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LOWNDES COUNTY, MISSISSIPPI

**LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW
MANAGEMENT REPORT**

SEPTEMBER 30, 2004

**LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW
MANAGEMENT REPORT**

**Members of the Board of Supervisors:
Lowndes County, Mississippi**

In planning and performing our audit of the financial statements of Lowndes County, Mississippi for the year ended September 30, 2004, we considered Lowndes 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.

In addition, for areas not considered material to Lowndes 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. 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. This report does not affect our report dated September 30, 2005, on the financial statements of Lowndes County, Mississippi.

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. 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 immaterial instances of noncompliance with state laws and regulations and other matters that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

Finding

Chancery Clerk bank deposits are not made in a timely manner. Bank deposits are generally made on Wednesday and Friday of each week, allowing over \$1,000 dollars to accumulate and be kept overnight at the County Courthouse.

**Members of the Board of Supervisors
Lowndes County, Mississippi
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Recommendation

Bank deposits should be made daily near or at the end of the day. Cash and check receipts kept overnight at the Courthouse should be kept to a minimum.

Response

Lowndes County Chancery Clerk's Office will make deposit daily.

Finding

The County did not adequately document its actual costs of infrastructure additions during 2004. However, the County engineer did estimate the costs and we were able to satisfy ourselves as to the fairness of the presentation of capital assets in all material respects.

Recommendation

From discussions with the County Road Manager, it is our understanding that for 2005, the County is contracting all costs of infrastructure additions, making it much easier to identify and document the County's actual costs of those additions. We concur with this change. However, if the County does perform any tasks of constructing infrastructure additions in the future, we recommend the Road/Bridge Improvements form from pages E-41 through E-44 of the *Mississippi County Financial Accounting Manual* be completed.

Response

Lowndes County will follow recommendation.

Brazee, Saunders & O'Neil, LLP.

September 30, 2005