



State of Mississippi

OFFICE OF THE STATE AUDITOR PHIL BRYANT AUDITOR

February 26, 2007

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Calhoun County, Mississippi

In planning and performing our audit of the financial statements of Calhoun County, Mississippi for the year ended September 30, 2005, we considered Calhoun 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 September 22, 2006.

In addition, for areas not considered material to Calhoun 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 September 29, 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 September 22, 2006, on the financial statements of Calhoun County, Mississippi.

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. 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

As reported in the prior year audit report, the county has interfund loans outstanding that are over one year old. These loans are for indirect administrative costs owed to the General Fund by the Garbage and Solid Waste Fund. The Mississippi Code is silent regarding the authority of the county to make these loans.

Recommendation

For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of the funds for repayment. The Board of Supervisors should ensure these old loans are repaid by approving and recording in the board minutes a repayment schedule and complying with the repayment schedule.

Board of Supervisors' Response

On May 12, 2006, the Board authorized a transfer from the Solid Waste Fund in the amount of \$33,228.06 for indirect cost associated with solid waste. A journal entry was made in May 2006 to transfer the funds.

On July 14, 2006, the Board authorized a transfer from the Solid Waste Fund to the General Fund in the amount of \$10,109.00 for the indirect cost associated with solid waste. A journal entry was made in July 2006 to transfer the above amount.

Chancery Clerk.

2. Finding

Section 25-7-9(1)h, Miss. Code Ann. (1972), allows the Chancery Clerk to receive \$30 per day for herself and two deputy clerks for each day's attendance in chancery court for a total of \$90 per day. Effective June 22, 2005, the fee was increased to \$50 per day for the Chancery Clerk and two deputies for a total of \$150 per day. The Chancery Clerk claimed this increase June 1, 2005 instead of June 22, 2005, resulting in an overpayment of \$2,180.

Recommendation

The Chancery Clerk should repay \$2,180 to the General Fund and in the future only claim the amount allowed by law.

Chancery Clerk's Response

On October 4, 2006, I wrote check number 5344, in the amount of \$2,180.00 payable to Calhoun County General Fund. I have attached a copy of Calhoun County Receipt numbered 14931, which is the receipt I used when depositing the money to the County General Fund. The receipt was dated October 4, 2006.

Tax Assessor-Collector.

3. Finding

Section 27-35-143 through 27-35-149, Miss. Code Ann. (1972), prescribe the procedures to be followed for making changes in assessments. As reported in the prior year audit report, the Tax Assessor-Collector made changes in assessments without prior approval from the Board of Supervisors. Failure to follow proper procedures increases the potential for changes in assessments to be made for improper reasons. If proper procedures are not followed the Tax Assessor-Collector may be held financially responsible for the loss of tax revenue. The amount of estimated tax loss due to unapproved changes in assessments is \$7,548 in the 2005 tax year.

Recommendation

The Tax Assessor-Collector should comply with the approval provisions of the law before making assessment changes.

Tax Assessor-Collector's Response

This finding was corrected upon notification by the State Auditor's Office, however, this was after the deadline by law. This office will follow the guidelines in the following years.

Sheriff.

4. Finding

Section 19-25-74, Miss. Code Ann. (1972), requires the Sheriff to submit a meal log to the Board of Supervisors documenting all meals served to prisoners on a monthly basis. The number of meals per invoices submitted to the Board of Supervisors exceeded the number of meals recorded in the daily log of meals by 447 meals with a total cost of \$1,152. Failure to reconcile meals ordered and received with the meal log could result in the county paying for meals that were not provided to prisoners.

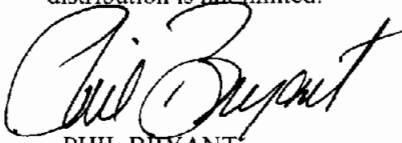
Recommendation


The Sheriff should ensure that the number of meals ordered at the jail is the same number as is recorded in the daily log of meals.

Sheriff's Response

Measures are being implemented to correct and/or safeguard against abuse in the future.

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