Audit Committee Meeting
Minutes for March 8, 2022 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
Paul Scarbary – Development Services
County Staff

Members of the Media and Public

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

B. INVOCATION
Chairman Melear gave the invocation.

C. PLEDGE OF ALLEGIANCE
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) January 11, 2022
Member Richardson made a motion to approve the minutes from the January 11, 2022 Special Called 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
John Snider from Serotta Maddocks Evans & Company presented the committee with the following draft reports: Customer Service/311 Call Center, Animal Services, and Tax Assessor.

Each of the draft reports are attached to the minutes.

(G1a2) Internal Audit Update
Mr. Snider stated that audits have started or are due for Lodging Tax, Alcohol Licensing and Occupational Tax, Clerk of Court, Information Technology and GIS departments.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:53 a.m.

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

COLUMBIA COUNTY, GEORGIA
CUSTOMER SERVICE / 311 CALL CENTER
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 Customer Service/311 Department's compliance with County requirements for work orders, expenditure of funds, and other general operating policies and procedures. The 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 Customer Service/311 Department.

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

Our procedures and results are outlined throughout this report.

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

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

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

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
March 8, 2022

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Customer Service/311 Call Center including:
  - The processing of inter-governmental revenues;
  - Expenditure of funds; and,
  - Other general operating policies and procedures.
- Design and execute tests of the policies and procedures for monitoring the processing of inter-governmental revenues, purchase requisitions/orders, purchase card transactions, and timesheets for employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Customer Service/311 Call Center and the evaluation of certain internal controls and operating procedures of the Customer Service/311 Call Center's processing of inter-governmental revenues, expenditure of funds, and other general operating policies and procedures. The internal audit focused primarily on the period January 1, 2021 through November 30, 2021; but certain analyses were performed outside of this time period. Specific scopes and timeframes 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 Cards
- Employee Payroll
- Response Time

METHODOLOGY

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

- Interviewing the Customer Service/311 Call Center's personnel;
- Observing operations and conducting walk-through interviews; and,
- Testing documentation for entering purchase requisitions, purchase card transactions, processing of inter-governmental revenues, employee timesheets, general ledger entries and data, Munis reports, and other applicable data and documentation.

SUMMARY OF INTERNAL AUDIT RESULTS

Revenues

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

Purchase Requisition/Orders

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

Purchase Cards

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

Timesheets

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

Response Time

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

Revenues

Background and Procedures

The Customer Service/311 Call Center supports various departments throughout the County by documenting inquiries or complaints from citizens and notifying the related department to respond to the needs of the County's citizens.

The Customer Service/311 Call Center's primary source of revenue is an inter-governmental allocation for customer service provided to user departments in the County. The allocation process involves an analysis of usage trends of each department by the division director of the Fire Rescue Division and Financial Services Division. The revenue is recorded in equal monthly installments.

Testing

Inter-governmental revenues are recorded through journal entries. We obtained the general ledgers for the period July 1, 2020 to June 30, 2021. We then traced the monthly allocation to the general ledger. We discussed the inter-governmental allocation with the Financial Services Division. The Financial Services Division provided us with a copy of the fiscal year 2021 inter-fund allocation spreadsheet. Additionally, we inquired with the Finance Department regarding the allocation for 2022. However, the revenue allocation for fiscal year 2022 had not been completed yet. Revenues are allocated at the end of the fiscal year when usage data has been compiled.

Results

We noted no exceptions in our corroboration of the allocation process. Controls for processing of inter-governmental revenues appear to be functioning properly.

Purchase Requisitions/Orders

Background and Procedures

Purchases up to $2,000 ($5,000 after September 2021) 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 ($5,000 after September 2021) and $20,000 ($25,000 after September 2021) require a quote sheet with three to five price quotations attached. Purchases over $20,000 ($25,000 after September 2021) require a request for proposal (RFP)/bid and are processed through the Procurement Department. Subsequent to September 2021, purchases equal to $25,000 but less than $50,000 may be made in the open market without regard for formal solicitation, using a competitive sealed quotation process, subject to and upon compliance with certain provisions. Most notably, the items to be purchased must be items included as line items in the budget adopted by the Board of Commissioners.

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

The majority of expenses for the 311 Department are for services procured at the County level such as phone and copier services. Most other expenses for the 311 Department are paid through the use of the Department Manager's purchase card. These types of expenses do not require purchase requisitions.

We obtained the general ledger details for January 1, 2021 through November 30, 2021. We haphazardly selected ten expenditures from the general ledger reports. For each expense, we examined the related requisition and purchase order for proper approval in Munis. We then verified that the payment amount matched the payment due on the invoice received and the amount 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.

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. Every day, 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

The Department Manager is the only employee with a purchase card. We tested the only purchase between July 1, 2020 and December 9, 2021. We observed the original receipt was scanned into Munis and noted proper approval. We determined the charges were for County use. We further observed the coding was appropriate in Munis.

Results

We noted no exceptions in testing. Controls 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 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 February 18, 2021 and October 27, 2021 from the Finance Department and selected all 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 no exceptions in testing. Controls appear to be functioning properly.

Response Time

Background and Procedures

The majority of calls and online submissions received by the 311 Department are handled by a different department within the County or other counties. If the inquiry or request is of a nature that the Customer Service Representative can answer, they provide that information and clear the item. The expectation for calls and requests handled by the 311 Department is that they will be handled immediately. All calls and submissions are logged in the City Works software. If the responsible County department also uses City Works, the request is forwarded directly to that department. For departments not using City Works, the 311 Department logs the information into City Works and then logs the information in the respective department's software as well.

The 311 Department is not expected to follow up on the status of requests for other departments. If a follow up call is received from a citizen regarding the request, the 311 Department checks on the status.

Testing

We obtained the City Works log details for the months of February, June, and November 2021. From this information, we analyzed the average time it took all departments to clear requests as well as the average time in which 311 closed requests. Each month, the 311 Department logged approximately 2,000 calls. Of these calls, approximately 250 were cleared by 311. On average, all requests across all departments were cleared within one day. The 311 Department closed their requests within one day on average. Based on these results, it appears the Department is responding to requests in a sufficient period of time.

Results

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

COLUMBIA COUNTY, GEORGIA
ANIMAL SERVICES 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 Animal Services Department's collection 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 Animal Services 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
March 8, 2022

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system of the Animal Services Department relating to the assessment, collection, and recording of fees and adherence to policies and procedures.
- Design and execute tests of the policies and procedures throughout the various functional areas of the Animal Services Department, such as the euthanasia and cremation logs, veterinarian invoices, purchase requisitions/orders, cash deposits, purchase card transactions, and timesheets for County employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or 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 Animal Services Department and internal controls relating to the assessment, collection, recording, and safeguarding of funds and adherence to policies and procedures. The internal audit focused primarily on the period January 1, 2021 through November 30, 2021; 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 Animal Services Department is a customer-service oriented department that provides animal control operations and quality care for all animals in Columbia County. Our testing focused on the following areas:

- Revenues and veterinarian invoices;
- Expenditures including purchase requisitions/orders and purchase card transactions; and,
- Other operational items, such as euthanasia and cremation logs, fuelman cards, and timesheets for County employees.

METHODOLOGY

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

- Interviewing Animal Services Department personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation, such as receipts, deposits, general ledger entries and data, Chameleon reports, and any other applicable data.

SUMMARY OF INTERNAL AUDIT RESULTS

- **Cash Collections**
  - We noted no exceptions to the items selected for testing.
- **Cash Count**

  We noted no exceptions in observing the cash till count.
- **Veterinarian Invoices**
  - We noted no exceptions to the items selected for testing.
- **Handwritten Receipts**
  - 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 one missing receipt for a food purchase in the amount of $14.56.
- **Inventory**
  - We noted no exceptions in testing inventory.
- **Timesheets**
  - We noted one instance of the number of hours on the employee's timesheet not agreeing to the number of hours on the payroll register. This exception was corrected after we informed the payroll department.
- **Fuelman Reports**
  - Of the 40 transactions that occurred during this period, we noted two erroneous odometer entries.
- **Euthanasia Solution and Logs**
  - We noted no exceptions in testing the euthanasia solution and logs.
- **Cremation Logs**
  - We noted no exceptions in testing the cremation logs.
- **State Inspections**
  - The Georgia Department of Agriculture had no findings.

Cash Collections

Background and Procedures

At the beginning of each day, the Clerk opens the safe and retrieves the deposit from the previous day. The Clerk counts the money and agrees the total funds in the safe to the Daily Count Sheet and Cash Box reports that are printed from Chameleon. The Clerk signs off on the deposit slip, the Daily Count Sheet, and Cash Box reports. Another employee other than the Clerk, Supervisor, or Field Officer taking the deposit to the bank also counts the money and signs off on the Daily Count Sheet. An Animal Services Officer brings the deposit receipt back to the Clerk, who enters the deposit into Chameleon and posts it in Munis. The Clerk retains a copy of the deposit receipt and forwards the original receipt to the Finance Department.

The Clerk receives all payments, whether those payments originate in the office or in the field. Funds come from citizens during the day for adoptions, identification tags, rabies vaccinations, pickups plus daily fee, deceased animals, livestock, transporting livestock, animals released by owners to the shelter, euthanasia, quarantine, dangerous dog registration, and cremations. Fees are approved by the Board of Commissioners. Payments are entered into Chameleon, a computer-generated receipt is printed, and the receipt is given to the customer.

Testing

We obtained the general ledger for the time period of January 1, 2021 through November 30, 2021. We haphazardly selected twenty deposits from the general ledger for testing. Daily Count Sheets were observed to determine if each Daily Count Sheet was signed by the employee collecting the funds and the supervisor. We also observed that each Daily Count Sheet had a random count performed and signed off by another employee. We observed the Daily Count Sheet and the Cash Box Report totals and noted if the total agreed to the amount of funds deposited into the bank and to the general ledger. We also observed that dates per the deposit report and Change Fund Log indicated that the deposits were made in a reasonable timeframe. We recalculated the revenue per the Change Fund Log and agreed the total revenue to the Daily Count Sheet for each deposit and the total amount recorded in the general ledger.

Results

We noted no exceptions to any of the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Cash Count

Background and Procedures

At the end of each day, a Clerk counts the money, completes the deposit slip, prints the Daily Cash Count and Cash Box reports for the day from Chameleon, and agrees the amount of the deposit to the reports. Fifty dollars is maintained in the cash till for change and petty cash. The Clerk and Field Supervisor sign-off on the deposit slip and both reports. The deposit slip, the money, and reports are bound together and placed in a bank bag in the safe. The safe is located in a secured room. The Department Manager, Administrative Assistant, and the Clerks have access to the safe.

Cash Count (*continued*)

Testing
We observed a count of the cash till and petty cash once during fieldwork. We observed the count on December 20, 2021. We noted the cash till contained fifty dollars and $325 in checks that were received at Animal Services on the date of fieldwork.

Results
We noted no exceptions in observing the cash till count. Per the results of our testing, internal controls appear to be functioning properly.

Veterinarian Invoices

Background and Procedures
Veterinarians are invoiced for cremations monthly. Each veterinarian completes a "Cremation Transfer Form" in order to request a cremation. When the deceased animals arrive, each animal is entered into Chameleon under the veterinarian's account number. At the end of the month, the Administrative Assistant prints each veterinarian's outstanding balance report. The Administrative Assistant invoices each veterinarian from the printed report and an invoice is mailed. If veterinarians do not pay timely, calls are placed to the veterinarian's office. Open invoices are maintained in a separate folder. These invoices are manually maintained and not removed until payment is received. Chameleon does not have the ability to track receivables. The only record within Chameleon is the printed report used to invoice each veterinarian. Chameleon reports are transferred into an Excel template to create the monthly invoices.

Testing
We haphazardly selected ten veterinarian invoices for testing. We verified that the total amount of cremations on the invoice reflected the total number of Cremation Request Forms attached to the invoice. We traced the invoice total to the Chameleon report for the appropriate veterinarian. We verified that the check number and date were noted on the paid invoices. We verified the payment for the invoice was deposited in a timely manner. We verified that the invoices were listed on the Daily Cash Report and Cash Box Report. We verified that the Daily Cash Report total agreed to the deposit total.

Results
We noted no exceptions to any of the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Handwritten Receipts

Background and Procedures
The Clerk and Administrative Assistant do not issue handwritten receipts unless the computers are offline. Animal Services Officers write handwritten receipts for monies collected in the field and submit collections to the Clerk upon returning to the shelter, typically on the same day. Either the Clerk or Administrative Assistant enters payment into Chameleon. Handwritten receipt numbers are referenced in Chameleon.

Handwritten Receipts (*continued*)

Testing
We obtained receipt books from the Administrative Assistant and haphazardly chose ten receipts between the time period of July 1, 2020 through the date of fieldwork, December 20, 2021, for testing. We traced each receipt to the Chameleon reports (Daily Count Sheet and Cash Box Report) and to the deposit slip. We then recalculated the number of business days between the issuance of the receipt and the deposit of funds in the bank to determine if the funds were deposited in a timely manner.

Results
We noted no exceptions to any of the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Purchase Requisitions/Orders

Background and Procedures
Purchases up to $2,000 ($5,000 after September 2021) 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 ($5,000 after September 2021) and $20,000 ($25,000 after September 2021) require a quote sheet with three to five price quotations attached. Purchases over $20,000 ($25,000 after September 2021) require a request for proposal (RFP)/bid and are processed through the Procurement Department. Subsequent to September 2021, purchases equal to $25,000 but less than $50,000 may be made in the open market without regard for formal solicitation, using a competitive sealed quotation process, subject to and upon compliance with certain provisions. Most notably, the items to be purchased must be items included as line items in the budget adopted by the Board of Commissioners.

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.

The Administrative Assistant prepares purchase requisitions and requests payment for the veterinarian offices once a month for services rendered. The Department Manager approves all purchase requisitions. Typical purchase requisitions are for uniforms and office supplies. The Animal Services Department generally uses procurement cards in lieu of purchase requisitions for routine items.

Testing
We noted no purchase orders from the purchase order inquiry within Munis for the time period of January 1, 2021 through November 30, 2021. For this reason, we expanded our purchase card testing by selecting two more months to test.

Results
See results in the purchase card testing section of this report.

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. Every day, 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 Animal Services employees with a purchase card from the department's Manager. We viewed the January, March, September, and November 2021 support in Munis at the Finance Department. We observed the original receipts scanned into Munis and proper approval. We determined the charges were for County use. We further observed the coding was appropriate in Munis.

Results
We noted one missing receipt for a food purchase in the amount of $14.56

Recommendation
We recommend that management retain receipts for all purchase card transactions and scan them into Munis in accordance with County policy.

Managements' Response
Requested duplicate copy of receipt for purchase. Purchase was for an event held on Saturday morning at the Columbia County Shelter (Rabies Clinic) Donuts for Vet, volunteers, and staff members.

Inventory

Background and Procedures

The primary activity of Animal Services is to provide an animal shelter in Columbia County servicing domestic, livestock, and wild animals. The facilities are designed to temporarily hold animals until they are adopted or picked up by rescue groups.

The adoptable dogs and cats are kept indoors and in separate areas visible and open to the public. There are two visitation rooms and an outdoor play area for prospective families to visit with a pet away from any distractions from the other animals. Each kennel/cage has a card attached that describes the animal and lists important information. The dogs and cats that are on hold for adoption for the five-day wait period are kept indoors in a separate area away from the adoptable animals and display a description card. The five-day wait period is in place to hold off any adoptions in case an owner comes forward per the County ordinance. The aggressive and quarantined animals are kept in another separate area of the shelter. In addition to temperature control, the indoor facility has a ventilation system designed for air circulation.

Stray animals are held for five days before they can be evaluated for adoption to give a possible owner a chance to reclaim. All attempts are made to locate owners by identification tags, scanning for microchips, and placing pictures of animals on the County Webpage and App.

Each morning, the Senior Kennel Tech walks through the facility and counts each animal, noting that every animal is present and in the proper area. The Chameleon system details all animals currently housed at the facility. Chameleon includes notes of the animal's condition, vaccinations administered, attitude, and days in kennel. Based on this information and a daily physical review, animals are evaluated for continuance of their current adoption status, and animals with expired hold days are moved to the appropriate adoption areas. When necessary, a list of adoptable animals is emailed to rescue groups. Rescue groups will take animals for adoption if the animals have vacancies.

Testing

On December 17, 2021, we obtained a listing of every animal in the facility from Chameleon and agreed selected animals to the kennel number, identification number, and description on the inventory sheet. Inventory is updated continuously within Chameleon as animals enter and leave the shelter.

Results

We noted no exceptions in testing inventory.

Timesheets

Background and Procedures
A county-wide form in Excel is used by Animal Services for timesheets. The timesheets are filled out by the Animal Services employees and reviewed by the employees' supervisor who then routes them to the Department Manager for approval. After the Department Manger's approval, they are routed to the Finance Department. The Administrative Assistant enters the hours into Munis. All pay rates are pre-established in Munis by the Human Resources Department and Animal Services enters hours only. Animal Services also maintains a spreadsheet detailing employees' 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 and Finance issues all payroll checks.

The on-call officer rotates every week. The on-call officer is contacted through a County-issued cell phone and calls may come in from 911, 311, or another County employee. For each day on-call, the officer is paid $35. When a call is answered, they are paid overtime for the hours worked on that call. The on-call employee is also able to contact other employees for help if the call requires more than one individual. On-call employees only respond to emergencies after hours.

Testing
We obtained timesheets and direct deposit reports for the pay periods ending February 13, 2021 and October 23, 2021 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 cancelled check to verify that the employee was paid the amount that was calculated from the hours on the timesheet.

Results
We noted one instance of the number of hours on the employee's timesheet not agreeing to the number of hours on the payroll register. The employee was paid for two additional hours. His timesheet was completed correctly. This exception was corrected after we informed the payroll department.

Fuelman Reports

Background and Procedures

The County keeps a Fuelman card for each County vehicle. When a vehicle needs gas, the employee swipes the Fuelman card at the pump. This prompts the employee to enter his/her PIN and the odometer reading for the vehicle. The employee can pump gas after these two pieces of data have been entered. This information allows the Fleet Services Department to know the odometer readings for each vehicle, miles per gallon for each vehicle, and which County employees are using which County vehicles.

Fuelman Reports (*continued*)

Testing

To test the data, we obtained Fuelman reports for the months of June 2021 and July 2021 from the Fleet Department. We analyzed all transactions for the Facility Management Department for those two months. For each transaction, we verified that:

- The odometer entry appeared reasonable.
- The miles per gallon was not unreasonably low for the vehicle type
- The miles per gallon was not unreasonably low compared to other fill-ups.

Results

Of the 40 transactions that occurred during this period, we noted two erroneous odometer entries. One entry for vehicle 1512 on June 29, 2021 was keyed as 110,000 miles more than the prior odometer entry, indicating it was keyed incorrectly. One entry for vehicle 2062 on June 21, 2021 was keyed as less than the prior odometer entry, indicating it was keyed incorrectly. We noted no other exceptions.

Recommendation

We recommend that management emphasize the importance of correctly entering mileage.

Managements' Response

Conducted meeting with all drivers of County vehicles in the animal services department to stress the impact and importance of entering the correct odometer reading when purchasing fuel.

Euthanasia Solution and Logs

Background and Procedures

Per the Department Manager, the euthanasia solution is kept in a locked safe in a locked cabinet inside a locked exam room. The restricted access to the euthanasia solution is required by the Department of Agriculture, which oversees the administering of the euthanasia solution. Access to the exam room and the locked cabinet is limited to the employees who are certified to administer the solution. The County uses a local veterinarian to provide services to the Animal Services Department. One of the services provided by the veterinarian is to certify certain Animal Services Department technicians to administer the euthanasia solution. The veterinarian also reviews the volume of solution used by the certified technicians and provides a monthly check of the log maintained by the Department of animals euthanized. It is the veterinarian's responsibility to bring up any issues that are noted or present with the euthanasia solution such as missing or misused solution. There are currently five technicians on site who are approved to perform the euthanasia procedure. The license is displayed in a public area and is current. The Animal Services Department maintains a log of when the solution is received and when the empty solution bottles are returned to the veterinarian. The return log records empty bottles. Per the Field Supervisor, the Animal Services Department requests another bottle of solution when the current bottle in use is about half empty. As a result, there is typically one unopened bottle and one open bottle on site at any time.

Euthanasia Solution and Logs (*continued*)

A daily logbook is maintained to document all animals euthanized. The log includes the employee who performed the euthanasia, the solution dosage, the weight of the animal, and the date and time. There is a chart in the euthanasia room that shows the proper volume of solution to use based on weight. The records are reviewed monthly by a sponsoring veterinarian. The veterinarian calculates the amount used during the month to figure out how much should be on hand and how many empty bottles should be returned. The veterinarian only signs off on the log if the procedures are accurate and the veterinarian is comfortable with the usage of the solution by the Department. The signature of the veterinarian on the euthanasia log sheets is usually obtained once a month. The Georgia Department of Agriculture performs an unannounced annual audit of euthanasia logs.

Testing
We obtained the euthanasia log books from the Department Manager. The books contain all the animals euthanized for the day, their weight, and the volume of formula used. We verified that the employee who performed the euthanasia was certified, the volume and weight of the animal are properly recorded, the lay person signed the book, a witness signed the book, and that a veterinarian signed off on the month tested.

Results
We noted no exceptions in testing the euthanasia solution and logs. Per the results of our testing, internal controls appear to be functioning properly.

Cremation Logs

Background and Procedures
Euthanized animals and deceased animals are cremated in mass. Animal Services performs private cremations for citizens in a separate dedicated incinerator. The incinerator is cleaned before each private cremation. An Animal Services Officer will pick up the deceased animal at the citizen's home or at the veterinarian's office if it is too difficult for the citizen to transport the deceased animal. The veterinarian is invoiced monthly for this service. Citizens may purchase an urn for their animal's ashes in a private cremation. A new log was added when the Department moved into the new facility. The "On-Hold Animal Log" is used when a deceased dog is found and placed in the freezer for 48 hours prior to cremation. This log helps to keep these dogs separate from other bulk burned animals during the on-hold period in case the pet's owner comes to claim the dog. This log is also used if a dead animal is put on hold pending a rabies test. An ID tag with the owner's name is created for each private burn. The burn tag is assigned at the time of the arrival of the animal when the "Pet Cremation Transfer Form" is completed. The pet owner can be tied back to the form. After the cremation is completed, a supervisor matches the tag to the form and signs off.

Cremation Logs (*continued*)

Two types of logs are maintained for cremations. For bulk burns, a record is made to document the length of the burn and who performed it. The private cremations are for individual animals. There is an ID tag that is included with each private burn which is associated with the owner's name and the Pet Cremation Transfer Form. An ID tag with the owner's name is created for each private burn. The burn tag is assigned at the time of the arrival of the animal when the "Pet Cremation Transfer Form" is completed. The pet owner can be tied back to the form. After the cremation is completed, a supervisor matches the tag to the form and signs off. The estimated length of the burn, the owner's name, and who performed the burn is also recorded.

Testing
We obtained the incinerator logbook for both bulk burns and private cremations. We observed the logs to make sure each private burn had the required information.

Results
We noted no exceptions in testing the cremation logs. Per the results of our testing, internal controls appear to be functioning properly.

State Inspections

Background and Procedures
The Animal Services Department is regulated by the Georgia Department of Agriculture. There is at least one unannounced inspection conducted during the year that checks for items such as cleanliness, euthanasia logs, temperature, and many other regulated conditions.

Testing
We requested the most recent state audit from the Department Manager. The most recent inspection occurred on November 1, 2021.

Results
The Georgia Department of Agriculture had no findings.

COLUMBIA COUNTY, GEORGIA
TAX ASSESSOR
INTERNAL AUDIT

TABLE OF CONTENTS

Michelle Bennett, CPA
Rick L. Evans, CPA
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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 Tax Assessor's 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 Tax Assessor's Office.

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., CPA'S

Augusta, Georgia
March 8, 2022

AUDIT OBJECTIVES

Our audit objectives were designed to:

- Obtain an understanding of the County's internal control system for operations of the Tax Assessor's Office including:
  - The appraisal of all real and personal property in the County
  - Procedures and deadlines for the submission of the Property Tax Digest
  - Other daily operations
- Design and execute tests of the policies and procedures of the Tax Assessor for purchase requisitions/orders, purchase card transactions, Fuelman cards, and timesheets for County employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or 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 Tax Assessors Office and internal controls relating to the appraisal of real and personal property, approval of land use covenants, approval and routine review of exempt property, and adherence to policies and procedures. The internal audit focused primarily on the time period of January 1, 2021 to December 31, 2021, 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 Tax Assessor's Office maintains records of all real and personal property within the County, appraises all properties for the purpose of determining a fair market value, and compiles these records in a Tax Digest for submission to the Georgia Department of Revenue. Our testing focused on the following areas:

- Maintenance of property records;
- Conformance with State law regarding Tax Digest Submission, taxable property valuation, land use covenants and exempt property;
- Expenditures including purchase requisitions/orders and purchase card transactions; and
- Other operational items such as timesheets for County employees.

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 Tax Assessor's Office personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation, such as general ledger entries and data.

SUMMARY OF INTERNAL AUDIT RESULTS

- **Appraisal Staff**
    - The Tax Assessor meets the minimum staffing levels required by law. The recommended number of accounts per appraiser per the International Association of Assessing Officers is 3,500. We note that the department has 3,909 accounts per certified appraiser, and 3,230 accounts per appraiser when including the trainee appraisers.
- **Cost Schedules**
    - The cost schedules used by the Tax Assessor appear reasonable.
- **Property Transfers and Plat Splits**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Conservation Use Covenants**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Exempt Property**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **New Construction Appraisal**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Annual Physical Review**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Personal Property Appraisal**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Tax Assessment Appeals**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Tax Digest Submission**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.
- **Purchase Requisitions**
    - We noted no exceptions to the items selected for testing.

SUMMARY OF INTERNAL AUDIT RESULTS

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

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

- **Fuelman Testing**
    - Of the 70 transactions that we tested, we noted 4 exceptions.

- **Petty Cash Count**
    - We noted no exceptions in observing the cash till count.

General Overview

The Columbia County Tax Assessor's Office is responsible for the maintenance of all real and personal property records within Columbia County, determining what property owned in the County is subject to taxation under *O.C.G.A. 48-5-299(a),* and, along with the Tax Commissioner, the preparation and submission of the County Tax Digest. Record maintenance includes updating the current property owners on an as-needed basis, assessing the value of any improvements that were added or removed, and adjusting the market value of properties to coincide with property sales. The Tax Digest is a complete listing of all parcels within the County, the property owners as of January 1st of the Digest year, and the current tax bills. The Tax Digest is used by the State to determine Quality Basic Education funding and equalized grant funding.

The Tax Assessor's Office maintains the records for and values all real and personal property in the County. Per *O.C.G.A. 44-1-2,* real property consists of (a) all lands and the buildings thereon; (b) all things permanently attached to the land or to the buildings thereon; and (c) any interest existing in, issuing out of, or dependent upon land or the buildings thereon. Personal property is defined in *O.C.G.A. 44-1-3(a)* as "all property which is movable in nature, has inherent value or is representative of value, and is not otherwise defined as realty". In practical terms, the personal property valued by the Tax Assessor generally includes all watercraft, aircraft, mobile homes (when owned by an individual other than the landowner), as well as business furniture, fixtures, equipment, and inventory. The Tax Assessor's appraisal staff also handles all motor vehicle appeals. Currently, there are 61,968 real property accounts, 6,086 watercrafts, 6,681 business accounts, and 1,026 exempt property accounts that are evaluated annually by the Tax Assessor.

O.C.G.A. 48-5-263(b) charges the Tax Assessor's Office with establishing the fair market value of all taxable property within the County. For real property, the fair market value is the basis for determining the assessed value which, unless the property owner has been granted an exemption or covenant, is 40% of the fair market value. The assessed value is then multiplied by a millage rate determined by the Board of Commissioners and the Board of Education to generate the amount of property taxes owed. The factors used to determine a property value are outlined in Georgia Department of Revenue Rule 560-11-10-09(2)(d)1 and include the geographic information, sales information, property characteristics, land and location characteristics, and improvement characteristics. The Tax Assessor's Office maintains the accuracy of the records on which the fair market value is based using information obtained from physical review, legal documents filed with the Clerk of Superior Court, building permits, third party cost pricing guides, inquiries with local professionals, and ratio analysis. The valuation procedures for personal property are outlined in Georgia Department of Revenue Rule 560-11-10.08(5) and include the sales comparison, cost, and income production of the property. The Tax Assessor obtains information related to personal property from the physical review, the Georgia Department of Natural Resources, Columbia County Building and Commercial Services, third party valuation guides, and personal property returns filed by the property owner.

The assessed value of taxable property determined by the Tax Assessor's Office is extremely significant to County operations since the majority of general fund revenue is generated through ad valorem property taxation. In order to ensure property taxes remain stable and predictable for the purposes of budgeting, the Tax Assessor must provide accurate assessments that are not subject to an unnecessary number of appeals and that exemptions and covenants are not subject to abuse.

Appraisal Staff

Background and Procedures

The Tax Assessor's appraisal staff currently consists of five level I appraisers, seven level II appraisers, three level III appraisers, and four level IV appraisers as well as four appraiser trainees. The Tax Assessor's Office meets the minimum staffing requirements outlined in *O.C.G.A. 48-5-262* for a Class VII County. Appraiser certifications are obtained through the completion of coursework and successfully passing an exam administered by the State Department of Revenue. Each subsequent increase in certification level requires additional coursework and passing an exam of increased difficulty.

Per *O.C.G.A. 48-5-291,* each member of the Board of Assessors is required to hold a certificate issued by the Georgia Department of Revenue Commissioners and complete no less than 40 hours of approved appraisal courses every two years.

Testing

The certifications of the Board of Assessors and all appraisal staff are framed on the wall of the Tax Assessor's Office. We noted that each member of the Board of Assessors and all appraisal staff have a certification granted by the Department of Revenue.

We noted the Tax Assessor's Office met the minimum staffing requirements of *O.C.G.A. 48-5-262.* We inquired with the Chief Appraiser and Deputy Chief Appraiser regarding the current staffing situation and any related effects on internal policies and procedures. As of the date of fieldwork, the Tax Assessor's Office has a staff of 19 appraisers and 4 trainees responsible for 74,286 property accounts, which correlates to 3,909 accounts per certified appraiser and 3,230 per appraiser when including trainees. The current International Association of Assessing Officers (IAAO) ideal of accounts per appraiser is between 3,000 to 3,500 for larger jurisdictions.

Results

The appraisal staff of the Tax Assessor's Office and the Board of Assessors appears to meet the minimum staffing and certification requirements under *O.C.G.A 48-5-262.*

Cost Schedules

Background and Procedures

The Tax Assessor's Office uses cost schedules to value the materials and improvements of a property. The base prices of the cost schedule are an average of a price range taken from the Marshall & Swift valuation guide. Multipliers that have also been given by the Marshall & Swift guide based on the condition of the component, construction materials, and a local factor are then applied to the average cost. For many cost schedules, the appraisers responsible for updating the cost schedules also consult with local suppliers and websites to gather component prices. This is done in an effort to ensure the component codes reflect the cost of construction in the County as accurately as possible. All component codes are reviewed and adjusted, if necessary, on an annual basis.

Testing
We haphazardly selected twelve residential component codes and ten commercial component codes from the IAS World list maintained by the Tax Assessor's Office. The Tax Assessor's Office staff then provided us with a recalculation of the component code based on the most recent Marshall & Swift pricing guide. We compared the appraiser's recalculated price to a printout of the cost schedules obtained from the IAS World system.

Results
We noted no exceptions to the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Property Transfers and Plat Splits

Background and Procedures
For the purposes of taxation, the property owner as of January 1st of a given year is responsible for the property taxes for that year regardless of any sales or transfers that occur during the year. Additionally, property sales are used as a factor in the mass appraisal process, thus affecting the fair market value of surrounding properties. The timely and accurate recording of property transfers is an integral part of the Tax Assessor's mission.

During the year, the Field Appraisers visit all properties that were sold within the County during the previous year. These visits are made in an effort to ensure that the sale could be considered an "arm's length, bona fide sale"; that is that the transaction has occurred in good faith and was not sold at an unreasonably high or low price. The Field Appraisers also note the condition of the property and use that information to determine if any corrections or adjustments to the property's fair market value are required. If possible, the Field Appraiser will schedule a visit with the property buyer or seller in order to view the interior of the home to make a more accurate valuation.

When a property is sold that contains 10 or more acres of standing timber, a Field Appraiser conducts a site visit in order to assess the value of the timber on the property in order to extract its value from the sales price of the property. The Field Appraiser takes photographs of the property and records the value of the timber using a form and calculations designed specifically for extracting timber value.

All plats filed in the Clerk of Court's Office are reviewed by Tax Assessor staff. If plats are split or combined, the changes are sent to the mapping vendor and a member of the appraisal staff makes adjustments to the property record cards to ensure that the tract size, location, and topography are recorded correctly. Any improvements that have been divided or combined must also be allocated correctly.

Testing
We haphazardly selected ten property transfers from the Clerk of Court's website and obtained copies of the warranty deed and property record card. We then agreed the transferee's name, parcel ID number, and the date of sale from the warranty deed to the property record card. We then agreed the sales price per the Columbia County GIS website to the sales price recorded on the property record card.

Results
We noted no exceptions to the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Conservation Use Covenants

Background and Procedures
A Conservation Use Covenant is a voluntary tax election made by property owners that allows for preferential valuation of up to 2,000 acres of property. *O.C.G.A. 48-5-7.4* is the governing statute regarding conservation use valuation. Per *O.C.G.A. 48-5-7.4*, the primary purpose of property under a conservation use covenant is any good faith production which includes, but is not limited to, subsistence farming or commercial production from or on the land of agricultural products or timber. Covenants are renewed in ten-year increments provided that the property and property owners meet all applicable considerations, and the property is still being used for a qualifying purpose.

The tax benefits afforded the owners of a property under a Conservation Use Covenant can be substantial. Land under this covenant is valued according to its current use (agriculture, forestry, or environmentally sensitive) rather than fair market value. In some cases, this reduction in assessed value can be greater than 50%. Additionally, Conservation Use valuation changes are limited to a 3% change per year and a total valuation change of 30% over the life of the covenant.

Maintaining a Conservation Use Covenant requires that the landowner continue to devote the property under the covenant to a qualifying use. Changes between qualifying uses are allowable under Revenue Rule 560-11-6-.5 provided that the landowner notifies the Board of Tax Assessors on or before the last day for the filing of a tax return in the county for the tax year for which the change is sought.

Applications for consideration of a Conservation Use Covenant are accepted from January 1 to April 1 each year. However, the property owner is allowed to appeal within 45 days of July 1st, which is the day tax assessment notices are mailed out. The approval of a Conservation Use Covenant by the Board of Assessors requires a written application, completion of a conservation use questionnaire detailing the qualifying use, a soil analysis, and a site visit.

Testing
We haphazardly selected ten applications for Conservation Use Covenants from the Tax Assessor's 2021 applications. We then reviewed the application packets to confirm a site visit was conducted, the application was received between January 1, 2021 and April 1, 2021, and a soil analysis was included in the application packet. We then reviewed the conservation use questionnaires to determine if the property use is considered valid under *O.C.G.A. 48-5-7-.04.*

Results
We noted no exceptions to any of the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Exempt Property

Background and Procedures

Under *O.C.G.A. 48-5-41,* certain property qualifies for exemption from property taxes provided the property is owned by or used for specific purposes. Exempt property may not be used for the purposes of private or corporate profit and income. To receive an exemption, property owners are sent an Exempt Property Questionnaire to be filled out and submit it to the Tax Assessor for review before a recommendation is made to the Board of Assessors. An exemption is not considered to be granted until approved by the Board of Assessors.

Testing

We discussed the procedures in place to prevent property owners that are not qualified from receiving exemptions and the process for reviewing properties that have been granted exemptions in prior years. Per our discussion with the Chief Appraiser and the Deputy Chief Appraiser, the Exempt Property Questionnaire are all reviewed by a member of the appraisal staff before a recommendation is made to the Board of Assessors and exemptions are reviewed periodically to confirm that no changes have been made that would affect the exempt status of the property.

Results

The Chief Appraiser and Deputy Chief Appraiser reviewed every property in the Tax Digest that was classified as exempt and confirmed the property was properly qualified as exempt under *O.C.G.A. 48-5-41*. The property contained in the exempt digest appears reasonable and properly qualified.

New Construction Appraisal

Background and Procedures

The Tax Assessor's Office receives copies of building permits filed with the Building Standards Department on a monthly basis. They use location/address, value, and owner information from the permits. The appraisal staff does an on-site inspection, measures the entire house, and then uses their information to sketch it on the property record card. During the year, each new construction is visited by a Field Appraiser so that the property improvements may be measured and coded appropriately. If the construction has not been completed at the time of the initial visit, it is flagged in the Tax Assessor's system for a follow-up visit closer to January 1st to determine the percentage of completion for inclusion or exclusion from the Tax Digest. If the Field Appraiser is unable to determine the percentage of completion, either a call is made or a letter is mailed to the builder for clarification purposes. Any properties that have been estimated to be at least 30% complete by January 1st are included in the upcoming Tax Digest.

Testing

Twelve building permits were haphazardly selected from the permits forwarded to the Tax Assessor's Office by the Building Standards Department and the property record cards corresponding to each parcel were pulled from the Tax Assessor's physical file. We agreed the parcel identification number, permit number, square footage, and valuation of work on the approved building permit to the property record card. We noted that a sketch of the improvements was included on each property record card and that the sketch agreed to the building permit. Using the Field Appraiser's estimated percentage of construction completed, we traced each parcel to proper inclusion or exclusion from the 2021 tax digest.

Results

We noted no exceptions to any of the items we selected for testing. Per the results of our testing, internal controls appear to be functioning properly.

Annual Physical Review

Background and Procedures

The Georgia Department of Revenue recommends a physical review of property on a three-year cycle. The Tax Assessor's Office physically reviews and revalues all property on at least a biennial basis in addition to the site visits required for new construction, property transfers, and appeals. In order to complete a physical review of the County efficiently, the Field Appraisers drive by each piece of property and compare it to the property record card for the parcel and a picture of the property. If the Field Appraiser notes any improvements, they measure and code them as well as update the property record card. Any improvements that were removed since the last site visit are also noted and updated. The Tax Assessor tracks the progress of site visits using an internal spreadsheet that is updated daily.

Testing

We selected 10 appraisers and reviewed their daily count sheets that are linked to the master field review sheet. This field review sheet is how the department tracks the annual physical reviews. We examined information on the appraisers daily count log such as the location under review, how many parcels are in that certain location, and when they completed reviewing all the parcels in that location. We also viewed 10 parcel cards to see if the appraisers were adding new information to them as necessary.

Results

Per review of the appraisers daily count sheets, field review sheet and parcel cards, the appraisers are reviewing all accounts at least once every two years and making updates to the parcel cards when necessary. We also reviewed the most recent audit of the Tax Assessor Office conducted by the Department of Revenue noting there were no findings

Personal Property Appraisal

Background and Procedures

The Tax Assessor's Office appraisers are responsible for the valuation of all taxable personal property. This includes mobile homes, watercraft, aircraft, and business furniture, fixtures, and equipment. While mobile homes are considered personal property for the purposes of taxation, they are measured, sketched, and reviewed by Field Appraisers in the same manner as real property. The Tax Assessor's Office uses the Marshall & Swift guide to determine the proper valuation for mobile homes. All valuation of mobile homes must be completed, reviewed, approved, and compiled into a digest for submission to the Tax Commissioner by January 5th of the following year. There are no assessment notices mailed for personal property mobile homes, instead the Tax Commissioner mails the tax bill directly to the property owner. This mailing generally occurs in January and the property owner has 45 days from the tax bill or April 1st, whichever is later, to appeal. The mobile home appeals process mirrors the appeals process for real property.

There are currently 6,086 taxable watercrafts considered to be located in the County according to Georgia Department of Revenue Rule 560-11-10-.08(1)(d). The appraisal staff receives a list of watercrafts registered in the County from the Department of Natural Resources and reviews the list to determine if a property return should be mailed to the owner of record as of January 1st. Property returns are mailed to the owners in January and are due by April 1st. When a property return is received for a watercraft, the appraisal staff evaluate the reasonableness of the return using the ABOS guide and base the valuation on the age of the watercraft, length, model, manufacturer, and horsepower of the motor.

The furniture, fixtures, and equipment of all businesses within the County are also considered taxable property. The Tax Assessor's Office used to obtain a listing of all businesses in the County from Building and Commercial Services. Now they keep track of the list themselves in MUNIS. Using this list they mail business property return forms to the property owners. These returns are mailed in January and are due by April 1st. When a return is received, the appraisal staff evaluates it for reasonableness. If a return is not received, the appraisal staff estimate the fair market value of the taxable property. The Personal Property Appraisers visit any new business in the County to evaluate the furniture, fixtures, and equipment of the business. The personal property of a business that is assessed at a fair market value less than $7,500 is considered exempt from taxation under *O.C.G.A. 48-5-42.1.* Any property that is newly acquired property in the digest and is subsequently discovered by the Tax Assessor's Office is assessed a 10% penalty on the assessed value of the property. Personal property returns are subject to audit by Tax Assessor staff, including desk audits in which the property return is evaluated internally by Tax Assessor staff or a detailed audit in which a site visit is conducted, and the property owner is asked to produce documentation supporting the fair market value of property included on the return. Business inventory, while no longer taxed by the state, is still considered taxable personal property by the County unless it can be considered Freeport inventory under *O.C.G.A. 48-5-48.2.* To be considered Freeport, inventory must meet one of the following three qualifications:

1. Raw materials and goods in the process of manufacture.
2. Finished goods produced in Georgia within the last 12 months.
3. Finished goods stored in Georgia within the last 12 months and destined for shipment out-of-state.

In order to receive 100% exempt status on Freeport, a business must file a Freeport inventory return with the Tax Assessor's Office by the return deadline of April 1st of the year in which the exemption is applicable. If filed after April 1st, the level of exemption is prorated based on the Freeport application schedule.

Testing

We reviewed the listing of watercraft as well as the list of businesses in the county and selected 10 accounts from each list. We selected watercrafts that were processed in 2020 and new businesses that started in 2020 because tax bills associated with the property would be sent in 2021. For watercraft and new businesses, we looked at information from lists provided by the County then traced the information to the tax bill. On the tax bill for personal property, we determined if the fair market value was reasonable and if less than $7,500, that the property was exempt from taxation.

Results
We noted no exceptions per our review. Per the results of our testing, the department appears to be keeping up with accounts related to personal property.

Tax Assessment Appeals

Background and Procedures
County residents have 45 days from the date property assessments are mailed to file a written appeal contesting their property valuation. Assessment notices for the year under audit were sent out in July. The form for filing an appeal can be found on the Tax Assessor's section of the Columbia County Government website or obtained in person at the Tax Assessor's Office. The Tax Assessor only accepts written appeals that have been faxed, emailed, hand-delivered, or mailed; verbal appeals are not considered valid.

When an appeal is received, it is entered into the appeals module of the tax appraisal software. The Senior Appraiser responsible for the area in which the property is located will go into the module and review comparable sales and properties as well as the documentation submitted by the property owner before coordinating a site visit with a Field Appraiser. The Field Appraiser then contacts the property owner in order to schedule a site visit of the property. When conducting the site visit the Field Appraiser physically inspects the interior and exterior of the property and makes any necessary updates to the Tax Assessor's information. If access to the interior of the home is not granted, the Field Appraiser inspects the exterior of the property and makes any necessary updates. The information gathered by the Senior Appraiser and the Field Appraiser is documented and a recommendation is generated and forwarded to the Board of Assessors for their review and decision.

The general result from an appeal is that the valuation of the property is decreased. Since the Field Appraisers are only able to review the exterior of a property during the annual physical review there is occasionally unreported damage on the interior that is not taken into account when assessing the property's value. When the Field Appraisers note this damage, it generally decreases the assessed value. The Chief Appraiser noted that even when the fair market value of a home is decreased, leading to a lower tax assessment, the Tax Assessor's Office is able to obtain additional documentation for their records and present a more accurate valuation going forward. Per *O.C.G.A. 48-5-299,* when the value of a property has been established by an appeal, the Tax Assessor's Office is required to freeze the valuation of the property at the value established during the appeals process for a period of two years if the appeal goes any level past the Board of Assessors.

Property owners may file an appeal on the grounds of value, uniformity, taxability, a denied exemption, covenant breaches, or a denial of covenant. Property owners must also elect the venue in which their appeal will be initially heard, subject to certain restrictions based on the grounds on which the appeal is being made. Appeals may be made to the following bodies:

Board of Equalization

Appeals may be made to the Board of Equalization on any of the grounds listed above. When a taxpayer elects to appeal to the Board of Equalization, the appeal is first reviewed by the Board of Assessors for the issue being appealed. If the Board of Assessors changes the initial property assessment, a new notice is sent to the taxpayer. At that point, the taxpayer has 30 days from the date the amended notice was mailed to appeal the re-assessment to the Board of Equalization. If the Board of Assessors declines to amend the assessment, the appeal is automatically forwarded to the Board of Equalization.

The Board of Equalization for Columbia County consists of three County taxpayers and two alternative individuals that have been selected by a Grand Jury to hear real and personal property appeals. When the Board of Equalization is required to render a decision on an appeal, a hearing is scheduled and both the taxpayer and Board of Assessors present their arguments. If, after a decision has been rendered by the Board of Equalization, the taxpayer is still dissatisfied with the outcome of their appeal, the taxpayer or Board of Assessors (with the Board of Commissioner's consent) may appeal the Board of Equalization's decision to Superior Court.

Appeal to a Hearing Officer

Hearing Officers are individuals that have been certified by the State of Georgia in general real property or residential real property appraisal and approved as a Hearing Officer by the Georgia Real Estate Commissioner and the Georgia Real Estate Appraiser Board. The only appeals that may be made to a Hearing Officer are issues of valuation or uniformity of valuation of non-homestead real property when the value of the property at issue is equal to or greater than $500,000. Any decisions rendered by a Hearing Officer may be appealed to Superior Court.

Arbitration

The only basis on which an appeal may be made to arbitration is that of valuation. When a taxpayer elects to undergo arbitration, the Board of Assessors is required to notify the taxpayer that the appeal to arbitration has been received within 10 days of receipt. Within 45 days of the notice to appeal filing, the taxpayer must submit a certified appraisal of the property at issue to the Board of Assessors. The Board of Assessors may then accept or reject the submitted appraisal. If the appraisal is rejected, the appeal is forwarded to the Clerk of Superior Court for arbitration. The County Board of Tax Assessors shall, at the time the appeal is certified to the Appeal Administrator, provide to the taxpayer a notice of a meeting time and place to decide upon an arbitrator, to occur within 60 days after the date of sending the rejection of the taxpayer's certified appraisal. When the arbitration has been authorized by a Superior Court judge, a hearing is scheduled, and a decision rendered by the arbitrator. The responsibility for payment of the court and arbitration fees rests on the party whose valuation was rejected by the arbitrator. The arbitrator's decision may be appealed to Superior Court by either party.

Superior Court

Decisions made by the County Board of Equalization, a Hearing Officer, or an Arbitrator may be appealed to Superior Court. A written notice of appeal must be mailed or filed with the Board of Tax Assessors within 30 days of the date the decision rendered by the Board of Equalization, Hearing Officer, or Arbitrator was mailed.

Within 45 days of receipt of a taxpayer's notice of appeal and before certification of the appeal to the Superior Court, the Board of Tax Assessors sends notice to the taxpayer that a settlement conference, in which the Board of Tax Assessors and the taxpayer shall confer in good faith, will be held at a specified date and time which will be no later than 30 days from the notice of the settlement conference, and notice of the amount of the filing fee, if any, required by the Clerk of the Superior Court.

If at the conclusion of the settlement conference the parties cannot agree on a fair market value, then written notice is provided to the taxpayer that the filing fees must be paid by the taxpayer to the Clerk of the Superior Court within 20 days of the date of the conference, with a copy of the check delivered to the Board of Tax Assessors.

Within 30 days of receipt of proof of payment to the Clerk of the Superior Court, the Board of Tax Assessors will certify to the Clerk of the Superior Court the notice of appeal and any other papers specified by the person appealing including, but not limited to, the staff information from the file used by the Board of Tax Assessors, the County Board of Equalization, the Hearing Officer, or the Arbitrator.

The appeal is then heard to render a decision on the basis of appeal. If the court finds the final value of the property at issue to be 85% or less for any real property of the Board of Equalization's, Hearing Officer's, or Arbitrator's valuation, the property owner may be allowed to recover court costs and attorney fees.

Testing
We received a listing of all residential and commercial properties that appealed their tax valuation for the 2021 tax year. We then selected 10 residential and 10 commercial properties and traced their new property valuations to the Geographic Information System map to determine the new property value is being used.

Results
We noted that there were no findings during our test work. We noted that a majority of both residential and commercial properties received a lower property valuation as a result of the appeals process.

Tax Digest Submission

Background and Procedures
After the deadline for property owners to appeal the property assessment approved by the Board of Assessors has passed, any required adjustments to assessed value are made and the Tax Digest is compiled by the Tax Assessor's Office. All revisions to the Tax Digest must be completed by July 1st in the year of submission. The Digest must be submitted to the Georgia Department of Revenue by September 1st of the Tax Digest year for approval by the Director of the Property Tax Division. Failure to submit the Tax Digest review by the required deadline can lead to the forfeiture of one-tenth of commissions per week and one-half of commissions if the delay extends beyond 30 days under *O.C.G.A. 48-5-205.* Substantial supporting documentation is required to be submitted along with the Tax Digest, including copies of the appraisal files used by the Department of Audits and Accounts used in the sales ratio study, copies of public notices and assessments, a list of pending appeals, and a completed consolidation worksheet.

The Department of Revenue reviews the Tax Digest to determine the overall average assessment ratio for the County and ensure the Digest is uniform and equitable. Every third year the Georgia Department of Revenue conducts a digest review under Revenue Regulation 560-11-2-.56. A digest will be approved in its digest review year if it meets the following requirements:

- The average assessment ratio for each class of property shall be reasonably close to the assessments provided for in *O.C.G.A. 48-5-7* which is a 40% assessment for most real and personal property
- The average assessment variance for each class of property shall not be excessive
- The assessment ratios of the properties shall not reveal any significant assessment bias

The most recent digest review conducted by the Department of Revenue was completed and approved in 2021 for the 2020 digest.

When a digest has been approved by the Revenue Commissioner, an order is issued that authorizes the County Tax Commissioner to mail the tax bills. If bills are mailed prior to the collection order is received, the Department of Revenue may assess a penalty of double the amount of taxes that were collected or attempted to be collected.

Testing
We reviewed the 2021 tax digest submitted by the county and inquired with the Chief Appraiser and Deputy Chief Appraiser regarding any issues that arose regarding the approval of the Tax Digest.

Results
We noted that the digest date of August 5, 2021 is prior to the submission due date of September 1, 2021. Per our discussion with the Chief Appraiser, there were no findings in the Department of Revenue digest review affecting the approval of the Tax Digest. We noted there were no valuation or uniformity issues identified by the Department of Revenue and no penalties or fees were assessed.

Purchase Requisitions

Background and Procedures
All purchases are approved by the Chief Appraiser or Deputy Chief Appraiser before being entered into Munis by the Financial Specialist. All checks for purchase requisitions are cut by the Finance Department of the County.

Purchases up to $2,000 ($5,000 after September 2021) 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 ($5,000 after September 2021) and $20,000 ($25,000 after September 2021) require a quote sheet with three to five price quotations attached. Purchases over $20,000 ($25,000 after September 2021) require a request for proposal (RFP)/bid and are processed through the Procurement Department. Subsequent to September 2021, purchases equal to $25,000 but less than $50,000 may be made in the open market without regard for formal solicitation, using a competitive sealed quotation process, subject to and upon compliance with certain provisions. Most notably, the items to be purchased must be items included as line items in the budget adopted by the Board of Commissioners.

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 selected all purchase orders from the purchase order inquiry within Munis for the time period of January 1, 2021 through November 30, 2021. We examined the related purchase requisitions and purchase orders for proper approval. We verified that the payment amounts matched the payments due on the invoices. We verified the cancelled checks for proper amount and payee.

Results
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 will download a transaction record from Elan’s website and import 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 will receive 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 all Tax Assessor employees with a purchase card from the Chief Appraiser. We viewed the January 2021 and September 2021 support in Munis at the Finance Department. We observed the original receipts scanned into Munis and proper approval. We determined the charges were for County use. We further observed the coding was appropriate in Munis.

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

Timesheets

Background and Procedures

The Chief Appraiser, Deputy Chief Appraiser, Real Property Managers, Personal Property Manager, and Clerical Manager are all exempt employees. All other personnel are hourly employees (non-exempt). The Tax Assessor's Office uses the county-wide timesheet to record time. Timesheets of non-exempt employees are approved by their Division Supervisor and then entered into Munis by the Clerical Manager for processing. There are no on-call employees for the Tax Assessor's Office.

Once all timesheets are approved, the Clerical Manager gathers all Tax Assessor personnel's timesheets and inputs all time off into the County-wide Munis System. Once all time has been entered into the Munis system, the Clerical Manager prints out a report from Munis and makes scanned copies of all timesheets. The Munis report and copies of the timesheets are forwarded to the Finance Department for processing.

Testing

We obtained timesheets for the payroll periods ending February 13, 2021 and October 23, 2021 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 cancelled check to verify that the employee was paid the amount that was calculated from the hours on the timesheet.

Results

We noted no exceptions in our testing.

Fuelman Reports

Background and Procedures

The County keeps a Fuelman card for each County vehicle. When a vehicle needs gas, the employee swipes the Fuelman card at the pump. This prompts the employee to enter his/her PIN and the odometer reading for the vehicle. The employee can pump gas after these two pieces of data have been entered. This information allows the Fleet Services Department to know the odometer readings for each vehicle, miles per gallon for each vehicle, and which County employees are using which County vehicles.

Testing

To test the data, we obtained Fuelman reports for the months of July 2021 and August 2021 from the Fleet Department. We analyzed all transactions for the Tax Assessor's Office for those two months. For each transaction, we verified that:

- The odometer entry appeared reasonable.
- The miles per gallon was not unreasonably low for the vehicle type
- The miles per gallon was not unreasonably low compared to other fill-ups.

Results
Of the 70 transactions that occurred during this period, we noted four exceptions. One exception was one entry for vehicle 1774 on August 27, 2021 was keyed as 1,645 miles less than the prior odometer entry, indicating it was keyed incorrectly. One entry for vehicle 2021 on June 15, 2021 was keyed as 116 miles less than the prior odometer entry, indicating it was keyed incorrectly. For vehicle 2311 we noticed that no data was entered from June 4, 2021 to July 28, 2021 and mileage increased by 3,500. This shows that the odometer reading was wrong, and nothing had been entered for this vehicle for close to two months. The following odometer reading six days later on August 2, 2021 was also 1,197 miles higher than the previous entry, indicating it was keyed incorrectly.

Recommendation
We recommend that management emphasize the importance of correctly entering mileage.

Managements' Response
We understand the importance of entering information correctly when fueling our vehicles. Our employees are stressed this during their initial training and reminded when we see inaccuracies in the fuel reports. We will continue to focus on relaying this to our employees who use Fuelman in the future.

Petty Cash Count

Background and Procedures
The petty cash on hand for the department is $100. The petty cash count is reconciled with the finance department once a quarter. Due to the nature of this department, the petty cash is not often used and is held in case special circumstances arise. The only money received by this department are fees related to the Conservation Use Valuation Assessment application filing. The department only accepts cash or checks.

Testing
We counted the petty cash during fieldwork on January 26, 2021. We noted that the petty cash folder had $100.

Results
We noted no exceptions in observing the petty cash. Per the results of our testing internal controls appear to be functioning properly.