

From: Wanda R. Courter
Sent: Tuesday, May 31, 2016 12:04 PM
To: Kermas Eaton; Sharon Waits
Cc: Elton Sims
Subject: 2015 audit status

As of 5/31/16, certain essential detail and summary reports from the City that are required for audit purposes remain outstanding or incomplete. As a result, significant fieldwork progress for the audit as of 9/30/15 has been delayed. The most critical areas for complete data has not yet been received are Municipal Court fines and expenditures of federal awards. Each of these elements represents a significant area of our audit and will require considerable fieldwork focus.

The initial client schedule of expenditures of federal awards was received on 5/24/16, however it was prepared on the cash basis of accounting and does not reflect necessary accrual adjustments. Those adjustments must be made before final determination of federal programs subject to audit procedures for the fiscal year can be made. Once those determinations are made, specific program documentation and detail will be requested and, upon receipt of that information, related Single Audit procedures may be begun. Since Single Audit procedures are extensive, delays in receiving the City's schedule of expenditures of federal awards have delayed progress of our fieldwork and audit procedures.

Municipal Court fines and related accounting have been the subject of internal control findings for the last several years. Underlying deficiencies in procedures and controls have continued, and subsidiary reports of Court fine transaction activity for the fiscal year ended 9/30/15 have not yet been produced and made available to us. While the City has provided unreconciled subsidiary case balance detail as of 9/30/15 from its two peripheral subsidiary systems (OMNI and JEMS), no corresponding activity reports are available to corroborate reported totals. During our prior year audit procedures, we noted errors in such subsidiary detail, and we have been informed that the City has not yet performed a detail analysis of subsidiary balances in order to identify and correct errors therein. We have also been informed that the City did not generate or reconcile interim period subsidiary information subsequent to 9/30/15, so reconciled subsequent data is not available to allow roll-back of balances to the fiscal year end. Since neither fiscal year detail nor subsequent detail has been produced and reconciled, the City is not yet able to provide necessary data supporting Court fines receivable or related assessments payable or to corroborate completeness and accuracy of recorded Court fine activity.

In addition, the City has not yet been able to generate certain expenditure reports which we utilized in the prior year audit. Upon discussions with City finance and accounting personnel last week, we have identified certain alternative reports that we will utilize for audit purposes. A list of those reports is currently being compiled and will be forwarded to appropriate City personnel upon completion.

To date, we have not received detail and summary subsidiary reports related to capital assets, accounts payable, or debt. Additional items remain outstanding. As is generally the case, once initial detail information is obtained, certain other transaction and balance support will be requested as we perform our audit procedures.

Delays in availability of City data impede progress on our audit and call into question our ability to meet specified deadlines. Inaccurate, incomplete, or insufficient data exacerbates this problem. From an overall perspective, we have received less data to use in our audit at this point than we had received at this time in the prior year audit. We understand that certain limitations in staff and system resources

impact the City's ability to produce adequate information for audit purposes; however significant progress on the audit is dependent upon availability of appropriate City data. The City Council has specifically asked us to communicate our progress to them and so it is our intention to forward this email to Debbie Bernardo as well.

If you wish to discuss the audit status or other issues, please feel free to contact Elton Sims or me.

Thank you.

Wanda R. Courter, CPA, CVA, CCA

Manager

Carr, Riggs & Ingram, LLC
282 Commerce Park Drive
Ridgeland, MS 39157
Voice: 601-499-2517
Fax: 601-790-6617
Mobile: 601-720-1181

IN THE CIRCUIT COURT OF FORREST COUNTY, MISSISSIPPI

LISA DIAZ

PLAINTIFF

v.

CAUSE NO. W16-0034 *724*

CITY OF HATTIESBURG

DEFENDANT

SUMMONS

TO: Sheriff of Forrest County or process server

TO: **Mayor Johnny Dupree**
City of Hattiesburg
City Hall
Main Street
Hattiesburg, Mississippi

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS.

You are required to mail or hand deliver a copy of a written response to the Complaint to:
S. CHRISTOPHER FARRIS, 6645 U.S. Hwy 98 W Suite #3, Hattiesburg, MS 39402, (601)271-2285, the attorney for the Plaintiff(s). Your response must be mailed or delivered within thirty (30) days from the date of delivery of this summons and complaint or a judgment by default will be entered against you for the money or other things demanded in the complaint.

You must also file the original of your response with the Clerk of this Court within a reasonable time afterward.

Issued under my hand and seal of said Court, this 23 day of February, A.D., 2016.

(Seal)

GWEN WILKS, Circuit Clerk

By: *[Signature]*, D.C.

IN THE CIRCUIT COURT OF FORREST COUNTY, MISSISSIPPI

LISA DIAZ

PLAINTIFF

v.

FILED

CAUSE NO. W16-0034

CITY OF HATTIESBURG

FEB 24 2016

DEFENDANT

[Signature]
FORREST COUNTY CIRCUIT CLERK

COMPLAINT

COMES NOW, the Plaintiff, Lisa Diaz and files this her Complaint against the Defendant, City of Hattiesburg and in support would show unto this Honorable Court the following:

(I)

Plaintiff, Lisa Diaz is an adult resident citizen of Lamar County, Mississippi and has been for more than six (6) months prior to the filing of this lawsuit.

(II)

Defendant, City of Hattiesburg is a municipality with portions overlapping Forrest and Lamar County, Mississippi. Prior to suit being filed a notice letter was sent by certified mail to the City of Hattiesburg. (Exhibit #1) Process may be obtained by service upon Johnny Dupree, Mayor of the City of Hattiesburg. Venue is proper in Forrest County because the principal place of business of the City of Hattiesburg is located in Forrest County, Mississippi.

(III)

That this Court has jurisdiction of the parties and of the subject matter herein in that the amount in controversy exceeds \$75,000.00.

IN THE CIRCUIT COURT OF FORREST COUNTY, MISSISSIPPI

LISA DIAZ

PLAINTIFF

V.

CAUSE NO. W16-0034

CITY OF HATTIESBURG

DEFENDANT

FILED

FEB 24 2016

FORREST COUNTY CIRCUIT CLERK

COMPLAINT

COMES NOW, the Plaintiff, Lisa Diaz and files this her Complaint against the Defendant, City of Hattiesburg and in support would show unto this Honorable Court the following:

(I)

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(II)

Defendant, City of Hattiesburg is a municipality with portions overlapping Forrest and Lamar County, Mississippi. Prior to suit being filed a notice letter was sent by certified mail to the City of Hattiesburg. (Exhibit #1) Process may be obtained by service upon Johnny Dupree, Mayor of the City of Hattiesburg. Venue is proper in Forrest County because the principal place of business of the City of Hattiesburg is located in Forrest County, Mississippi.

(III)

That this Court has jurisdiction of the parties and of the subject matter herein in that the amount in controversy exceeds \$75,000.00.

(VII)

Plaintiff would submit that the actions of the City of Hattiesburg Municipal Court in failing to properly enter the payment of the fine in the Court's system led to her wrongful arrest and incarceration.

(VIII)

She seeks recovery against the City of Hattiesburg on the basis of negligence in the handling and receipt of fine money and docketing the payments properly. Further there never should have been a warrant issued on this charge without verification of the payment. As a result, Officer Tate wrongfully arrested the Plaintiff resulting in false imprisonment and negligent infliction of emotional distress.

(IX)

That all of the damages sustained by the Plaintiff was a direct proximate result of the negligence of the City of Hattiesburg by and through it's employees.

(X)

That Plaintiff seeks compensatory damages in an amount that the Court deems reasonable and fair to compensate her for the humiliation, emotional distress and pain and suffering she suffered as a direct result of the negligence of the City of Hattiesburg and the wrongful arrest and incarceration of plaintiff.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that this Court issue process to the Defendant commanding them to plead and answer this Complaint; that upon a trial before the Court the Plaintiff receive compensatory damages in an amount that the Court deems fair and

adequate compensation for her injuries and resulting humiliation, emotional distress and pain and suffering.

Respectfully submitted,
LISA DIAZ, Plaintiff

BY:


~~S. CHRISTOPHER FARRIS~~

Attorney for Plaintiff

Mississippi State Bar No. 5154

6645 U.S. Hwy 98, Suite #3

Hattiesburg, MS 39402

(601)271-2285