Audit Committee Meeting
Minutes for Tuesday, March 12, 2024 at 8:30 AM
Evans Government Center Auditorium, Evans, Georgia

Present at the meeting included:

Connie M. Melear, Chairman
Donald Skinner, Sr., Vice Chairman
Douglas R. Duncan, Member
Alison G. Couch, Member
County Manager Scott Johnson
Deputy County Manager Glenn Kennedy
Deputy County Manager Matt Schlachter
County Attorney Chris Driver
County Clerk Patrice R. Crawley

Division Directors:
Leanne Reece - Internal Services
John Luton – Community & Leisure Services
Scott Sterling - Planning Services
Michael Blanchard - Technology Services
Chief Jeremy Wallen – Fire Services
Kyle Titus – Engineering Services
Paul Scarbary – Development Services
County Staff
Members of the Media and Public

A. CALL TO ORDER
Chairman Melear called the meeting to order at 8:30 a.m.

B. INVOCATION
Chairman Melear gave the invocation.

C. PLEDGE OF ALLEGIANCE
County Manager Johnson led the Pledge of Allegiance to the flag.

D. ROLL CALL / QUORUM
Chairman Melear declared a quorum with four members present.

E. APPROVAL OF THE MINUTES OF PREVIOUS MEETING

(E1) December 12, 2023
Member Duncan made a motion to approve the minutes from the December 12, 2023 Audit Committee meeting. Member Couch seconded the motion. The motion carried unanimously.

F. APPROVAL OF THE AGENDA
Chairman Melear presented the agenda.

G. DEBATE AGENDA

(G1) New Business

(G1a) Management Services

(G1a1) Draft Reports
John Snider from Serotta Maddocks Evans & Company presented the committee with the following draft reports: Lodging Tax Audit of Selected Hotels/Motels, Emergency Management Agency, Risk Management Department and Rental Facilities.

Each of the draft reports are attached to the minutes.

(G1a2) Internal Audit Update
Mr. Snider stated that audits have started or are being finalized for Fleet Management, another group of selected hotels/motels for Lodging Tax, Public Transit, Senior Center and Code Compliance.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:39 a.m.

Connie M. Melear, Chairman

Patrice R. Crawley, County Clerk

COLUMBIA COUNTY, GEORGIA
LODGING TAX INTERNAL AUDIT
OF SELECTED HOTELS/MOTELS

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Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the submission of the lodging tax forms to the County from various Columbia County hotels/motels. Columbia County's management is responsible for the County's accounting records. The evaluation procedures were those approved by the County.

The sufficiency of these procedures is solely the responsibility of the Audit Committee and management of the County. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures, results, and recommendations are outlined throughout this report.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements, or an element of the financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Audit Committee and management of the County and should not be used by anyone other than the specified parties.

We would be pleased to review these and any other matters further with you.

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 12, 2024

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain knowledge of the current Georgia law for the lodging tax O.C.G.A. §48-13-51 and any related County ordinances.
- Agree amounts reported on the County lodging tax forms submitted to the County to the amount recorded in the County's general ledger.
- Determine that gross sales, exempt sales, and taxable sales from the lodging tax forms submitted to the County agree to the gross sales, exempt sales and taxable sales listed on the sales tax forms submitted to the State of Georgia.
- Determine that gross sales, exempt sales, and taxable sales from the lodging tax forms submitted to the County agree to the gross sales, exempt sales and taxable sales listed on activity report provided by the Hotel.
- Recalculate amounts reported on the lodging tax forms submitted to the County to ensure the forms were properly completed.
- Determine if the five percent lodging tax was collected by the hotels and remitted to the County in accordance with County ordinances.
- Determine if the lodging tax forms were submitted by the 20th of each month.
- Observe the lodging tax form used to ensure the latest edition is being used by each hotel/motel.
- Make recommendations to the County and hotel/motel operators based upon our analysis.

SCOPE

Our internal audit scope was limited to the time period of July 1, 2023 to September 30, 2023. All selections were made within this time period.

BACKGROUND AND TESTING

The County is authorized under state law to audit the books and records of the hotels/motels in order to determine that the appropriate amount of lodging tax has been charged and remitted to the County.

The following hotels/motels were selected for testing:

- Vic Hotel LLC d/b/a Avid Hotel
- Shri Hari Hospitality Inc. d/b/a America's Best Value Inn
- Raines Hospitality d/b/a Hyatt Place Augusta
- Georgia Glamping Company, LLC. d/b/a Timberline Glamping

We obtained a copy of the lodging tax spreadsheet that is maintained on a monthly basis by the County's Finance Department. We requested from the County's Finance Department copies of the lodging tax forms submitted by the hotels. We requested the hotels provide monthly sales reports, monthly sales tax forms remitted to the State of Georgia, and any sales tax audit findings as a result of state sales tax audits that were conducted during the period from July 1, 2023 to September 30, 2023.

We agreed amounts reported on the lodging tax forms submitted to the amounts recorded on the County's spreadsheet which agrees to the County's general ledger. We determined if gross sales, exempt sales, and taxable sales from the lodging tax forms submitted to the County agreed to the gross sales, exempt sales, and taxable sales listed on the sales tax forms submitted to the State of Georgia and the hotels' monthly sales reports. We recalculated the lodging tax forms submitted to the County to ensure the forms were properly completed. We determined if the five percent lodging tax was collected by the hotels and remitted to the County in accordance with County ordinances. We determined if the lodging tax forms were submitted by the 20th of each month. We observed the lodging tax form used to ensure the latest edition is being used by each hotel/motel.

RESULTS

We noted the following for each hotel:

- Vic Hotel LLC d/b/a Avid Hotel
  - We noted a variance between exempt sales reported to the County and the Hotel's internal reporting in August of 2023 In the amount of $202.12.
- Shri Hari Hospitality Inc. d/b/a America's Best Value Inn
  - We noted variances between exempt sales reported to the County and the Hotel's internal reporting in July 2023, August 2023, and September 2023 in the amount of $361.43, $371.44, and $139.29, respectively.
  - We noted this hotel has not been using the most up-to-date Excise tax form.
- Raines Hospitality d/b/a Hyatt Place Augusta
  - No exceptions noted during testing.
- Georgia Glamping Company, LLC. d/b/a Timberline Glamping
  - No exceptions noted during testing.

For the four hotels analyzed during the months of July, August, and September of 2023, we noted the following:

- Total gross sales reported to the County - $1,841,567
- Exemptions claimed - $362,957
- Excise taxes remitted - $71,712

Vic Hotel LLC d/b/a Avid Hotel was subjected to testing and we noted the following:

Sales	Per County Excise Tax Return	Per State Sales and Use Return^	Per the Hotel's Internal Reporting
Gross Sales			
July 2023	$ 267,728.38	$ 267,728.38	$ 267,728.38
August 2023	239,080.83	242,028.80	238,878.71#
September 2023	212,145.34	212,145.34	212,145.34
Exempt Sales			
July 2023	32,692.99	32,692.99	32,692.99
August 2023	22,347.31	25,295.28	22,347.31
September 2023	28,157.94	30,676.47	28,157.94
Taxable Sales			
July 2023	235,035.39	235,035.39	235,035.39
August 2023	216,733.52	216,733.52	216,531.40#
September 2023	183,987.40	181,468.87	183,987.40

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Difference
July 2023	$ 30,154.23	$ 30,154.23	$ -
August 2023	27,968.18	27,968.18	-
September 2023	23,531.79	23,531.79	-

^ Any differences between County and State forms are properly identified as food, beverage, and other revenues not considered in the 5% Excise Tax.
# The cause of the $202.12 variance between gross and taxable sales reported to the County and the Hotel's internal records was not determined.
*Vendor compensation is 3% of the tax due to the County. That amount is added back for the purpose of this analysis.

OTHER COMMENTS

We have prepared a letter of results and recommendations to the hotel owner for each of the hotels/motels that were observed. We presented these reports to the hotel/motel owners as part of this internal audit project.

Shri Hari Hospitality Inc. d/b/a America's Best Value Inn was subjected to testing and we noted the following:

Sales	Per County Excise Tax Return	Per State Sales and Use Return^	Per the Hotel's Internal Reporting
Gross Sales			
July 2023	$ 28,885.92	$ 28,885.92	$ 28,885.92
August 2023	29,232.21	29,232.21	29,232.21
September 2023	28,668.64	28,668.64	28,668.64
Exempt Sales			
July 2023	4,841.78	4,841.78	4,480.35#
August 2023	5,520.95	5,520.95	5,149.51#
September 2023	6,307.06	6,307.06	6,167.77#
Taxable Sales			
July 2023	24,044.14	24,044.14	24,405.57
August 2023	23,711.26	23,711.26	24,082.70
September 2023	22,361.58	22,361.58	22,361.58

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Difference
July 2023	$ 3,089.68	$ 3,089.64	$ .04
August 2023	3,046.89	3,046.89	-
September 2023	2,873.47	2,873.46	.01

^ Any differences between County and State forms are properly identified as food, beverage, and other revenues not considered in the 5% Excise Tax.

The differences between the exempt sales reported to the County and State compared to the amounts per hotel records were caused by an employee miscoding exempt sales to nonexempt sales. The variances in July 2023, August 2023, and September 2023 were $361.43, $371.44, and $139.29, respectively.

*Vendor compensation is 3% of the tax due to the County. That amount is added back for the purpose of this analysis.

OTHER COMMENTS

This hotel has not been using the most up-to-date Excise tax form when remitting payment to the County. The form currently being accepted by the Finance department shows the hotel has 25 days to remit the form and payment and excludes the notice allowing the County to review the hotel's internal documentation.

The hotel could not provide further documentation regarding the employee miscoding exempt sales to nonexempt sales.

We have prepared a letter of results and recommendations to the hotel owner for each of the hotels/motels that were observed. We presented these reports to the hotel/motel owners as part of this internal audit project.

Raines Hospitality d/b/a Hyatt Place Augusta was subjected to testing and we noted the following:

Sales	Per County Excise Tax Return	Per State Sales and Use Return^	Per the Hotel's Internal Reporting
Gross Sales			
July 2023	$ 374,701.84	$ 398,844.03	$ 374,701.84
August 2023	298,445.65	316,177.01	298,445.65
September 2023	315,027.83	329,038.28	315,027.83
Exempt Sales			
July 2023	105,568.60	103,991.75	105,568.60
August 2023	79,776.80	79,364.25	79,776.80
September 2023	77,743.60	78,274.25	77,743.60
Taxable Sales			
July 2023	269,133.24	294,852.28	269,133.24
August 2023	218,668.85	236,812.76	218,668.85
September 2023	237,284.23	250,764.03	237,284.23

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Difference
July 2023	$ 36,448.20	$ 36,448.20	$ -
August 2023	29,380.73	29,380.73	-
September 2023	31,394.09	31,394.09	-

^ Any differences between County and State forms are properly identified as food, beverage, and other revenues not considered in the 5% Excise Tax.
*Vendor compensation is 3% of the tax due to the County. That amount is added back for the purpose of this analysis.

OTHER COMMENTS

This hotel's tax payments are calculated by a local public accounting firm, increasing reliance on the documentation and calculation.

The differences between the gross, exempt, and taxable sales between the County excise return and State sales and use return are caused by sales such as food, beverage, and event space rentals. These expenses are not considered for the excise tax amount.

We have prepared a letter of results and recommendations to the hotel owner for each of the hotels/motels that were observed. We presented these reports to the hotel/motel owners as part of this internal audit project.

Georgia Glamping Company, LLC. d/b/a Timberline Glamping was subjected to testing and we noted the following:

Sales	Per County Excise Tax Return	Per State Sales and Use Return^	Per the Hotel's Internal Reporting
Gross Sales			
July 2023	$ 20,548.00	$ 25,941.00	$ 20,548.00
August 2023	12,948.00	16,484.00	12,948.00
September 2023	14,118.00	17,319.20	14,118.00
Exempt Sales			
July 2023	-	-	-
August 2023	-	-	-
September 2023	-	-	-
Taxable Sales			
July 2023	20,548.00	25,941.00	20,548.00
August 2023	12,948.00	16,484.00	12,948.00
September 2023	14,118.00	17,319.20	14,118.00

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Difference
July 2023	$ 3,071.86	$ 3,071.86	$ -
August 2023	1,948.50	1,948.50	-
September 2023	2,069.67	2,069.67	-

^ Any differences between County and State forms are properly identified as food, beverage, and other revenues not considered in the 5% Excise Tax.
*Vendor compensation is 3% of the tax due to the County. That amount is added back for the purpose of this analysis.

OTHER COMMENTS

The differences between the gross, exempt, and taxable sales between the County excise return and State sales and use return are caused by sales such as food, beverage, and event space rentals. These expenses are not considered for the excise tax amount.

We have prepared a letter of results and recommendations to the hotel owner for each of the hotels/motels that were observed. We presented these reports to the hotel/motel owners as part of this internal audit project.

COLUMBIA COUNTY, GEORGIA
EMERGENCY MANAGEMENT AGENCY
INTERNAL AUDIT

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Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the evaluation of certain internal controls and operating procedures of the Emergency Management Agency's collection of funds, compliance with County requirements for expenditure of funds, and other general operating policies and procedures. Columbia County's management is responsible for the Agency's internal controls and operating procedures. The evaluation procedures were those approved by the County. Our analysis and report do not include evaluating all internal controls over the Emergency Management Agency.

The sufficiency of these procedures is solely the responsibility of the Audit Committee and management of the County. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are outlined throughout this report.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements, or an element of a financial statement. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Audit Committee and management of the County and should not be used by anyone other than the specified parties.

We would be pleased to review these and any other matters further with you.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 12, 2024

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Emergency Management Agency for compliance with grant requirements, expenditure of funds, inventory tracking, and other general operating policies and procedures.
- Design and execute tests of the policies and procedures for monitoring compliance with grant requirements, expenditure of funds, inventory tracking, and other general operating policies and procedures.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Emergency Management Agency and the evaluation of certain internal controls and operating procedures of the Emergency Management Agency's processing of inter-governmental revenues, collection of cash receipts, compliance with County grant requirements, expenditure of funds, and other general operating policies and procedures. The internal audit focused primarily on the period January 1, 2023 through December 31, 2023; but certain analyses were performed outside of this time period. The County matching funds for grant awards was excluded from our testing. Specific scopes and time frames of testing are stated within the procedures and results section of this report, as identified in the table of contents.

Our testing focused on the following areas:

- Revenues
- Expenditures
    - Purchase Requisitions
    - Purchase Card Transactions
- Miscellaneous Items
    - Timesheets
    - Grant Requirements
- Inventory

METHODOLOGY

Our internal audit methodology included the identification, evaluation and testing of internal controls as they relate to the areas identified in the scope above. General audit procedures included:

- Interviewing the Emergency Management Agency's personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation for entering purchase requisitions, purchase card transactions, employee timesheets, general ledger entries and data, Munis reports, and other applicable data and documentation.

- **Grants and Revenues**
  - We noted no exceptions to the items selected for testing.

- **Timesheets**
  - We noted no exceptions to the items selected for testing.

- **Purchase Requisitions**
  - We noted no exceptions to the items selected for testing.

- **Purchase Card Transactions**
  - We noted no exceptions to the items selected for testing.

- **Inventory**
  - We noted no exceptions to the items selected for testing.

- **General Inquiries and Observations**
  - We noted no exceptions.

GRANTS AND REVENUES

Background and Procedures

The Emergency Management Agency is responsible for developing, implementing and maintaining a comprehensive emergency mitigation, preparedness, response and recovery program to serve and protect the citizens of the County.

The Emergency Management Agency is responsible for obtaining, renewing and maintaining compliance of grants from the Federal Emergency Management Agency and the U.S. Department of Homeland Security. The County must remain compliant in order to receive reimbursements of expenses and remain eligible for subsequent granting periods. Expenditures are preapproved by the granting agencies, expended by the County and reimbursed at the end of the grant period. The Emergency Management Agency's primary sources of revenues are received from these grants. Grant proceeds are received as a reimbursement of expended funds and timing differences may occur between receipt of reimbursements and expenditures. The time period of grants may span more than twelve months, overlap one other and have a different fiscal year than the County.

Testing

We obtained a copy of grant documents for all grants in effect for the period January 1, 2021 to December 31, 2023. We reviewed the grant documents and reports for proper authorization and approval that all requirements were met. We reviewed financial statements from Munis to determine the deposits were properly accounted for.

Results

We noted no exceptions from our review of revenue-producing grant and contract documents. The department is in compliance with all of the granting requirements. Controls for processing grant revenues and collections of cash receipts appear to be functioning properly.

TIMESHEETS

Background and Procedures

The County uses an electronic timesheet processing system. At the end of the two-week period, each hourly employee submits their timesheet to be approved by their supervisor. Once submitted, the supervisor receives a link to approve the employee's timesheet data. Once approved, timesheets are printed and submitted to the finance department, where they are stored. All pay rates are pre-established in Munis by the Human Resources Department. The Human Resources Department maintains a spreadsheet detailing each employee's straight time, overtime, and time off to facilitate data entry in Munis. The timesheets, along with Munis Payroll Report, are routed to the Finance Department to issue payroll checks or direct deposits. All employees in this department are exempt employees, so they are not required to submit timesheets. However, they are required to submit a leave sheet when leave is taken.

TIMESHEETS (continued)

Testing
We obtained payroll documentation for the payroll periods ending November 18, 2023 and December 2, 2023 from the Payroll Clerk in the Finance Department. We then obtained a copy of the payroll register and verified the proper number of hours on the payroll register during the pay period. We also compared the payroll register to the direct deposit report to verify that the employee was paid the correct amount.

Results
Controls for payroll appear to be functioning properly. We noted no exceptions to the items selected for testing.

PURCHASE REQUISITIONS

Background and Procedures
Purchases up to $5,000 are allowed by employees authorized to purchase goods and services on behalf of the County. Invoices for these purchases require the approval signature of the employee's supervisor. Purchases between $5,000 and $25,000 require a quote sheet with three to five price quotations attached. Purchases over $25,000 require a request for proposal (RFP)/bid and are processed through the Procurement Department.

Tiers are established within Munis for the approval of purchase requisitions. The signature process is performed electronically in Munis. Each person must approve the purchase requisition before it is converted to a purchase order by the Procurement Department.

Testing
We obtained a listing of all expenditures for the time period January 1, 2023 to December 31, 2023. We selected all expenditures from the list provided. For each expenditure, we examined the related requisition for proper approval in Munis. We also examined the purchase orders for proper approval. We then verified that the payment amount matched the payment due on the invoice received. For expenses over $5,000, we verified that the County's Purchasing Policy was followed.

Results
Controls over purchase orders appear to be functioning properly. We noted no exceptions to the items selected for testing.

PURCHASE CARD TRANSACTIONS

Background and Procedures
The County has a purchase card program which is used to eliminate the need for small dollar purchase requisitions. The purchase card program utilizes the same dollar thresholds as the purchase requisition/order system along with the same approval process.

<u>PURCHASE CARD TRANSACTIONS</u> (continued)

Purchase card transaction records are maintained electronically by Elan, a third-party payment processor. On a daily basis, the Procurement Department downloads a transaction record from Elan's website and imports the records into Munis. The expenses are initially recorded in Munis as uncategorized and maintained in a temporary holding account on the general ledger. When the transactions are imported into Munis, a designated individual within each department receives a notification that new transactions were entered that require coding and approval. At this point, the designated coders upload the receipts for each transaction and enter a line code corresponding with the nature of the expenditure. Once the receipts have been uploaded and all expenditures have been coded, the statement is released for approval by the cardholder's supervisor within Munis. On a biweekly basis, the Finance Department reconciles the charges back to a billing cycle statement provided by Elan and notifies the departments if there are any uncoded or unapproved transactions. Once all coded and approved charges have been reconciled to the statement, the purchase card transactions are approved for posting by the Finance Department Manager and are posted to the general ledger as expenditures.

<u>Testing</u>
We obtained a listing of all Emergency Management Agency purchase card statements for the date range January 1, 2023 to December 31, 2023. From that listing, we selected four statements with the following dates: February 1, 2023, June 7, 2023, June 21, 2023, and December 20, 2023. We verified that all transactions on these statements had supporting receipts scanned into Munis, were for County use, had been properly approved by the cardholder's supervisor, and had been properly coded to the correct expense object. For expenses over $5,000, we verified that the County's Purchasing Policy was followed.

<u>Results</u>
Controls for purchase card transactions appear to be functioning properly. We noted no exceptions to the items selected for testing.

<u>INVENTORY</u>

<u>Background and Procedures</u>
The Emergency Management Agency maintains communications equipment and assorted emergency preparedness supplies for use during emergencies and to hand out to the general public. All communications equipment is stored in a locked room within the Emergency Operations Center and inventory lists are maintained according to the source of the equipment. When it has been determined that a County employee or citizen volunteer requires a radio in order to maintain continuity of communications or to perform other essential functions related to emergency response and preparedness, they are assigned a radio and required to complete a form listing the model and serial number of the radio they have been assigned.

<u>Testing</u>
We obtained a listing of Emergency Management Agency's inventory as of January 23, 2024, the day of fieldwork. From this inventory listing we selected five items in the operations room and verified their existence through physical observation. We also viewed the on-hand emergency supplies which included Motorola radios, emergency cots, and toiletries.

<u>INVENTORY</u> (continued)

<u>Results</u>
Controls over inventory appear to be functioning properly. We noted no exceptions to the items selected for testing.

<u>GENERAL INQUIRIES AND OBSERVATIONS</u>

<u>Background and Procedures</u>
As prescribed in GA Code § 38-3-27, each county may establish a local organization for emergency management. This code requires a director or deputy director of a local emergency management organization to be a certified emergency manager under the Georgia Emergency Management and Homeland Security Agency's Certified Emergency Manager Program. Emergency management personnel certified under this program are required to complete a minimum of 24 hours of continuing education annually to maintain the certification.

The primary responsibility of the County's government is to provide for the welfare of its citizens. An effective emergency management program is essential to ensuring that mitigation, preparedness, response, and recovery activities are conducted, so that the welfare and safety of the public are preserved. The County's Emergency Operations Plan ("EOP") establishes a comprehensive framework for county-wide emergency management by addressing roles and responsibilities of the County departments, State and Federal personnel, and private organizations.

<u>Testing</u>
We obtained the most up to date EOP, which was approved and implemented on April 22, 2022. We read the report, and inquired of management to gain a better understanding of the department and environment they operated in.

We requested evidence of certification under the Georgia Emergency Management and Homeland Security Agency's Certified Emergency Manager Program for the department's director and deputy director. Additionally, we requested evidence that each Certificate holder has completed at least 24 hours of continuing education.

<u>Results</u>
The plan lays out, in detail, the possible emergencies affecting the County as well the Emergency Support Functions used in response to certain emergencies and appears to be in-line with County standards and procedures.

Upon request, Management provided the highest certifications of all the employees in the department, their GMEA transcripts. We viewed the Director's Professional Emergency Management certification effective February 16, 2023 and certification showing 38 hours of continuing education for the year.

COLUMBIA COUNTY, GEORGIA
RISK MANAGEMENT DEPARTMENT
INTERNAL AUDIT

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Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the evaluation of certain internal controls and operating procedures of the Risk Management Department's processing of intergovernmental revenues and collection of cash receipts, compliance with insurance requirements, expenditure of funds, and other general operating policies and procedures. The County's management is responsible for the department's accounting records, internal controls and operating procedures. The evaluation procedures were those approved by the County. Our analysis and report do not include evaluating all internal controls over the Risk Management Department.

The sufficiency of these procedures is solely the responsibility of the Audit Committee and management of the County. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are outlined throughout this report.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements, or an element of a financial statement. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Audit Committee and management of the County and should not be used by anyone other than the specified parties.

We would be pleased to review these and any other matters further with you.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 12, 2024

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Risk Management Department relating to the processing of insurance reimbursements, collection of cash receipts, compliance with insurance requirements, expenditure of funds, and other general operating policies and procedures.
- Design and execute tests of the policies and procedures for monitoring the processing of intergovernmental revenues, collection of cash receipts, compliance with insurance requirements, expenditure of funds, and other general operating policies and procedures.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Risk Management Department and the evaluation of certain internal controls and operating procedures of the Risk Management Department's processing of intergovernmental revenues and collection of cash receipts, compliance with County insurance requirements, expenditure of funds, and other general operating policies and procedures. The internal audit focused primarily on the period January 1, 2023 through June 30, 2023 and July 1, 2023 through November 30, 2023; but certain analyses were performed outside of this time period. Specific scopes and time frames of testing are stated within the procedures and results section of this report, as identified in the table of contents.

Our testing focused on the following areas:

- Revenues
  - Insurance Reimbursements
- Expenditures
  - Purchase Requisitions
  - Purchase Card Transactions
- Miscellaneous Items
  - Timesheets
  - Insurance Requirements
  - Driving Records

METHODOLOGY

Our internal audit methodology included the identification, evaluation and testing of internal controls as they relate to the areas identified in the scope above. General audit procedures included:

- Interviewing Risk Management Department's personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation for entering purchase requisitions, purchase card transactions, processing of insurance reimbursements, collections of cash receipts, employee timesheets, general ledger entries and data, Munis reports, and other applicable data and documentation.

<u>Insurance Reimbursements</u>

- We noted no exceptions to the items selected for testing.

<u>Purchase Requisitions</u>

- We noted no exceptions to the items selected for testing.

<u>Purchase Card Transactions</u>

- We noted no exceptions to the items selected for testing.

<u>Timesheets</u>

- We noted no exceptions to the items selected for testing.

<u>Insurance Policies</u>

- We noted no exceptions to the items selected for testing.

<u>Driving Records</u>

- We noted no exceptions to the items selected for testing.

INSURANCE REIMBURSEMENTS

Background and Procedures

When damage to Columbia County property is caused by a third party (most often vehicle collisions) and Columbia County incurs expense to repair or replace County property, the Risk Management Department seeks to recover these costs. When repairs are completed, Risk Management Department personnel compile a subrogation package including estimates, pictures, invoices and any other supporting documentation and submit to any potential source of recovery. This is most often the insurance company for an at-fault driver; although it may occasionally be an individual, company or even through the court system. Recovery costs vary widely, ranging from minimal expenses for replacing a stop sign to thousands of dollars for a totaled vehicle.

Testing

We obtained the general ledger for the period January 1, 2023 to June 30, 2023 and July 1, 2023 to October 31, 2023. We selected five reimbursements from January 1, 2023 to June 30, 2023 and five reimbursements from July 1, 2023 to October 31, 2023 from the general ledger.

For each of the ten selected cash receipts, we tested the following items:

- appropriate forms were completed for depositing funds;
- the Department Manager and a member of the Finance Department signed the appropriate forms;
- the amount deposited agreed to the validated deposit slip and to the general ledger;
- the deposited amounts were posted to the proper general ledger account;
- viewed the claim letter and verified the amount to supporting documentation; and,
- the amount agreed to the invoices for the repair work, towing expense, diminishing value and any other expenses that might occur.

Results

We noted no exceptions from our testing of the cash receipts. Controls for collections of cash receipts appear to be functioning properly.

PURCHASE REQUISITIONS

Background and Procedures

Purchases up to $5,000 are allowed by employees authorized to purchase goods and services on behalf of the County. Invoices for these purchases require the approval signature of the employee’s supervisor. Purchases between $5,000 and $25,000 require a quote sheet with three to five price quotations attached. Purchases over $25,000 require a request for proposal (RFP)/bid and are processed through the Procurement Department.

There are tiers are established within Munis for the approval of purchase requisitions. The signature process is performed electronically in Munis. Each person must approve the purchase requisition before it is converted to a purchase order by the Procurement Department.

PURCHASE REQUISITIONS (continued)

Testing
We obtained a listing of all Risk Management Department expenditures for the time period January 1, 2023 to October 31, 2023. We haphazardly selected fifteen expenditures from the list provided. For each expenditure, we examined the related requisition for proper approval in Munis. We also examined the purchase orders for proper approval. We then verified that the payment amount matched the payment due on the invoice received.

Results
Controls over purchase orders appear to be functioning properly. We noted no exceptions to the items selected for testing.

PURCHASE CARD TRANSACTIONS

Background and Procedures
The County has a purchase card program which is used to eliminate the need for small dollar purchase requisitions. The purchase card program utilizes the same dollar thresholds as the purchase requisition/order system along with the same approval process. Purchase card transaction records are maintained electronically by Elan, a third-party payment processor. Daily, the Procurement Department downloads a transaction record from Elan's website and imports the records into Munis. The expenses are initially recorded in Munis as uncategorized and maintained in a temporary holding account on the general ledger. When the transactions are imported into Munis, a designated individual within each department receives a notification that new transactions were entered that require coding and approval. At this point, the designated coders upload the receipts for each transaction and enter a line code corresponding with the nature of the expenditure. Once the receipts have been uploaded and all expenditures have been coded, the statement is released for approval by the cardholder's supervisor within Munis. On a biweekly basis, the Finance Department reconciles the charges back to a billing cycle statement provided by Elan and notifies the departments if there are any uncoded or unapproved transactions. Once all coded and approved charges have been reconciled to the statement, the purchase card transactions are approved for posting by the Finance Department Manager and are posted to the general ledger as expenditures.

Testing
We obtained a listing of all Risk Management Department employees who were issued a purchase card by the procurement department.

We also obtained two cardholder statements from April 2023 and one cardholder statement for September 2023. We verified that all transactions on these statements had supporting receipts scanned into Munis, were for County use, had been properly approved by the cardholder's supervisor, and had been properly coded to the correct expense object. For expenses over $5,000, we verified that the County's Purchasing Policy was followed.

Results
Controls for purchase card transactions appear to be functioning properly. We noted no exceptions to the items selected for testing.

TIMESHEETS

Background and Procedures

The Risk Management Department uses the standard County time keeping procedures. Non-exempt employees complete electronic timesheets for each payroll cycle. Exempt employees are not required to maintain a daily time sheet and are only required to complete leave request forms for personal time off requests. Once all time is entered in the Munis system, the Munis report is forwarded to the finance department.

Testing

We obtained timesheets for the payroll periods ending March 16, 2023 and August 31, 2023 from the Finance Department along with a copy of the payroll register. The payroll register is created from the time sheets. We verified that the correct number of hours was used to compute payroll during the pay period. We compared the payroll register to the direct deposit report or cancelled the check to verify that the employee pay matched the amount that was calculated from the hours on the timesheet.

Results

Controls for timesheets appear to be functioning properly. We noted no exceptions to the items selected for testing.

INSURANCE POLICIES

Background and Procedures

The Risk Management Department is responsible for annually renewing all insurance policies for the liability, property and equipment of the County. All upfront costs for any claims are paid for directly by the Association of County Commissioners of Georgia (ACCG) and the County reimburses ACCG for any payments made within the deductible.

Testing

We obtained all insurance policies covering the period July 1, 2022 to the present. We reviewed all declarations pages and noted that all insurance policies were current. We also reviewed any other documentation necessary for the various types of insurance.

Results

Controls for insurance policies appear to be functioning properly. We noted no exceptions to the items selected for testing.

DRIVING RECORDS

Background and Procedures
Risk Management provides defensive driving training for County employees and also runs driver's license checks for all employees who drive County vehicles or receive a vehicle allowance annually. The department also runs driver's license checks on all new hires. This process is to ensure that all County drivers hold an appropriate driver's license and their driving record meets acceptable standards to operate a County vehicle and or receive a driving allowance.

Testing
We obtained a list from the Risk Management Department of all current County employees who are authorized to drive County vehicles or receive a vehicle allowance. We selected 10 employees from the list and reviewed that a current driving record was processed on each employee.

Results
Controls for driving records appear to be functioning properly. We noted no exceptions to the items selected for testing.

COLUMBIA COUNTY, GEORGIA
SAVANNAH RAPIDS PAVILION & COLUMBIA COUNTY EXHIBITION CENTER
INTERNAL AUDIT

TABLE OF CONTENTS

Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the evaluation of certain internal controls and operating procedures of the Savannah Rapids Pavilion's and Columbia County Exhibition Center's maintenance of client files, rental collections, and other general accounting policies and procedures. The County's management is responsible for the departments' accounting records, internal controls and operating procedures. The evaluation procedures were those approved by the County. Our analysis and report do not include evaluating all internal controls over the Savannah Rapids Pavilion and Columbia County Exhibition Center.

The sufficiency of these procedures is solely the responsibility of the Audit Committee and management of the County. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures, results, and recommendations are outlined throughout this report.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements, or an element of a financial statement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Audit Committee and management of the County and should not be used by anyone other than the specified parties.

We would be pleased to review these and any other matters further with you.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 12, 2024

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INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Savannah Rapids Pavilion and Columbia County Exhibition Center related to client files, rental collections, and adherence to policies and procedures.
- Design and execute tests of the policies and procedures throughout the various functional areas of the Savannah Rapids Pavilion and Columbia County Exhibition Center such as client reservations, rental fee collection, purchase card transactions, purchase requisitions, and timesheets for county employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded and errors or irregularities can be prevented or detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Savannah Rapids Pavilion's and Columbia County Exhibition Center's internal controls relating to the maintenance of client files, rental collections, and other general accounting policies and procedures. The internal audit focused primarily on the period from January 1, 2023 to October 31, 2023. The specific scopes and time frames of testing are stated within the procedures and results section of this report, as identified in the table of contents.

Our testing focused on the following areas:

- Client Files
- Rental Collection
- Expenditures
  - Purchase Card Transactions
  - Purchase Requisitions
- Miscellaneous Items
  - Timesheets

METHODOLOGY

Our internal audit methodology included the identification, evaluation, and testing of internal controls as they relate to the areas identified in the scope above. General audit procedures included:

- Inquiry of Savannah Rapids Pavilion and Columbia County Exhibition Center personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation such as client files, deposits, and any other applicable data.

SUMMARY OF INTERNAL AUDIT RESULTS

CLIENT FILES

- We noted no exceptions in testing. Controls appear to be functioning properly.

RENTAL COLLECTION

- We noted no exceptions in testing. Controls appear to be functioning properly.

TIMESHEETS

- We noted no exceptions in testing. Controls appear to be functioning properly.

PURCHASE CARD TRANSACTIONS

- We noted no exceptions in testing. Controls appear to be functioning properly.

PURCHASE REQUISITIONS

- We noted no exceptions in testing. Controls appear to be functioning properly.

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

CLIENT FILES

Background and Procedures

In order to rent a venue, a client calls, emails, or goes to the office to reserve the venue for a certain date. All employees at the Savannah Rapids Pavilion Department (SRP) and Columbia County Exhibition Center (CCEC) are available to make reservations or alter existing ones. The employee responding to the potential renter's inquiry searches CivicRec to ensure availability for the date selected. If the date is available the process continues. If not, the SRP or CCEC employee searches for another available date. After the venue and date are chosen the employee and client discuss pricing. A venue is not considered reserved unless half of the rental fee is paid upon reservation. (Exceptions exist for clients who rent on a more consistent basis such as churches, corporate clients, or the County itself.) At SRP payment can be accepted by cash, check, or credit card. CCEC only excepts check or credit card. Once payment is accepted, the reservation is considered complete and a confirmation number is printed on the invoice for which the payment is recorded. Before an event can take place, full payment for the venue must be received (except for those mentioned above). SRP and CCEC provide rentals of linens, projectors, TVs and other incidental items. These are also agreed to in the contract. The charges for incidentals must be paid for before the date of the event. Amounts for items paid for, but not used, are refunded. Once the full amount is received the venue is available for use by the client on the date of the event. Through June 30, 2023, renters were required to pay a damage deposit fee for each rental venue. The amount varied depending on the venue. This amount was held by SRP or CCEC for any damages that may occur or for additional items the client may request the day of the event. As of July 1st, 2023, the start of the fiscal year, SRP and CCEC no longer requires a damage deposit. The departments now charge a nonrefundable cleaning fee for each rental venue.

Testing

We obtained 24 client files from the Savannah Rapids Pavilion and 10 client files from Columbia County Exhibition Center and tested them for items listed below:

1) Reservation application properly filled out and maintained by SRP or CCEC.
2) Reservation application approved by employee.
3) Amount collected for reservation equal to amount per reservation application.
4) Amount collected for reservation fee equal to half of contract price not including incidentals (such as damage fee deposit, cleaning fee, linen rentals, TV, projectors, etc.). Not applicable if exception noted above exists.
5) Proper refunded amount based on damage deposit fee or incidentals rented and not used.

Results

Controls over client files appear to be functioning properly. We noted no exceptions to the items selected for testing.

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

RENTAL COLLECTION

Background and Procedures

Rental collection procedures are similar regardless of the transaction type. When collection of rental fees occurs at SRP, the client provides an employee cash, check, or credit card. When collection of rental fees occurs at CCEC, the client provides an employee either check, or credit card. For all forms of payment, the employee enters the amount into CivicRec and creates a receipt for the client. Credit cards are processed through an external credit card machine, where another receipt is generated. A credit card transaction creates two copies, one for the client and one to be stapled to the invoice receipt generated by CivicRec. Cash and check payments are maintained until a batch is accumulated and a deposit is prepared for the bank. When bank deposits are prepared an employee logs on to CivicRec and batches the transactions. Batches are created at a minimum on a weekly basis; but are prepared daily if cash is received. Any cash on hand overnight is stored in a vault. Once the batch is processed the employee creates a deposit slip and matches totals to the batch. The deposit is then reviewed by another employee. Once the deposit is reviewed, it is taken to the bank, where two receipts are requested. One receipt is stapled to the batch and sent to the Finance Department. The other receipt is maintained at SRP or CCEC with a copy of the batched information and a copy of all checks deposited.

Testing

We obtained 24 client files from the Savannah Rapids Pavilion and 10 client files from Columbia County Exhibition Center and tested them for items listed below:

1) Amounts collected traced to batch report.
2) Batch report totals match deposit slip totals minus any credit card activity.
3) Total from bank receipt matches deposit slip total.
4) Credit card transactions traced to batch reports.

Results

Controls over rental collections appear to be functioning properly. We noted no exceptions to the items selected for testing.

TIMESHEETS

Background and Procedures

SRP and CCEC uses the standard County time keeping procedures. Non-exempt employees complete electronic timesheets for each payroll cycle. Exempt employees are not required to maintain a daily time sheet and are only required to complete leave request forms for personal time off requests. Once all time is entered in the Munis system, the Munis report is forwarded to the finance department.

Testing

We obtained timesheets for the payroll periods ending March 16, 2023 and August 31, 2023 from the Finance Department along with a copy of the payroll register. The payroll register is created from the time sheets. We verified that the correct number of hours was used to compute payroll during the pay period. We compared the payroll register to the direct deposit report or cancelled check to verify that the employee pay matched the amount that was calculated from the hours on the timesheet.

Results

Controls for timesheets appear to be functioning properly. We noted no exceptions to the items selected for testing.

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

PURCHASE CARD TRANSACTIONS

Background and Procedures

The County has a purchase card program which is used to eliminate the need for small dollar purchase requisitions. The purchase card program utilizes the same dollar thresholds as the purchase requisition/order system along with the same approval process. Purchase card transaction records are maintained electronically by Elan, a third-party payment processor. Daily, the Procurement Department downloads a transaction record from Elan's website and imports the records into Munis. The expenses are initially recorded in Munis as uncategorized and maintained in a temporary holding account on the general ledger. When the transactions are imported into Munis, a designated individual within each department receives a notification that new transactions were entered that require coding and approval. At this point, the designated coders upload the receipts for each transaction and enter a line code corresponding with the nature of the expenditure. Once the receipts have been uploaded and all expenditures have been coded, the statement is released for approval by the cardholder's supervisor within Munis. On a biweekly basis, the Finance Department reconciles the charges back to a billing cycle statement provided by Elan and notifies the departments if there are any uncoded or unapproved transactions. Once all coded and approved charges have been reconciled to the statement, the purchase card transactions are approved for posting by the Finance Department Manager and are posted to the general ledger as expenditures.

Testing

We obtained a listing of all SRP and CCEC employees who were issued a purchase card by the procurement department.

We also obtained a listing of the purchase card transactions for the period from January 1, 2023 to October 31, 2023 from the Finance Department for the SRP and CCEC cardholders. From this we haphazardly selected two months for SRP, February 2023 and April 2023, and two months for CCEC, May 2023 and September 2023, for further analysis. We verified that all transactions on these statements had supporting receipts scanned into Munis, were for County use, and have an approval from the cardholder's supervisor. For expenses over $5,000, we verified the County's Purchasing Policy was followed.

Results

Controls over purchase cards appear to be functioning properly. We noted no exceptions to the items selected for testing.

PURCHASE REQUISITIONS

Background and Procedures

Purchases up to $5,000 are allowed by employees authorized to purchase goods and services on behalf of the County. Invoices for these purchases require the approval signature of the employee's supervisor. Purchases between $5,000 and $25,000 require a quote sheet with three to five price quotations attached. Purchases over $25,000 require a request for proposal (RFP)/bid and are processed through the Procurement Department.

There are tiers are established within Munis for the approval of purchase requisitions. The signature process is performed electronically in Munis. Each person must approve the purchase requisition before it is converted to a purchase order by the Procurement Department.

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

Testing

We obtained a listing of all SRP and CCEC expenditures for the time period January 1, 2023 to November 30, 2023. We haphazardly selected fifteen expenditures for SRP and five expenditures from CCEC from the list provided. For each expenditure, we examined the related requisition for proper approval in Munis. We also examined the purchase orders for proper approval. We then verified that the payment amount matched the payment due on the invoice received.

Results

Controls over purchase orders appear to be functioning properly. We noted no exceptions to the items selected for testing.