COLUMBIA COUNTY
GEORGIA

Audit Committee Meeting
Minutes for Tuesday, June 13, 2023 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
Alison G. Couch, Member
County Manager Scott Johnson
Deputy County Manager Glenn Kennedy
County Clerk Patrice R. Crawley

Douglas R. Duncan, Jr., Member was not present

Division Directors:
Leanne Reece - Internal Services
John Luton – Community & Leisure Services
Scott Sterling - Planning Services
Michael Blanchard - Technology Services
Paul Scarbary – Development Services
Chief Jeremy 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) March 14, 2023
Member Richardson made a motion to approve the minutes from the March 14, 2023 Audit Committee meeting. Member Couch seconded the motion. The motion carried unanimously.

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

G. DEBATE AGENDA

(G1) New Business

(G1a) Management Services

(G1a1) Draft Reports
John Snider from Serotta Maddocks Evans & Company presented the committee with the following draft reports: Broadband Utility, Fire Services Fund and Sheriff's Office.

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 Engineering Services Division, Tax Commissioner, Juvenile Court and Performing Arts Center.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

I. EXECUTIVE SESSION

J. ADJOURNMENT
Chairman Melear adjourned the meeting at 8:58 a.m.

Connie M. Melear, Chairman

Patrice R. Crawley, County Clerk

COLUMBIA COUNTY, GEORGIA
BROADBAND UTILITY 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 - 9

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 Broadband Utility 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 Broadband Utility 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
June 13, 2023

Serotta Maddocks Evans, CPAs 2743 Perimeter Parkway | Building 100, Suite 200 | Augusta, GA 30909 | p: 706.722.5337 | f: 706.724.3299
www.smecpa.com 125 Park Avenue SW | Suite 200 | Aiken, SC 29801 | p: 803.648.6047 | f: 803.648.6543

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for the Broadband Utility Department relating its departmental policies and procedures along with County policies and procedures as they pertain to the Department.
- Design and execute tests of the policies and procedures for the various areas of the Broadband Utility Department such as providing technical services to other governmental departments or agencies and other third-party service providers.
- 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 Broadband Utility Department and internal controls relating to the adherence to policies and procedures. The internal audit focused primarily on the period July 1, 2022 to February 28, 2023; but certain analyses were performed outside of this time period. Specific scopes and time frames of testing are stated within the procedures and results section of this report, as identified in the table of contents.

The Broadband Utility Department provides and maintains a municipal open access network that is used by other governmental departments and third-party service providers. The Broadband Utility Department is also responsible for connecting any new customers, governmental or third party, to the broadband network.

Our testing focused on the following areas:

- Broadband network towers;
- Service, activation, and installation fees and reporting;
- Expenditures including capital asset purchases, purchase requisitions/orders and purchase card transactions; and
- Timesheets for 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 internal audit procedures included:

- Interviewing Broadband Utility Department personnel;
- Observing operations and conducting walk-through interviews; and
- Testing documentation such as purchase requisitions, purchase orders, purchase card statements, vendor invoices, deposit reports, Broadband Utility Department employee timesheets, and other applicable data and documentation.

SUMMARY OF INTERNAL AUDIT RESULTS

General Observations

- During the internal audit, we were informed that the main operational issues the department is facing is the damaging of fiber optic cables by contractors throughout the county, lack of space for inventory items, and Cityworks implementation.

Site Visits

- We noted no exceptions during testing.

Fees Testing

- We noted no exceptions during testing.

Capital Asset Purchases

- We noted no exceptions during testing.

Purchase Requisitions

- We noted no exceptions during testing.

Purchase Card Transactions

- We noted no exceptions during testing.

Timesheets

- We noted no exceptions during testing.

Fuelman Reports

- We noted no exceptions during testing.

Inventory

- We noted three exceptions during testing.

General Observations

Background and Procedures
During the internal audit, we make inquiries regarding the departments operations and need for additional resources.

Results
During the internal audit, the main operational issues the department is facing is the damaging of fiber optic cables by contractors throughout the county, lack of space for inventory items, and Cityworks implementation.

Management Response
The department involved the County Engineering Services Division Director, Kyle Titus, on situations where contractors would damage the fiber optic cables. From there, he can issue a stop work notice. Furthermore, 811 laws state that the contractor responsible for the damage must pay for the repair. More space will be built for the department once the new SPLOST funding begins. Lastly, we have not been able to fully utilize the resources within Cityworks yet, but are slowly implementing it to our processes as more of the program becomes available.

Site Visits

Background and Procedures
There are seven broadband network towers throughout Columbia County. Each tower is similar in construction -- each site has a 100 by 100 foot security fence with barbed wire at the top securing the structure; each tower is 300 feet tall and constructed to public safety standards; and the shelter housing the main networking system is 10 by 12 feet and is also constructed to public safety standards. Public safety standards means that the structures are built to the utmost standards to withstand strong winds to allow the continued use of the network through disaster-type situations. Also in the event of a disaster or a loss of power, the system is able to switch over to a backup power system in a tenth of a millisecond and continue running on the backup power system for up to five days. Generators on-site at each tower location run the backup power system. The Fleet Services Department is responsible for the fueling and routine maintenance of the on-site generators. Each shelter also has a standalone HVAC system that regulates the internal temperature of the shelter. In the event of a fault, the HVAC systems send an electronic alert to the Broadband Utility Department Manager and the third-party company responsible for servicing the system. In the event the internal temperature of the shelter falls below or exceeds predetermined levels, an alert is sent to Broadband Utility personnel.

To gain access to a shelter, an access code must be entered. Inside the shelter, there are two racks containing the equipment that interconnects the Public Safety Department's radio system as well as two racks containing the equipment that interconnects all of the other departments and offices that are linked to the network.

Currently, the system is not being used to its maximum capacity and there is room for other departments and third-party customers to join the network.

In the event of a fire occurring in a shelter, the room is equipped with a tank that will remove all the oxygen from the room and extinguish the fire. All sites are secured by video monitoring by the Sheriff's Department as well as mobile phone alerts that are sent to the Broadband Utility Manager, the Broadband Fiber Splicers, Broadband Network Engineer, and the OSP Manager at the time the shelter door is accessed using the access code, when the door is opened and when the door is closed.

Testing
One out of the seven broadband network towers were selected for a site visit. The Halali Farm Road site was visited on March 28, 2023.

Results
The broadband tower site at Halali Farm Road was visited with a Broadband Technician providing access to the facility as well as the Office Supervisor. The site was secured and housed Broadband Utility equipment. We noted that tower sites for this location is similar in design and build to the other six towers.

Fees Testing

Background and Procedures
The Broadband Utility Department receives revenues from the County and third-party users. About 60% of the Broadband Utility Department's revenues come from the County and the remainder from third-party users. Per discussion with the Office Supervisor, the Broadband Utility Department charges fees based on a tiered fee schedule. There are three types of fees: connection fees, activation fees, and service fees. Connection and activation fees are charged at inception of contract and vary depending on size and difficulty of connection. Service fees are monthly recurring charges that vary based on size and usage. All of the fees are also affected by which tier a client qualifies for. The tier system is based on points. Points are assigned for qualifying in certain categories. Once a client's tier is determined and a rate decided upon, the outside entity meets with the Broadband Utility Department and develops a contract. The contract is agreed upon and signed. Once a contract is in place, the Broadband Utility Department is responsible for billing the client, who then remits their payments directly to the Finance Department.

Testing
Fees were tested by requesting the deposit ledgers maintained by the Finance Department for the period of July 1, 2022 through February 28, 2023. We haphazardly selected 10 deposits to trace from the deposit report to clearing the bank statement. We then requested the vendor contracts that comprised the deposit report and agreed amounts to the original signed vendor contracts.

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

Capital Asset Purchases

Background and Procedures
When new assets are needed, the Broadband Utility Department orders them. The Broadband Utility Manager enters all capital asset purchases into Munis. The Broadband Utility Manager also approves all requisitions and invoices under $5,000. The Division Director approves all requisitions and invoices over $5,000 for the Broadband Utility Department. When the invoice arrives, the invoice is signed off and coded by the Broadband Utility Manager or the Office Supervisor and is sent to the Finance Department to be entered into Munis per standard County policies. The Broadband Utility Manager also notes that the assets are capital in nature.

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 $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 and are outside the scope of the internal audit for this department.

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

Testing
We obtained the capital asset additions report from July 1, 2022, through February 28, 2023. We selected ten capital asset additions and confirmed that the purchase was capital in nature. Next, we agreed that the assets were recorded in the proper period. We then vouched to supporting invoice for approval and cancelled check.

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

Purchase Requisitions

Background and Procedures
When supplies, materials, subcontractor services or equipment is needed, the Broadband Utility Department orders them. When the invoice arrives, the invoice is signed off and coded by the Office Supervisor and is sent to the Finance Department to be entered into Munis per standard County policies.

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 $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 and are outside the scope of the internal audit for this department.

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

Testing

We haphazardly selected 15 purchase orders from the purchase order list provided by the Finance Department for the time period of July 1, 2022 to February 28, 2023. We examined the invoices for the correct purchase order number and for proper approval. We agreed the check amount to the approved invoice. We then reviewed the cancelled check at the Finance Department.

Results

We noted no exceptions to any of the items that were tested. Per the results of our testing, internal controls appear to be functioning properly.

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 un-coded 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 the Broadband Utility Department employees with a purchase card from the department's Manager. We viewed the November 2022 and January 2023 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. Per the results of our testing, internal controls appear to be functioning properly.

Timesheets

Background and Procedures

The Broadband Utility Department uses the standard County timesheets which are completed by the employee. The Broadband Utility Manager signs off on all employees of the Broadband Utility Department and the Division Director signs off on the Broadband Utility Manager's timesheet. Once the supervisors approve all timesheets, they are forwarded to the Office Supervisor for entry into Munis. The Broadband Manager, Network Manager, and the Outside Plan Construction (OSP) Manager are salaried employees. They have three technicians who are hourly employees. They provide $35 a day to whoever is listed as on-call for the Broadband Utility Department.

Testing

We obtained timesheets and direct deposit reports for the pay periods ending November 23, 2022 and February 2, 2023 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 January 2023 and February 2023 from the Fleet Department. We analyzed all transactions for the Broadband 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

We noted no exceptions in our testing.

Inventory

Background and Procedures
Because of the specialized nature and long lead times associated with many of the supplies used by the Broadband Utility Department, a significant amount of inventory is maintained. The Broadband Utility Manager and the Office Supervisor track the inventory levels, cost, and location using a Storeroom, a segment of Cityworks. At the time of the internal audit, the department was not "live" in Storeroom yet, meaning they were limited in functionality while it is being implemented.

Testing
We obtained a copy of the inventory tracking spreadsheet from Allison Prichard, Broadband Office Supervisor on the date of fieldwork, March 28, 2023. Due to the circumstances surrounding the reporting of inventory items, we determined that a sample of five items from the department's warehouse was appropriate.

Results
We noted three exceptions during our testing. In two instances, the amount reported on Storeroom was off by one to the physical count. In the other instance, we were unable to find the inventory item on Storeroom.

Recommendations
We recommend stressing the importance of keeping up with the inventory sheets for proper updates input into Storeroom. Furthermore, we recommend a more uniform method of naming parts stored. These issues are however mitigated by the department's random inventory counts taken throughout each month.

Management Response
Management will stress the importance of inventory control/management and Storeroom with all staff more frequently. Management will construct a new uniform method of naming parts/materials that are stored in our building, splice trailers, POP and warehouse. We will create a more organized system and place of our materials and possibly utilize a barcoding system for more accurate inventory counts for Storeroom.

COLUMBIA COUNTY, GEORGIA
FIRE SERVICES
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 - 7

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 Columbia County Fire Services Division ("Fire Services") 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 Fire Services.

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
June 13, 2023

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Design and execute tests of the policies and procedures of Fire Services for purchase requisitions/orders, purchase card transactions, and timesheets for employees.
- Determine if there are adequate controls to provide reasonable assurance that Fire Services' assets are being properly safeguarded, and errors or irregularities can be prevented or can be detected in a timely manner.
- Make recommendations to Fire Services 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 Fire Services and internal controls relating to approvals of disbursements, daily operations, safeguarding of funds and adherence to policies and procedures. The internal audit focused primarily on the time period of July 1, 2022 to February 28, 2023; 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.

Our testing focused on the following areas:

- Expenditures including purchase requisitions/orders;
- Purchase card transactions;
- Timesheets for employees; and
- General inquiries and observations.

METHODOLOGY

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

- Interviewing Fire Services personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation, such as general ledger entries and data, and any other applicable data.

Purchase Requisitions

- We noted no exceptions.

Purchase Card Transactions

- We noted no exceptions.

Timesheets

- We noted no exceptions.

Fuelman Reports

- We noted no exceptions.

General Inquiries and Observations

- Between July 1, 2022 and February 28, 2023, Fire Rescue responded to 8,352 emergency calls with an average response time of 4 minutes and 25 seconds. During the same time, Fire Rescue responded to 885 non-emergency calls with an average response time of 6 minutes and 25 seconds.

Purchase Requisitions

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 $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 and are outside the scope of the internal audit for this Department.

Tiers are established within MUNIS for the approval of purchase requisitions. The signature process is performed electronically in MUNIS. Each person must approve the purchase requisition before it 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 purchase order list provided by the Finance Department for the time period of July 1, 2022, to February 28, 2023. We examined the invoices for the correct purchase order number and for proper approval. We agreed the check amount to the approved invoice. We then reviewed the cancelled check at the Finance Department.

Results
We noted no exceptions in our testing.

Purchase Card Transactions

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

Purchase card transaction records are maintained electronically by Elan, a third-party payment processor. On a daily basis, the Procurement Department downloads a transaction record from Elan's website and imports the records into MUNIS. The expenses are initially recorded in MUNIS as uncategorized and maintained in a temporary holding account on the general ledger. When the transactions are imported into MUNIS, a designated individual within each Department receives a notification that new transactions require coding and approval. At this point, the designated individual uploads the receipt for each transaction and enters a line code corresponding with the nature of the expenditure. Once the uploads are completed 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 un-coded 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.

<u>Purchase Card Transactions</u> (continued)

<u>Testing</u>
We obtained a listing of all the Fire Services' employees with a purchase card from the Finance Department. We viewed the December 2022 and February 2023 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.

<u>Results</u>
We noted no exceptions in our testing.

<u>Timesheets</u>

<u>Background and Procedures</u>
The Chief, Assistant Chief and a few other management personnel are exempt employees. All other personnel are non-exempt hourly employees. Each non-exempt employee is responsible for tracking their time in TimeStar, an online attendance and time tracking software. Each person logs in to enter their time. The District Captain is responsible for checking and ensuring that all employees punch in and out. Exempt employees only use TimeStar when they take PTO, have a holiday, etc. At the end of the pay period, the Battalion Chiefs are responsible for approving their personnel's shifts. TimeStar will not include a person on the timesheet report until it has been approved. Once all the time has been approved, the time is imported into the MUNIS payroll module by Della Hendrix for the Finance Department to process. A timesheet report is emailed to Finance to support the time imported.

<u>Testing</u>
We obtained timesheets and direct deposit reports for the pay periods ending November 22, 2022 and February 2, 2023 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 were used to compute payroll during the pay period. We compared the payroll register to the direct deposit report or a cancelled check to verify that the employee was paid the same amount calculated from the timesheet.

<u>Results</u>
We noted no exceptions in our testing.

<u>Fuelman Reports</u>

<u>Background and Procedures</u>
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 January 2023 and February 2023 from the Fleet Department. We analyzed all transactions for the Fire Services 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
We noted no exceptions in our testing.

General Inquiries and Observations

Background and Procedures
We made various inquiries and observations of Fire Services.

Testing
SME made the following inquiries of Chief Wallen and Assistant Chief Willis:

- What type of bank accounts are maintained by Fire Services?
- Does Fire Services have a petty cash fund?
- Does Fire Services collect any funds? If so, what are the procedures related to the collections?
- What are the average response times for emergency and non-emergency incident calls?
- What are the Fire Services operations and what are the potential areas of need?

Results
Per the Chief, Fire Services does not maintain any bank accounts and does not have a petty cash fund. The Fire Department sells 911 street signs for $25. They only accept checks as a form of payment. When a citizen orders a sign, they collect the $25 and order the sign, which is purchased with a purchase card. The check stays in a secure cabinet until it is taken to Finance. They typically hold the check for a week or less to see if they collect additional checks. If no other signs are purchased during that week, they take the deposit to the Finance department by Friday to deposit. They sell very few signs.

In May of every year, Fire Services holds a fundraiser to help local charities. In 2022, all money collected was given to the Burn Foundation of America (formerly the Southeastern Firefighters Burn Foundation) and Columbia County Community Connections. Usually, approximately five sites are selected for collections each year. The fundraiser is held Thursday – Saturday from around 9:00 am to 7:00 pm for two consecutive weekends. Three or more firefighters will be at each location soliciting donations in a boot. Every hour, two people will go around to each collection site and pick-up the money collected in a bucket. The money will be brought back to the station where 4 – 10 people will count the money. The counters are made up of administrative staff and command staff. They sort, count and strap the cash. Each strap is verified by two people. Once they complete the count from the pick-up, then two people carry the money to Queensboro National Bank, which then verifies amount of deposit. A copy of the deposit slip is submitted to Finance. Loose change i.e.: coins are run through a coin counter and once a bag reaches its recommended amount, the bag is sealed using federal approved coin bags. The bags are then taken to Queensboro National Bank to make a deposit for that amount and the deposit slip is provided to the Finance. Department

Money collected after the bank closes is locked in a safe in a secure room in a secure office until Monday morning when it is taken to the bank. Chief Wallen and Chief Willis are the only people with keys to the closet. Chief Wallen and the IT Manager are the only two people with the combination to the lock.

The department provided a response time report from Fire Rescue's Computer Aided Dispatch software. These incidents were sorted by emergency and non-emergency calls. Between July 1, 2022 and February 28, 2023, Fire Rescue responded to 8,352 emergency calls with an average response time of 4 minutes and 25 seconds. During the same time, Fire Rescue responded to 885 non-emergency calls with an average response time of 6 minutes and 25 seconds.

Additional resources that may be needed by the Fire Services department were discussed with Chief Wallen. During the time of the internal audit, no pressing additional resources were mentioned.

COLUMBIA COUNTY, GEORGIA
SHERIFF'S OFFICE
INTERNAL AUDIT

TABLE OF CONTENTS

PAGE

INTERNAL AUDITOR'S REPORT 1

INTERNAL AUDIT OBJECTIVES, SCOPE AND METHODOLOGY 2

SUMMARY OF INTERNAL AUDIT RESULTS ....3 - 4

BACKGROUND AND PROCEDURES, TESTING, RESULTS,
RECOMMENDATIONS, AND MANAGEMENT RESPONSES...5 - 13

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 Columbia County Sheriff's Office's (the "Sheriff's Office") collection of fines, fees, criminal bonds and confiscated monies and the submission of those funds to the appropriate recipient along with other general operating policies and procedures. The Sheriff's Office is responsible for the accounting records, internal controls and operating procedures. The evaluation procedures were those approved by the Sheriff's Office. Our analysis and report do not include evaluating all internal controls over the Sheriff's Office.

The sufficiency of these procedures is solely the responsibility of the Audit Committee, County management, and the Sheriff's Office. 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, County management, and the Sheriff's Office 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
June 13, 2023

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the Sheriff's Office's internal control system for operations of the Sheriff's Office including:
  - Collection of fines, fees, criminal bonds and confiscated monies;
  - Disbursement of funds collected; and
  - Other daily operations.
- Design and execute tests of the policies and procedures of the Sheriff's Office for purchase requisitions/orders, purchase card transactions, and timesheets for employees.
- Determine if there are adequate controls to provide reasonable assurance that the Sheriff's Office'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 Sheriff's Office 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 Sheriff's Office and internal controls relating to collection of fines, fees, criminal bonds and confiscated monies, disbursement of those funds, daily operations, safeguarding of funds and adherence to policies and procedures. The internal audit focused primarily on the time period of July 1, 2022 to February 28, 2023; 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.

Our testing focused on the following areas:

- Collection of fines, fees, criminal bonds and confiscated monies;
- Disbursement of funds collected;
- Expenditures including purchase requisitions/orders and purchase card transactions; and
- Other operational items such as timesheets for employees and inmate purchase accounts.

METHODOLOGY

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

- Interviewing Sheriff's Office personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentation such as receipts, deposits, general ledger entries and data, and any other applicable data.

- **Cash Collection Procedures**
  - We noted no exceptions in our testing and observation of the internal control procedures identified by management.

- **Excess Cash Calculations**
  - In testing for excess cash, we noted cash in excess of payables at December 31, 2022 as noted below.

	Accounts With Current Activity			Inactive Account
	Bond Trust Account	**Inmate Trust Account**	**Fines and Fees Account**	**Bond Trust Account**
Reconciled Cash Balance at December 31, 2022	$ 369,988	$ 79,598	$ 17,488	$ 4,910
Amounts verified as due to others at December 31, 2022	(370,744)	(46,190)	(16,701)	-
Total Excess Cash	(756)	33,408	787	4,910
Less excess Cash determined during previous internal audit as of June 30, 2019	(2,683)	(65,165)	(12,945)	(4,903)
Change in excess cash from previous internal audit as of June 30, 2019	$ (3,439)	$ (31,757)	$ (12,158)	$ 7

- **Bank Reconciliations**
  - We noted that the review process for reconciliations was not consistently documented. Some reconciliations were signed, indicating they were reviewed, while most were not. See the table below for the results of our test. Reconciliations for the accounts marked with an "X" below did not have a signature indicating management's review.

	June 2022	December 2022
Fines and Fees		
Condemnation Holding Account	X	X
Asset Sharing		
Bond Trust account	X	X
Inactive Bond Trust account		
Condemnation Forfeiture Account		
Gifts and Donations		
Inmate Trust		

  - As of December 31, 2022, we noted that the Inmate Trust account had 485 outstanding checks over 180 days old totaling $6,106.71
  - As of December 31, 2022, we noted that the Sheriff's Trust account had 1 outstanding check over 180 days old totaling $1,100.

- **Inmate Purchase Accounts**
  - We noted no exceptions in our testing and observation of the internal control procedures identified by management.

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

- **Purchase Card Transactions**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.

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

- **General Inquiries and Observations**
    - We noted no exceptions in our testing and observation of the internal control procedures identified by management.

Cash Collection Procedures

Background and Procedures

There are several collection points within the Sheriff's Office that handle cash receipts. These are the collection of fines and fees (such as criminal history checks, incident/accident reports, expungements and open record requests) which are tracked in the Records Management System (RMS), monies collected at the jail cafeteria from County employees and funds collected from inmates sentenced by the Probate Judge, when the fine is paid right away. On a daily basis, the Records Section Supervisor processes the deposit. The deposit consists of the day's work. Deposits are taken to the bank daily by a deputy who makes regular trips to the bank and post office. Daily reports for each clerk, the RMS report, and deposit information are filed together and entered daily into the QuickBooks accounting system. Once entered into QuickBooks, the Records Section Supervisor files the paperwork by date.

Testing

We obtained the June 2022 and October 2022 bank reconciliations from the Administrative Specialist. From the reconciliations, we selected three deposits from each month for testing. For the deposits selected, we tested the following:

- The deposit amount in the QuickBooks general ledger agreed to the validated deposit slip;
- The RMS report agrees to the deposit and QuickBooks detail; and,
- The cashier's daily report agrees to the amount deposited.

Results

We noted no exceptions to the deposits we tested.

Excess Cash Calculations

Background and Procedures

Fiduciary Agency funds are used to account for resources held by the County in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained in the bank.

The Sheriff's Office has custody over the following bank accounts: 1) Fines and Fees account, 2) Bond Trust account, 3) Inactive Bond Trust account, 4) Asset Sharing account, 5) Condemnation Holding account, 6) Condemnation Forfeiture account, 7) Gifts and Donations account, and 8) Inmate Trust account. Unlike the accounts reported in the table on page 6, the Asset Sharing, Condemnation Holding, Condemnation Forfeiture, and Gifts and Donations accounts are not agency funds but are available to be used for Sheriff's Office operations. As a result, these accounts do not have excess funds.

Testing

We calculated the excess cash on hand at the Sheriff's Office at December 31, 2022.

Results

During testing, the following explanations were noted:

- The Sheriff's Office has one Active Bond Trust Account which has $756 in payables over cash on hand. The Sheriff's Office has one Inactive Bond Trust Account which has had no activity except for earning small amounts of interest for nearly 20 years. The entire balance of $4,910 in the inactive account is excess funds.

- The Sheriff's Office routinely receives cash for fines and fees and maintains these monies in a separate account until the final disposition of those funds. As of the most recent internal audit of the Sheriff's Department (at June 30, 2019), $12,945 in excess cash was noted. Excess cash has decreased by $12,158 since the last audit. The balance of excess cash is currently $787.

- See the table below for the excess cash per account noted during testing.

	Accounts With Current Activity			**Inactive Account**
	Bond Trust Account	**Inmate Trust Account**	**Fines and Fees Account**	**Bond Trust Account**
Reconciled Cash Balance at December 31, 2022	$ 369,988	$ 79,598	$ 17,488	$ 4,910
Amounts verified as due to others at December 31, 2022	(370,744)	(46,190)	(16,701)	-
Total Excess (lack) of Cash	(756)	33,408	787	4,910
Less excess Cash determined during previous internal audit as of June 30, 2019	(2,683)	(65,165)	(12,945)	(4,903)
Change in excess cash from previous internal audit as of June 30, 2019	$ (3,439)	$ (31,757)	$ (12,158)	$ 7

While testing the Bond Trust Account for the presence of excess cash, we noted the documentation of funds held in this account was maintained in an Excel spreadsheet and updated daily. The documentation appeared to be accurate and complete but because it is updated daily, this documentation cannot be reconciled to the cash on hand as of the date of the audit due to activity that has been recorded subsequent to the audit date.

The large variance in the inmate trust account is due to data transfer issues that occurred in the past which did not allow inmate balances to be transferred between accounting systems. This issue extends across four accounting systems; but paper records from those accounting systems are maintained. However, these ledgers are massive in size and would take a great deal of time to manually import into the current system. Per discussion with management, if an inmate returns to jail, the paper records are reviewed to determine if the inmate has a balance per the paper records. If he or she has a balance, the balance per the paper records is zeroed out and entered into the Lock Down system.

The decrease in excess cash in the fines and fees account can be attributed to the department sending the excess cash due to interest earned to the Board of Commissioners monthly.

The inactive bond account earns interest monthly. A small fee for indigent care is taken from this account on a monthly basis, as well. The net effect of these monthly transactions is a increase of seven dollars over the three years since the most recent internal audit.

Recommendation
We acknowledge the significant reduction in excess cash since our last internal audit. We recommend the Sherriff's Office continue sending in the excess cash from interest into the Board of Directors each month. We also recommend that legal counsel be consulted to address the treatment of excess funds for inmate account balances for those inmates no longer incarcerated.

Management responses
Management agrees with our recommendation

Bank Reconciliations

Background and Procedures
At the end of each month, the accounting staff at the Sheriff's Office reconciles each bank account using the QuickBooks general ledger system or Lock Down system in the case of the Inmate Trust Account. The Sheriff's Office has custody over several bank accounts. The following accounts are held in an agency capacity. Assets are held in these accounts for distribution by the Sheriff's Office to another entity. The Sheriff's Office has a custodial responsibility to account for the flow of these assets:

- **Inmate Trust Account -** This account is used to maintain and track funds removed from an individual at intake as well as deposits and withdrawals made to and from each inmate account. The inmate may use these funds to make purchases at the commissary and remaining funds are due to the inmate at the time of discharge.
- **Fines and Fees Account** - The Sheriff's Department deposits cash bonds, handling fees, accident report fees and other amounts charged as fines and fees. These funds are due to third parties such as the Magistrate Judge, the Probate Judge, or the Board of Commissioners.
- **Bond Trust Account** - This account is used to record cash bonds received from Superior Court. Following the final disposition of the related court case, the funds may be dispersed via a Cash Bond Release Letter. These funds are held in agency until the Cash Bond Release letter is received.

- **Inactive Bond Trust Accounts -** This account stems from old cash bonds for which the individual cannot be located. The only activity in this account is the earning of interest.
- **Condemnation Holding Account -** Seized assets are held in agency in this fund until the criminal case has been resolved. At that time, a court order is issued allowing these funds to be released to the Sherriff's Office unless the individual is exonerated, at which point the funds are returned. Monies released to the Sheriff's Office are transferred to the Condemnation Forfeiture Account.

The following bank accounts hold assets to be expended for the Sheriff's Office's operations. These funds are not held in agency for any other entity.

- **Gifts and Donations Account -** These funds are received from retailers, county sponsors, and anonymous donations. These funds can be used for the operations of the Sherriff's Office. Sometimes those who donate specify what they want the money used for.
- **Asset Sharing Account** - These funds are received via wire from the US Treasury and deposited directly into the bank account. These funds are seized and can be utilized to purchase surveillance equipment and/or other costs that aid the agency in its mission and purpose.
- **Condemnation Forfeiture Account -** These funds are received from the Condemnation Holding Account after a court order has been issued. These assets may be used for equipment, supplies, and undercover operations.

Testing
We obtained bank reconciliations for all accounts for the months of June 2022 and December 2022. We tested the bank reconciliations for the following:

- The bank balance on the reconciliation agrees to the ending balance per the bank statement for each account;
- The reconciled bank balance on the reconciliation agrees to the trial balance amount for each period;
- The bank reconciliation is accurate (i.e. the reconciliation foots and cross foots); and,
- There is visible evidence of management's review of the reconciliation each month.

Results
We noted that the review process for reconciliations was not consistently documented. Some reconciliations were signed, indicating they were reviewed, while most were not. See the table below for the results of our test. Reconciliations for the accounts marked with an "X" below did not have a signature indicating management's review.

	June 2022	**December 2022**
Fines and Fees		
Condemnation Holding Account	X	X
Asset Sharing		
Bond Trust account	X	X
Inactive Bond Trust account		
Condemnation Forfeiture Account		
Gifts and Donations		
Inmate Trust		

As of December 31, 2022, we noted that the Inmate Trust account had 485 outstanding checks over 180 days old totaling $6,107. As of December 31, 2022, we noted that the Sheriff's Trust account had 1 outstanding check over 180 days old totaling $1,100.

Recommendation
We recommend that bank reconciliations for all bank accounts be reviewed by the Major in-charge of Management Services for completeness and accuracy each month. We recommend the Major in-charge initial and date each reconciliation after it is reviewed as evidence of the review.

We recommend the Sheriff's Office discuss with legal counsel how to write off/void the old outstanding checks.

Management responses
Management agrees with our recommendation

Inmate Purchase Accounts

Background and Procedures
Inmates are able to order items by automated phone order through a private third party, Oasis Management Systems. Orders can be placed throughout the week, but the actual order is submitted for delivery on Wednesday each week. The delivery of these items occurs two days after order. All inmates must sign a ticket that lists all items in order to ensure that all items billed by Oasis are actually received. If any items are not received as billed, either the inmate's account is credited for that item or they are issued a similar item if there are any remaining in storage.

The only item that inmates can order and have access to immediately is phone time. Once an inmate orders phone time, their account is debited and they have access to make calls to people outside the detention center.

Deposits to inmate accounts occur in only four ways:
1) Deposits by family and friends by use of the ATM in the lobby of the Sheriff's Department.
2) Deposits by money order that are mailed in. Money order deposits are accepted in person by a deputy only if the ATM machine is broken.
3) Deposits of cash that are mailed in. Cash deposits are accepted in person by a deputy only if the ATM machine is broken.
4) Government checks that are mailed in.

Testing
We obtained signed inmate order tickets for the month of December. We examined 20 selections from the final batch of signed inmate tickets dated December 28, 2022. These tickets were compared to the ledger prepared by the Sheriff's Office and tested for any variances.

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

Purchase Requisitions

Background and Procedures

The Sheriff's Office applies the following process for approval of expenditures using the purchase requisition/order process. The Sheriff's Office uses its own purchase orders outside of the Munis system and does not use the Procurement Department to process most purchase orders. Purchase orders over $5,000 require three written quotes. Purchase orders $25,000 and over require a formal bid process which is handled by the County's Procurement Department.

A paper purchase order with two carbon copies is completed by the individual requesting the purchase and forwarded to the Major in Charge of Management Services for approval. The individual making the request keeps the pink carbon copy. Once the Major in Charge of Management Services signs the purchase order to indicate approval, the yellow carbon copy is forwarded to the Sheriff's Supply Department which places the order. The white copy is forwarded to the Administrative Specialist. When the Supply Department receives the items, the invoice is attached to the yellow carbon copy and forwarded to the Administrative Specialist who enters the purchase order into Munis.

Once the purchase order is entered into Munis, the paper copy and attached invoice are forwarded back to the Major in Charge of Management Services who posts the final approval in Munis. The invoices are then sent to the Finance Department for payment. An employee in the Supply Department makes daily runs to the courthouse, post office, etc. Approximately twice per week, the employee delivers the invoices to the Finance Department via inter-company mail.

Testing

We haphazardly selected 25 purchase orders from reports obtained from Munis for the time period of July 1, 2021 through February 28, 2023. 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 that is used to eliminate the need for purchase requisitions for small purchases. All of the Sheriff's Office's purchase cards are maintained by the individual to whom they are issued with the exception of the card which is issued for use by the Transportation Department. This card is only used when this Department travels out of town (to move an inmate for instance). When not in use this card is kept in a locked drawer in the Administrative Specialist's desk.

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 un-coded 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 Sheriff Office employees with a purchase card from the Finance Department. We viewed the June 2022, October 2022, and February 2023 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 in our testing and observation of the internal control procedures identified by management.

Timesheets

Background and Procedures

The Sheriff is an elected official (constitutional officer), the Majors over the three Bureaus (Management Services, Detention and Court Services, and Field Services) and a few other management personnel are exempt employees. All other personnel are hourly employees (non-exempt). 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. The Sheriff's Office has established its own timesheet that employees use to record time. The employee's direct supervisor approves the employee's timesheet and any request for time off. The Sheriff's Human Resources Section enters all timesheets into Munis for processing.

Testing

We sampled and selected 30 employees to test for timesheet testing. We obtained the timesheets for 30 employees for the pay dates January 29, 2022, July 2, 2022, September 10, 2022, and March 11, 2023 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 paid 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 and observation of the internal control procedures identified by management.

General Inquiries and Observations

Background and Procedures
We made various inquiries and observations of the Sheriff's Office.

Testing
We made the following inquiries of personnel:

- What types of bank accounts are maintained by the Sheriff's Office?
- Is online access to bank accounts available?
    - If so, who has access to the online accounts?
    - Are there any closed accounts or inactive accounts that are no longer used for which check stock is still available?

We made the following observations:

- Determined the location of the check stock.
- Determined whether individuals had unique logins and passwords for the accounting software.

Results
The Sheriff's Office maintains several checking accounts for the purpose of collecting and remitting a variety of funds. Four separate employees maintain and reconcile these accounts. Each employee has the ability to make changes to only the accounts for which they are responsible. The accounting staff does not have online access to any bank accounts. There is one inactive account, which was formerly used as a Bond Trust account. We observed the check stock for each account, and noted that it is maintained in locked cabinets or desk drawers in several different locations. We did not observe check stock for any accounts of which we were unaware. We noted that each individual had a unique login and password for QuickBooks and for the Lock Down system.

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