



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

December 8, 2006

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Copiah County, Mississippi

In planning and performing our audit of the financial statements of Copiah County, Mississippi for the year ended September 30, 2004, we considered Copiah County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions 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 May 13, 2005.

In addition, for areas not considered material to Copiah 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 May 13, 2005. 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 May 13, 2005, on the financial statements of Copiah 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:

Chancery Clerk.

1. Finding

Section 27-105-5, Miss. Code Ann. (1972), gives the responsibility to the State Treasurer for the collateralization of public deposits. However, the county is still required to perform certain duties related to the collateralization of public funds. As reported in the prior year audit report, the following duties were not performed:

- a. The quarterly report from the State Treasurer was not reconciled to the county's bank records.
- b. Bank officials were not notified when increases in deposits exceeded 25% of the average daily balance.

Without accurate and timely reconciliation of the quarterly reports, the risk increases that the county's total deposits may not be properly collateralized.

Recommendation

The Chancery Clerk should ensure the reconciliation function is prepared quarterly and the bank is notified when appropriate.

Chancery Clerk's Response

The Copiah County Chancery Clerk's office agrees to comply with the recommendations made by the State Auditor's office by reconciling the quarterly report from the State Treasurer and by notifying the appropriate bank officials when necessary.

2. Finding

For effective accounting of fee income, the fee journal should be properly maintained. All fee revenue was not posted to the fee journal and, therefore, an accurate cash balance was not maintained in the fee journal. The bank statement was not reconciled to the fee journal. Without accurate accounting records, inaccurate information may be reported on the fee report.

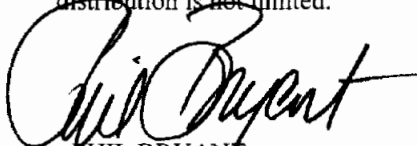
Recommendation


The Chancery Clerk should ensure that a cash journal is maintained and that funds are deposited daily.

Chancery Clerk's Response

I make deposits once a week on my Clearing Account and County Account. We will maintain the cash balance properly. Lack of posting of funds was an oversight by the deputy clerk.

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