Audit Committee Meeting
Minutes for Tuesday, September 13, 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
Douglas R. Duncan, Jr., Member
County Manager Scott Johnson
Deputy County Manager Glenn Kennedy
Deputy County Manager Matt Schlachter
County Clerk Patrice R. Crawley

Commissioner Dewey G. Galeas was not present.

Division Directors:
Leanne Reece - Internal Services
John Luton – Community & Leisure Services
Kyle Titus - Engineering Services
Scott Sterling - Planning Services
Michael Blanchard - Technology Services
Paul Scarbary – Development Services
Chief Wallen – Fire 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 four members present.

E. APPROVAL OF THE MINUTES OF PREVIOUS MEETING

(E1) June 14, 2022
Member Richardson made a motion to approve the minutes from the June 14, 2022 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: Information Technology and Procurement department.

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 Clerk of Court, Street Light Fund and Broadband Utility.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:48 a.m.

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

COLUMBIA COUNTY, GEORGIA
INFORMATION TECHNOLOGY DEPARTMENT
INTERNAL AUDIT

TABLE OF CONTENTS

PAGE

INTERNAL AUDITOR'S REPORT 1

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY 2

SUMMARY OF INTERNAL AUDIT RESULTS 3

BACKGROUND AND PROCEDURES, TESTING, RESULTS,
RECOMMENDATIONS, AND MANAGEMENT RESPONSES..4 - 10

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 Information Technology (IT) Department's general operating policies and procedures. Columbia County's management is responsible for the department's internal controls and operating procedures. The evaluation procedures were those approved by the County. Our analysis and report do not include evaluating all internal controls over the Information Technology 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., CPA'S

Augusta, Georgia
September 13, 2022

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for the Information Technology Department including:
    - incident report processing and closure
    - approved documentation of Department policies and procedures
    - data backups and testing
- Design and execute tests of the policies and procedures of the Information Technology Department for purchase requisitions/orders, purchase card transactions, and timesheets for employees.
- Determine if there are adequate controls to provide reasonable assurance that the Information Technology Department'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 Information Technology Department 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 Information Technology Department and internal controls relating to the adherence to policies and procedures. The internal audit focused primarily on the period March 1, 2021 to February 28, 2022; but certain analyses were performed outside of this time period. Specific scopes and time frames of testing are stated within the procedures and results section of this report as identified in the table of contents.

The Information Technology Department provides technology integration and support services. Also, the Information Technology Department is responsible for developing and implementing information technology policies.

Our testing focused on the following areas:

- Incident report processing;
- Data backups and testing;
- Policy and procedures documentation;
- Expenditures including purchase requisitions/orders and purchase card transactions;
- Timesheets for employees; and
- Inventory.

METHODOLOGY

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

- Interviewing Information Technology Department personnel;
- Observing operations and conducting walk-through interviews; and
- Testing documentation, such as purchase requisitions, purchase orders, purchase card statements, Information Technology Department employee timesheets, and other applicable data and documentation.

Incident Report Testing

- We noted no exceptions. For the ten closed incidents that we tested, the number of days until incident resolution ranged from zero to approximately 200 days depending upon the complexity of each incident. The ten open incidents tested were 14 days old, on average. During the period tested, we noted an average of 12 days until incident resolution on a total of 4,134 incidents.

Data Backup

- We noted no exceptions.

Data Backup Testing

- We noted no exceptions.

Purchase Requisitions

- We noted no exceptions.

Purchase Card Transactions

- We noted no exceptions.

Timesheets

- We noted no exceptions.

Inventory

- We noted no exceptions while testing inventory items in the Finance Department. However, we noted that two inventory items traced to inventory records were assigned to the incorrect employee.

- In the GIS department, two items from the inventory listing were not located. Specifically, one Dell Precision Tower (serial number 37F3KB2) and one HP docking station (serial number CNU737XY5N) were not located.

Change Management

- We noted that the IT department follows all change management procedures.

Five-Year Strategic Plan

- The major categories of Strategic Initiatives were listed as security, infrastructure management, resiliency and disaster recovery, innovative solutions, personnel development, and customer engagement.

Incident Report Testing

Background and Procedures

The IT Department handles all technology support for the County. The Department is responsible for maintaining all infrastructures, such as hardware, software, telephones, servers, etc. The IT Department also supports the computers for the Development Authority and most of the other component units of the County. The IT Department has a service desk that provides help and handles all service complaints/calls from the various departments. The complaints, referred to as incidents, can be called in or emailed to the Service Desk. The incidents are entered into Dude Solutions (IT Service Management Software) by the IT Department and assigned to a team member based on the type of incident. At that time, a reference number is automatically generated. The date of the incident, the actions taken by the technicians, the time taken to complete these actions and the actual resolution date are all recorded in Dude Solutions. When the assigned team member resolves the issue, the incident is closed.

Testing,

We selected ten incidents for the time period of March 1, 2021 to February 28, 2022 from the "Detailed Incident Report" generated by the Dude Solutions IT Service Management Software and requested additional detail for these ten incidents. We noted the reasonableness of the length of time to resolve each incident. We noted whether each documented action performed included a time entry and whether that time appeared reasonable. After resolution, we noted documentation of the incident being routed to the Service Desk for final closure and customer follow up.

We selected ten incidents that had not been closed as of April 4, 2022 from a list generated by the Dude Solutions IT Service Management Software and requested additional detail for these ten incidents. We noted documentation of the incident being assigned to a team member. We noted the reasonableness of the length of time to resolve each incident. We noted whether each document's action performed included a time entry and whether that time appeared reasonable.

Results

We noted no exceptions. For the ten closed incidents that we tested, the number of days until incident resolution ranged from zero to approximately 200 days depending upon the complexity of each incident. The ten open incidents tested were 14 days old, on average. During the period tested we noted an average of 12 days until incident resolution on a total of 4,134 incidents.

Data Backup

Background and Procedures

Backups of County data are performed daily and are the responsibility of the IT Server Team. Backup operations are performed after normal business hours to ensure server and network performance are not compromised. Copies of the backups are maintained by the IT Department at a secure remote site to ensure continuity for the purpose of disaster recovery. Critical data systems are monitored by the IT Server team on a continuous basis and the systems are setup to notify the IT Server Team and IT Department Management in the event of a backup failure.

If a backup failure occurs, the IT server team must create a trouble ticket specifying which server's backup job failed and any applicable error codes. Any failed backups are to be rerun immediately the next working day. Trouble ticket tracking of a backup routine that fails three days in a row must be escalated to a manager's attention and trouble tickets may only be closed after a full backup is completed on the respective system.

Per the data backup policy, the IT Server Team is responsible for testing data backups. Backup and recovery procedures are to be tested at least semi-annually or more frequently for critical mission systems, applications, and data. County policy requires that test plans and results shall be documented for each area using approved forms and the test results are to be forwarded to IT management for review and sign-off.

Testing
We requested the "Data Backup Log" for June 15, 2021 and December 13, 2021 listing all data backups performed from IT Department management. We reviewed the report and inquired with the IT Department Manager regarding the resolution of any data backup failures/errors.

We inquired with the IT Department Manager and IT Department Assistant Manager regarding the implementation of data backup testing procedures and the documentation of data backup test plans and results.

Results
Per review of documentation, provided by the IT Department Management, County data is backed up on a scheduled basis in accordance with County policy.

We noted no backup failures during the backup processes on June 15, 2021 and December 13, 2021.

Data Backup Testing

Procedures
Per Columbia County "Data Backup Policy", the IT Server team is responsible for testing data backups. Backup and recovery procedures are to be tested at least semi-annually or more frequently for critical mission systems, applications, and data. County policy requires that test plans and results shall be documented for each area using the forms approved by policy and the test results are to be forwarded to IT Department management for review and sign-off.

Testing
We requested documentation to show that the IT Department was following the "Data Backup Policy". We viewed a backup log report verifying the backup testing performed on March 15, 2022 succeeded and the IT Department is following the County's policy.

Results
No exceptions noted.

Purchase Requisitions

Background and Procedures
When supplies are needed, the IT Department orders them from office supply stores. When the invoice arrives, it is entered into Munis by the Administrative Coordinator according to County policies.

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 and printed from the system.

Testing
We haphazardly selected ten purchase orders from a general ledger report of expenditures within Munis from the time period of March 1, 2021 through February 28, 2022. We examined the invoices for the correct purchase order number and for proper approval. Next, we verified that the payment made matched the invoice that was received and the check was processed for the correct invoice amount.

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

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 the IT Department's staff members who were issued a purchase card from the Finance Department. We obtained the purchase card print management statements for October 13, 2021, October 27, 2021, November 10, 2021, and November 24, 2021 from the Administrative Specialist at the Procurement Department. For each statement selected, we observed the original receipts attached to the Statement Manager Report and noted management approval. We determined the charges were for County use. We further observed the line code for each of the expenditures was included on the Statement Manager Report.

Results
We noted no exceptions.

Timesheets

Background and Procedures
The IT Department uses the standard County timesheets which are completed by each employee. Overtime is rare and minimal and is only authorized (by the direct supervisor) when necessary. Any overtime during a pay period is explained at the bottom of the timesheet. Each week one employee is on-call. On-call time is reported on the employee's timesheet. The employees forward their timesheets to their supervisors weekly. Non-exempt employees must complete a timesheet for each payroll cycle; however, exempt employees do not have to complete a timesheet for each payroll cycle. Exempt employees are required to complete a leave request form and have the form approved if any leave is taken. Once the timesheets are approved, including on-call and overtime pay, the Administrative Coordinator inputs the time into Munis. Once all time has been entered into the Munis system, the Administrative Coordinator prints out a report from Munis and makes copies of all timesheets. The Munis report and copies of the timesheets are hand delivered to the Finance Department.

Testing
We obtained the timesheets (if applicable) for all IT Department employees for October 9, 2021 and November 6, 2021 pay dates from the Finance Department along with a copy of the payroll register. The payroll register is created from the timesheets. We verified that the payroll register agreed to the approved timesheet. 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. We verified that on-call pay was approved by the manager. We verified that the timesheet was signed by the employee and the IT Department Manager or supervisor.

Results
We noted no exceptions.

Inventory Testing

Background and Procedures
The IT Department currently tracks all inventory over which it has responsibility in Dude Solutions, the current inventory management software. Dude Solutions will scan the County network and record equipment based in IP addresses. However, this method is not viable for many smaller items such as cabling, phones, etc. Additionally, in some instances equipment is not connected to the County network and will not show up on the Dude Solutions scan. The IT Department updates the Dude Solutions inventory listing for each Department as the routine replacement of computers occurs.

When an incident for new equipment is entered into Incident Management, the assigned team member will acquire the new equipment, then proceed performing the configuration of the new equipment and documenting information on the “New Equipment Form”. When working on an entire department and/or several pieces of equipment at one time, they may use the “New Equipment Spreadsheet”. These forms should include the incident number, serial number, device name, confirmation if the device label was printed for the inventory, name of user, the department the equipment is for, date of installment, document if the inventory database has been updated for the device, and team member’s signature and date.

When replacing/retrieving the old equipment assigned to a County employee, IT Department staff must complete the “Replacement Equipment Form”. When working on an entire department and/or several pieces of equipment at one time, the “Replaced Equipment Spreadsheet” may be used. These forms should include the incident number, serial number, name of user, the department the equipment is for, date removed, document if the inventory database has been updated for the device, and team member’s signature and date.

Once the forms have been prepared and the work completed, IT Department staff upload a copy of the forms to the incident for the work performed. Once completed, the employee will return the original forms, with the corresponding incident number documented, to the designated Inventory Control team member for verification that inventory has been updated and completed. The New Equipment Form must be completed prior to delivery of the new equipment. The corresponding Replaced Equipment Form must be completed and returned upon returning with the old equipment.

Testing
We visited the Finance Department and performed test counts of inventory items. Four items were chosen from the Finance Department and traced to inventory records, and four items were selected from inventory records and located in the Finance Department.

We visited the Geographic Information Systems (GIS) Office and performed test counts of inventory items. We traced four computers in the office to IT Department Inventory Records. We also selected four items from the inventory listing and located them in the GIS office.

Results
We noted no exceptions while testing inventory items in the Finance Department. However, we noted that two inventory items traced to inventory records were assigned to the incorrect employee in the "owner" field on the inventory listing.

In the GIS department, two items from the inventory listing were not located. Specifically, one Dell Precision Tower (serial number 37F3KB2) and one HP docking station (serial number CNU737XY5N) were not located.

Recommendations
We recommend the IT Department continue to perform physical inventories to update the inventory listing whenever items are disposed.

Management Response
The "owner" field on the inventory listing is manually updated, however the inventory program will update the "Last logged in User ID" field by scanning equipment on the network.

Inventory should be updated nightly via network scanning; however, the current system has not performed as we had expected and are in the process of upgrading our inventory and ticketing system to a new product. Surplus items remain in the system and are marked with a status of "Surplus", they are not deleted.

Change Management

Background and Procedures
The IT Department has established a Change Advisory Board in order to track and evaluate changes to existing County software, reports, or hardware that have been requested by other County Departments.

Change Advisory Board (CAB) business is conducted during the IT Manager's bi-weekly staff meetings. Any change that requires the Deputy County Administrator's approval is discussed and presented by the IT Manager. The IT Manager has final approval of any changes discussed not requiring Deputy County Administrator approval. A special CAB meeting may be called at any time by the Deputy County Administrator and/or the IT Manager. A Change Manager (CM) is determined by the CAB based on the type of change requested.

The Change Manager is responsible for ensuring all parties involved in the change are updated and working their designated area of the change. The CM will coordinate the appropriate personnel based on the change requirements, schedule meetings necessary to complete tasks, coordinate with outside vendors when necessary, update the Change Requester, and communicate progress to the IT Manager.

The Change Requester initiates a change request by filling out the Change Management Request Form and submitting it to the Service Desk. The Change Requester may be called to attend any CAB meeting to provide additional detail concerning a change or answer CAB questions to clarify change requirements. Once a request has been approved by the CAB, Service Desk will create an Assyst incident for logging the change's progress. Once the change has been analyzed, planned, tested and implemented, the Change Manager will follow up with the Change Requester confirming all requirements have been satisfied and direct Service Desk to close any incident created.

Testing
We inquired of IT Assistant Manager regarding the Technology Advisory Board and the process for evaluating and implementing change requests. We also viewed a documentation of the Monthly Technology Meetings.

Results
We noted that the IT department follows all change management procedures.

Five-Year Strategic Plan

Background and Procedures
The Columbia County Technology Services Division developed a Strategic Plan for the years 2022-2027. The major categories of Strategic Initiatives were listed as security, infrastructure management, resiliency and disaster recovery, innovative solutions, personnel development, and customer engagement.

Testing
We requested a draft of the Technology Services Strategic Plan for 2022 - 2027. This was discussed with the Technology Services Director. It was noted that this is the first strategic plan created for the technology division and the objective is to utilize the plan to create a "road map" for the County's technology initiatives through 2027.

Results
No exceptions noted.

COLUMBIA COUNTY, GEORGIA
PROCUREMENT DEPARTMENT
INTERNAL AUDIT

TABLE OF CONTENTS

PAGE

INTERNAL AUDITOR'S REPORT 1

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY 2

SUMMARY OF INTERNAL AUDIT RESULTS 3

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS 4-12

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 Procurement Department's purchase of goods and services 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 Procurement 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
September 13, 2022

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

AUDIT OBJECTIVES

Our audit objectives were designed to:

- Obtain an understanding of the County's internal control system for the Procurement Department relating to the monitoring of County purchases of goods and services and the adherence to internal policies and procedures.
- Design and execute tests of the policies and procedures for monitoring purchases throughout the various areas of the Procurement Department such as the bid/request for proposals, quotes, purchase orders, purchase requisitions, purchase card program, salvaged and surplus assets, and other procurement functions.
- 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 Procurement Department and internal controls relating to disbursements for goods and services and adherence to policies and procedures. The internal audit focused primarily on the period July 1, 2021 to April 30, 2022. 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 Procurement Department establishes and oversees the County's policies for procurement of goods and services and facilitates some contracts, and bid/request for proposal procedures with the citizens of Columbia County and the surrounding area, in addition to, issuing purchase orders for all requisitions. Our testing focused on the following areas:

- Procurement Thresholds
- Purchase Card Transactions
- Vendor Analysis
- Salvage/Surplus Assets
- Warehouse
- Employee Timesheets
- Bids and RFP/RFQ Controls

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 Procurement Department personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation such as bids, requests for proposals, quotes, purchase requisitions, purchase orders, purchase card statements, Procurement employee timesheets, general ledger entries and data, Munis reports, and other applicable data and documentation.

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

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

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

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

SALVAGE/SURPLUS ASSETS
- We noted no exceptions in testing. Controls appear to be functioning properly.

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

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

CONTROLS OVER BIDS, RFPs, & RFQs
- **Bids**
  - We noted no exceptions in testing. Controls appear to be functioning properly.
- **RFPs**
  - We noted no exceptions in testing. Controls appear to be functioning properly.
- **RFQs**
  - We noted no exceptions in testing. Controls appear to be functioning properly.

PROCUREMENT THRESHOLDS

Background and Procedures

The Procurement Department monitors the County's purchasing function. In order to do this, the Procurement Department has established threshold limits of varying amounts for authorization of purchases. The Procurement Department procedure manual has been approved by the Board of Commissioners. All departments, with the exception of elected officials, are required to follow these policies.

The purchase process begins when a purchase requisition is generated by the requesting department and authorized by the appropriate supervisors. After the purchase requisition is approved, the Procurement Department evaluates the request and supporting documentation, converts the purchase requisition into a purchase order, and forwards the purchase order to the requesting department. The department then makes the purchase and submits the invoice along with any shipping documents to the Finance Department for payment.

If there is a state-negotiated contract for products and services desired, the Board of Commissioners accepts all state-negotiated contracts, which eliminates the need to follow standard policies and procedures required for non-state contract items.

The four monetary levels established within the County's Procurement Policies are:

- Level one - $.01 - $4,999.99 - open market
- Level two - $5,000.00 - $24,999.99 - three to five quotes required
- Level three - $25,000 - $49,999.99 – open market while following certain provisions
- Level four - $50,000+ - require formal solicitation

Level one - open market

For purchases less than $5,000, the only requirements are the individual making the purchase must be properly authorized to make the purchase and the requesting department must follow the procedures set forth by the Procurement Department.

Thresholds for authorization of purchases for each employee, depending upon their position, are automated in Munis. For instance, an Administrative Assistant may have the authority to approve a single purchase up to $500. If the purchase is over $500, the Administrative Assistant enters the requisition into Munis, but must get the purchase approved by their immediate supervisor or manager. Once all approvals have been made in Munis, the purchase requisition is forwarded to the Procurement Department.

Level two - written quotes

Three to five written quotes are required to be documented when a purchase is greater or equal to $5,000 but less than $25,000. The requesting department must solicit quotes from three to five vendors and based upon the price, quality of goods or services, and reputation of the vendors make a decision as to which vendor is best suited to provide the goods or services. The written quotes should be attached to the purchase requisition. The Procurement Department reviews the documentation submitted and converts the purchase requisition to a purchase order.

If in the process of obtaining quotes the requesting department discovers there is only one vendor who supplies the required goods or services, it must be documented as a sole source purchase and noted on the purchase requisition.

Level three - bid/request for proposal/request for quotation
A competitive sealed quotation process may be used without regard to a formal solicitation requirement when a purchase is equal to or greater than $25,000 but less than $50,000. The five following provisions must be met to avoid going through a formal solicitation:

1. The items being purchased are included in the budget that was adopted by the Board of Commissioners.
2. The purchase is within the budgeted amount.
3. The competitive sealed quotation process is administered by the Procurement Department.
4. The purchase must be made from the lowest responsive and responsible quotation, or the quotation determined to be in the best interest of the County.
5. Approvals from the County Manager and Deputy County Manager in writing as well as verbal approval by the appropriate committee chairperson/County Chairman before execution.

Level four – formal solicitation
Any purchases greater than $50,000 and are not in compliance with the five provisions listed above require formal solicitation.

Formal Solicitation Process
The formal solicitation process, which encapsulates Bids, RFPs, and RFQs, begins when the requesting department forwards the specifications/scope of work to the Procurement Department. The Procurement Department reviews the document for completeness and assists the requesting department in developing the scope of the work. The Procurement Department advertises the competitive bids in the local newspaper and posts them on the Columbia County Bid Opportunity webpage.

Pre-Bid/Proposal Conferences are hosted by the Procurement Department to answer questions from the prospective vendors. This is usually done in the case of complex jobs where it is necessary to clarify the scope of work and specifications for the bid/request for proposal.

The decision to have a conference is made by the requesting department and/or the Procurement Department Manager. In cases where a third-party consultant is handling the scope of work and advertising process, the consultant decides if a pre-bid conference is needed. In such cases, the County hosts the conference. If a conference is not held, all questions are forwarded to the consultant and not handled by the Procurement Department; however, the Procurement Department does receive copies of all scope of work specifications and advertising documents for the County's records.

Below is a list of circumstances when it may not be necessary to go through the bid/request for proposal procedures:

Emergency Purchases
As defined by the Procurement Department's procedure manual, an emergency is "any situation resulting in imminent danger to the public health or safety or the loss of an essential governmental service." The Procurement Department Manager and/or a Division Director are able to suspend the formal competitive bid process in order to rectify the emergency.

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

Petty Cash Expenditures

A petty cash fund is available to designated departments on an as-needed basis. The amount of petty cash is determined by the Finance Department and the requesting Department Manager. Typically, departments in need of petty cash are those with direct services to the public such as the Animal Services Department and the Recreation Department. A custodian is assigned to petty cash and is required to obtain documentation for expenditures to be reconciled and submitted to the Finance Department. No single purchase shall be greater than the total petty cash fund amount.

Inventory Supplies

Copy paper and bottled water are purchased by the Procurement Department for the County and maintained in the warehouse. As these supplies are needed, departments may request inventory items via email to the warehouse foreman. At the time of delivery, the requesting department will be charged for the use of the items requested. Inventory supplies are purchased by obtaining quotes from three to five vendors at the time items are needed.

Sole Source Purchases

In the case that a requisitioning department determines a good or service can only be provided from a sole source, the department must verify this with the Procurement Department. The sole source vendor does not allow the process to be bypassed; but it changes the documentation needed to complete the process. Proper research must be done and documented that the vendor is the only provider of this particular good or service.

Purchasing Cards

Purchases placed on a purchase card may be made without a purchase requisition.

Contracts

Contracts that are manually entered into Munis by the managing department or by the Finance Department do not require purchase orders. The contracts are approved by the County Board of Commissioners and usually have a fixed monthly fee, i.e. rental contract of a building.

Computer Hardware and Software Purchases

All computer hardware and software purchases must be reviewed by the Information Technology Department to ensure compatibility with the County network and ensure proper licensing. Due to the need for compatibility between software and hardware services, the County does not always prepare a new bid/request for proposal once the old contract has expired. Many times, the County will continue to use the original vendor in order to maintain the fullest technical support from the vendor for the software/hardware.

Water Utility Overpayment

The Water Utility Division refunds over-payments to customers from the General Water Checking Account. When a customer who is already set up as a vendor in Munis receives a refund, the refund is processed directly to the vendor account. There is no actual invoice, purchase requisition/purchase order and there is no approval process evident in Munis. These amounts are typically very small, however, and below the $2,000 threshold.

Testing

In order to test thresholds, we obtained a report from the Finance Department of all disbursements issued for all vendors for the time period of July 1, 2021 to April 30, 2022. We sorted all disbursements into the proper thresholds based on County policies. We tested the Level Two and Level Three/Four thresholds. We haphazardly selected a sample of 25 from each threshold selected for testing.

Testing for purchases equal to $5,000 ($2,000 before September 2021) and less than $25,000 ($20,000 before September 2021) were as follows:

- We observed that three to five quotes were received.
- We observed quotes were documented on the purchase requisition or scanned in as an attachment to the purchase.

Testing for purchases equal to or greater than $25,000 ($20,000 before September 2021) were as follows:

- We observed competitive bids were advertised and bids were obtained.
- We observed Procurement bid policies were followed.
- We traced bid/RFP or contract to board approval in the permanent board minutes.

Results

We noted the following for the thresholds:

- Purchases falling in the level two threshold:
    - We noted no exceptions testing this threshold.
- Purchases falling in the level three and four thresholds:
    - For all items selected for testing, we were able to verify that the purchase met one of the following criteria:
        - Purchase was approved by the Board of Commissioners.
        - Purchase was made by an Elected Official, who is not required to have bid/request for proposal obtained.
        - Purchase was made from a sole source vendor and properly documented.
        - Purchase was made for professional services or other complex services, which are not always required to have bid/request for proposal obtained.
        - Purchase was made from a vendor under a current bid/request for proposal and contract.
    - We noted no exceptions testing this threshold.

PURCHASE CARD TRANSACTIONS

Background and Procedures

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

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

Testing

We obtained a listing of the staff members who were issued a purchase card from the Finance Department. We obtained purchase card statements for the following dates: September 15, 2021, November 24, 2021, January 19, 2022, and March 16, 2022. For each statement selected, we observed the original receipts attached to the Statement Manager Report and noted management approval. We determined the charges were for County use. We further observed the line code for each of the expenditures was included on the Statement Manager Report.

Results

We noted no exceptions in testing purchase card transactions. Controls for purchase card transactions appear to be functioning properly.

PURCHASE REQUISITIONS MADE BY DEPARTMENT

Background and Procedures

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

There are tiers 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 and printed from the system.

Testing

We haphazardly selected ten purchase orders from the general ledger for the time period of July 1, 2021 through April 30, 2022. We examined the related purchase requisition and purchase order for proper approval. We observed proper documentation such as invoices, quotes, and competitive bids when applicable. We verified that the payment amount matched the payment due on the invoice. We verified the checks for proper amount and payee.

Results
We noted no exceptions in testing purchase requisitions and purchase orders. Controls for purchase requisitions and purchase orders appear to be functioning properly.

VENDOR ANALYSIS

Background and Procedures
The Procurement Department monitors the County's purchasing function. In order to do this, Procurement has set threshold limits for varying amounts for authorization of purchases. The procurement procedure manual has been Board approved and all departments in the County are required to follow these policies.

Testing
We obtained a report from the Finance Department of all vendors whose average remittance was less than $5,000, between July 1, 2021 and April 30, 2022. We summed the total expenses for each vendor and haphazardly selected 25 vendors for whom total expense was greater than or equal to $50,000. For each selection we traced the vendor to the quotes obtained, bid, request for proposal, county or state contract. The purpose of the test is to determine if invoices were split to avoid the requirement to obtain quotes or bids/RFPs for items purchased or services rendered. It is against the County's Procurement Policy to split a purchase into two or more orders to avoid the purchase amount limits and the related requirements for obtaining quotes, bids or RFPs.

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

SALVAGE/SURPLUS ASSETS

Background and Procedures
The department in possession of the asset prepares a list of assets recommended for salvage/surplus and presents the recommendation to the appropriate committee. The committee decides whether the item(s) should be consented or debated at the full Board of Commissioner's (BOC) meeting. Once submitted to the BOC, the BOC approves the list of assets to be salvaged/surplused. Recently, the BOC passed a resolution which provides authority to approve disposal through GovDeals to the Finance Director and/or the County Manager.

Once approved, the requesting department prepares a form response which includes the details of the Board approval. This form is saved on the County network. After the Board Meeting, the Procurement Department Administrative Assistant retrieves the form which includes the initials of the committee members who approved the item(s) to be salvaged/surplused and gives the approval to the Warehouse Foreman. The Warehouse Foreman obtains all ownership documents necessary, inspects the asset for flaws, breaks down bulk items for individual sale, prepares a description for GovDeals and posts item(s) online.

Because the Warehouse Foreman waits for other departments to bring the asset and proper ownership documents, an item may be approved for salvage/surplus several weeks before it is listed on GovDeals. An auction period is set for two weeks. If within that time the item has not sold, it is taken off the website for a while and listed again at another time for the same length of time. This process is repeated until the item is sold. Items may take over one year to sell; however, vehicles sell quickly. When a sale is made, the Procurement Department Administrative Assistant prepares a bill of sale. The buyer picks up the item at the County warehouse.

Testing

We selected all the salvaged/surplused assets from our review of the Board of Commissioners' minutes. We reviewed that the items selected for testing were approved for salvage/surplus by the BOC. We traced each payment to the deposit slip and to the deposit receipt. We traced the deposit to clearing the bank statement.

Results

We noted no exceptions in testing salvage/surplus assets. Controls for salvage/surplus assets appear to be functioning properly.

WAREHOUSE

Background and Procedures

The County warehouse is managed by the Procurement Department. The warehouse is the storage facility for all departments within the County. All County inventory such as paper and water are stored in the warehouse. The Information Technology Department also has an individual storage area within the warehouse that houses computers, monitors, devices etc. These items are behind a locked fence/cage.

The warehouse hours are from 8am - 6pm, Monday through Friday. The warehouse staff consists of one full-time Manager, one full-time Currier, and one full-time Warehouse Clerk under the supervision of the Procurement Supervisor. The warehouse has cameras installed inside and outside of the facility. Voting machines along with records that must be retained by the County for the Board of Elections are secured behind a locked door.

Testing

We inquired about the current policies and procedures regarding the warehouse. We also toured the warehouse noting security cameras and the locked cage for the IT department.

Results

We noted no internal deficiencies relating to the Warehouse.

EMPLOYEE TIMESHEETS

Background and Procedures

A County-wide form in Excel is used by the Procurement Department for timesheets, which are maintained by the Administrative Assistant. Each employee signs off on the timesheet as approval for the hours recorded. Each timesheet is reviewed by the Department Manager who signs off for supervisory approval. The timesheet is routed to the Division Director for final approval. The timesheet is forwarded to the Finance Department for further processing. All pay rates are pre-established in Munis by the Human Resources Department.

Testing

We obtained the timesheets (if applicable) for all Procurement Department employees for pay dates: November 10, 2021 and March 31, 2022 from the Finance Department along with a copy of the payroll register. The payroll register is created from the timesheets. We verified that the payroll register agreed to the approved timesheet. 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. We verified that the timesheet was signed by the employee and the Procurement Department Manager or supervisor.

Results

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

CONTROLS OVER BIDS, RFPs, & RFQs

Background and Procedures

When a purchase must go through a formal solicitation process it can fall into one of the three following sections:

- Bids
- Request for Proposals
- Request for qualifications

Bids

The Bid process is used for the purchase of goods and services when the County's requirements are clearly defined. The bid is generally awarded to the most responsive and responsible bidder who offers the lowest price and whose bid meets the requirements set forth in the solicitation.

RFPs

The Request for Proposal process is primarily used when the County's requirements are defined, but the means or methods to meet the objectives cannot be clearly established. RFPs utilize the best value technique and consider cost as just one of several evaluation criteria necessary to make an award. This process allows supplies to propose their own comprehensive and innovative solution to the County's needs described in the request.

RFQs
The Request for Qualification or "Pre-Qualification" process may be utilized when the County's requirements are defined, but there are unique services or criteria involved in the project that create the need to determine whether a potential bidder is qualified to undergo the project in the first place. An RFQ for a proposed project is distributed to a list of firms selected by the County.

Testing
For each of the differing formal solicitation processes, we selected specific controls located on Bonfire, the County's e-procurement software, to test. We chose 5 projects that were Bids, 5 that were RFPs, and all 3 RFQs made during the year. The following attributes were tested for each of the processes:

- All necessary and applicable documentation was uploaded to Bonfire (proposals, Non-collusion affidavits, the project contract)
- The necessary signatures and approvals have been given.
- The proper bidder was selected. The low bidder for Bid projects and the highest scoring bidder for RFPs/RFQs.
- The documentation given by the bidders agrees to the award documentation.

Results
We noted no exceptions in the controls over the various formal solicitation processes.