



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

April 3, 2007

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Claiborne County, Mississippi

In planning and performing our audit of the financial statements of Claiborne County, Mississippi for the year ended September 30, 2005, we considered Claiborne 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 12, 2006.

In addition, for areas not considered material to Claiborne 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 August 31, 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 May 12, 2006, on the financial statements of Claiborne 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:

Chancery Clerk.

1. Finding

Section 19-9-29(c), Miss. Code Ann. (1972), states that any interest derived from special purpose funds which are outside the function of general county government shall be paid into that special purpose fund. The county recorded all interest earned from the county's combined checking account in the General Fund instead of the fund from which the investment was made.

Recommendation

The Chancery Clerk should prorate the interest earned on the combined checking account among all funds that have cash in the checking account, as required by law.

Chancery Clerk's Response

I will prorate interest earnings on the interest bearing account.

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 prior to June 22, 2005, resulting in an overpayment of \$1,680. The Chancery Clerk also claimed three excess court days during the 2004 fiscal year resulting in an overpayment of \$270, three excess court days during the 2005 fiscal year resulting in an overpayment of \$390 and one excess court date in the 2006 fiscal year resulting in an overpayment of \$150.

Recommendation

The Chancery Clerk should carefully review all amounts requested for payment to prevent these errors from occurring in the future. The Chancery Clerk should also repay these amounts to the General Fund and in the future only claim the amount allowed by law.

Chancery Clerk's Response

The Chancery Clerk regrets that the error occurred. Amounts will be verified to prevent the errors from occurring in the future.

Auditor's Note

The overpayments for the \$1,680 and \$390 for the 2005 fiscal year were returned to the county on April 17, 2006, as part of the over the cap settlement as evidenced by receipt number 28227. The overpayments of \$270 for the 2004 fiscal year and \$150 for the 2006 fiscal year were repaid to the General Fund on March 20, 2007, as evidenced by receipt number 29563.

3. Finding

Section 25-7-9(1)(f), Miss. Code Ann. (1972), allows the Chancery Clerk to receive \$20 per day for herself and one deputy for each day's attendance on the Board of Supervisors' meetings. The Chancery Clerk received \$240 in payments for board meetings that were not documented in the minutes of the Board of Supervisors.

Recommendation

In the future, the Chancery Clerk should only receive payment for board meetings that are documented in the board minutes.

Chancery Clerk's Response

The Chancery Clerk regrets that the error occurred. The error occurred when the board minutes were transcribed. The Board was in session to review the land rolls and this was not included in the board minutes. I will comply.

Auditor's Note

The overpayment of \$240 was returned to the county on April 17, 2006, as part of the over the cap settlement, as evidenced by receipt number 28227.

Circuit Clerk.

4. Finding

An effective system of internal control should include reconciling the bank statements to the cash journals and maintaining a subsidiary bond ledger. As reported in the prior three years' audit reports, the bank statements were not reconciled to the cash journals and a subsidiary bond ledger was not maintained. Failure to reconcile the bank statements to the cash journals and to maintain a subsidiary bond ledger could result in the loss of public funds.

Recommendation

The Circuit Clerk should ensure that the bank statements are reconciled to the cash journals and that a subsidiary bond ledger is maintained.

Circuit Clerk's Response

I will comply as instructed.

5. Finding

Section 27-105-371, Miss. Code Ann. (1972), requires any unidentifiable funds to be settled into the General Fund of the county. As reported in the prior year's audit report, the Circuit Clerk had unidentified funds in her accounts. At September 30, 2005, the Circuit Clerk had \$30,455.10 of unidentified cash in the civil account and \$26,529.98 of unidentified cash in the criminal account. Failure to properly identify and account for all funds could result in the loss of public funds

Recommendation

The Circuit Clerk should settle the unidentified cash into the General Fund of the county.

Circuit Clerk's Response

I will comply as directed by the auditor.

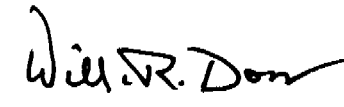
Auditor's Note

The Circuit Clerk settled \$56,985.08 to the General Fund on March 15, 2007, as evidenced by receipt number 29551.

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



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