Supervisors improperly purchased assets used for road maintenance work out of the bridge and culvert funds.

Recommendation

The Board of Supervisors should pay only proper expenditures from the avails of the bridge and culvert tax levy and transfer from the road maintenance funds the amount improperly paid from the bridge and culvert fund.

Board of Supervisors' Response

The Board will take 50% of the cost of these assets and expense to their respective district's road fund.

Sheriff.

2. Finding

An effective system of internal control should include the reconciliation of the cash balance reported in the cash journal to the balance in the bank account. The Sheriff did not reconcile the bank account to the cash journal resulting in unidentified cash of \$2,086. Section 27-105-371, Miss. Code Ann. (1972), requires any unidentified funds be settled to the General Fund.

Recommendation

The Sheriff should ensure that the cash journal is reconciled to the bank account. He should also settle the unidentified cash to the General Fund.

Sheriff's Response

The bookkeeper reconciles the bank account.

Auditor's Note:

The unidentified cash has been settled to the county.

Election Commissioners.

3. Finding

Section 23-15-153, Miss. Code Ann. (1972), provides for the compensation of the Election Commissioners at \$70 per day in the performance of their duties. Former Election Commissioners for District 1 and District 5 received payments for working five days instead of one day due to a clerical error made by the comptroller.

Recommendation

The Election Commissioners for District 1 and District 5 should each repay \$280 to the General Fund of the county.

Former District 1 Election Commissioner's Response

The former District 1 Election Commissioner chose not to respond.

Former District 5 Election Commissioner's Response

I did question the overpayment to other commissioners, but I was never told anything about them working extra days.

Auditor's Note:

Former District 1 Election Commissioner repaid \$280 to the General Fund on September 26, 2006, as evidenced by receive warrant number 16733.

Former District 5 Election Commissioner repaid \$280 to the General Fund on February 13, 2006, as evidenced by receive warrant number 16077.

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



PHIL BRYANT  
State Auditor



WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division