Audit Committee Meeting
Minutes for September 14, 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 Clerk Patrice R. Crawley

Division Directors:
Leanne Reece - Internal Services
John Luton – Community & Leisure Services
Chief Wallen – Fire Services
Kyle Titus - Engineering Services
Scott Sterling - Planning 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) June 08, 2021
Member Richardson made a motion to approve the minutes from the June 08, 2021 Audit Committee meeting. Vice Chairman Skinner 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
Rick Evans from Serotta Maddocks Evans & Company presented the committee with the following draft reports:

Board of Elections, Building Standards and Lodging Tax Audit of Selected Hotels/Motels

Each of the draft reports are attached to the minutes.

(G1a2) Internal Audit Update
Mr. Evans stated that an audit of the Hotel/Motel Lodging Tax, Maintenance, SPLOST/bond projects, Licensing & Permitting, Plan Review and the Coroner is almost complete.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:56 a.m.

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

COLUMBIA COUNTY, GEORGIA
BOARD OF ELECTIONS
INTERNAL AUDIT

TABLE OF CONTENTS

Michelle Bennett, CPA
Rick L. Evans, CPA
E.J. Maddocks, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA

Abram J. Serotta, CPA
Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA

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 Board of Elections' collection and expenditure of funds and other general operating policies and procedures. Columbia County's management is responsible for the department'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 Board of Elections.

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
September 14, 2021

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

INTERNAL AUDIT OBJECTIVES

Our audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Board of Elections relating to the daily operations and procedures including cash deposits, revenue recognition, expenditures, and expense codification.
- Design and execute tests of the policies and procedures for the various procedures of the Board of Elections.
- Determine if there are adequate controls to provide a reasonable assurance that the County's assets are being properly safeguarded and errors or irregularities can be prevented or can be 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 Board of Elections Department and internal controls relating to the recording and safeguarding of funds and adherence to policies and procedures. The internal audit focused primarily on the period of July 1, 2020 to April 30, 2021; but certain analyses were performed outside of that 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:

- Observation and inquiries of the cash collection processes and other general operating policies and procedures
- Testing of cash collection processes
- Purchase Card Program
- Purchase Requisition/Order Testing
- Observation of warehouse inventory
- Timesheet testing
- Inquiry about Secretary of State Oversight and Voter Registration Audit
- Issuance of appropriate tax forms to temporary election workers

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 Board of Elections Department personnel
- Observing operations and conducting walk-through interviews
- Testing documentation such as purchase requisitions, purchase orders, purchase card statements, the Board of Elections' employee timesheets, general ledger entries and data, MUNIS reports, and other applicable data and documentation.

SUMMARY OF INTERNAL AUDIT RESULTS

Deposit Testing

- We noted no exceptions.

Purchase Card Transactions

- We noted no exceptions.

Purchase Requisitions

- We noted no exceptions.

Warehouse Observation

- We noted no exceptions.

Timesheets

- We noted no exceptions.

Secretary of State Oversight and Voter Registration Audit

- We noted no exceptions.

Issuance of W2 or 1099 for Election Workers

- We noted no exceptions.

General Inquiries and Observations

- We noted no exceptions.

Deposit Testing

Background and Procedures

The County has a contractual agreement with the Cities of Grovetown and Harlem for handling the elections for them. The County invoices the Cities of Grovetown and Harlem for reimbursement of the costs of the election, such as the costs of the ballots and poll workers. This invoicing only occurs if the Cities of Grovetown and Harlem hold special elections at a different time than County-wide elections are held. The Cities of Grovetown and Harlem are not invoiced for the cost of running the election if the election is County-wide. The County has no monetary gain from these invoices. The Director of Elections handles and processes all invoices to the other cities.

Funds are received by the Board of Elections Department from the State of Georgia for a portion of candidates' qualifying fees. These funds are considered revenues for the department.

Testing

Two deposits were recorded on the general ledger for the fiscal year 2021. The deposits tested were from the State of Georgia, local candidates or political parties for qualifying fees. We obtained the deposit slips and a copy of the general ledger report. We also obtained the receipt where the revenues were processed and deposited by the Finance Department.

Results

Controls for deposits 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.

Purchase Card Transactions (continued)

Testing
We obtained a listing of all Board of Elections' employees who were issues a purchase card by the Procurement Department.

We tested four cardholder statements, two from September 2020 and two from April 2021, verifying that we selected a statement for at least two employees in the department. 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 cards appear to be functioning properly. We noted no exceptions to the items selected for testing.

Purchase Requisitions

Background and Procedures
Purchases with an estimated total cost equal to and greater than $20,000 require formal solicitation, purchases equal to $2,000, but less than $20,000 should be made from the open market and must have three to five quotes from prospective vendors and purchases less than $2,000 should be made from the open market using the buyer's best judgement to determine source.

There are tiers established within Munis for the approval of purchase requisitions. The signature process is done electronically in Munis. Each person within the tiers must approve the purchase requisition before it can be converted into a purchase order by the Procurement Department and printed from the system.

Testing
We obtained a listing of all purchase orders completed by the Board of Elections for fiscal year 2021. We also obtained the expenditure detail for the same time periods. From this information, we haphazardly selected ten transactions from fiscal year 2021. For these selections, we examined the related requisition for proper approval in Munis. We verified proper documentation of invoices, competitive bids (if applicable) and quotes (if applicable) were included with the requisition information. We verified that the payment amount matched the payment due on the invoice and verified the transaction was recorded in the general ledger.

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

Warehouse Observation

Background and Procedures

The Board of Elections owns 612 Ballot Marking Devices (BMD's) and printers. One BMD and one printer constitutes one voting unit. The Board of Elections also owns 64 tabulators, two ImageCast Central (ICC) units, and one Election Management System (EMS) workstation. Tabulators scan, tabulate, and store the ballots on Election Day. ICCs scan and tabulate absentee by mail ballots. The EMS workstation is the heart of the election equipment. The County is responsible for the maintenance of all machines. The equipment is kept at two secure locations in Evans and Appling. The equipment in Evans is kept in a locked room in the warehouse of the Board of Elections building. The Appling location is on the same property as the Sheriff's Department and is a warehouse secured by an alarm system. Only the Department Director, Elections Coordinator, and the Warehouse Manager have access to both locations and all visitors must sign in on a log maintained next to the door.

Each tabulator has two memory cards that stay in the unit during elections. The memory cards store all election information gathered from the precinct. This information includes scanned, tabulated, and recorded digital images of each ballot cast on the unit. The Manager has a gold poll worker card and security key, both are used to start and end voting on the equipment. The card tells the memory card that the voting has begun and ended, respectively. When the voting equipment is not being used, it is stored in the Board of Elections Warehouse in Evans and Appling.

The poll pads are also maintained by the County. These are the machines the poll managers use to access the voter information and enter it into the system. This allows the manager to provide the voter with the voter access card and allows the voter to actually vote. Columbia County has 110 of these.

The State of Georgia enters all information into a database to create each county's ballot and then a secured thumb drive with the ballot and election information is sent to the Board of Elections. The Board of Elections uses the thumb drive to download the election information to the EMS workstation, which is required to program and test all the voting equipment to be used in that election.

Testing

We observed that the voting machines were properly secured. Due to the way the machines are stored, an exact count of the machines was not possible. A rough count of 488 voting machines was taken to verify that a reasonable number of voting machines are present.

Results

Controls over warehouse operations appear to be functioning properly. We noted no exceptions.

Timesheets

Background and Procedures

Timesheets for the Board of Elections Department are completed by the office clerk. 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 for supervisory 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 Board of Elections Department also maintains a spreadsheet detailing 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 for further processing.

The Board of Elections Department hires temporary employees during election years to help with the polling. The Board of Elections Department is invoiced by agencies providing the service, if applicable. If the election worker was not hired through an agency, the Board of Elections provides a listing to the Finance Department indicating the individuals and the amounts they need to be paid.

Testing

We obtained the timesheets for pay periods August 30, 2020 through September 12, 2020 and March 28, 2021 through April 10, 2021 from the Administrative Specialist. We then obtained corresponding copies of the payroll registers that were created from the timesheets from the Finance Department. We agreed the number of hours per the timesheet to the payroll register. We also compared the payroll register to the direct deposit report to verify that the employee was paid 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.

Secretary of State Oversight and Voter Registration Audit

Background and Procedures

The Board of Elections is regulated by the Secretary of State's (SOS) Office. The SOS Office checks on a number of items at the Board of Elections Department. The SOS Office conducts an audit of the absentee ballots, observes the voting process during elections, makes sure ballots are maintained, and oversees the day-to-day operations of the election. There is no official report provided by the SOS Office to the Board of Elections Department on their observations.

Each year (excluding election years) the SOS requires a voter registration audit be conducted by the Board of Elections Department. The Board of Elections Department receives the registration cards completed by any new voters or voters with information changes. All registration cards are compared with the master list maintained by the Secretary of State database. The items to be audited include: the voter's address, voter's date of birth, voter's race, voter's gender, and voter's precinct. The information is uploaded into ElectionNet. ElectionNet is the state-wide database for voter registration and information. All of the Board of Elections Department staff have access to the database and can update information on any voter.

Testing

Per discussion with the Board of Elections Director, the SOS Office auditing process has been performed during every election that has been held during the years under review and no issues have been indicated from these visits.

The Board of Elections has not performed a voter registration audit in the past twelve months due to elections. The Department expects to perform an audit during fiscal year 2021, assuming no election is held.

Results

The Secretary of State Oversight and Voter Registration Audit appear to be functioning properly. We noted no exceptions during testing.

Issuance of W-2 or 1099 form to Election Workers

Testing:

We discussed with the Budget Manager whether temporary election workers are being issued tax documents for wages paid during the year. Per our discussion, election workers who earn $600 or more during the year are issued a W-2 form as required by the IRS. The IRS does not require a tax form to be issued to election workers who earn less than $600 during the year if Social Security or Medicare taxes have not been withheld from wages. We verified these requirements by obtaining relevant IRS documentation.

Results:

Controls over wage reporting for election workers appear to be functioning properly. We noted no exceptions.

General Inquiries and Observations

Background and Procedures

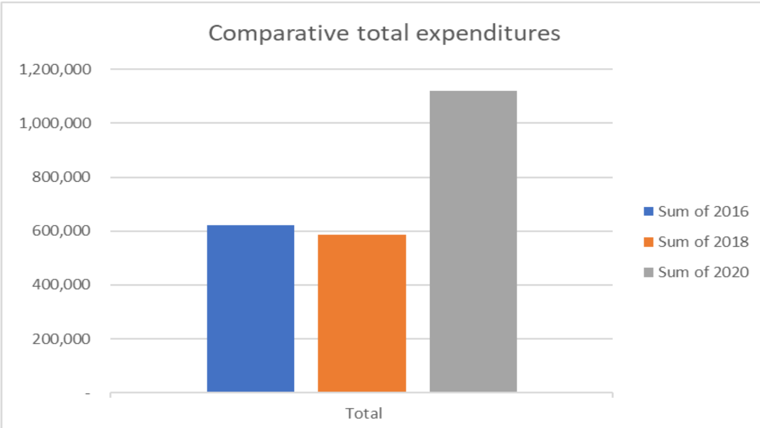
During our audit procedures, we discussed details of the processes performed by the Department noted in the testing areas previously described. Our inquiries included discussing efficiencies of the current processes with various employees in the Department and how they feel these processes could be improved. Employees we inquired of suggested the Department would benefit from additional space. Elections can be difficult for the Department due to lack of space for the voting process. Currently, the voting equipment is being stored in two locations and this requires coordinating travel back and forth in order to maintain the equipment. The Evans warehouse space has a locked portion that stores the equipment, but when it needs to be pulled out of storage to be programmed, moved, charged, etc. it takes up the majority of the warehouse. The Evans warehouse also houses other County equipment. The newly-acquired warehouse in Appling is an improvement because it is solely dedicated for Board of Elections' equipment; however, it is not big enough to store everything and it is twenty minutes away from the office.

Various employees discussed coordination of charging the new equipment. Batteries need to be charged every three months and they are currently trying to learn more about the new equipment and how to best coordinate the charging process. When batteries need to be charged, this creates a lot of travel between the two locations.

Employees felt operations of the Department could be improved with two additional staff. One person would specifically be over the warehouses and would oversee equipment maintenance and the other would assist with administrative duties during voting season when the work load increases for management. Adding these two additional employees would also help with overseeing the increased number of temporary poll workers that are required for the higher election turnout.

It should be noted that the Department was provided with all new voting equipment, which was paid for by the State of Georgia for the 2020 election year. Expenses in the 2020 election year increased, despite the free equipment, due to the additional needs that accompanied the new equipment. Additional needs included an expanded warehouse for equipment storage, new storage solutions to keep voting equipment secure, training on the new equipment, and smaller ticket items for equipment maintenance.

Expense data for the fiscal years including the 2016, 2018, and 2020 election periods was obtained from the Finance Department. The following page includes a chart comparing the total expenses for the 2016, 2018 and 2020 elections. Additionally, a chart includes a comparison of outside services, salaries and wages and overtime over the same elections. Election data related to voting activity within the County has also been included as an additional data set for comparing voter activity to expense activity.



US President	**2016**	**2020**	**Change**
Polling	26,326	18,936	-28%
Absentee By Mail	3,272	16,941	418%
Absentee In Person	35,580	45,016	27%
Provisional	29	80	176%
Total Votes	65,207	80,973	24%
Registered Voters	81,492	107,380	32%
Percentage of Active Voters	**80.02%**	**75.41%**	**-5.76%**

US House 12	**2016**	**2018**	**2020**	**Change 16 - 18**	**Change 18 - 20**	**Change 16 - 20**
Polling	21,539	24,058	15,742	12%	-35%	-27%
Absentee By Mail	2,796	2,506	14,997	-10%	498%	436%
Absentee In Person	30,528	25,797	38,509	-15%	49%	26%
Provisional	23	37	69	61%	86%	200%
Total Votes	54,886	52,398	69,317	-5%	32%	26%
Registered Voters	81,492	95,779	107,380	18%	12%	32%
Percentage of Active Voters	**67.35%**	**54.71%**	**64.55%**	**-18.77%**	**18.00%**	**-4.15%**

COLUMBIA COUNTY, GEORGIA
BUILDING STANDARDS DEPARTMENT
INTERNAL AUDIT

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Rick L. Evans, CPA
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Paul Wade, CPA

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 Building Standards Department'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 Department'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 Building Standards 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., CPA'S

Augusta, Georgia
September 14, 2021

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for the Building Standards Department relating to the collection of funds, compliance with County requirements for the issuance of various building permits, expenditure of funds, and the Building Standards Department's adherence to internal policies and procedures.
- Design and execute tests of the policies and procedures for monitoring collection of funds, compliance with County requirements for the issuance of various building permits, expenditure of funds, and adherence to internal policies and procedures.
- Determine if there are adequate controls to provide a reasonable assurance that the County's assets are being properly safeguarded and errors or irregularities can be prevented or can be 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 Building Standards Department and the evaluation of certain internal controls and operating procedures of the Building Standards Department's collection of funds, compliance with County requirements for the issuance of various building permits, expenditure of funds, and other general operating policies and procedures. The internal audit focused primarily on the period July 1, 2020 through February 28, 2021, but certain analyses may have been 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:

- Permits Testing
- Expenditures
  - Purchase Requisitions
  - Purchase Card Transactions
- Miscellaneous Items
  - Timesheets
  - Petty Cash and Change Funds
  - Receivables

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 internal audit procedures included:

- Interviewing Building Standards Department personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation for entering purchase requisitions, purchase card transactions, cash collections, employee timesheets, general ledger entries and data, Munis reports, and other applicable data and documentation.

Petty Cash and Change Funds

- We noted no exceptions.

New Single-Family Home Plan Review and Inspections

- We noted no exceptions.

Receivables

- We noted $6,920 of $19,920 was greater than 120 days aged. However, upon further analysis at a later date, the balance greater than 120 days aged decreased to $1,770.

Permit Testing

- We noted no exceptions.

Purchase Requisitions

- We noted no exceptions.

Purchase Card Transactions

- We noted one transaction exceeding the $2,000 purchase limit without documentation of bids or an emergency purchase.

Timesheets

- We noted one exception on a timesheet. However, it appears the correct amount was paid to the employee.

Petty Cash and Change Funds

Background and Procedures
The Building Standards Department maintains only one petty cash fund in the amount of $150. The Department Director's Administrative Assistant is the custodian. She reconciles the petty cash funds using the County's petty cash reconciliation sheet. The petty cash reconciliation sheet, with all receipts, is forwarded to the Finance Department for reimbursement.

Cash collections are received by clerks in the front office of the Licensing and Permits Department. Each clerk of the Licensing and Permits Department maintains a change fund for receiving any cash payments. These funds are maintained at $150. At the end of each day, each clerk is required to remit cash payments received and reduce their cash on hand back to the required $150. Also at the end of each day, clerks are required to submit a count sheet when they remit their cash.

Testing
We asked the petty cash custodian to show us the cash on hand and receipts for cash disbursements. We observed the custodian count the cash, count the monetary value of the receipts retained for cash disbursed, and reconcile the cash to the schedule of petty cash funds we received from the Finance Department.

We requested to observe cash counts for all clerks who maintain change funds. Each clerk maintains $150 in change funds and will count down to that amount on days cash is received. On May 5, 2021, we observed four clerks count his or her change fund noting the amount was $150. We also observed the clerks remitting their excess cash on hand and count sheets to the Permits Supervisor who performed a re-count and agreed the information to their sheets.

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

Receivables

Background and Procedures

The Building Standards Department uses the general billings module in Munis. When a re-inspection is required to be performed, a re-inspection fee is charged. The bills are mailed monthly by the department.

The Licensing and Permits Department manages all aspects of invoicing, such as entering the fees within Munis, creating the invoices, posting the invoices to Munis, mailing the invoices, collecting all fees, and forwarding the collections to the Finance Department. The County does not charge contractors for inspections, such as electrical or plumbing inspections. A re-inspection is scheduled in the event that the contractor does not pass inspection. The County does charge for performing re-inspections.

The re-inspection fee is entered into the billings module of Munis and customers are invoiced monthly for outstanding re-inspection fees. Certificates of occupancy will not be issued for commercial projects until the contractors have paid all re-inspection fees. Residential certificates of occupancy are not issued until all re-inspection fees associated with the building are paid in full. All invoices for residential and commercial contactors are due 15 days from the bill date shown on the invoice. If full payment is not received within 45 days from the billing date, no additional permits are issued and inspections for active permits are placed on hold until all items billed are paid in full.

Testing

We obtained an aged summary of accounts receivable as of May 5, 2021 for re-inspections billed in the 2021 fiscal year. We calculated the percentage of total receivables in each of the aging categories and inquired about the age of receivables in order to assess collectability.

Results

We noted a collection rate of 90% for the fiscal year to date. However, $3,670 (39%) of the $9,420 balance in accounts receivable was greater than 120 days aged as of May 5, 2021, the day of fieldwork. As of the time of our testing, one commercial client owed the County $1,800. We re-assessed accounts receivable as of August 23, 2021. We noted a decrease in the ratio of accounts greater than 120 days aged. At that date, the balance in accounts receivable was $9,620, and $1,770 (18%) of the balance in accounts receivable was greater than 120 days aged.

Per inquiry of management, these receivables are primarily comprised of re-inspection fees. These fees are incurred when a contractor fails to pass the first or second inspection of any type, such as plumbing, electrical, etc. The fee to re-inspect is $50. The County will not issue a Certificate of Occupancy for commercial contractors or residential contractors if contractors have a past due balance for re-inspection fees. Management noted that they maintain old receivable balances in case the contractor returns for future work in the County.

Receivables (continued)

Recommendation
We recommend that Management continue to monitor the balance of re-inspection receivables in order to ensure compliance with building standards policies and procedures. We also recommend that Management consider collection procedures for any large past due balances and develop a policy for writing off accounts deemed uncollectable.

Management response

The $9,420 breaks down as follows:
- $330 was from fiscal years 2008 through 2015. This was written off but was not taken out of Munis.
- $440 twelve invoices from fiscal years 2016 through 2018 from eight businesses (seven inactive and one expired) and one home owner.
- $400 six invoices from fiscal years 2019 through 2020 from four businesses (three expired and one active) and two home owners
- $8,250 137 invoices from fiscal year 2021 from 51 businesses and eight home owners (the $1,800 due from one contractor is under review by the Division Director)

Building Permits

Background
Requests for building permits come to the Building Standards Department from the permit email address or in-person office requests. Building permits are required for new construction, additions, alterations, repairs, and demolition. Once permit requests are received by the Building Standards Department, they reply to customers and tell them they will hear back within ten days. An employee assigns the permit request an application number within Munis and creates a transmittal letter. This transmittal letter is routed to various departments throughout the County for their approval. The departments vary depending on the nature of the permit request, but all approved permit requests must be accompanied by a site/plot plan before final approval by Building Standards.

Once approved, the file is scanned into Munis and a permit placard is granted to the contractor. Subsequent inspections depend on the nature of the permit.

Testing
From the file of approved permits between July 1, 2020 and April 30, 2021, we selected six approvals for items other than new single-family construction and solar panels. We verified that these all had a transmittal form, approval from the Planning Services Division, approval from the Building Standards Department, an attached Building Permit Application, and an attached site/plot plan.

Results
Controls for building permits appear to be functioning properly. No exceptions noted as a result of our testing.

New Single-Family Home Plan Review and Inspections

Background

The process for building a new single-family home begins with the building permit process and plan review process. In addition, there is a standard multi-step inspection process for all new single-family homes. County employees inspect and re-inspect the building multiple times throughout the construction process to make sure it is built in accordance with the International Residential Code. Any failed inspections result in re-inspections, and multiple re-inspections may incur a fee for the contractor. Unless there is a re-inspection fee, all fees are included in the initial permit fee.

All inspections must be passed before the final inspection can be performed. After the final inspection has been passed, the County will grant a Certificate of Occupancy for the property and the entire inspection process is complete.

Testing

From the file of approved permits between July 1, 2020 and April 30, 2021, we selected six approvals for new single-family homes. We verified that these all had a transmittal form, approval from the Planning Services Division, approval from the Development Services Division, an attached Building Permit Application, and an attached site/plot plan. Additionally, we verified that all inspections performed showed either a pass or fail, and all failed inspections had a reinspection performed or listed as required to be performed. For homes where a Certificate of Occupancy had been issued, we verified that the final inspection had been passed.

Results

Controls for new single-family homes appear to be functioning properly. No exceptions noted as a result of our testing.

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, 2020 to February 28, 2021. We selected all expenditures from the period to test. For each expenditure, we examined the related requisition for proper approval in Munis. For expenditures over $2,000, we observed price quotes, bids, or documentation that this was a sole-source provider or an emergency. We also examined the purchase orders for proper approval. We then verified that the payment amount matched the payment due on the invoice received.

Purchase Requisitions (continued)

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

Purchase Cards

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 Building Standards Department employees with a purchase card from the Finance Department and selected two statements during September 2020 and two statements during November 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
We noted one exception during purchase card testing. There was one purchase in the amount of $2,425 that did not include documentation of bids or the purchase occurring for an emergency purpose.

Recommendations
It is recommended that County purchase card procedures are followed and the Department maintain bidding or emergency documentation for expenditures greater than $2,000.

Purchase Cards (continued)

Management response
This was a purchase we made from Allegra for permit cards and approval stickers we place in the electrical panels once all trades have passed inspection. We added information to the permit cards requiring us to order new cards for each type permit. By ordering all the different type permit cards and multiple type stickers, our order was more than usual. We have gotten quotes in the past and Allegra always comes in below everyone else and they are able to get them to us quicker also.

Timesheets

Background and Procedures
A County-wide Excel form is used by each department for timesheets, which are completed by the Administrative Coordinator. 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.

Testing
We obtained payroll documentation for the payroll periods ending August 1, 2020 and January 16, 2021 from the Finance Department and selected ten (10) employees from each period to test. For all employees, we verified that the hours on the payroll register agreed to the direct deposit report, and the total on the direct deposit report cleared the bank statement. For non-exempt employees, we verified that the timesheet was signed by the employee and approved by the manager. If an employee had overtime or PTO, we verified this was approved by a manager.

Results
We noted one exception during payroll testing. One employee in the department had 62 hours of regular pay and 10 hours of paid time off recorded on their timesheet; however, the employee was paid 70 regular hours and 10 paid time off hours. It was verified with the Department's Administrative Specialist that the employee did work 70 hours and the time was recorded incorrectly on the timesheet.

Recommendations
It is recommended that timesheets be filled out properly and checked for accuracy by both the employee and the administrative staff before submitting to the Finance Department.

Management response
Timesheets are now being checked by the direct supervisor, the supervisor's manager then the Director. With only 30 timesheets this is a simple way of having several eyes on each timesheet before it gets entered for finance.

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 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
September 14, 2021

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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 20^{th} 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 January 1, 2020 to March 31, 2020. 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:

- Five Star Luxury Hotel d/b/a Jameson Inn
- Kanti Kusum, Inc. d/b/a Red Roof Inn
- Shri Hari Hospitality, Inc. d/b/a America's Best Value Inn
- Raines Hospitality d/b/a Hyatt Place Augusta

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 January 1, 2020 to March 31, 2020.

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:

- Gross sales reported on the County lodging tax form did not agree to the gross sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report for Red Roof Inn and Hyatt Place Augusta.
- Exempt sales reported on the County lodging tax form did not agree to the exempt sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report for Jameson Inn, Red Roof Inn, and Hyatt Place Augusta. This is due, at least in part, to food sales being included in the exempt sales reported to the State of Georgia in addition to room sales.
- Taxable sales reported on the County lodging tax form did not agree to the taxable sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report for Jameson Inn, Red Roof Inn, and Hyatt Place Augusta. This is due, at least in part, to food sales being included in the taxable sales reported to the State of Georgia in addition to room sales.
- The lodging tax forms submitted to the County appeared to be properly completed except the month of March 2020 for Jameson Inn. In March 2020, the dealer's collection fee of $102.07 was added to rather than subtracted from the excise tax. This resulted in an overpayment to the County in the amount of $203.50.
- The amount of taxes collected per the monthly statistical report did not agree to the amount remitted to the County and to the State for Jameson Inn, Red Roof Inn, America's Best Value Inn, and Hyatt Place Augusta.
- The five percent lodging tax was collected and remitted by the selected hotels to Columbia County, all forms were submitted timely, and the correct form was submitted for all months.

Five Star Luxury Hotel d/b/a Jameson 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			
January 2020	$56,903.94	$56,903.94	$56,903.94
February 2020	69,024.64	69,024.64	69,024.64
March 2020	70,450.62	70,450.62	70,450.62
Exempt Sales			
January 2020	50.74	47.07	49.00
February 2020	366.24	375.01	376.54
March 2020	2,405.25	2,405.25	2,404.66
Taxable Sales			
January 2020	56,853.20	56,856.87	56,864.94
February 2020	68,658.40	68,649.63	68,648.10
March 2020	68,045.38	68,045.37	68,045.96

Five Star Luxury Hotel d/b/a Jameson Inn (continued)

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
January 2020	$12,386.21	$12,386.21	$ -	$ -
February 2020	14,744.89	14,744.87	-	(0.02)
March 2020	14,601.54	14,805.04	-	203.50

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

Kanti Kusum, Inc. d/b/a Red Roof 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			
January 2020	$39,075.92	$39,075.92	$40,369.28
February 2020	48,913.46	48,913.46	49,074.96
March 2020	54,067.64	54,067.64	54,123.12
Exempt Sales			
January 2020	2,053.12	2,050.67	2,840.88
February 2020	2,576.06	2,577.08	2,715.06
March 2020	1,534.24	1,538.14	614.26
Taxable Sales			
January 2020	37,022.80	37,025.25	37,528.40
February 2020	46,337.40	46,336.38	46,359.90
March 2020	52,533.40	52,529.50	53,508.86

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
January 2020	$4,813.16	$5,907.97	$ -	$1,094.81
February 2020	6,023.78	6,117.31	-	93.53
March 2020	6,829.03	6,925.04	-	96.01

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

BACKGROUND, TESTING AND RESULTS

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			
January 2020	$19,799.38	$19,799.38	$19,799.38
February 2020	20,339.27	20,339.27	20,339.27
March 2020	25,286.28	25,286.28	25,286.28
Exempt Sales			
January 2020	3,578.72	3,578.72	3,578.72
February 2020	3,334.71	3,334.71	3,334.71
March 2020	3,564.75	3,564.75	3,564.75
Taxable Sales			
January 2020	16,220.66	16,220.66	16,220.66
February 2020	17,004.56	17,004.56	17,004.56
March 2020	21,721.53	21,721.53	21,721.53

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
January 2020	$3,633.99	$3,633.69	$ -	$(0.30)
February 2020	3,845.91	3,845.59	-	(0.32)
March 2020	4,924.20	4,923.80	-	(.40)

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

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			
January 2020	$273,939.11	$273,939.11	A
February 2020	287,444.61	287,444.61	$287,293.87
March 2020	216,967.28	216,967.28	216,995.01
Exempt Sales			
January 2020	97,469.40	97,469.40	A
February 2020	106,560.00	106,560.00	110,647.40
March 2020	76,702.40	76,702.40	77,490.00
Taxable Sales			
January 2020	176,469.71	176,469.71	A
February 2020	180,884.61	180,884.61	176,797.21
March 2020	140,264.88	140,264.88	139,477.28

Raines Hospitality d/b/a Hyatt Place Augusta (continued)

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
January 2020	A	$22,941.07	$ -	A
February 2020	$20,566.67	23,515.00	-	$2,948.33
March 2020	16,733.85	18,234.43	-	1,500.58

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

A - After numerous attempts, we were unable to obtain the January monthly activity report from management. As a result, we could not perform the test to compare gross sales, exempt sales, and taxable sales reported on the County lodging tax form to the monthly activity report for that month.

OTHER COMMENTS

We have prepared a letter of results 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
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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
September 14, 2021

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 August 1, 2020 to October 31, 2020. 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:
- Belair Inn & Suites d/b/a Hampton Inn & Suites
- Grovetown Hospitality d/b/a Home2 Suites
- Guru Hotels d/b/a Holiday Inn Express Suites
- NorthStar Hospitality, LLC d/b/a Quality Inn & Suites

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 August 1, 2020 to October 31, 2020.

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:

- Gross sales reported on the County lodging tax form did not agree to the gross sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report, for Hampton Inn & Suites, Home2 Suites, Holiday Inn Express Suites, and Quality Inn & Suites.
- Exempt sales reported on the County lodging tax form did not agree to the exempt sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report, for Hampton Inn & Suites, Home2 Suites, and Holiday Inn Express Suites. This is due, at least in part, to food sales being included in the exempt sales reported to the State of Georgia in addition to room sales.
- Taxable sales reported on the County lodging tax form did not agree to the taxable sales on the Sales Tax form remitted to the State of Georgia and the Hotel Statistics Report, for Hampton Inn & Suites, Home2 Suites, and Holiday Inn Express Suites. This is due, at least in part, to food sales being included in the taxable sales reported to the State of Georgia in addition to room sales.
- The lodging tax forms submitted to the County appeared to be properly completed.
- The amount of taxes collected per the monthly statistical report did not agree to the amount remitted to the County and to the State for Hampton Inn & Suites, Home2 Suites, Holiday Inn Express Suites, and Quality Inn & Suites.
- The five percent lodging tax was collected and remitted by the selected hotels to Columbia County, all forms were submitted timely and the correct form was submitted for all months.

Belair Inn & Suites d/b/a Hampton Inn & Suites 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			
August 2020	$ 120,737.42	$ 122,070.73	$ 120,737.42
September 2020	100,790.77	102,018.64	100,790.77
October 2020	105,855.57	106,953.16	105,855.57
Exempt Sales			
August 2020	3,852.26	7,062.44	3,852.26
September 2020	1,038.11	7,506.04	1,038.11
October 2020	931.69	4,516.99	931.69
Taxable Sales			
August 2020	116,885.16	115,008.29	116,885.16
September 2020	99,752.66	94,512.60	99,752.66
October 2020	104,923.88	102,436.17	104,923.88

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
August 2020	$ 15,049.56	$ 15,165.98	$ -	$ 116.42
September 2020	12,550.07	12,661.44	-	111.37
October 2020	13,393.97	13,557.06	-	163.09

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

BACKGROUND, TESTING AND RESULTS

Grovetown Hospitality d/b/a Home2 Suites 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			
August 2020	$ 253,491.13	$ 260,510.63	$ 253,713.68
September 2020	227,496.83	234,961.80	227,394.65
October 2020	193,340.57	202,360.81	193,844.83
Exempt Sales			
August 2020	18,161.93	13,584.65	20,171.72
September 2020	20,748.23	8,828.25	21,668.39
October 2020	15,429.37	20,218.49	15,892.39
Taxable Sales			
August 2020	235,329.20	246,925.98	233,541.96
September 2020	206,748.60	226,133.55	205,726.26
October 2020	177,911.20	182,142.32	177,952.44

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
August 2020	$ 30,823.01	$ 31,694.31	$ -	$ 871.30
September 2020	27,785.35	28,593.56	-	808.21
October 2020	22,779.67	23,614.81	-	835.14

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

Guru Hotels d/b/a Holiday Inn Express Suites 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			
August 2020	$ 143,248.22	$ 144,110.22	$ 143,248.22
September 2020	104,757.85	105,977.15	104,757.85
October 2020	128,205.25	128,967.25	128,205.25
Exempt Sales			
August 2020	8,181.47	12,744.02	12,744.02
September 2020	4,553.29	6,356.16	6,356.16
October 2020	7,278.05	13,182.98	13,182.98
Taxable Sales			
August 2020	135,066.75	131,366.20	127,756.46
September 2020	100,204.56	99,620.99	98,348.02
October 2020	120,927.20	115,784.27	113,783.59

Guru Hotels d/b/a Holiday Inn Express Suites (continued)

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
August 2020	$ 17,305.22	$ 17,390.19	$ -	$ 84.97
September 2020	12,891.48	13,094.76	-	203.28
October 2020	15,712.04	15,430.76	-	(281.28)

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

NorthStar Hospitality, LLC d/b/a Quality Inn & Suites 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			
August 2020	$ 75,501.34	$ 75,501.34	$ 75,292.79
September 2020	68,483.87	68,483.87	68,382.47
October 2020	71,137.26	71,137.26	71,137.26
Exempt Sales			
August 2020	1,962.68	1,962.68	1,962.68
September 2020	1,928.70	1,928.70	1,928.70
October 2020	1,562.69	1,562.69	1,562.69
Taxable Sales			
August 2020	73,538.66	73,538.66	73,538.66
September 2020	66,555.17	66,555.17	66,555.17
October 2020	69,574.57	69,574.57	69,574.57

Excise Taxes	State and Local Taxes Collected	State and Local Taxes Remitted (plus vendor compensation) *	Use Tax	Difference
August 2020	$ 9,270.48	$ 9,664.46	$ -	$ 393.98
September 2020	8,152.11	8,753.80	-	601.69
October 2020	8,806.55	9,147.52	-	340.97

*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 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.