

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Finding 2007-1 Lack of Segregation of Duties – Small Entity

Management is responsible for establishing and maintaining a proper internal control system to ensure proper financial accountability and safeguarding of assets.

In performing our audit procedures we noted the lack of segregation of duties in authorizing, processing and recording financial transactions. We believe this is a result of the size and nature of the entity and its staff. However, we recommend the Commission implement additional controls to help mitigate this deficiency.

Response from Hattiesburg Tourism Commission:

Under the guidance and advisement of King CPA, PLLC, the Hattiesburg Tourism Commission will implement appropriate controls to better segregate duties related to authorizing, processing and recording of financial transactions.