

**MADISON COUNTY BOARD OF SUPERVISORS**

**PROPOSAL TO PERFORM FORENSIC AUDIT AND  
PERFORM REVIEW OF INTERNAL CONTROL**

**SEPTEMBER 22, 2016**

**SUBMITTED BY**

Collins, Barr & Hembree, Ltd.  
130 Fountains Boulevard, Suite 100  
Madison, MS 39110  
Federal I.D.: 64-0683836

Robbie Barr, CPA  
Partner  
rbarr@collins-barr.com  
Direct: 601-707-7536  
Fax: 601-707-7556

## TABLE OF CONTENTS

	Page
LETTER OF TRANSMITTAL.....	3
PROFILE OF THE OFFEROR	
Description of the Offeror.....	5
Ownership and Staffing.....	5
Previous Operations.....	5
Personnel Assigned to Proposed Contract.....	6
Resumes.....	7
Previous Contracts.....	13
References.....	14
SCOPE AND RELATED COST	
Scope of Services.....	16
Cost of Forensic Audit and Internal Control Review.....	17
APPENDICES	
Peer Review Report .....	18



**COLLINS, BARR & HEMBREE, LTD.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

September 22, 2016

Mr. Tony Greer  
County Administrator  
Madison County Board of Supervisors  
P.O. Box 608  
Canton, Mississippi 39046-0608

Dear Mr. Greer:

We are pleased to submit this proposal to the Madison County Board of Supervisors (MCBOS) to provide forensic audit services, review internal control and perform any other consulting services that you may request. Our firm is well qualified to perform these services having served as independent auditors for numerous governmental entities. We have also completed reviews of internal control and performed forensic audit procedures for various clients over the past 40 years.

Our firm and its personnel have substantial experience in numerous governmental entities. The firm has served as independent auditors for the City of Madison, Mississippi, Mississippi Business Finance Corporation, Mississippi Development Bank and Pearl River Valley Water Supply District. We have experience assessing the effectiveness of internal control systems over financial reporting as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is the framework for the Sarbanes-Oxley Act (SOX).

We are presently working under contract to develop an internal control plan for the Mississippi Department of Corrections. We are also currently performing a forensic audit for the City of Natchez. Some personnel of our firm have extensive experience providing an assessment of internal controls to the Mississippi Department of Employment Security and the Mississippi Department of Environmental Quality.

Our commitment to MCBOS is to provide outstanding service at a competitive rate. Robbie Barr will serve as partner on this engagement and will coordinate the overall services. He has over 30 years of experience in auditing and accounting and will be actively involved in the planning and fieldwork on the engagement. Wallace Collins and Todd Rhodus will also be heavily involved in the engagement. Both are experienced auditors and have substantial experience in reviewing internal control and performing forensic audits.

We appreciate the opportunity to discuss the forensic auditing and internal control services with you. Should you have any questions concerning this information or need any additional information, please let us know.

Sincerely,

COLLINS, BARR & HEMBREE, LTD.

Robbie Barr, CPA  
Partner

## PROFILE OF THE OFFEROR

## **DESCRIPTION OF OFFEROR**

Collins, Barr & Hembree, Ltd. is a well-established local CPA firm located in Madison, Mississippi. We provide accounting and business advisory services primarily in the Jackson, Mississippi metropolitan area. Auditing services constitute a significant portion of our business. We are specifically committed to the audit of governmental entities, which is a very important part of our audit practice. We also perform a significant amount of management consulting services. These services include such matters as providing internal audit services, assisting with computer and software selection and implementation, accounting assistance, preparation and revision of budgets, debt issues, designing and implementing accounting systems, internal control studies and various special projects.

Our firm conducts audits in a paperless environment. This allows our firm to improve our service to clients by enhancing document security and providing a disaster recovery strategy. We also have access to online research, which allows us to have additional tools to research complex matters and obtain the most up-to-date information in a timely manner.

Collins, Barr & Hembree, Ltd. is enrolled in the AICPA Quality Review Program and completed an on-site review in October, 2015. We received an unmodified opinion and a rating of pass from the reviewer which is the highest rating. We have received unmodified reports on all of our prior on-site reviews which are conducted every three years. These reports state our system of quality control met all AICPA standards and was being complied with to provide our firm with reasonable assurance of complying with professional standards. A copy of our peer review report is attached.

## **OWNERSHIP AND STAFFING**

Collins, Barr & Hembree, Ltd. is independent of the MCBOS. Our CPAs are licensed in the State of Mississippi. All of our CPAs are members of the Mississippi Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

## **PREVIOUS OPERATIONS**

Collins, Barr & Hembree, Ltd. began operations in 1976 and operated in Jackson, Mississippi. In 2009, the firm moved operations to Madison, Mississippi. Over the past five years, the average number of employees has been 6 employees. Collins, Barr & Hembree, Ltd. was founded on a commitment to provide quality and personalized service.

## **PERSONNEL ASSIGNED TO PROPOSED CONTRACT**

The individuals who will be assigned to the MCBOS forensic audit and other internal control services all have substantial governmental, internal control, and OMB's Uniform Guidance (formerly OMB Circular A-133) audit experience. This will allow us to complete our work in the most effective and efficient manner. We have the resources and expertise to meet or exceed all of your needs. At the same time, our staff will be committed to providing the personalized service that you need and deserve.

The team will consist of an engagement partner, responsible for the overall supervision of the engagement; a consulting and secondary reviewing partner, and a senior manager, responsible for the day-to-day conduct of the work. Other staff will be available as needed to complete our work in a timely manner. Team members will include the following:

Wallace Collins, Partner  
Robbie Barr, Partner  
Rob Hembree, Partner  
Todd Rhodus, Senior Manager  
Michelle Emrick, Senior Accountant

We serve numerous governmental entities in Mississippi and are very familiar with the operations of governmental entities. We currently serve as independent auditors for three component units of the State of Mississippi. We are currently in the process of developing an internal control system for the Mississippi Department of Corrections. Also, we are currently performing a forensic audit for the City of Natchez.

We also have extensive experience providing internal audit services for a Mississippi Land Bank Association. These internal audit services assess the effectiveness of internal control systems over financial reporting as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have substantial Mississippi county government experience. Wallace Collins worked with Madison County on a consulting basis as acting comptroller during the years 2001-2003, and 2011.

We strongly believe this experience will result in the delivery of our services to MCBOS in the most efficient manner.

## INDIVIDUAL RESUMES

**WALLACE B. COLLINS, CPA  
COLLINS, BARR & HEMBREE, LTD.**

**Position**

Partner

**Education**

Mississippi College – Bachelor of Accountancy with Distinction (1970)  
CPA Certificate - Mississippi (1972)

**Professional History and Experience**

Collins, Barr & Hembree, Ltd., CPA's, Madison, MS (1976-Present)  
Ernst & Young, CPA's, Jackson, MS (1970 – 1976)

Mr. Collins has over 45 years of experience in public accounting and serves as the firm's managing partner. He has substantial experience in auditing, tax and management advisory services for a broad range of clients.

Industries served include:

Banking	Office supplies and equipment
Churches	Public entity risk pools
Construction	Public finance corporations
Governmental	Real estate development and sales
Mortgage banking	Retail sales
Non-profit	Transportation

Substantial experience with Mississippi county governments having served as acting comptroller of Madison County for several years on two separate occasions.

Mr. Collins has served as an expert witness in various auditing, accounting, tax and valuation areas. He has given testimony before the following:

Mississippi Public Service Commission  
Circuit Court  
Chancery Court  
U.S. District Court

**Professional and Community Affiliations**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants –  
Past Chair, Accounting and Auditing Committee (2 terms)  
AICPA- Forensic and Valuation Services Section member  
Mississippi College – Alumni Advisory Council, School of Business;  
2002 Distinguished Alumnus, School of Business  
Past Chair, Mississippi Board Oversight Committee for Peer Review Program  
Caring Hands Ministries, Inc. – Board Member, Past-president  
Past Treasurer and Executive Board Member, United Way of the Capital Area, Inc.  
The Home Place – Board Member, Treasurer



**J. ROBERT BARR III, CPA  
COLLINS, BARR & HEMBREE, LTD.**

**Position**

Partner

**Education**

Mississippi State University - Bachelor of Professional Accountancy,  
Summa Cum Laude (1985)  
CPA Certificate - Mississippi (1987)

**Professional History and Experience**

Collins, Barr & Hembree, Ltd., CPA's, Madison, MS (1989-Present)  
Deloitte & Touche, CPA's, Jackson, MS (1985-1989)

Mr. Barr serves as a partner with the firm. He brings over 30 years of experience in public accounting and oversees the firm's audit department. Mr. Barr specializes in auditing, tax, and management advisory services for a broad range of clients. His internal control experience includes developing an internal control plan for the Mississippi Department of Corrections. In addition, he has substantial experience in assessing the effectiveness of internal control systems over financial reporting as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Mr. Barr has been engaged in the audit of governmental entities in each of the prior 30 years.

Industries served include:

Agriculture	Manufacturing
Banking	Mortgage Banking
Churches	Non-Profit
Contractors	Real Estate
Governmental	Retail
Health Care	Transportation
Insurance	Water Associations

**Professional and Community Affiliations**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants  
First Baptist Church Madison – Past Chairman of Deacons  
Past Chairman, Finance Committee  
Madison Avenue Upper Elementary PTO – Past Vice President, Fiscal Affairs  
Metro Baptist Association – Finance Committee

**ROB HEMBREE, CPA  
COLLINS, BARR & HEMBREE, LTD.**

**Position**

Partner

**Education**

Mississippi College – Bachelor of Accountancy (2000)  
CPA Certificate - Mississippi (2004)

**Professional History and Experience**

Collins, Barr & Hembree, Ltd., CPA's, Madison, MS (2000-Present)

Mr. Hembree is a partner with the firm. He began his career with Collins, Barr & Hembree, Ltd. and was admitted to the partnership in 2010. Mr. Hembree's assurance practice includes governmental, OMB's Uniform Guidance (formerly Circular A-133), non-profit, construction, and employee benefit plan audits. His internal control experience includes documenting internal controls relevant to firm audits. Mr. Hembree has significant experience in non-profit, corporate, partnership, estate, and individual taxation. In addition, he provides management advisory services for a broad range of clients.

Industries served include:

Agriculture	Manufacturing
Churches	Non-Profit
Construction	Real Estate
Governmental	Retail
Health Care	Transportation
Insurance	Water Associations
Leasing	

**Professional and Community Affiliations**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants  
Madison Lions Club – Officer, District Treasurer 30-S

**TODD RHODUS, CPA  
COLLINS, BARR & HEMBREE, LTD.**

**Position**

Manager

**Education**

The University of Southern Mississippi – Master of Professional Accountancy (2005)  
The University of Southern Mississippi – B.S.B.A. in Accounting (2004)  
CPA Certificate - Mississippi (2010)

**Professional History and Experience**

Collins, Barr & Hembree, Ltd., CPA's, Madison, MS (2011-Present)  
Horne LLP, CPA's & Business Advisors, Ridgeland, MS (2006-2011)  
Shearer, Taylor & Co., P.A., Ridgeland, MS (2005-2006)

Mr. Rhodus is a senior manager with the firm and brings over 10 years of experience in the public accounting environment. His internal control experience includes risk assessments to multiple Mississippi state agencies, applicants of the Texas Department of Emergency Management Agency, and compliance engagements under the Sarbanes-Oxley Act to multiple SEC registered companies. Mr. Rhodus has past experience conducting an evaluation of internal controls for the Mississippi Department of Employment Security, the Mississippi Department of Environmental Quality, and the Mississippi Department of Corrections as promulgated by the Mississippi Department of Finance and Administration. Additionally, he specializes in audits in accordance with OMB's Uniform Guidance (formerly Circular A-133) and has provided an audit in accordance with this circular to the Mississippi Department of Finance and Administration.

Industries served include:

Aerospace and Defense	Public Finance Corporation
Banking	Real Estate Investment Trust
Construction	Non-Profit
Governmental	Securities Exchange Commission
Housing	Telecommunications
Insurance	Utilities
Manufacturing	Water Associations

**Professional and Community Affiliations**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants  
Madison Lions Club – Officer, Treasurer  
Mississippi Young CPA Network

**MICHELLE EMRICK  
COLLINS, BARR & HEMBREE, LTD.**

**Position**

Senior Accountant

**Education**

Mississippi College – Bachelor of Accountancy (2007)  
The University of Southern Mississippi – B.S.B.A. in Business (2000)

**Professional History and Experience**

Collins, Barr & Hembree, Ltd., CPA's, Madison, MS (2010 – Present)  
PersonnelPlus, Inc., Ridgeland, MS (2006 – 2009)  
GI Associates, P.A., Madison, MS (2002 – 2006)

Ms. Emrick is a senior accountant with the firm and has over 6 years of experience in public accounting. She primarily provides audit and attestation services with an emphasis in non-profit and governmental industries. Her experience includes testing the operating effectiveness of key internal controls. Ms. Emrick also practices in the areas of non-profit, corporate, and individual taxation and provides management advisory services for a broad range of clients.

Industries served include:

Contractors	Non-Profits
Insurance	Healthcare
Governmental	Banking

**Professional and Community Affiliations**

Junior Auxiliary of Madison County – Past Chairman, Placement Committee  
Past Officer, Secretary

St. Francis of Assisi Early Learning Center – Advisory Council  
Chairman, Fundraising Committee

## PREVIOUS CONTRACTS

Five contracts performed in the past five years by Collins, Barr & Hembree, Ltd. that required the provision of services similar to those requested by MCBOS are discussed below:

1. Mississippi Department of Corrections - Develop an internal control plan which complies with all State requirements.
2. City of Madison, Mississippi - Annual audit of financial statements as of and for the year ended September 30, 2015. Our engagement also included issuing audit reports on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*. The engagement also included issuing an auditor's report on compliance with state laws and regulations.
3. Mississippi Business Finance Corporation and Affiliated Entities (A Component Unit of the State of Mississippi) - Annual audit of financial statements as of and for the year ended June 30, 2016. Our engagement also included issuing audit reports on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
4. Pearl River Valley Water Supply District (A Component Unit of the State of Mississippi) - Annual audit of financial statements as of and for the year ended June 30, 2015. Our engagement also included issuing audit reports on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
5. Mississippi Land Bank, ACA - Annual internal audit procedures as of December 31, 2015. Assisted in developing an annual audit and review plan that identifies the Association's key operational areas and functions. We performed internal audit procedures to test the operating effectiveness of key controls in relation to criteria for effective internal control over financial reporting described in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. This work included walkthroughs of significant financial reporting processes and tests of key controls.

## REFERENCES

Contact information for five of the organizations we presently serve is as follows:

Mississippi Department of Corrections

**Address:** 633 North State Street, Jackson, MS 39022

**Contact:** Mr. Rick McCarty

**Phone:** 601-359-5682

**Scope of Work:** Develop an internal control plan

**Duration of Contract:** 2015 - 2016

City of Madison, Mississippi

**Address:** Post Office Box 40, Madison, MS 39110

**Contact:** Honorable Mayor Mary Hawkins Butler

**Phone:** 601-856-7116

**Scope of Work:** Annual audit of financial statements in accordance with  
*Government Auditing Standards / A-133 Audit*

**Duration of Contract:** 1985 – 2015

Mississippi Business Finance Corporation and Affiliated Entities

(A Component Unit of the State of Mississippi)

**Address:** 735 Riverside Drive, Suite 300, Jackson, MS 39202

**Contact:** Mr. Buddy Mitcham, Executive Director

**Phone:** 601-355-6232

**Scope of Work:** Annual audit of financial statements in accordance with  
*Government Auditing Standards*

**Duration of Contract:** 1994 – 2016

Pearl River Valley Water Supply District

(A Component Unit of the State of Mississippi)

**Address:** Post Office Box 2180, Ridgeland, MS 39158

**Contact:** Susan McMullan, Director of Finance

**Phone:** 601-856-6574

**Scope of Work:** Annual audit of financial statements in accordance with  
*Government Auditing Standards / A-133 Audit*

**Duration of Contract:** 2014 - 2015

Mississippi Land Bank, ACA

**Address:** Post Office Box 667, Senatobia, MS 38668

**Contact:** Mr. Gary Gaines, Chief Executive Officer

**Phone:** 662-562-9671

**Scope of Work:** Internal audit services / Assess internal control system

**Duration of Contract:** 2003 – 2015

## SCOPE AND RELATED COST

## **SCOPE OF SERVICES**

We have an excellent understanding of the services to be performed. Our understanding has been developed through a discussion with Tony Greer, County Administrator and Shelton Vance, Comptroller.

We will perform various forensic auditing procedures, review of internal controls and other consulting services that you may request. The forensic auditing procedures will be directed to the specific areas that are identified through our discussions with you and as directed by the Board.

We are very familiar with internal control documentation and testing of control activities and assessing an internal control system in relation to the criteria for effective internal control.

Internal control consists of five integrated components. These components are as follows.

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring activities

An effective system of internal control provides reasonable assurance regarding achievement of the County's objectives. An effective system of internal control reduces, to an acceptable level, the risk of not achieving a County objective. It requires that each of the five components is present and functioning and that the five components operate together in an integrated manner. We will assist in developing an internal control plan for the County that meets these requirements.

During our review, we will be alert for ways to strengthen and improve the system of internal control and ways to implement best practices. We will also be alert for ways to be more efficient and effective.

We will assist MCBOS in considering qualitative and quantitative factors in analyzing costs against benefits so the benefits of the controls implemented will outweigh the costs.



## **COST OF FORENSIC AUDIT AND INTERNAL CONTROL REVIEW**

Our commitment to MCBOS is to provide outstanding service at a competitive rate. The hourly rate for individual team members are as follows:

<u>Team Member:</u>	<u>Rate Per Hour</u>
Wallace Collins, Partner	\$ 195
Robbie Barr, Partner	195
Rob Hembree, Partner	160
Todd Rhodus, Senior Manager	115
Michelle Emrick, Senior Accountant	95

Our fees will be based on the time required by the individuals assigned to the engagement plus direct expenses. Our understanding is that the contract to be awarded is expected to range from \$50,000 - 60,000. We will bill for the actual hours worked not to exceed the contract amount awarded. The contract amount may be revised at the discretion of the Board.

We will bill monthly for work performed as specific projects are completed.

## APPENDICES

## SYSTEM REVIEW REPORT

October 27, 2015

To the Stockholders  
Collins, Barr & Hembree, Ltd.  
and the  
Peer Review Committee of the Mississippi Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Collins, Barr & Hembree, Ltd. in effect for the year ended April 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Collins, Barr & Hembree, Ltd. in effect for the year ended April 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Collins, Barr & Hembree, Ltd. has received a peer review rating of *pass*.

Whitehorn Tankersley & Davis, PLLC