



MADISON COUNTY BOARD OF SUPERVISORS

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August 29, 2016

Office of the State Auditor
PO Box 956
Jackson, MS 39205

Gentlemen:

Madison County respectfully submits the following corrective action plan for the year ended September 30, 2015.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 2: Summary of Auditor's Results, does not include findings and is not addressed.

Finding 2015-001 The Board of Supervisors should provide the financial data of all its component units in accordance with generally accepted accounting principles.

Corrective Action Plan: Madison County made a conscious decision to exclude the discrete presentation of the County's component units in its official statements because the cost and effort of this reporting requirement outweighs the benefit to Madison County. Management intends to review this GAAP reporting requirement annually to determine if the benefit to Madison County gives rise to presenting component units in the financial statements.

Anticipated Completion Date for Corrective Action: Will review again 9/30/2016

Name of Contact Person Responsible for Corrective Action: Tony Greer, County Administrator

Finding 2015-002 The County should implement controls to ensure tax levies are within statutorily-imposed limits.

Corrective Action Plan: Subsequent to the close of this fiscal year, Madison County recognized a defect in Section 19-5-189(2)(b), Miss Code Ann. (1972) that did not provide a mechanism for increasing millage in fire districts above the statutory 2 mills. Madison County helped introduce and get passed HB 1747 which gave counties a process to legally raise their millage. Included in HB 1747 was ratification from the legislature allowing those counties that had previously increased their millage to maintain the increase.

Anticipated Completion Date for Corrective Action: Completed

Name of Contact Person Responsible for Corrective Action: Tony Greer, County Administrator

Finding 2015-003 It is recommended that they County perform a network security assessment as soon as possible. All factors that might increase the risk of unauthorized access to an entity's data assets should be considered when determining the exact scope of the network review to be performed. This review should consist of risk assessments, vulnerability scans and penetration tests. These type tests should be conducted by qualified personnel that specialize in such assessments.

Corrective Action Plan: The County has selected a vendor to perform this test.

Anticipated Completion Date for Corrective Action: December 31, 2016

Name of Contact Person Responsible for Corrective Action: Duane Thompson, IT Director

Finding 2015-004 The County should implement a system of internal controls to ensure that construction in progress is reclassified in the appropriate year and obtain written documentation of the cost and date of completion for each project from the county engineer.

Corrective Action Plan: Madison County has made progress in its accounting for capital assets. At the conclusion of the 2015 fiscal year, the Comptroller's office requested the County Engineer to provide an independent statement regarding which expenditures should be capitalized. This statement was never received by the Comptroller's Office.

Prior audit findings rejected the conclusions of the Comptroller's Office, related to capitalization of expenditures. Therefore, absent written documentation from the county engineer, the county followed prior guidance and did not capitalize expenditures that could not be confirmed as capital. Madison County will continue to work on improving internal controls related to accounting for capital assets. Madison County will initiate a practice of obtaining a written statement from the County Engineer of completed projects and projects in-process at the end of the fiscal year.

Anticipated Completion Date for Corrective Action: September 30, 2016

Name of Contact Person Responsible for Corrective Action: Shelton Vance, Comptroller

Finding 2015-005 The Tax Collector should not print signed checks that are not made out to payee and amount. Also, the Tax Collector should review all checks prior to them leaving the tax office and account for the number sequence of the checks reviewed.

Corrective Action Plan: The procedures for issuing checks were changed in June, 2015 and blank checks with electronic signatures are no longer maintained. All refunds are entered electronically by this office and issued by Bank Plus. Normally the only paper checks issued are to the Department of Revenue and the Forestry Commission. Neither one of these entities accept electronic transfers.

Anticipated Completion Date for Corrective Action: September 30, 2016

Name of Contact Person Responsible for Corrective Action: Kay Pace, Tax Collector

Finding 2015-006 The Tax Collector should implement internal controls to ensure that transactions are properly recorded in the cash journal.

Corrective Action Plan: An accounting firm was hired to review this transaction. It was determined that A disbursement for this amount did not occur and the check was improperly recorded in the cash journal. The above recommendation is being followed and an accounting firm is assisting in training of staff, reviewing bank reconciliations and cash journals.

Anticipated Completion Date for Corrective Action: September 30, 2016

Name of Contact Person Responsible for Corrective Action: Kay Pace, Tax Collector

Finding 2015-007 The Board of Supervisors should implement internal controls to ensure that the financial eligibility of individuals referred to the program is determined and documented prior to their admittance into the program.

93.558 Temporary Assistance for Needy Families
Grant Number: 641WL411; Year: 2014
U.S. Department of Health and Human Services /
Passed through the Mississippi Department of Human Services

Corrective Action Plan: This grant has been discontinued.

Anticipated Completion Date for Corrective Action: June 30, 2016

Name of Contact Person Responsible for Corrective Action: Tony Greer, County Administrator

Sincerely yours,

Trey Baxter
President, Board of Supervisors
601-855-5500