Audit Committee Meeting
Minutes for Tuesday, September 12, 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
Douglas R. Duncan, Member
Gary L. Richardson, Member
Alison G. Couch, Member
County Manager Scott Johnson
Deputy County Manager Glenn Kennedy
Deputy County Manager Matt Schlachter
County Clerk Patrice R. Crawley

Division Directors:
Leanne Reece - Internal Services
John Luton – Community & Leisure Services
Scott Sterling - Planning Services
Michael Blanchard - Technology 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) June 13, 2023
Member Richardson made a motion to approve the minutes from the June 13, 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: Engineering Services Division, Tax Commissioner and Juvenile Court.

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 Performing Arts Center, Human Resources, Fleet Management and Lodging Tax.

H. COMMISSIONERS' AND PUBLIC COMMENTS AND PARTICIPATION

Member Richardson requested from Engineering Services Director Titus an update on the issues of broadband damages by contractors. Director Titus stated that contractors have been coordinating more with staff and there has been less damage to broadband.

I. EXECUTIVE SESSION

J. ADJOURNMENT

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

Connie M. Melear, Chairman

Patrice R. Crawley, County Clerk

COLUMBIA COUNTY, GEORGIA
ENGINEERING SERVICES DIVISION
INTERNAL AUDIT

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Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the evaluation of certain internal controls and operating procedures of the Engineering Services Division's collection of inter-departmental and other revenues, compliance with County requirements for work orders, expenditure of funds, and other general operating policies and procedures. Columbia County's management is responsible for the Division'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 Engineering Services Division.

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 12, 2023

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for the Engineering Services Division relating to the collection of inter-departmental and other revenues, compliance with County requirements for work orders, expenditure of funds, and other general operating policies and procedures, and the Engineering Services Division's adherence to internal policies and procedures.
- Design and execute tests of the policies and procedures for monitoring collection of inter-departmental and other revenues, compliance with County requirements for work orders, expenditure of funds, and adherence to internal policies and procedures.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded and errors or irregularities can be prevented or 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 Engineering Services Division (excluding any Special Purpose Local Option Sales Tax ("SPLOST")-related expenditures) and the evaluation of certain internal controls and operating procedures of the Engineering Services Division's collection of inter-departmental and other revenues, compliance with County requirements for work orders, expenditure of funds, and other general operating policies and procedures. The internal audit focused primarily on the period July 1, 2022 through 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.

Our testing focused on the following areas:

- Revenues
- Expenditures
  - Purchase Requisitions
  - Purchase Card Transactions
- Work Orders
- Miscellaneous Items
  - Timesheets
  - Petty Cash Counts
  - Flagging Certification
  - Speed Hump Installation
  - Stormwater Fee Billings

METHODOLOGY

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

- Interviewing Engineering Services Division personnel.
- Observing operations and conducting walk-through interviews; and,
- Testing documentation for entering purchase requisitions, purchase card transactions, cash collections, employee timesheets, general ledger entries and data, CityWorks reports, and other applicable data and documentation.

DEPOSITS

- Of the ten Roads and Bridges Department invoices tested, only four included written approval by the payor department.
- Of the ten Land Disturbance Permit Application fees that we recalculated; one fee was calculated incorrectly. The number of disturbed acres was not rounded to the nearest one-tenth.

PETTY CASH

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

PURCHASE CARDS AND REQUISITIONS

Purchase Requisitions

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

Purchase Card Transactions

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

TIMESHEETS

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

WORK ORDER TESTING

Roads and Bridges

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

FLAGGING CERTIFICATION

Roads & Bridges

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

Stormwater Utility

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

SPEED HUMP REQUESTS

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

STORMWATER UTILITY CHARGES

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

DEPOSITS

Roads and Bridges Department

Background and Procedures
The Roads and Bridges Department invoices customers for the maintenance of roads and bridges. The Roads and Bridges Department's customers are: (1) County Funds, other than the General Fund and (2) other Cities, the City of Harlem and the City of Grovetown. Invoices are generated either by Project Number or Activity Code. The work orders are tracked through MUNIS. The Office Supervisor generates a report monthly and invoices the appropriate customer. Invoices include cost of labor, vehicles and equipment, and materials used to complete each work order. For other County Funds, the invoices for direct materials are sent to the appropriate department for payment. The Roads and Bridges Department subtracts the cost of direct materials associated with the invoices previously forwarded for payment from the monthly invoice.

The Roads and Bridges Department sends invoices once a month to its customers. For customers within the County, the invoice is sent via inter-departmental deliveries. The invoice is sent to the Finance Department via inter-departmental deliveries. The Finance Department then posts a journal entry in Munis crediting the revenue line code for the Roads and Bridges Department in the General Fund and debiting the expenditure line code for the customer's fund. This is not a cash transaction; therefore, we did not trace any deposits of funds into a bank account. For customers outside of the County, the invoice is mailed to the appropriate City. Payment is mailed to the Roads and Bridges Department, usually in the form of a check. The Roads and Bridges Department sends a memo and the payment to the Finance Department via inter-departmental deliveries. The Finance Department enters the invoice in Munis, applies the payment to the invoice and deposits the funds into the bank.

Testing
We obtained the general ledger for the period July 1, 2022 to February 28, 2023. We selected ten items recorded in the Roads and Bridges Department's revenue general ledger. For inter-departmental invoicing transactions, we agreed the general ledger amount to the detail of the journal entry recorded by the Finance Department, noting the timeliness and accuracy of the approved invoice. For cash transactions, we agreed the amount recorded in the general ledger to the invoice mailed to the customer and the check received by the Finance Department. We further agreed the validated deposit slip amount to the distribution report prepared by the Finance Department.

Results
Of the ten Roads and Bridges Department invoices tested, only four included written approval by the payor department.

Recommendations
We believe all departments would benefit from a policy requiring the payor department document management approval of the inter-departmental transaction through email, or similar method. This documentation should be retained, along with the invoice when the finance department processes the journal entry.

Managements' Response
The verification received on 4 of 10 was over and above current minimum requirements. The finance department has requested the Roads and Bridges Department to send approval digitally through email as well as requesting Water Utility and Engineering to approve these invoices digitally. Once the approvals have been received, finance department will attach it to the journal entry for documentation.

Stormwater Compliance Notice of Intent

Background and Procedures
When a project in the County involves the disturbance of land, the project owner must obtain a land disturbance permit from the Stormwater Utility Department. Two permit fees are collected by the county – (1) the County land disturbance permit (LDP) fee, shown on the land disturbance permit application as the application fee, and (2) the state construction permit Notice of Intent (NOI). Fees are calculated, per acre, to the nearest one tenth per Georgia Water Quality Rule 391-3-6-.22. All funds collected for the Stormwater Utility Department and Building Standards Department are received by the Building Standards Department for remittance to the Finance Department for deposit. This revenue is recorded in the Building Standards Department general ledger for the fiscal year. At the completion of each fiscal year, the Stormwater Utility Department prepares a retrospective personnel time study which determines the percentage of time Stormwater Utility Department personnel spent working on projects under the purview of the Building Standards Department for that fiscal year. Subsequently, Stormwater Utility Department utilizes this time study to derive their total personnel cost for time spent on Building Standards Department projects and submits this total cost to Building Standards Department for reimbursement into the Stormwater Fund.

Testing
We obtained the general ledger for the period July 1, 2022 to February 28, 2023, and selected ten LDP fee deposits recorded in the Stormwater Utility Department's general ledger. We agreed the general ledger amount to the receipt of funds in the Finance Department, validated deposit slip, and the signed application form completed by the customer when the funds were received. We then recalculated the amount of the fee based on the number of acres disturbed and agreed the recalculated amount to the general ledger detail.

Results
Of the ten Land Disturbance Permit Application fees that we recalculated; one fee was calculated incorrectly. The number of disturbed acres was not rounded to the nearest one-tenth. As a result, the applicant was undercharged $2.25. All other controls selected for testing appear to be functioning properly.

Recommendations
We recommend that Land Disturbance Permit Applications be reviewed by engineering services employees and fees are recalculated to the nearest one tenth acre independent of the applicants' calculations. Completing calculations independently will allow Columbia County to be confident that the fees assessed are correct and that you are complying with relevant regulations.

Managements' Response
We agree with the recommendation and have implemented a standard operating procedure in which the employee reviewing and processing LDP applications 1) verifies the disturbed acreage precision to ensure it is to the nearest tenth of an acre (no more, no less), 2) verifies the disturbed acreage calculation to ensure the correct fee is being applied, and 3) sign their initials next to the total LDP fee.

PETTY CASH

Engineering Services Division

Background and Procedures
The Engineering Services Division maintains petty cash funds in the amount of $100.00. The Engineering Services Division custodian reconciles the petty cash funds using the County petty cash reconciliation sheet. The petty cash reconciliation sheet, with all receipts, is forwarded to the Finance Department for reimbursement.

Testing
We observed the custodian count the Engineering Services Division's petty cash fund. We agreed the cash on hand to the total cash expected per discussions with Engineering Services Division management.

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

Roads and Bridges Department

Background and Procedures
The Roads and Bridges Department maintains petty cash funds in the amount of $100.00. The Roads and Bridges Department custodian reconciles the petty cash funds using the County petty cash reconciliation sheet. The petty cash reconciliation sheet, with all receipts, is forwarded to the Finance Department for reimbursement.

Testing
We observed the custodian count the Roads and Bridges Department's petty cash fund. We agreed the cash on hand to the total cash expected per discussions with Roads and Bridges Department management.

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

PURCHASE CARDS AND REQUISITIONS

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 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 the January 4, 2023 and February 15, 2023 bi-weekly purchase card reconciliations for all cardholders within the Engineering Services Division from the Procurement Department. We observed the original receipts attached to the Statement Manager Report and verified proper approval. We determined the charges were for County use. We observed that the Statement Manager Report was provided to the Procurement Department.

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

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

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

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

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

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.

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 obtained the list of expenditures from July 1, 2022 to February 28, 2023 for the Engineering Services, Roads and Bridges, Traffic Engineering, and Stormwater Utility Departments. We haphazardly selected five expenditures from each and examined the related requisition for proper approval in Munis. We also examined the purchase orders for proper approval. Next, we verified that the payment made matched the invoice that was received.

Results
We noted no exceptions in testing. Purchase orders appear to have proper approval and payments are being made for the correct invoice amount. Controls appear to be functioning properly.

TIMESHEETS

Background and Procedures
The Engineering Services Division uses the standard County time keeping procedures. Non-exempt employees complete electronic timesheets for each payroll cycle. Exempt employees are not required to maintain a daily time sheet and are only required to complete leave request forms for personal time off requests. This form is approved by management and approved time is entered in Munis. Once all time has been entered into the Munis system, the Munis report and copies of leave requests are forwarded to the finance department.

Testing
We obtained the timesheet for the pay period ending February 2, 2023 from the Finance Department. We selected 25 employees, ensuring at least one employee from each department was selected. We then obtained a copy of the payroll register created from the time entries and verified that the proper amount was paid for the hours recorded during the pay period. We also compared the payroll register to the direct deposit report to verify that the employee was paid the amount that was calculated from the hours on the timesheet.

<u>*Results*</u>

Property Acquisition

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

Road Construction

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

Roads and Bridges

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

Traffic Engineering

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

Stormwater Utility

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

WORK ORDER TESTING

<u>*Background and Procedures*</u>

The Roads and Bridges Department receives requests for work from citizens, cities, other Columbia Count departments, and internally to perform routine maintenance to roads and bridges. Project numbers are manually assigned to all work orders regardless of project size. Project work orders are opened and closed on a daily or every other day basis and the project number is hard keyed as a field, in Munis, for work orders associated to the project. The work order is opened upon request and closed upon completion.

<u>*Testing*</u>

We obtained a list of work orders performed from July 1, 2022 to February 28, 2023 and selected fifteen entries. For each selection, we obtained the handwritten work order and compared it to the work order in City Works. We noted whether each of the following items agreed between City Works and the work orders: received date, closed date, source (if applicable), comments, location of problem, complainant information (if applicable), description of material(s) and quantity(ies) used, employee name(s) and hours worked, and equipment description and hours used. We noted if work orders were completed timely and traced labor details to timesheet details, noting any variances.

<u>*Results*</u>

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

FLAGGING CERTIFICATION

Background and Procedures

The Georgia Department of Transportation requires that all flaggers receive and maintain proof of flagger training from an approved training program. As a result of this policy, Columbia County requires all employees in the roads and bridges and stormwater utility to complete the National Safety Council's flagger training. There are certified trainers on staff in roads and bridges, and stormwater utility department who train employees and administer the practical and written test. The traffic engineering department does hold flagger certifications, but they are no longer a requirement of the department. If flagging services are needed by this department, the team contacts the sheriff's department. Flagger certification is valid for a two-year period.

Testing

We haphazardly selected employees from each department that requires flagging certification. We then reviewed the correspondence with the National Safety Council to determine if the employees have a current flagger certification. We also viewed the written and practice tests.

Results

Roads and Bridges

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

Stormwater Utility

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

SPEED HUMP REQUESTS

Background and Procedures

Individuals can request installation of a speed hump. Upon receiving a request, the Traffic Engineering Department determines if the street meets the following initial screening requirements:

1. The street must be a County maintained; two-lane paved local residential street that provides access to developed residential lots.
2. All properties developed or undeveloped, with primary driveways located on the requesting street must be of residential use.
3. The street must be classified as a local residential street with a posted speed limit of 25 mph.
4. Streets will not be segmented. The entire length of the street where the street name remains unchanged will be considered.
5. The pavement width shall not exceed 40 feet.
6. The street length shall be at least 700 feet or greater.
7. Speed humps shall not be installed on any portion of a street with a grade of 8 percent or more.
8. Sufficient separation must be available between driveways to allow for proper placement of speed humps. Speed humps will not be placed directly in front of driveways or parking areas.
9. Geometric characteristics of the street must allow for placement of speed humps in general conformance with the Institute of Transportation Engineers.

If the street passes the initial screening, the requestor will be issued the Speed Hump Request Application. The application will need to be completed by the requestor and must include their name, address, contact information, and signature.

Upon receiving the completed Speed Hump Request Application from the requestor, Columbia County will prepare a Speed Hump Petition and Layout Map for the street. Participation by 51% of the registered property owners on the street must be met for the petition to receive further consideration and must be returned with signature verification within 90 days of petition issuance to be valid.

Once the initial screening criteria, request application, and petition requirements are all met, a speed and volume data study will be conducted over a 24-hour period by a counter placed at a location in the roadway. For the petition to receive further consideration, the 85th percentile speed must be at least 10 miles per hour (MPH) over the posted speed limit and the Average Daily Traffic (ADT) must exceed 250 vehicles per day (VPD) on streets with 23 or more residences. For streets with less than 23 residences, the minimum vehicles per day (VPD) will be calculated using the current Institute of Transportation Engineers trip generation average per household plus 18%. Both speed and volume criteria must be met for the request to receive further consideration in the speed hump program.

If the minimum speed and volume requirements are not met, the requestor and all of the petitioners for speed humps will be notified and the street will not be reconsidered for speed humps for a period of one year.

If the minimum speed and volume requirements are met, Columbia County will mail notices, including the Layout Map, to all affected property owners on the street. The notice will also inform the property owners of the date and time of the oversight committee meeting at which the speed hump request will be considered.

Testing

We obtained a Service Request Report for all speed hump requests from July 1, 2022 through February 28, 2023. From this report, we haphazardly selected five speed hump requests to test. For each request we noted whether the request study met requirements for a speed hump installation. We viewed the traffic study noting whether the final decision on the request was consistent with the study findings. We also viewed the Residential Notification letter. If the study met requirements, we viewed documentation of the Engineering letter and speed hump layout map.

Results

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

STORMWATER UTILITY CHARGES

Background and Procedures

The Stormwater Utility Department assesses a service fee to property owners in a designated service area of Columbia County. The amount of the assessment is determined based on the square footage of impervious surface on the property. The total square footage of impervious surface for each property is determined using the property records maintained by the Tax Assessors Office. This square footage is converted to equivalent runoff units (ERUs); every 100 square feet of impervious service equates to one ERU. To calculate the fee, a set rate is multiplied by the ERUs for the property; the most recent rate increase approved by the Board of Commissioners took effect on January 1, 2017 at $0.1775 per ERU.

Property owners can apply for and receive credits of up to 70% on the Stormwater Service Charge applied to their property. Credits may be given for items such as ponds, rainwater barrels, and other "Best Management Practices" that are designed to prevent or reduce the discharge of pollutants into the stormwater system. Any credits received by the property owner will expire on June 1 of the following year. To continue receiving a credit against their fee, property owners must submit annual inspection documentation to the Stormwater Utility Department. The initial application and annual inspection documentation are processed by an engineer to determine the credit to be applied. Homeowner Associations may apply for the credit for ponds in the community and the credit is applied to all homeowners in the association paying Homeowner Association fees. Schools are also eligible for the credit for water retention or for designing and implementing an education program for students about the importance of surface and groundwater resources.

Testing

Using the Columbia County Maps Online tool, we selected ten addresses to test the Stormwater fee. The Office Manager and Billing Supervisor confirmed the addresses selected were within the Stormwater Utility area of Columbia County. For each selection, we viewed the property account detail in the Stormwater Utility Department's billing system. From this information, we verified the address and recalculated the fee being assessed based on the square footage of impervious surface, the equivalent runoff units, any credits being applied to the account, and the designated rate approved by the Board of Commissioners for the time period being billed. We also noted how often the owner was being billed to ensure the property owner was not being under or over billed.

Results

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

COLUMBIA COUNTY, GEORGIA
TAX COMMISSIONER
(PROPERTY TAX AND
MOTOR VEHICLE DIVISIONS)
INTERNAL AUDIT

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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, Georgia (the "County") relating to the evaluation of certain internal controls and operating procedures of the Tax Commissioner's collection of taxes and other charges for services and the submission of those taxes and other charges for services to the appropriate recipient along with other general operating policies and procedures. The County's management is responsible for the department's accounting records, internal controls and operating procedures. The evaluation procedures were those approved by the County. Our analysis and report do not include evaluating all internal controls over the Tax Commissioner's Office.

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

Our procedures, results, and recommendations are outlined throughout this report.

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

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

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

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
September 12, 2023

INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for operations of the Tax Commissioner's Office including:
  - Collection of taxes and other charges for services;
  - Disbursement of collected taxes and other charges for services; and,
  - Other daily operations.
- Design and execute tests of the policies and procedures of the Tax Commissioner's Office such as purchase requisitions/orders, purchase card transactions, and timesheets for County employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or can be detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Tax Commissioner's Office (Property Tax and Motor Vehicle Divisions) and internal controls relating to the collection, disbursement, daily operations, and safeguarding of funds and adherence to policies and procedures. The internal audit focused primarily on the time period of July 1, 2022 to March 31, 2023; but certain analyses may have been performed outside of that time period. The specific scopes and time frames of testing are stated within the procedures and results section of this report, as identified in the table of contents.

The Tax Commissioner is responsible for collection of all property taxes, motor vehicle taxes and fees, and other charges for services for Columbia County. Our testing focused on the following areas:

- Collection of taxes and other charges for services;
- Disbursement of the collected taxes and other charges for services to appropriate recipients;
- Expenditures including purchase requisitions/orders and purchase card transactions; and,
- Other operational items such as timesheets for County employees.

METHODOLOGY

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

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

SUMMARY OF INTERNAL AUDIT RESULTS

Petty Cash/Change Fund and Vault

- We noted no exceptions.

Daily Cash Collection Procedures

- We noted no exceptions.

Online Payments

- We noted no exceptions.

Refunds

- We noted no exceptions.

Cash Remittance Procedures for Taxes Collected

- We noted no exceptions.

Outdated Decals or Dead Tags

- We noted no exceptions.

Bank Reconciliations

- We noted no exceptions.

Purchase Requisitions

- We noted no exceptions.

Purchase Card Transactions

- We noted no exceptions.

Timesheets

- We noted no exceptions.

Millage rates

- We noted no exceptions.

General Inquiries and Observations

- We noted no exceptions.

Petty Cash/Change Fund and Vault

Background and Procedures
Property Tax Division
The Property Tax Division has a total of $2,100 cash on hand. Cash on hand is comprised of the petty cash fund, cash drawers and the change fund. The petty cash fund totals $250. The petty cash fund is secured in a safe inside the vault. The Tax Office Manager is the custodian for petty cash. Petty cash is replenished by the Finance Department at the end of each month or when the fund reaches a level too low to conduct business. The Tax Commissioner's Office submits receipts and petty cash reconciliations to the Finance Department to replenish the fund. The Property Tax Division maintains five cash drawers with $200 each. The Property Tax Division maintains total change funds of $850. These change funds are secured in the safe unless in use.

All employees have access to the vault. The Tax Commissioner, Property Tax Office Manager and Senior Accountant are the only individuals with access to the safe. The safe is a combination/code safe. Cash drawers are secured in the safe overnight. Cash drawers remain secured at the workstation when each clerk is at lunch. There are also certain decals that are secured and remain in the vault during the day. During the day, the safe remains secured. The safe is located within the vault and the vault is secured behind a locked door with a code entry pad. Keys to the cash drawers and decals are secured in the cash drawers in the safe overnight. The cash drawers do have locks. All employees have their own code to the vault door. Each employee's code will unlock all three doors to the office; but doors can be monitored for traffic depending on what code was entered into the keypad.

Motor Vehicle Division
The Motor Vehicle Division has a total of $3,400 cash on hand. Cash on hand is comprised of cash drawers and the change fund. The Motor Vehicle Division has twelve cash drawers with $200 each. The Motor Vehicle Division maintains change funds of $1000. Change funds are secured in the safe unless in use.

The Tax Commissioner, Motor Vehicle Division Director and Department of Motor Vehicle Operations Manager are the only individuals with access to the safe. Cash drawers are secured in the safe during lunch and overnight. There are certain decals that remain in the safe. During the day, the safe remains secured. The safe is secured in a vault with a code entry pad. All employees have a unique code to the vault. Each employee's code will unlock two doors (the entrance doors to the department and the vault door); doors are monitored for traffic by the code entered into the keypad.

Grovetown Location
The Grovetown location has a total of $1,200 cash on hand. Cash on hand is comprised of cash drawers and the change fund. The Grovetown location has eight cash drawers (four for Motor Vehicle and four for Property Tax collections) with $100 each. The Motor Vehicle Division maintains change funds of $400. Change funds are secured in the safe unless in use. If change is needed from the bank, the change requested is sent to the Evans location. The Motor Vehicle Division Director or Motor Vehicle Office Manager takes the funds to the bank, has the bank make change, and sends the change back to the Grovetown location.

The Motor Vehicle Supervisor and Representatives have access to the vault. Cash drawers are secured in the safe overnight. Employees usually remain on location for lunch, so the drawers are not moved to the safe during that time. During the day, the vault remains secured. The vault has one code for access. The Tax Commissioner, Motor Vehicle Division Director, Motor Vehicle Supervisor and Representatives have knowledge of the code.

The safe in the vault has a combination/key lock. The Motor Vehicle Supervisor retains possession of the key to the safe during the day. At night, the key is secured in the safe, and the safe is secured by a combination lock. The Tax Commissioner, Motor Vehicle Division Director, and Motor Vehicle Supervisor are the only individuals with access to the safe combination and key.

<u>*Testing*</u>
We observed the Senior Accountant count the petty cash, change fund and change drawers for all clerks. We made observations of the vault procedures.

<u>*Results*</u>
Property Tax Division

Cash Drawers
We noted no exceptions in our cash drawer counts. We noted the correct amount of funds in each of the five drawers and agreed the amount of daily receipts (cash, checks and credit cards) to the *TX 181* report printed from IasWorld without exceptions.

Vault and Safe
We observed vault and safe procedures on April 25, 2023. We entered the vault with the Senior Accountant. During our observation, we noted the following upon entering the vault:

- The vault has numerous shelves where confidential items are secured.
- The safe is located within the vault. The safe has a combination lock. The Senior Accountant is one of three individuals with knowledge of the code to the safe.

During our observations of the safe, we noted the following:

- We observed the Senior Accountant enter the code and open the safe. We observed the cash drawers had been distributed to the clerks, except for one which is assigned to the Tax Office Manager who only removes the drawer from the vault when the Tax Office is busy enough to warrant an extra drawer.
- We observed that the safe was large enough to hold all cash drawers and the daily deposit.

From our observations, it appears that procedures are in place to safeguard the change funds and cash drawers of the Property Tax Division of the Tax Commissioner's Office.

Motor Vehicle Division

Change Fund
We noted no exceptions for the change fund count. We noted $1,000 in cash funds on hand.

Cash Drawers
We noted no exceptions to the cash drawers' count. We noted $200 in cash funds in each drawer.

Vault and Safe
We observed vault and safe procedures on April 25, 2023. We had the Motor Vehicle Division Director enter the vault. During our observation, we noted the following upon entering the vault:

- The vault has numerous shelves where the tag stock is secured. We noted dead tags are also secured in the vault along with the log-in book. We noted the outdated tags are also secured in the vault.
- The safe is located within the vault. The safe has a keypad combination lock. The Motor Vehicle Division Director is one of four individuals with knowledge of the code to the safe.

During our observation of the safe, we noted the following:

- We observed the Department of Motor Vehicle Division Director enter the code and open the safe and that the safe was large enough to hold all cash drawers and the daily deposit.

From our observations, it appears that procedures are in place to safeguard the cash funds and change drawers of the Motor Vehicle Division of the Tax Commissioner's Office.

Daily Cash Collection Procedures

Background and Procedures
Property Tax Division
Each morning, the Tax Office Manager opens the safe, retrieves the cash drawers from the safe, sets up each workstation and reviews each drawer to determine if the proper amount of change is present. Each clerk verifies their own drawer upon arrival.

Property, timber, heavy duty equipment taxes, and mobile home taxes plus mobile home title fees are collected by the Property Tax Office.

Cash, checks, money orders and credit cards are accepted methods of payment. Most funds collected are in the form of checks.

The Tax Office Manager opens all mail daily. Real and personal property taxes represent many payments received by mail. The Tax Office Manager processes the tax payments and enters them into the IasWorld. At the end of each workday, the Tax Office Manager prepares the bank deposit.

Homestead exemptions are received by the Tax Commissioner's Office and keyed into the IasWorld by the clerks. Once the deadline is reached, all applications are submitted to the Board of Tax Assessors for approval.

The Senior Accountant verifies each clerk's daily receipts against the *TX181* report printed from IasWorld by the clerks. The Senior Accountant also counts the till. Each drawer maintains a $200 till. After verifying the amounts, the Senior Accountant gives the cash and checks to the Property Tax Manager for inclusion in the daily deposit while the till is left in the cash drawer. At closing, the deposit and the cash drawers, containing the cash tills, are placed in the safe.

The Senior Accountant enters the receipts for the day from the *TX181* report into the Daily Property Tax Deposit Reconciliation Spreadsheet. The Daily Property Tax Deposit Reconciliation Spreadsheet is then printed and brought to the Property Tax Manager's desk where total cash and checks received are agreed to the consolidated deposit that she has prepared. The Property Tax Manager keeps a copy of the Daily Property Tax Deposit Reconciliation Spreadsheet.

The Senior Accountant then closes out the day in the IasWorld and prints several end-of-day reports including, voided transactions, refunds, adjustments, total receipts, errors, and a Collection Summary Report. At this point the Senior Accountant updates the Weekly Accounting Spreadsheet and Daily Revenue Unit Summary using the Collection Summary Report. After checking to be sure that all reports agree, the Senior Accountant enters all the receipts by type into QuickBooks and forwards all reports to the Tax Commissioner.

Motor Vehicle Division

Every morning, the Motor Vehicle Registrars use their unique codes to unlock the vault room and retrieve their locked cash drawers. The drawers are assigned to each Motor Vehicle Representative and labeled with their names. Cash, checks, and credit cards are acceptable methods of payment for vehicle registrations, fees and taxes. Most payments are made by check.

The department closes at 4:30 pm and each Registrar balances their cash drawer and completes their deposit. The daily deposit and cash drawer are submitted to the employee's supervisor for verification. After verifying the deposit and counting each drawer to verify there is $200 remaining in each till, the deposit is placed in a locked bank bag. Each teller's drawer is then secured and placed in the safe. The bank bag is kept overnight in the safe until the deposit can be made the next morning.

The following morning, the deposit is processed. The Director of Motor Vehicles opens the safe for the Registrars then retrieves the bank bag from the safe. The Director of Motor Vehicles prints the Daily Cashier Report from the DRIVES system which shows the total of all funds collected for the previous day then completes the deposit. The Director of Motor Vehicles or the supervisor (as back up) takes the deposit to the bank. The deposit receipt is stapled to the copy of the deposit slip in the deposit booklet and scanned into an electric folder. The Director of Motor Vehicles updates an Excel spreadsheet by each Registrar's name with the amount each Registrar collected and emails the spreadsheet to the Senior Accountant.

The Motor Vehicle Division Director picks up the mail from the post office each morning. The Motor Vehicle Division Director and the Department of Motor Vehicle Operations Manager at the Evans location have keys to the post office boxes. The mail is distributed to the Registrars, and they process the mail payments. Much of the mail is for motor vehicle taxes. The Supervisor attempts to have all mail processed in one day; however, during busy times mail processing can run over to the next day. If all the mail is not processed on the day received, the unopened mail is placed in the safe and locked until the next morning.

Grovetown Location

Many payments are made by check. Typically, the first week of the month is the busiest for the Grovetown location. Property tax collections are busiest during November and at the beginning of each month. Most funds come through the mail. All payments made at the Grovetown location must be paid in full.

Each morning the Motor Vehicle Supervisor opens the building and deactivates the alarm system. Registrars also have the code to the alarm system. The Motor Vehicle Supervisor opens the safe and retrieves the cash drawers. The Supervisor makes change, removes the decals, and Registrars' tag inventory from the safe. The Supervisor secures the safe with the key and sets up the workstations for the Registrars. The Supervisor and Representatives all have keys to the building.

At the end of the day, Registrars balance their drawers. Each Registrar prints a "Cash Drawer Transaction Report", an "Overall Collection Report", and a "Completed Clerk Reconciliation Report". The Registrars take the reports to the Supervisor for review. The "Complete Motor Vehicle Registrar Reconciliation Report" is completed by each Registrar. The Supervisor verifies the amounts by counting the funds, reviewing all reports, and counting the $100 left in each drawer at the end of the day. The Supervisor prepares the bank deposits. There is one deposit for motor vehicle business and one deposit for property tax collections. The Supervisor locks all cash drawers and deposits in the safe until the next morning. The following morning, the Supervisor retrieves the deposits from the safe and prepares the deposits.

Testing

Property Tax Division

We selected five deposits each from the January 2023, February2023, and March 2023 bank statements. From the deposits, we noted the following:

- The deposit amount in the general ledger system agreed to the validated deposit slip.
- The Excel spreadsheet agreed to the amount of the deposit.
- Each Representative's Reconciliation Report agreed to the IasWorld report total amount collected.

Motor Vehicle Division

We selected five deposits each from the January 2023, February2023, and March 2023 bank statements. From the deposits, we noted the following:

- The deposit amount in the general ledger system agreed to the validated deposit slip.
- The overall "control sheet" for each day agreed to the amount of the deposit.

<u>*Results*</u>

Property Tax Division

It appears that the deposits tested are being correctly recorded and posted to IasWorld. We noted no exceptions to the procedures established by the Tax Commissioner's Office.

Motor Vehicle Division

It appears that the deposits tested are being correctly recorded and posted to the Drives System. We noted no exceptions to the procedures established by the Tax Commissioner's Office.

Online Payments

<u>*Background and Procedures*</u>

Property Tax Division

Property tax bills may be paid online by Columbia County residents. Government Window is the third party that handles over the counter payments. Payment Express, who has a contract with the State of Georgia, handles all online payments which include credit card, e-check, and PayPal. Senior Accountant goes to the Government Window portal/website to run the report of how much was collected online and over the counter, and the Senior Accountant enters the amount into QuickBooks. The Senior Accountant then enters the data in the IasWorld system, and funds are directly deposited by Government Window into the Tax Commissioner's bank account. Electronic Fund Transfers, debit cards, and credit cards are accepted online.

Motor Vehicle Division

Motor Vehicle Taxes can be paid online for all Columbia County residents. Government Window is the third party that handles over the counter payments. Payment Express, who has a contract with the State of Georgia, handles all online payments which include credit card, e-check, and PayPal. Senior Accountant goes to the Government Window portal/website to run the report of how much was collected online and over the counter, and the Senior Accountant enters the amount into QuickBooks. Funds are directly deposited by Government Window into the Tax Commissioner's bank account. Only debit and credit card payments are accepted online.

<u>*Testing*</u>

Property Tax Division

We obtained the online payment reports from Government Window for the six-day-period of March 5, 2023 to March 10, 2023. We tested to see if the report amount agreed to the deposit amount on the bank statement.

Motor Vehicle Division

We obtained the online payment reports from Government Window for the six-day period of March 5, 2023 to March 10, 2023. We tested to see if the report amount agreed to deposit amount on the bank statement.

<u>*Results*</u>

Property Tax Division

We noted no exceptions in testing of the online payments. For each day tested, we noted the online payment report amounts from Government Window agreed to the deposit amount listed on the bank statement. We noted deposits were made timely.

Motor Vehicle Division
We noted no exceptions in testing of the online payments. For each day tested, we noted the online payment report amounts from Official Payments Corporation agreed to the deposit amount listed on the bank statement. We noted deposits by Official Payments Corporation were deposited timely.

Refunds

Background and Procedures
All overpayments or requests for refunds are submitted to the Senior Accountant for processing. Any non-routine refund requests are reviewed by the Tax Commissioner before the Senior Accountant prepares the check. The Tax Commissioner reviews and manually signs all refund checks.

Testing
We obtained a listing of all refunds processed between July 1, 2022 to March 31, 2023 and selected three refunds to test for the Property Tax Division and three refunds to test for the Motor Vehicle Division. We noted the following for the refunds:

- The amount of the refunds and the payees on the copy of the cancelled checks agreed to the amount of the refunds and payees on the refund report from the IasWorld for the Property Tax Division and Drives system for the Motor Vehicle Division.
- The refunds were approved by the Tax Commissioner as evidenced by the Tax Commissioner's signature on the cancelled checks.

Results
We noted no exceptions in testing the processing of refunds. For the refunds tested, we noted the amount of refund and the payee on the copy of the cancelled check agreed to the amount of the refund and the payee on the refund report from the IasWorld system or the Drives system. From the copy of the cancelled check, we noted that the refund check was approved by the Tax Commissioner.

Cash Remittance Procedures for Taxes Collected

Background and Procedures
The Senior Accountant prepares daily and weekly reports for the Tax Commissioner. Property taxes and motor vehicle taxes are collected by the Tax Commissioner on behalf of the following entities:

- The Columbia County Board of Commissioners and Board of Education
- The Cities of Harlem and Grovetown
- The State of Georgia

Property tax and motor vehicle tax remittances are performed weekly for the Board of Commissioners, Board of Education, City of Harlem and City of Grovetown. State funds collected are remitted monthly. State funds are due by the 15th day of the subsequent month. State tags and titles funds are remitted weekly.

The County charges the Board of Education a commission of 2.25% of collections, and the Cities of Grovetown and Harlem commissions of 2%, for collecting taxes on their behalf. The State of Georgia allows the County to charge a commission for collection of taxes on their behalf. The State's rate is set on a sliding scale based on the amount of the collected tax digest. Due to the sliding scale, the Senior Accountant generally uses a 2.5% rate each month to calculate the commission paid by the State. The Senior Accountant adjusts the commission rate at the end of the year once total collections on the tax digest can be determined. The remaining fees requiring remittance are on the schedule below:

Commission Percentage Schedule Taken on Taxes and Paid to Board of Commissioners

Tax Source	State of GA	Columbia County Board of Education	Grovetown	Harlem
Real & Personal	2.50%	2.25%	2.00%	2.00%
Timber	2.50%	2.25%	2.00%	2.00%
Heavy Duty Equipment	2.50%	2.25%	2.00%	2.00%
Mobile Homes	2.50%	2.25%	2.00%	2.00%
Motor Vehicles	2.50%	2.25%	2.00%	2.00%

OTHER MOTOR VEHICLE FEES:

FEE TYPE	TOTAL FEE	Remitted to State	Remitted to Board of Commissioners
Mail Fees	1.00	0.00	1.00
Tag Fee	Variable	Variable	1.00
Tag Transfer	5.00	4.00	1.00
Tag Penalties	25.00%	0.00	All
Tax Penalties	Greater of 10% or $5.00	0.00	All
Duplicate Registrations	1.00	0.00	1.00
Miscellaneous Fees (Handicap Placards)	25.00	0.00	25.00
Abandoned Research Fees	2.00	0.00	2.00
Insurance Fees:			
Lapse	25.00	20.00	5.00
Suspension	60.00	45.00	15.00
Titles	18.00	17.50	0.50

NSF Check Fees $ 30.00

BACKGROUND AND PROCEDURES, TESTING, AND RESULTS

All funds remitted to the Board of Education, Board of Commissioners, City of Harlem, City of Grovetown, and the State are remitted via ACH transfer using the online banking ACH transfer system.

The Senior Accountant manages daily and weekly reports for the Tax Commissioner including the Tag Office and the Property Tax/Tag Office in Grovetown. Each week the Senior Accountant prepares an electronic transmittal for the Tax Commissioner to disburse funds to the school system, county and cities. Each month the Senior Accountant does the bank reconciliations using QuickBooks and reports from Drives. Each month the Senior Accountant also runs cash statement, funds statement, revenues statement and other reports.

Testing

We tested disbursement of property taxes collected, motor vehicle taxes collected and other fees to ensure remittance to the appropriate taxing authority and that no undistributed funds remained. We reviewed the January 2023 and March 2023 property tax remittances and motor vehicle tax remittances for the following:

- To ensure that remittances agreed to the IasWorld reports or Drives reports for the following entities:
  - Columbia County Board of Commissioners
  - Columbia County Board of Education
  - City of Harlem
  - City of Grovetown
  - State of Georgia
- All remittances are processed by ACH transfer.
- For the following entities, we observed the authorized South State Bank and Trust ACH Transmittal Form. Where applicable, we observed copies of the cancelled checks for tax remittances and noted dates the checks cleared and if checks clearing were for the appropriate amounts.
  - Columbia County Board of Commissioners
  - Columbia County Board of Education
  - City of Harlem
  - City of Grovetown
  - State of Georgia

Results

We noted no exceptions in testing cash remittance procedures or any undistributed funds. We noted the following for the months of January 2023 and March 2023 for property tax remittances and motor vehicle tax remittances:

- Remittance checks agreed to the IasWorld reports or the Drives reports for the following entities:
  - Columbia County Board of Commissioners
  - Columbia County Board of Education
  - City of Harlem
  - City of Grovetown
  - State of Georgia
- Tax remittance check payee/entity agreed to the payee/entity on the IasWorld reports or the Drives reports.
- ACH transactions were approved by the Tax Commissioner and tax remittance checks were signed and approved by the Tax Commissioner.

- From copies of the cancelled checks and ACH transaction reports, we noted tax remittance checks and transfers to the various entities cleared the Tax Commissioner's bank account for the appropriate amount and within a reasonable amount of time from the date of the check.

Outdated Decals or Dead Tags

Background and Procedures
Outdated decals are secured in the vault until the Georgia Department of Revenue allows the County to shred them. The County uses a third party to shred all of the County's confidential information. Dead tags or turned in tags are maintained in boxes until enough dead tags are turned in to warrant the tag office to send a shipment off for recycling. Tags are destroyed and the material is recycled. Tags are not reissued to another customer. Once a sufficient number are collected in the Grovetown location, the Motor Vehicle Division Director picks up the outdated tags and takes them to the Evans Motor Vehicle Office to be recycled.

Testing
We observed that dead tags are retained by the division to be recycled. We further observed that outdated decals are also retained by the division. We inquired of personnel when the outdated items would be disposed of or recycled.

Results
We noted no exceptions to our testing and observations of the outdated and dead tags inventory.

Bank Reconciliations

Background and Procedures
There are only two bank accounts, property tax account and motor vehicle account. Bank accounts for both divisions are reconciled by the Senior Accountant. Each month, the bank reconciliations are prepared using QuickBooks and reports from IasWorld or Drives. The completed reconciliation reports are reviewed by the Tax Commissioner.

Testing
We obtained bank reconciliations for both accounts for the months of January 2023, February 2023, and March 2023. We tested the bank reconciliations for the following items:

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

Results
We noted no exceptions in our testing.

Purchase Requisitions

Background and Procedures
All purchases are approved by the Tax Commissioner before being entered into Munis by the Senior Accountant. All checks for purchase requisitions are prepared by the Finance Department of the County. The Property Tax Division handles all purchase requisitions.

Constitutional officers are not subject to the purchase requirements of the County's policies with budgeted funds.

Testing
We haphazardly selected ten expenditures from the Tax Commissioner's Office general ledger maintained in Munis for the time period of July 1, 2022 through March 31, 2023. We examined the related purchase requisitions and purchase orders. We verified that the payment amounts matched the payments due on the invoices. We verified the cancelled checks for proper amount and payee. We verified that the purchase appears to be for Tax Commissioner use.

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, the Senior Accountant receives a notification that new transactions were entered that require coding and approval. The Tax Commissioner reviews and approves the physical copies of each receipt. When all charges have been approved and reconciled to the statement, the Senior Accountant uploads the receipts to Munis and codes the expenditures. On a biweekly basis, the Finance Department reconciles the charges back to a billing cycle statement provided by Elan and notifies the departments if there are any uncoded or unapproved transactions. Once all coded and approved charges have been reconciled to the statement, the purchase card transactions are posted to the general ledger as expenditures by the Finance Department Manager.

Testing
We obtained a listing of all employees of the Tax Commissioner's Office with a purchase card from the Finance Department and selected two statements dated February 1, 2023 and March 15, 2023.

We tested the statements to ensure that a receipt for all transactions, with the Tax Commissioner's approval, was uploaded to Munis. We also reviewed transactions for the selected statements to ensure expenses appear reasonable for purchases within the Tax Commissioner's Office.

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

Timesheets

Background and Procedures
The Tax Commissioner is an elected official, and the Motor Vehicle Division Director is an exempt employee. All other personnel are hourly employees (non-exempt). Non-exempt employees complete electronic timesheets for each payroll cycle. Exempt employees do not maintain a daily time sheet and are only required to complete leave request forms for personal time off requests. This form is approved by management and approved time is entered in Munis. Once all time is entered into the Munis system, the Munis report and copies of leave requests are forwarded to the finance department.

Testing
We obtained timesheets for the payroll periods ending December 17, 2022 and February 25, 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 correct 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 pay matched the amount that was calculated from the hours on the timesheet.

Results
We noted no exceptions in our testing.

Millage Rates

Testing
We obtained a summary of millage rates for the 2022 tax digest for the various districts within Columbia County. We agreed the millage rates for taxing authorities to the various approved Millage Rate Certification forms provided to the State of Georgia. We then agreed the millage rates to the rates billed in the IasWorld system.

Results
We noted no exceptions.

General Inquiries and Observations

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

Testing
SME made the following inquiries of the Senior Accountant:
- What type of bank accounts were maintained by the Tax Commissioner's Office?
- Is online access to bank accounts available?
    - If so, who has access to the online accounts?
    - Are there any closed or inactive accounts for which check stock is still available?
- What controls are in place to secure check stock?

Results
Per the Senior Accountant, the following bank accounts were used by the Tax Commissioner's Office during the period July 1, 2022 through March 31, 2023.
- South State Main M V Account (ending 5475)
- South State Property Tax Account (ending 7463)

Per the Senior Accountant, the Tax Commissioner's Property and Motor Vehicle Bank Accounts have online access. The individuals with online access to the bank accounts are:
- Tax Commissioner
- Senior Accountant

We observed that the check stock is maintained in the vault. We noted check stock in the vault was for the Property and Motor Vehicle Tax Accounts.

COLUMBIA COUNTY, GEORGIA
JUVENILE COURT
INTERNAL AUDIT

TABLE OF CONTENTS

Michelle Bennett, CPA
Rick L. Evans, CPA
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Jay Sanders, CPA
Wanda F. Scott, CPA
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Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA

Members of Audit Committee
Board of Commissioners
Columbia County
Evans, Georgia

We have performed consulting services for Columbia County (the "County") relating to the evaluation of certain internal controls and operating procedures of the Juvenile Court's recording of fees paid and request for grant reimbursements along with other general operating policies and procedures. The County's management is responsible for the department's accounting records, internal controls and operating procedures. The evaluation procedures performed were approved by the County. Our analysis and report do not include evaluating all internal controls over the Juvenile Court.

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 12, 2023

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INTERNAL AUDIT OBJECTIVES

Our internal audit objectives were designed to:

- Obtain an understanding of the County's internal control system for operations of the Juvenile Court including:
  - Recording fees paid on behalf of the Juvenile Court;
  - Grant reimbursement requests; and
  - Other daily operations.
- Design and execute tests of the policies and procedures of the Juvenile Court for purchase requisitions/orders, purchase card transactions, and timesheets for County employees.
- Determine if there are adequate controls to provide reasonable assurance that the County's assets are being properly safeguarded, and errors or irregularities can be prevented or can be detected in a timely manner.
- Make recommendations to the County based upon our understanding of the internal control system and as a result of our testing of those internal controls.

SCOPE

Our internal audit scope was limited to the Juvenile Court and internal controls relating to the recording of fees paid, requests for grant reimbursements, and adherence to policies and procedures. The internal audit focused primarily on the time period of July 1, 2022, to June 30, 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.

The Juvenile Court services youth under the age of seventeen who have been charged with a criminal offense, traffic violation, or statutory offense. Our testing focused on the following areas:

- Recording of fees and judgements paid to Clerk of Court on behalf of Juvenile Court;
- Reimbursement requests made to granting agencies;
- Expenditures including purchase requisitions/orders and purchase card transactions; and
- Other operational items such as timesheets for County employees.

METHODOLOGY

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

- Interviewing Juvenile Court personnel.
- Observing operations and conducting walk-through interviews.
- Testing documentations such as receipts, deposits, general ledger entries and data, Juvenile Court's JCATS reports, and any other applicable data.

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

- **Subrecipient Monitoring Procedures**
    - 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 Cards**
    - 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.

Cash Deposits and Transfer Procedures

Background and Procedures

The Juvenile Court has one bank account in which all fees owed to the Juvenile Court are deposited. This account is maintained by the Finance Department where funds received from the Clerk of Court on behalf of the Juvenile Court are deposited. No cash is handled or maintained by the Juvenile Court. The Clerk of Court collects all payments owed to the Juvenile Court. The Clerk of Court then prepares distributions based on the JCATS (case management software used by Juvenile Court) report provided by the Juvenile Court. The only amounts owed to the Juvenile Court are for supervision and probation fees, all other amounts are distributed to their respective entities (County, State, etc.).

All fees collected on behalf of the Juvenile Court are entered into the Supplemental Juvenile Services bank account where they can be spent on approved budgeted expenses. Instead of writing checks directly from this account, the Finance Department pays approved expenditures out of General Fund monies and the Finance Manager periodically makes transfers from the Supplemental Juvenile Service bank account into the General Fund bank account to reimburse for approved budgeted expenditures.

Testing

We obtained bank statements for the Supplemental Juvenile Services bank account for the time period of July 2022 through June 2023. We traced all deposits made into the bank account for this time period to reports provided by the Clerk of Court and the JCATS report provided by the Juvenile Court. All deposits made were for supervision or probation fees.

We also traced all transfers made from the Supplemental Juvenile Services bank account to the General Fund account from July 2022 through June 2023 to supporting documentation showing that transfers were for approved budgeted expenditures.

Results

We were able to trace all deposits to supporting documentation showing that only fees collected on behalf of the Juvenile Court were deposited into the Supplemental Juvenile Services bank account. We also were able to trace all transfers to supporting documentation showing that transfers were to reimburse the General Fund for approved budgeted expenditures.

Subrecipient Monitoring Procedures

Background and Procedures

The Juvenile Court received grant funding from the Criminal Justice Coordinating Council (CJCC) for the fiscal year ending June 30, 2023. The grant name is Juvenile Justice Incentive Grant for fiscal year 2023. The grant requires the Juvenile Court submit quarterly reimbursement requests for approval by the CJCC. These expenditures are approved by the CJCC each quarter and then a check is issued to Columbia County to reimburse for approved grant expenses. For our testing, we viewed reimbursement requests submitted to the CJCC by the Juvenile Court and tested that submitted expenditures were approved expenditures per the grant documents.

Testing
We tested all quarterly reimbursement requests for approval during the time period of July 2022 through April 2023.

Results
We were able to view reimbursement approvals from the CJCC for all requests made during the above-referenced time period.

Purchase Requisitions

Background and Procedures
If supplies are needed, a staff member completes and submits a request to the Chief of Probation for approval. The Chief of Probation reviews the request and purchases the items.

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.

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

Testing
We obtained the purchase order detail from Munis for the time period of July 1, 2022 to February 28, 2023, and made 10 selections from the detail. We examined the related purchase requisitions and purchase orders for proper approval. We verified that the payment amounts matched the payments due on the invoices. We verified the cancelled checks for proper amount and payee. We verified that written quotes or bids were solicited and documented when appropriate for the amount of the purchase.

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 Cards

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

Purchase card transaction records are maintained electronically by Elan, a third-party payment processor. On a daily basis, the Procurement Department downloads a transaction record from Elan's website and imports the records into Munis. The expenses are initially recorded in Munis as uncategorized and maintained in a temporary holding account on the general ledger. When the transactions are imported into Munis, a designated individual within each department receives a notification that new transactions were entered that require coding and approval. At this point, the designated coders upload the receipts for each transaction and enter a line code corresponding with the nature of the expenditure. Once the receipts have been uploaded and all expenditures have been coded, the statement is released for approval by the cardholder's supervisor within Munis. On a biweekly basis, the Finance Department reconciles the charges back to a billing cycle statement provided by Elan and notifies the departments if there are any uncoded or unapproved transactions. Once all coded and approved charges have been reconciled to the statement, the purchase card transactions are 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 viewed the December 2022, January 2023, 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 to any of the items that were tested. Per the results of our testing, internal controls appear to be functioning properly.

Timesheets

Background and Procedures
The Chief of Probation gathers all Juvenile Court staff timesheets. The Chief of Probation reviews and approves the timesheets. The Juvenile Court Judge reviews and approves the timesheet for the Chief of Probation.

Once all timesheets are approved, the Clerk inputs all time into the County-wide Munis System. Once all time has been entered into the Munis system, the Clerk 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 timesheets and direct deposit reports for the pay periods ending November 19, 2022 and January 28, 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 to any of the items that were tested. Per the results of our testing, internal controls appear to be functioning properly.