

PROPOSAL TO PROVIDE PROFESSIONAL SERVICES FOR THE  
MADISON COUNTY BOARD OF SUPERVISORS

INTERNAL CONTROL PROCEDURES CONSULTING

Submitted by: Tann, Brown & Russ Co., PLLC  
1501 Lakeland Drive, Suite 300  
Jackson, Mississippi 39216-4841

Phone: (601) 354-4926

Contact Persons: Scott A. Hodges, CPA, CGFM  
Joseph E. Hines, CPA, MAFF, CFF

September 27, 2016

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MADISON COUNTY BOARD OF SUPERVISORS

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TRANSMITTAL LETTER

**TANN, BROWN & RUSS CO., PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
1501 LAKELAND DRIVE, SUITE 300  
JACKSON, MISSISSIPPI 39216-4841  
TELEPHONE (601) 354-4926  
FACSIMILE (601) 354-4947

MEMBERS  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
MISSISSIPPI SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

September 27, 2016

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

Dear Mr. Greer:

Tann, Brown & Russ Company appreciates the opportunity to present our proposal to provide professional services to the Madison County Board of Supervisors in relation to the County's internal control policies and procedures for financial activities.

We feel uniquely qualified to provide the requested services due to the extensive experience our Firm has had in serving various governmental entities. Over the years, we have provided auditing, accounting and consulting services to municipalities, school districts, counties and state agencies, as well as non-profit organizations.

Our proposed rates for the services are presented on page 17 herein.

Should you have any questions regarding our proposal or need additional information, please contact me.

Sincerely,

TANN, BROWN & RUSS CO., PLLC

  
Scott A. Hodges, CPA, CGFM  
Partner

PROFILE OF TANN, BROWN & RUSS CO., PLLC

## TANN, BROWN & RUSS CO., PLLC

### General Description of the Firm

Tann, Brown & Co., Ltd. was formed in Jackson, Mississippi in December, 1970. In 1986, the Firm admitted three new partners and changed its name to Tann, Brown & Russ Co., Ltd. Since its inception, the Firm has always endeavored to provide the highest quality of service available while maintaining the highest level of professional standards. This has been accomplished through growth to ensure that each client, regardless of size, receives the type of personal service that fosters a working relationship that is beneficial for both parties. We believe that strict adherence to the principle of quality client service accounts for the growth that our Firm has experienced.

### Personnel

Members of our Firm come from a diversity of backgrounds; however, they share many common traits. All have excelled in the educational environment and each maintains and expands his or her professional skills by participating in continuing education programs on an ongoing basis.

Our members participate in a variety of community and civic organizations, as well as professional societies such as the American Institute of Certified Public Accountants and the Mississippi Society of Certified Public Accountants.

A majority of our professional staff has attained the status of certified public accountant and has at least three years of experience in public accounting.

### Structure

Our office includes a staff of eighteen professionals. Of these, fifteen are certified public accountants. Although certain individuals are involved primarily in either taxes, auditing, or business services, most members of the firm spend considerable time performing services in all three areas.

Staff classifications are as follows:

Partner	-	Eight
Manager/Senior	-	Five
Staff	-	Five

In addition to our professional staff, there is a support staff of five individuals.



### Range of Activities

Our Firm provides auditing, accounting, tax and management services to a broad-based clientele covering many segments of the business, non-profit and governmental communities. Annually, we perform approximately 40 audits of financial statements, prepare more than 1,900 tax returns, perform accounting and bookkeeping services for approximately 100 companies and perform consulting and advisory services as the needs and opportunities arise.

### Peer Review

Tann, Brown & Russ Co., PLLC has successfully completed an independent peer review of its accounting and auditing practice. The reviewers concluded that our firm complies with the stringent quality control standards set by the American Institute of Certified Public Accountants, the national professional organization of CPAs. Peer reviews are required for membership in AICPA's Division of CPA Firms, a voluntary self-regulatory organization of firms established to foster quality performance. Our firm is a member of the Division's Private Companies Practice Section, which focuses on the accounting and audit services provided to companies that do not have public stockholders.

The peer review was conducted by the Memphis firm of Fouts & Morgan under procedures established by the AICPA. The reviewers made an independent assessment of our firm's quality control policies and procedures and inspected the working papers and reports on a representative sample of accounting and auditing engagements. They also inspected our firm's administrative files and records and interviewed professional personnel. The reviewers' report has been accepted by the Division for the public files maintained at the AICPA. A copy of the reviewer's opinion letter is presented on the following page.



**FOUTS & MORGAN**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Douglas A. Garner, CPA  
J. Donald Short, CPA  
Michael T. Odom, CPA, CVA  
Randal L. Gregory, CPA  
Gary D. Purdy, CPA, CA  
Jimmie D. Fouts, CPA (1941-2008)  
Don W. Morgan, CPA (1939-2005)

## System Review Report

To the Partners of  
Tann, Brown & Russ, Co., PLLC  
and the Peer Review Committee of the  
Mississippi Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Tann, Brown & Russ, Co., PLLC (the firm) 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 Tann, Brown & Russ, Co., PLLC 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*. Tann, Brown & Russ, Co., PLLC has received a peer review rating of *pass*.

FOUTS & MORGAN  
Certified Public Accountants

Memphis, Tennessee  
August 13, 2015



GOVERNMENTAL EXPERIENCE

Tann, Brown & Russ Co., PLLC has had substantial experience in performing financial and single audits of cities, school districts, counties and state agencies. Outlined below are specific engagements which account for our governmental audit experience.

#### City Governments

We have performed audits and other services of municipal governments as follows:

##### Financial and Single Audits –

- City of Clinton, Mississippi
- Jackson Metropolitan Library System

##### Financial Audits -

- Jackson/Hinds Library System
- City of Mendenhall, Mississippi
- Jackson Redevelopment Authority

##### Compilation and Agreed Upon Procedures -

- Town of Learned

#### School Districts

We have performed financial and single audits of the following Mississippi school districts in previous years:

- Attala County School District
- Clinton Public School District
- Copiah County School District
- Franklin County School District
- Grenada County School District
- Holly Bluff Line Consolidated School District
- Jackson Public School District
- Marshall County School District
- Pearl Public School District
- Pass Christian Municipal Separate School District
- Yazoo County School District

#### Title I Audits -

Under contract with the Mississippi State Department of Education, we performed audits of all Title I programs operated by local Mississippi school districts. These engagements totaled approximately 120 audits and 4,000 hours.

### County Governments

We have performed financial audits of the following Mississippi counties in previous years:

- Claiborne County
- Jasper County
- Kemper County
- Panola County
- Scott County
- Simpson County
- Smith County
- Union County
- Yazoo County

We have also performed financial audits of the Hinds County Soil and Water Conservation District.

### State Governments

We have performed audits of state government agencies and departments as follows:

#### Financial and Single Audits -

- Mississippi Employment Security Commission
- Mississippi State Highway Department
- Mississippi Authority for Educational Television

#### Financial Audits -

- Mississippi State Department of Education - Food Service Division
- Mississippi State Department of Natural Resources -  
Bureau of Pollution Control
- Mississippi State Department of Natural Resources -  
Youth Conservation Corps
- Mississippi State Department of Health - Medicare Cost Reports
- Mississippi State Department of Youth Services - Special Fund
- Mississippi State Port Authority
- Mississippi Soybean Promotion Board

### OMB Circular A-133 Single Audits

In addition to the single audit engagements listed above, we have also performed single audits for non-profit organizations as follows:

- YMCA of Metropolitan Jackson, Inc.
- Boys and Girls Clubs of Central Mississippi, Inc.
- Boys and Girls Club of the Mississippi Delta
- Big Brothers Big Sisters of Mississippi
- Mississippi Foundation for Medical Care, Inc.
- Mississippi Easter Seal Society
- Salvation Army of Jackson, Mississippi
- Wesley Biblical Seminary
- Mississippi Coalition Against Sexual Assault, Inc.
- Sufficient Housing Assistance Council, Inc.

### Other Services

In addition to the audits discussed above, we have performed other accounting services for governmental organizations as follows.

We designed and helped implement accounting systems for the following:

- Mississippi Veterans' Home Purchase Board
- Jackson Public School District
- Department of Human Resources - Mississippi Division of OEO
- Natchez Junior College
- Clarke College
- Jackson Housing Authority
- Hinds County Legal Services, Inc.
- Pearl Public School District

We provided budgetary assistance to the following:

- Mississippi Veterans' Home Purchase Board
- Simpson General Hospital
- City of Mendenhall
- Jackson Public School District

We provided technical accounting training to the following:

- Mississippi Veterans' Home Purchase Board
- East Jasper County School District
- Pearl Public School District
- Jackson Public School District
- Clinton Public School District
- State of Mississippi - Division of Medicaid

We have prepared semi-annual Generally Accepted Accounting Principles (GAAP) Packets for the following state agencies:

- Mississippi House of Representatives
- Mississippi Senate
- Mississippi Supreme Court
- Mississippi Department of Finance and Administration
- Mississippi State Treasurer
- Mississippi Department of Agriculture and Commerce
- Mississippi Department of Wildlife, Fisheries & Parks
- Mississippi State Board of Architecture
- Mississippi Department of Marine Resources
- Mississippi Gaming Commission
- Mississippi Board of Animal Health
- Mississippi Emergency Management Agency
- Mississippi Development Authority
- Mississippi Department of Public Safety

We contracted with the Mississippi State Department of Finance and Administration, for two consecutive years, to review and approve GAAP Packets submitted by various state agencies.

We presently assist the Mississippi Department of Education with the Mississippi Department of Education's calculation of the Mississippi Adequate Education Program funding.



QUALIFICATIONS OF PARTNERS TO BE ASSIGNED TO THE ENGAGEMENT

**JOSEPH E. HINES, CPA, MAFF, CFF  
PARTNER**

**Employment –**

Tann, Brown & Russ Co., PLLC, Certified Public Accountants  
Jackson, Mississippi –  
Partner with over 35 years experience (1980 to present)

Deposit Guaranty National Bank  
Jackson, Mississippi –  
Employed in Management Training Program (1978 to 1980)

**Education and Degrees –**

University of Mississippi, B.B.A. – Accounting, 1978

**Professional Designations –**

Certified Public Accountant  
Master Analyst in Financial Forensics (NACVA)  
Certified in Financial Forensics (AICPA)

**Professional Memberships –**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants  
National Association of Certified Valuators and Analysts  
MSCPA Business Valuation & Litigation Services Committee –  
Committee Member (2003 to present), Chairman (2012 - 2014)  
National Association of Forensic Economics  
Mississippi Claims Association – Associate Member

**Civic Activities – Past and Present –**

City of Madison Chamber of Commerce – President and Board Member  
United Way of the Capital Area – Audit Committee Member  
Madison-Ridgeland Youth Club – President, Treasurer and Board Member  
City of Madison Parks and Recreation Committee – Committee Member  
Boy Scouts of America, Troop 9 – Treasurer and Troop Committee Member  
Parkway Hills United Methodist Church – Finance Committee Chairman  
Pepsi Pops Concert – Finance Chairman

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**Joseph E. Hines - Continued**

**Summary of Public Accounting Experience –**

In-charge auditor or partner on over 400 audit and review engagements, including commercial enterprises, not-for-profit organizations, and governmental entities.

Income tax practitioner with over 35 years experience in individual, corporate, partnership and non-profit taxation, comprising over 4,000 tax returns prepared or reviewed.

**Governmental Audit Experience –**

Financial and Single Audits of the following governments:

- Mississippi State Highway Department
- Mississippi school districts (Clinton, Pearl, Franklin County, Marshall County, Yazoo County)

Financial Audits of the following governments:

- Mississippi counties (Panola County, Scott County, Yazoo County)
- Mississippi State Department of Natural Resources – Bureau of Pollution Control
- Mississippi State Department of Natural Resources Youth Conservation Corps
- Mississippi State Department of Youth Services – Special Fund
- Mississippi State Port Authority
- Hinds County Soil and Water Conservation District
- Jackson/Hinds Library System

**Other Governmental Experience –**

GAAP Packets prepared for the following Mississippi state agencies:

- Mississippi House of Representatives – 1986 to present
- Mississippi Senate – 1986 to present
- Mississippi Department of Agriculture and Commerce – 1993 to present
- Mississippi Board of Animal Health – 1999 to present
- Mississippi Department of Wildlife, Fisheries and Parks – 1994 to 1997
- Mississippi State Board of Architecture – 1997 to 2000
- Mississippi State Treasurer - 1990

Mr. Hines manages and oversees the firm's state agency GAAP Packet practice. GAAP Packets are annual and semi-annual financial reporting packages which are required to be submitted to the Mississippi Department of Finance and Administration for use by the State Auditor's office. Mr. Hines has personally handled over 200 GAAP Packet engagements as either a preparer or supervisor, and he reviews all GAAP Packets before submission to the Department of Finance and Administration.

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**Joseph E. Hines - Continued**

**Other Audit Experience –**

- Construction contractors
- Air conditioning/heating sales and service
- Retirement communities
- Multi-family housing
- Television stations
- Wholesale/retail paint and accessory sales
- Internet service providers
- Various non-profit organizations

**Forensic Accounting Experience –**

Retained as expert and/or consultant on over 400 litigation services and insurance claims engagements, including lost profits, business interruption, financial motive in civil arson, personal injury, wrongful death, wrongful termination, family law and employee fraud.

**Specialization:**

Loss of income and business interruption computations in connection with insurance claims and civil actions.

Civil arson cases involving analysis and evaluation of financial motive of insureds.

Providing "appraisal" services allowable under insurance policy provisions, with specific experience as an "appraiser" on disputed six-figure loss of income claims, pursuant to appraisal provisions having been invoked by either insurer or insured.

**Qualified as Expert Witness –**

United States District Court, Northern District of Mississippi  
United States District Court, Southern District of Mississippi  
Hinds County Chancery Court, State of Mississippi  
Hinds County Circuit Court, State of Mississippi  
Holmes County Circuit Court, State of Mississippi  
Madison County Chancery Court, State of Mississippi  
Red River Parish Judicial District Court, State of Louisiana

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**Joseph E. Hines – Continued**

**Published Articles –**

“Understanding the Basics of Business Income Insurance”, Mississippi Society of CPA's, “CPA Newsletter”, September, 2004

“Advanced Issues in Business Interruption Insurance Claims”, Mississippi Society of CPA's, “CPA Newsletter”, July, 2005

“The Oil Spill's Lessons for Business Income Insurance Claimants: No Documents? No Pay!”, Mississippi Society of CPA's, “CPA Newsletter”, October, 2011

**Presentations –**

*Tax, Accounting and Financial Reporting Aspects of Section 501(c)(3) Organizations – An Overview –*

Mississippi Home Corporation – Affordable Housing Conference  
Jackson, MS, November, 1993

*Tax, Accounting and Financial Reporting Aspects of Section 501(c)(3) Organizations – An Overview –*

Mississippi Home Corporation – Affordable Housing Conference  
Jackson, MS, November, 1994

*Tax, Accounting and Financial Reporting Aspects of Section 501(c)(3) Organizations – An Overview –*

Mississippi Home Corporation – Affordable Housing Conference  
Jackson, MS, November, 1995

*Keeping Your Audit Clean –*

Mississippi Center for Nonprofits – Mississippi Management Seminar for Nonprofits  
Jackson, MS, June, 1997

*Keeping Your Audit Clean –*

Mississippi Home Corporation – Affordable Housing Conference  
Jackson, MS, October, 1997

*Keeping Your Audit Clean –*

Mississippi Center for Nonprofits – Mississippi Management Seminar for Nonprofits  
Jackson, MS, June, 1998

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**Joseph E. Hines – Continued**

**Presentations (Continued) –**

*Don't Let Your Interests Conflict: An Auditor's Perspective on Related Party Transactions and Relationships –*  
Mississippi Home Corporation – Affordable Housing Conference  
Jackson, MS, November, 1998

*Finance and Tax Issues for Ministers –*  
Wesley Biblical Seminary – 2004 Minister and Lay Conference  
Jackson, MS, October, 2004

*Business Interruption Claims Update –*  
Mississippi Claims Association – Monthly Membership Meeting  
Jackson, MS, October, 2006

*Ethics, Independence and Non-Audit Services: A Closer Look at the 2007 Edition of Government Auditing Standards (The "Yellow Book") –*  
Southeastern Association of State Highway and Transportation Officials (SASHTO) –  
2007 Southern Transportation Finance Conference  
Biloxi, MS, June, 2007

*Business Interruption Claims – Beyond the Basics: An Accountant's Perspective –*  
Mississippi Claims Association / Mississippi Defense Lawyers Association –  
2009 Joint Seminar  
Flowood, MS, October, 2009

*Business Interruption Claims – Update on Current Issues –*  
Memphis Claims Association – Monthly Membership Meeting  
Memphis, TN, January, 2010

*Business Interruption Claims – Beyond the Basics: An Accountant's Perspective –*  
Louisiana Claims Association – 2010 Annual Conference  
Marksville, LA, July, 2010

*Business Interruption Claims – Beyond the Basics: An Accountant's Perspective –*  
Mississippi Society of Certified Public Accountants –  
2010 Business Valuation & Litigation Services Workshop  
Ridgeland, MS, November, 2010

*The Forensic Accountant's Role in Fire Investigations –*  
Mississippi Claims Association / Mississippi Defense Lawyers Association –  
2011 Joint Seminar  
Flowood, MS, October, 2011

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**Joseph E. Hines – Continued**

**Presentations (Continued) –**

*The Forensic Accountant's Role in Fire Investigations –*  
Mississippi Farm Bureau Casualty Insurance Company –  
2012 Annual Fire and Fraud Seminar  
Biloxi, MS, March, 2012

*The Forensic Accountant's Role in Fire Investigations –*  
International Association of Arson Investigators –  
2013 International Training Conference  
Orlando, FL, May, 2013

**SCOTT A. HODGES, CPA, CGFM  
PARTNER**

**Education**

Mississippi College, B.S.B.A. - Accounting, 1992

**Years of Experience**

Tann, Brown & Russ Co., PLLC - June 1992 to present

**Professional Activities**

American Institute of Certified Public Accountants  
Mississippi Society of Certified Public Accountants  
Association of Government Accountants  
Government Finance Officers Association

**Governmental Audit Experience**

Financial and Single Audits of the following:

- City of Clinton, Mississippi
- Mississippi Authority for Educational Television

Financial Statement Audits of the following:

- Jackson/Hinds Library System
- Jackson Redevelopment Authority
- Mississippi Soybean Promotion Board

Compilation and Agreed Upon Procedures for the following municipal government:

- Town of Learned

**Non-Profit and Commercial Audit Experience**

Non-profit Financial and Single Audits:

- YMCA of Metropolitan Jackson, Inc.
- Boys and Girls Clubs of Central Mississippi, Inc.
- Boys and Girls Club of the Mississippi Delta
- Big Brothers Big Sisters of Mississippi
- Salvation Army of Jackson, Mississippi
- Sufficient Housing Assistance Council, Inc.
- Wesley Biblical Seminary

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## **Scott A. Hodges – Continued**

### Non-profit Financial Statement Audits:

- Charitable organizations
- Charitable foundations
- Cultural organizations
- Private schools and colleges
- Employee benefit plans
- Unions locals
- Trade organizations

### Commercial Audits:

- Construction contractors
- Timber and lumber companies
- Oil and gas companies
- Wholesale/retail sales
- Insurance companies

### **Other Experience**

Assists the Mississippi Department of Education with the Mississippi Department of Education's calculation of the Mississippi Adequate Education Program funding.

### **Continuing Education**

Tann, Brown & Russ Co., PLLC requires that each CPA average a minimum of 40 hours of continuing education each year. Scott Hodges meets this requirement, including completing at least 12 of the 40 hours in subjects directly related to governmental work. Scott participates with in-house training sessions for staff and annually attends the Mississippi Governmental Accounting and Auditing Conference sponsored by the Mississippi Society of CPAs.

UNDERSTANDING OF WORK TO BE PERFORMED  
AND PROPOSED RATES



We understand that the Madison County Board of Supervisors is seeking a CPA firm to provide consulting services with regard to analysis of the County's finance-related internal control policies and procedures for purposes of making recommendations for enhancing and improving controls and management of the County's resources. Based on our discussions with the County Administrator and Controller, we anticipate that our services would consist of the following:

- Develop an understanding of selected County departments/offices and their significant financial activities based on areas of focus to be determined by the County Administrator and/or Board of Supervisors.
- Identify, observe and document the operations and existing internal control policies and procedures for the selected areas of focus.
- Develop and present recommendations for improvements, efficiencies, and best practices for the selected areas of focus.
- Determine areas in which additional analysis is necessary or desirable, based on consultation with the County Administrator and/or Board of Supervisors.

#### Proposed Fees

We propose the following rates, plus travel and related expenses:

<u>Position</u>	<u>Hourly Rate</u>
Partner	\$160
Manager	\$ 95
Staff	\$ 60