Audit Committee Meeting
Minutes for March 9, 2021 at 8:30 AM
Evans Government Center Auditorium, Evans, Georgia

Present at the meeting included:

Connie M. Melear, Chairman
Donald Skinner, Sr., Vice Chairman
Gary L. Richardson, Member
Dewey G. Galeas, Member
Douglas R. Duncan, Jr., 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
Paul Scarbary - Development Services
Kyle Titus - Engineering Services
Scott Sterling - Planning Services
John Luton - Community & Leisure Services
Chief Wallen - Fire Services
Michael Blanchard - Technology 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
Chairman Melear led the Pledge of Allegiance to the flag.

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

E. APPROVAL OF THE MINUTES OF PREVIOUS MEETING

(E1) December 08, 2020
Vice Chairman Skinner made a motion to approve the minutes from the December 08, 2020 Audit Committee meeting. Member Duncan 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:

Emergency Management, Risk Management, Savannah Rapids Pavilion (Rental Facilities), and Community Events

Each of the draft reports are attached to the minutes.

(G1a2) Internal Audit Update
Mr. Snider stated that an audit of the Hotel/Motel Lodging Tax will be presented to the committee once completed, and they are working on the schedule for additional departmental audits.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:50 a.m.

Signature on File	Signature on File
Connie M. Melear, Chairman	Patrice R. Crawley, County Clerk

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

February 23, 2021

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AUDIT OBJECTIVES

Our 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 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 July 1, 2019 through November 30, 2020; 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 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.

SUMMARY OF INTERNAL AUDIT RESULTS

- **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.

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 occur between receipt of reimbursements and expenditures. The time period of grants may span more than twelve months, overlap each other and have different fiscal years than the County's.

The Emergency Management Agency provides services to the related State agency and Georgia Department of Human Resources to provide emergency medical and non-emergency medical services to the County.

Testing

We obtained a copy of grant documents for all grants in effect for the period July 1, 2019 to November 30, 2020. We reviewed the grant documents and reports for proper authorization and approval that all requirements were met.

We obtained the general ledger for the period July 1, 2019 to November 30, 2020. We agreed the total amount on the grant documents to the general ledger.

Results

We noted no exceptions from our review of revenue-producing grant and contract documents. Controls for processing grant revenues and collections of cash receipts appear to be functioning properly.

TIMESHEETS

Background and Procedures

A County-wide Excel form is used by each department for timesheets, which are completed by the Administrative Specialist. Each employee signs off on the timesheet as approval for the hours recorded. Each timesheet is reviewed by the Department Manager for approval. The timesheet is forwarded to the Finance Department for further processing. 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. The Department Manager and the Operations Manager 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 May 23, 2020 and November 7, 2020 from the Payroll Clerk in the Finance Department. We then obtained a copy of the payroll register that is created from the timesheets and verified that the proper number of hours agreed to 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 amount calculated from the hours on the timesheet.

Results
Controls for payroll appear to be functioning properly. We noted no exceptions to the items selected for testing. The County changed banks at the beginning of the current fiscal year. The new bank does not provide the "direct deposit report". As a result, we traced each employee's direct deposits to the County's internal records for the November 2020 payroll.

PURCHASE REQUISITIONS

Background and Procedures
Purchases up to $2,000 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 $2,000 and $20,000 require a quote sheet with three to five price quotations attached. Purchases over $20,000 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 July 1, 2019 to November 30, 2020. 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.

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. 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.

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

We also obtained two cardholder statements dated February 3, 2020 and two cardholder statements dated August 3, 2020. 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 $2,000, 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.

INVENTORY

Background and Procedures
The Emergency Management Agency maintains an inventory of 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.

INVENTORY (continued)

Testing
We obtained a listing of Emergency Management Agency's inventory as of June 30, 2020. From this inventory listing we selected three items and verified their existence through physical observation. We also selected three items that were in the Emergency Management Agency's radio room and kitchen and noted their inclusion on the inventory detail.

We also discussed inventory stored by the Emergency Management Agency that has been donated by the state. We obtained a listing of Emergency Management Agency's PPE inventory as of October 27, 2020. From this inventory listing we selected three items and verified their existence through physical observation. We also selected three items that were in the storage closet and noted their inclusion on the inventory detail.

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

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

February 23, 2021

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 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 July 1, 2019 through June 30, 2020 and July 1, 2020 through November 30, 2020; 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 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.

SUMMARY OF INTERNAL AUDIT RESULTS

Insurance Reimbursements

- 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.

Timesheets

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

Insurance Policies

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

Driving Records

- 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 Department seeks to recover these costs. When repairs are completed, Risk 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. There is a wide range of recovery -- from minimal cost to replace a stop sign to thousands of dollars for a totaled vehicle.

Testing
We obtained the general ledger for the period July 1, 2019 to June 30, 2020 and July 1, 2020 to November 30, 2020. We selected five reimbursements from July 1, 2019 to June 30, 2020 and five reimbursements from July 1, 2020 to November 30, 2020 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 $2,000 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 $2,000 and $20,000 require a quote sheet with three to five price quotations attached. Purchases over $20,000 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.

PURCHASE REQUISITIONS (continued)

Testing
We obtained a listing of all Risk Management Department expenditures for the time period July 1, 2019 to November 30, 2020. 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. 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.

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

We also obtained three cardholder statements from February 2020 and two cardholder statements from August 2020. 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 $2,000, 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

A County-wide Excel form is used by each Department for timesheets, which are completed by the Administrative Specialist. Each employee signs off on the timesheet as approval for the hours recorded. Each timesheet is reviewed by the Department Manager for approval. The timesheet is forwarded to the Finance Department for further processing. 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. The Department Manager and the Operations Manager are exempt employees, so they are not required to submit timesheets. However, they are required to submit a leave sheet when leave is taken.

Testing

We obtained timesheets for the payroll periods ending May 23, 2020 and November 7, 2020 from the Payroll Clerk in the Finance Department. We then obtained a copy of the payroll register that is created from the timesheets and verified that the proper number of hours agreed to 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 amount 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. The County changed banks at the beginning of the current fiscal year. The new bank does not provide the "direct deposit report". As a result, we traced each employee's direct deposits to the County's internal records for the November 2020 payroll.

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, 2019 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
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 Savannah Rapids Pavilion Department's maintenance of client files, rental collections, and other general accounting 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 Savannah Rapids Pavilion 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, 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
February 23, 2021

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 Department 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 Department such as client reservations, rental fee collection, purchase card transactions, purchase requisitions, timesheets for county employees, and vendor testing.
- 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 Department'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 July 1, 2019 through November 30, 2020. 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
  - Vendor Testing

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 Department 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.

PURCHASE CARD TRANSACTIONS

- One invoice for sound equipment was erroneously recorded to concessions expense. We noted no other exceptions in the items selected for testing.

PURCHASE REQUISITIONS

- 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.

VENDOR TESTING

- In one instance, we noted The Silver Palm Catering Company, LLC remitted 10.5% of gross sales, which exceeds the 10.25% of gross sales per the contractual agreement with the County. The excess remittance was $61.

BACKGROUND AND PROCEDURES, TESTING, RESLTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

CLIENT FILES

Background and Procedures

In order to rent a venue, a client calls or goes to the office to reserve the venue for a certain date. All employees at the Savannah Rapids Pavilion Department (SRP) 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 employee searches for another available date. Before a reservation is recorded, the SRP requires approval by another employee who initials the reservation application. 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.) Payment can be accepted by cash, 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). Once the full amount is received the venue is available for use by the client on the date of the event. Along with the rental fee, clients must pay a damage deposit fee for each rental venue. The amount varies depending on the venue. This amount is held by the SRP for any damages that may occur or for additional items the client may request the day of the event. The SRP provides 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 by the SRP.

Testing

We obtained 24 client files from the Savannah Rapids Pavilion Department and tested them for items listed below:

1) Reservation application properly filled out and maintained by the SRP.
2) Reservation application approved by employee other than the employee who created the reservation application.
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, 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, RESLTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

RENTAL COLLECTION

Background and Procedures

Rental collection procedures are similar regardless of the transaction type. When collection of rental fees occurs, the client provides an employee either cash, check, or credit card. For all three 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 the SRP 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 Department 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.

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 TRANSACTIONS (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.

Testing
We obtained a listing of all Savannah Rapids Pavilion Department employees who were issued a purchase card by the procurement department.

We also obtained two cardholder statements dated February 3, 2020, one cardholder statement dated August 3, 2020, and one cardholder statement dated August 17, 2020. 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 $2,000, we verified that the County's Purchasing Policy was followed.

Results
One invoice for sound equipment was erroneously recorded to concessions expense. We noted no other exceptions in the items selected for testing.

Recommendations
Approvers should verify that transactions are coded to the proper object.

Management Response
Closer attention will be given to the input of line codes for all transactions. In this instance it was one digit off. It was input as: 5615600-522073 rather than 5615600-522070.

BACKGROUND AND PROCEDURES, TESTING, RESLTS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

PURCHASE REQUISITIONS

Background and Procedures

Purchases up to $2,000 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 $2,000 and $20,000 require a quote sheet with three to five price quotations attached. Purchases over $20,000 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 Savannah Rapids Pavilion Department expenditures for the time period July 1, 2019 to November 30, 2020. 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.

TIMESHEETS

Background and Procedures

A County-wide Excel form is used by each Department for timesheets, which are completed by the Administrative Specialist. Each employee signs off on the timesheet as approval for the hours recorded. Each timesheet is reviewed by the Department Manager for approval. The timesheet is forwarded to the Finance Department for further processing. 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. The Department Manager and the Operations Manager are exempt employees, so they are not required to submit timesheets. However, they are required to submit a leave sheet when leave is taken.

Testing

We obtained timesheets for the payroll periods ending May 23, 2020 and November 7, 2020 from the Payroll Clerk in the Finance Department. We then obtained a copy of the payroll register that is created from the timesheets and verified that the proper number of hours agreed to 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 amount calculated from the hours on the timesheet.

TIMESHEETS (continued)

Results
Controls for timesheets appear to be functioning properly. We noted no exceptions to the items selected for testing. The County changed banks at the beginning of the current fiscal year. The new bank does not provide the "direct deposit report". As a result, we traced each employee's direct deposits to the County's internal records for the November 2020 payroll.

VENDOR TESTING

Background and Procedures
The Savannah Rapids Pavilion Department is responsible for collecting contract revenue payments from The Bike Peddler, LLC, Savannah Rapids Kayak Rental, LLC, and The Silver Palm Catering Company, LLC. The Bike Peddler, LLC rents a space at the Savannah Rapids pavilion for a flat monthly fee approved by the Board of Commissioners. Savannah Rapids Kayak Rental, LLC is the sole provider of kayak and canoe rentals at Savannah Rapids Park. The Silver Palm Catering Company, LLC is the preferred caterer at Columbia County's Exhibition Center. Per contracts approved by the Board of Commissioners, these vendors pay a percentage of monthly gross revenue to the County. After the Department was restructured in 2020, these contracts were moved to other departments. Savannah Rapids Kayak Rental, LLC remits 5% of their gross monthly revenue to the County. The Silver Palm Catering Company, LLC remits 10.25% of monthly gross revenue to the County.

Testing
For the vendor who pays a flat monthly rate, we agreed the monthly payments to the rate approved by the Board of Commissioners, viewed documentation that the monthly payments were remitted and traced the revenue to the general ledger. For the vendors who pay a percentage of gross sales to the County, we verified the vendor-provided documentation supporting each month's gross sales; recalculated the amount due to the County per the terms of the contract; agreed the recalculated remittance to the documentation provided to the Rental Facilities and Venue Department; reviewed a copy of the check; validated the deposit slip and traced the revenue to the general ledger.

Results
In one instance, we noted The Silver Palm Catering Company, LLC remitted 10.5% of gross sales, which exceeds the 10.25% of gross sales per the contractual agreement with the County. The excess remittance was $61.

Recommendations
We recommend the County recalculate the percentage of sales remitted and confirm that the percentage agrees to the contract approved by the Board of Commissioners.

Management Response
Payments from Silver Palm have moved from the Savannah Rapids Pavilion Department to the Exhibition Department. At the Exhibition Department, there will be an employee who will verify the payment at the time of receipt to verify it is correct.

COLUMBIA COUNTY, GEORGIA
COMMUNITY EVENTS 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 Community Events Department's collection of sponsorships and other funds along with various other general operating policies and procedures. Columbia 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 Community Events 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
February 23, 2021

INTERNAL AUDIT OBJECTIVES

Our audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Community Events Department relating to the collection and expenditures of sponsorships and other funds and the Community Events Department's adherence to internal policies and procedures.
- Design and execute tests of the policies and procedures for collection of revenues, compliance with County requirements for expenditure of funds, and adherence to internal 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 Community Events Department and internal controls relating to the collection of sponsorships and other funds along with adherence to policies and procedures. The internal audit focused primarily on the period July 1, 2019 through December 31, 2020; but certain analyses were performed outside of that time period. 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.

The Community Events Department is a customer-service oriented department. Community Events provides affordable, family-friendly activities and events for the residents of the County. Our testing focused on the following areas:

- Revenues
    - Vendor Applications
    - Corporate Sponsorships
    - Facility Rentals
    - Ticket Sales and Other Revenues
- Expenditures
    - Purchase Requisitions
    - Purchase Card Transactions
- Miscellaneous Items
    - Employee Timesheets
    - Petty Cash Count

METHODOLOGY

Our 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 personnel within the Community Events Department;
- Observing operations and conducting walk-through interviews; and,
- Testing documentation for entering purchase requisitions, purchase card transactions, cash collections, employee timesheets, general ledger entries and data, and other applicable data and documentation.

SUMMARY OF INTERNAL AUDIT RESULTS

VENDOR APPLICATIONS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

CORPORATE SPONSORSHIPS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

FACILITY RENTALS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

TICKET SALES AND OTHER REVENUES

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

PURCHASE REQUISITIONS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

PURCHASE CARD TRANSACTIONS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

EMPLOYEE TIMESHEETS

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

PETTY CASH COUNT

- We noted no exceptions in testing and observation of the internal control procedures identified by management.

VENDOR APPLICATIONS

Background and Procedures

The Community Events Department facilitates all County-sponsored events. The events are planned on a calendar year. All events sponsored by the County are budgeted for revenues and expenditures to break even or provide an immaterial profit or loss. Operating expenses for the department such as salaries, general office supplies, training and travel are funded by the general fund.

For County sponsored events, the County selects approved vendors to provide concessions. For select events, vendors pay one flat vending fee and are allowed to sell their products directly to attendees with no further fees owed to the County. For other events, vendors pay a flat fee plus 10% of sales.

Testing

We obtained the general ledger detail and haphazardly selected eight deposits from the vendor revenues account, five from fiscal year 2020 and three from fiscal year 2021. For each of our selections, we traced the deposit to the Revenue Transmittal form prepared by the Community Events Department, and verified it was submitted to the Finance Department within a timely manner. We also traced the deposit to the validated deposit slip.

Results

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

CORPORATE SPONSORSHIPS

Background and Procedures

The Community Events staff prepare annual sponsorship packets which highlight events planned for the year which sponsors would be associated with. The packet includes the type of sponsorship, amount of the sponsorship, sponsorship benefits and a contract for the sponsor to sign. The contract is signed by the sponsor and returned to the County. The Community Events Department invoices the sponsor after receiving the signed contract. The sponsor mails the sponsorship funds to the Community Events Department.

Testing

We obtained a listing of sponsors for 2020 from the Community Events Manager. We traced all sponsorships per the list to the signed sponsor contract, noting appropriate signatures and dates. We also obtained the general ledger detail and agreed the revenues recorded in the Sponsor Fees account to the sponsor contracts and to the Revenue Transmittal form. We traced each sponsor's payment to the validated deposit slip and to Munis.

Results

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

FACILITY RENTALS

Background and Procedures

The Community Events Department is responsible for processing rental contracts for Evans Towne Center Park and the Columbia County Amphitheater for events that are not County-sponsored.

Testing

We obtained the general ledger detail and haphazardly selected four deposits, two from fiscal year 2020 and two from fiscal year 2021, from the rental revenue accounts for the Columbia County Amphitheater and Evans Towne Center Park. We agreed the deposit amount to the rental contract and the Revenue Transmittal form. We traced each rental payment to the validated deposit slip.

Results

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

TICKET SALES AND OTHER REVENUES

Background and Procedures

Some County-sponsored events require individuals to purchase a ticket to attend the event. Tickets for such events can be purchased at the Community Events Office, online through a designated ticket site, or at the gate the day of the event.

Testing

We haphazardly selected eight events, five from fiscal year 2020 and three from fiscal year 2021, from the general ledger revenue accounts Ticket Sales and Commissions for testing. Each deposit was traced to the Revenue Transmittal form completed by Community Events and we verified it was submitted to the Finance Department within a timely manner. We also traced the deposit to the validated deposit slip in Finance. If the deposit was by wire transfer, we viewed the deposit in the bank statement and agreed to the amount per the sales receipt.

Results

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

PURCHASE REQUISITIONS

Background and Procedures

Purchase requisitions are entered into MUNIS by the Community Events Manager and approved up to $2,000 by the Manager then forwarded to the Division Director for any purchases over this amount.

Per the County’s policy, all purchases up to $2,000 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 $2,000 and $20,000 require a quote sheet with three to five price quotations attached. Purchases over $20,000 require a request for proposal (RFP)/bid and are processed through the Procurement Department.

PURCHASE REQUISITIONS (continued)

There are tiers 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 can be converted into a purchase order by the Procurement Department.

Testing
We obtained the fiscal year 2020 general ledger for the time period July 1, 2019 to June 30, 2020. We haphazardly selected ten expenditures for testing of the purchase order process. We then obtained a general ledger for fiscal year 2021 for the time period July 1, 2020 to December 31, 2020. We haphazardly selected five purchase orders from the list provided. For each selection, we examined the related purchase requisition for proper approval in Munis. We verified that the payment amount matched the payment due on the invoice. We verified the cancelled check for proper amount and payee. We verified that written quotes or bids were solicited and documented when appropriate for the amount of the purchase.

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. 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 posted to the general ledger as expenditures by the Finance Department Manager.

Testing
We obtained a listing of the individuals who were issued a purchase card from the Finance Department. We viewed the May 2020 and October 2020 support in Munis at the Finance Department. We observed the original receipts scanned into Munis and proper electronic approval along with each receipt. We determined the charges were for County use. We further observed the coding was appropriate in Munis.

PURCHASE CARD TRANSACTIONS (continued)

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

EMPLOYEE TIMESHEETS

Background and Procedures
A County-wide Excel form is used by the Community Events Department for timesheets, which are completed by the Division's Administrative Specialist. Each employee signs off on the timesheet as approval for the hours recorded. Each timesheet is reviewed by the employee's supervisor, who signs off as approval. The timesheet is routed to the Division Director for final approval. The timesheet is forwarded to the Finance Department for further processing. All pay rates are pre-established in Munis by the Human Resources Department. The Community Events 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 all payroll checks.

Testing
We obtained timesheets and direct deposit reports or total payroll summary report for the pay periods ending May 14, 2020 and November 25, 2020 from the Finance Department along with a copy of the payroll register. The payroll register is created from the timesheets. We verified that the proper number of hours was used to compute payroll during the pay period. We compared the payroll register to the direct deposit report or total payroll summary report to verify that the employee was paid the amount that was calculated from the hours on the timesheet.

Results
Controls for payroll appear to be functioning properly. We noted no exceptions to the items selected for testing. The County changed banks at the beginning of the current fiscal year. The new bank does not provide the "direct deposit report". As a result, we traced each employee's direct deposits to the County's internal records for the November 2020 payroll.

PETTY CASH COUNT

Background and Procedures
The Community Events Department maintains a $150 petty cash fund and $8,700 of change cash for events. Funds are maintained by the Community Events Administrative Assistant and are maintained in the safe in the Community Events Department.

Testing
We performed a surprise petty cash and change fund count on January 13, 2021 for the Community Events Department.

Results
Controls over petty cash appear to be functioning properly. We noted no exceptions during the cash count.