



JASPER COUNTY COUNCIL
SPECIAL CALLED WORKSHOP

Jasper County Clementa C. Pinckney Government Bldg
358 3rd Avenue Ridgeland, SC 29936

Wednesday, May 15, 2024

MINUTES

Officials Present: Chairman L. Martin Sauls IV, Vice Chairwoman Barbara B. Clark, Councilman John Kemp, Councilman Joey Rowell and Councilman Coy Garbade.

Staff Present: County Administrator Andrew Fulghum, Clerk to Council Wanda Giles, County Attorney David Tedder, Kimberly Burgess, Nicole Holt, and Videographer Jonathan Dunham.

Others Present: Mike Skinner, Treasurer and Brenda Carroll, Baird Audit Group LLC

Call to Order:

Chairman Sauls called the Council Meeting to order and the Report of Compliance with the Freedom of Information Act was read for the records as follows: *In compliance with the Freedom of Information Act, notice of meetings and agendas were posted and furnished to all news media and persons requesting notification.*

Pledge of Allegiance and Invocation: The Pledge to the Flag was given and the Invocation was given by Vice Chairwoman Barbara Clark.

Approval of the Agenda:

Motion to approve: Councilman Kemp

Second: Vice Chairwoman Clark

Vote: Unanimous

The motion passed.

Brenda Carroll – Presentation and Discussion – Independent Accountants’ Report by The Baird Audit Group LLC (Treasurer’s Office)

Chairman Sauls noted that at this time that Council had the County’s Auditor here, Ms. Brenda Carroll, to present her findings of the Audit recently completed for an Independent Accountants’ Report by The Baird Audit Group LLC. Chairman Sauls also noted that we have copies of the audit if anybody would like a copy that there were copies available.

Ms. Carroll noted that just to clarify things this was an agreed upon procedures engagement and it was not a full financial audit and noted that it was very much less in scope than an audit so they were not giving an opinion on this, but were just going through the procedures that we enumerated and the findings that we had. She reviewed the first page in its entirety for the Independent Accountant’s

Report on Applying Agreed Upon Procedures. She noted that the findings were reported in Attachment A which was attached to this report (See Attachment A: Independent Accountant's Report on Applying Agreed Upon Procedures and their findings). For additional information see the please visit our website for this meeting's video and go to https://www.youtube.com/channel/UCBmloqX05cKAsHm_ggXCJIA.

Finding # 1 additional information:

Ms. Carroll read through Finding # 1. She noted that just to clarify things that what has happened was that the revenue actually ended up not being recorded for quite a few months, so you had no revenue reported in your financial statements. This meant that the County's financial statements were not in accordance with Generally Accepted Accounting Principles and that the County did not have a way to monitor their budgets based upon the financial statements and the General Ledger at that point in time. Chairman Sauls asked if that was now being done. She noted that it was being done now. Ms. Burgess noted it was being done now by the Finance Department. Chairman Sauls asked Mr. Skinner if he was in agreement with that. Mr. Skinner said he was.

Finding # 2 additional information:

Ms. Carroll read through Finding # 2. Ms. Carroll noted that Lisa Wechsler had done a lot of the work. Ms. Burgess noted that Ms. Wechsler actually recorded the revenue from July until February. She noted that then the Finance Department took it over in March, and they had primarily completed March (noting there's a few items we need additional information on) but that they had not yet reconciled the bank accounts, which was the next step.

Ms. Burgess also mentioned that the Finance Department only reconciles the General Fund (which is primarily where the accounts payable checks are written from and where the County's tax apportionments are recorded). She noted, however, that the Treasurer has tax accounts of his own and Finance doesn't have any access to those. She noted that the Finance Department would not reconcile those and that they don't have access to those accounts. She noted that Finance would only reconcile the General Fund and a few others like the Business License, Legislative Delegation, and Accommodations and Hospitality Tax Accounts. She said that there's many accounts that the Treasurer has that the Finance Department does not have access to.

Chairman Sauls asked Treasurer Skinner that the ones Finance does not have access to if he was reconciling those. Treasurer Skinner said that his deputy and he would reconcile their accounts and noted that he had contacted Ms. Wechsler but had not heard back from her. He said he was not aware of the agreement that she had with the County on reconciliations. Ms. Burgess said that she thought it would be beneficial for Ms. Wechsler to work on the reconciliations. Ms. Burgess noted that the Treasurer's Account, the Probate Account, the Magistrate Account, the Clerk of Court Account and the General Fund have been reconciled by Ms. Wechsler since 2011. Ms. Burgess said we it is an annual agreement that the County makes with her to reconcile bank accounts, and to prepare the financial statements for audit as she had done for several years.

Chairman Sauls asked Mr. Skinner if he was agreeable with that, and he said he was. Councilman Kemp discussed the use of outsider personnel versus County Financial Staff. He asked why we used other outside sources rather than our staff. Ms. Burgess noted that we do not have the personnel to do that and that one reason they were using Ms. Wechsler was that she is a CPA, and Councilman Kemp noted that we hired her firm he believed. Ms. Burgess noted that she is qualified for that type of work while other staff in the Finance Department is not. Ms. Carroll said that they needed

determination should be made as to the allowable use of these funds. Councilman Kemp noted that he had a question for the audit. Councilman Kemp asked her to explain the transfers into other accounts were made backwards. Ms. Carroll noted that the debits and credits were reversed when they had been input into the system. She said it was a clerical error of how they were input. Ms. Burgess noted it was actually the cash transfer because nothing had been posted. Ms. Burgess said the money was actually withdrew from the account versus being deposited into the account.

Finding # 3 additional information:

Ms. Carroll read through Finding # 3. After this Chairman Sauls asked if that legal determination Ms. Carroll had mentioned had been done or was in the process of being done. Ms. Carroll said she was not sure. Councilman Kemp said he was not sure of the status on that but there is a problem that is not the legality it's how you describe for it. He noted that in what they are talking about, that a government that issues licenses and plates and reevaluates revalidation decals pursuant to that section, may charge a \$1 fee to defray expenses associated with the issuance of license plates and revalidation decals. He compared it to the SRO's in that we pay the SRO's through our budget but when the school gives us money back do we take it, because we don't give it to the school, we don't give it to the sheriff we keep it because it's a transfer of money. We are just being reimbursed for something we put out so that's the determination that we have to make with this.

Mr. Tedder mentioned the memo he had given to the Council back in December or January and discussed what that memo about what his determination of a Governmental Subdivision was. Mr. Tedder said after his review based on background information about his interpretation was about a Governmental Subdivision was that it was his conclusion that this money belonged to the General Fund of the County. He noted that if the Treasurer wished to obtain additional equipment or whatever that would be subject to the county's procurement code, because all elected officials do follow our procurement code for statute, so the only appropriating authority that we have is the County Council or the School Board when it comes to the school board district funds.

That being said any funds that are appropriated unless specifically authorized by statute as in the case of Title 4 Funds Sheriff Forfeit funds with specific statute that says they get to keep the money and certain things with it that's the distinction that the Sheriff's Department is told specifically in forfeiture funds it can spend money on A, B and C this particular says it goes to the Governmental Subdivision we are the Government Subdivision. That doesn't mean Mr. Skinner doesn't have a need for it he can present it to the council and say I this is what I need, and Council can then know how much money they need. Bonuses are entirely different and as I pointed out in our discussions this is a very difficult situation to deal with. The Attorney General has come down over decades about how you can do an incentive payment (as they are no longer called bonuses) and the constitution prohibitions against certain things.

Skinner said he had reached out to the South Carolina Association of Treasurers and Tax Collectors on what that stack of money was and what it is used for. He said it is an agreement between the DMV and the SC Treasurer's Office to include all of us here at our County level. He noted that it was made for us to supplement our employees to offset the cost of issuance, and to be used as whatever I want but it was not meant for the County to lord over it and for the Treasurer to come back for the money. He said it was put in place so they could have an offsetting cost feature for taking on that job from the DMV. He said that is again to include salary supplementals, machines, check scanners and things like that. He said he had talked with Ms. Bostick, with the Clerk of Courts, Verna Garvin with past checks,

and he got with HR to make sure he had done the taxes properly and corrected the mistake had made. He said he wanted it to be done right.

Chairman Sauls asked if we were good going forward. Mr. Skinner did not verbally respond. Mr. Tedder said he did not know if we were good going forward or if a special account had been set up for the decal funds. He also noted that if an account was set up who was in control of it. Mr. Skinner noted that he was in control of it. Mr. Tedder said that this was a problem in his opinion because no Elected Official is given an Appropriation Authority other than the Council. He also noted that the agreement with the DMV is with the County.

Mr. Skinner said that this was how every County in the state does this. Chairman Sauls said to get together and figure that part out and come back with a recommendation to Council if that's what is needed. Councilman Kemp asked what was done in the past.

Mr. Tedder said the money was just kept in an account and built up over time. He said it was his understanding, not verified by him, that Ms. Garvin paid employees and incentive payment, but he didn't know how many times. It was reported as payroll so the W2, FICA, etc., was reported. He said regardless of the past it just needed to be right going forward.

Councilman Kemp said he understood moving forward, but wanted to know what predicated this because it was history. Ms. Burgess said that Ms. Garvin had a Decal Bank Account, like what Mr. Skinner now has. She said that at the end of her tenure she took the money out of that which was approximately \$90,000 and transferred it to the General Fund and closed that bank account. Ms. Burgess said that what she did with it prior to that no one had access to except her. She said now Mr. Skinner had opened an account up, but he was upset by the fact that those monies were turned over and that is what precipitated this. Chairman Sauls said for them to figure it out because it was not for his wheelhouse or anyone's on Council to figure this out. Chairman Sauls asked Ms. Carroll to continue.

Finding # 4 additional information:

Ms. Carroll read through Finding # 4. Chairman Sauls asked about the monies that had been paid out twice, or moved to an account where they should not have been, he asked Treasurer Skinner if we had been able to recoup that money. He also asked if that money had been put back where it needed to be. Treasurer Skinner said yes that all but one had been done. He said the Nickel Plate Fund with Hardeeville. He said this was the last one, and that it should be completed tomorrow. He said they had been working on these issues and that with their new procedures they had resolved for the future.

Vice Chairwoman Clark asked if the money was paid to Nickel Plate if they were supposed to receive that money. Treasurer Skinner said he was not sure why this had happened, but said no they should not have received it. He noted that they have good procedures now in place so it would not happen again.

Finding # 5 additional information:

Ms. Carroll read through Finding # 5. She noted that this just needs to be followed up on to ensure that changes have been made and documentation of how they are recorded going forward. Mr. Skinner said yes, but to clarify from August to September that their statements had 5 cents per

transaction fee and again part of the negotiation with GPS the Company was that they would pay no fees. He said they were actually paying that and reimbursing it out of their 3% fee that they take to the company. He said it wasn't shown since it was included with the deposit and all the other payments, so it is kind of convoluted on that so going from September on that won't be shown. The \$6 a month fee he noted he is still working on them with that. He noted that they could set up a workshop to go over the changes and what they had found out and were implementing. Mr. Tedder confirmed that the person who uses the card is the person who pays the fee not the County. Councilman Kemp asked about gross versus net fees and Ms. Carroll explained that information.

Finding # 6 additional information:

Ms. Carroll read through Finding # 6. She said a lot of this came from the fact that since the revenues were not recorded the bank accounts could not be reconciled. She also noted that if someone outside of the Treasurer's Office is going to reconcile those accounts only the Treasurer's Office is going to have all of the information as to the source and purpose of the funds. She said that they are going to have to provide that information to whoever does the reconciliations and the postings. Mr. Skinner said after the first couple of months, Kimberly Lisa and he had worked out and it and its working much better.

Finding # 7 additional information:

Ms. Carroll read through Finding # 7. Mr. Skinner the City tax field he gave an example here and with 3 tax bills to Ridgeland Sol and there was no detail. It shows the initial real property tax, at \$133,000 another bill at \$177,000 and they paid that but neither were correct because a FILOT bill of \$215,000 was to be sent out by the Auditor. He said in February the Auditor found out they were supposed to have paid the FILOT bill. He noted that they have already paid the \$177,000 and he has already given that money out. So in February it comes back that he had to refund all of that so they could get their money back so they wait for that and in March they finally gets the right FILOT bill and pay that. He said that is why this is so difficult because of the moving parts which happen to occur in collections.

Andrew Fulghum noted that he had attended a meeting about 6 months ago with the Auditor on Exit 3 and that we had software issues which allowed us to turn this off of our arena by tuning off the Ad Valorem tax bill and they get a FILOT bill. Mr. Skinner said this had been done and it is to be turned off.

Finding # 8 additional information:

Ms. Carroll read through Finding # 8. Chairman Sauls asked if we had segregated duties within the office. Ms. Burgess said the Finance Office has made attempts to prevent this from happening and are inspecting the exceptions. We bought a new printer that uses MICR Printing which is magnetic ink which may help in the scanning and picking it up. We paid the software company to rewrite the positive pay which is a report to be sent over to the Treasurer and then he uploads it to the bank so that drives if the check is valid or not. She said Finance monitors for the exceptions.

She said they had reached out to Treasury Navigator because they continue to have multiple check exceptions daily. They said it was an issue on them in as far as reading the wrong line on the check. She said the Finance Office continues to do that instead of the Treasurer's Office. Mr. Fulghum said he had a problem with that because it imbalances internal controls because the person writing the checks is also reviewing the checks. He said those duties had to be separated. Ms. Burgess continued

to explain this process, noting that the checks which should be verified through the Treasurer's Office meant that that every check should be reviewed not just a sample of checks as Treasurer Skinner mentioned. She noted that they are given a report which will verify the checks written because the Finance Department shouldn't be writing and reviewing the checks.

Finding # 9 additional information:

Ms. Carroll read through Finding # 9. She said there were no written procedures prior to now, but new ones are being worked on now. Councilman Kemp asked if that was written up in a previous audit, Ms. Carroll said she would have to look into that.

Finding # 10 additional information:

Ms. Carroll read through Finding # 10. Ms. Burgess said that she had budgeted for additional staff for this reason to record revenue. We will need someone to do this full-time. She noted that Mr. Skinner receives the checks and makes the deposits. She said it would be more work, but they should have additional help.

Finding # 11 additional information:

Ms. Carroll read through Finding # 11. She noted that when books are not kept accurate there is a possibility for fraudulent activity. Ms. Burgess said they only record revenues for any deposits for the General Fund. The other revenue accounts are not being recorded in the books of the County the way the General Fund is being done. It would have to be recorded at audit time as we have no access to the bank accounts or have the bank statements.

Chairman Sauls said this is a baseline to get it right. He said our Financials have to be on point to be done appropriately for the County. We need to focus on where to get things right on our Finances in our County. He said that Council is responsible for the citizens money. He said Council had spent \$96,000 outside of the budget to try to get things corrected.

Councilman Kemp said the Council is now finding out that this is procedures he said we almost need something like an MOU between the Treasurer and the County. He said he found it difficult that there were no procedures in place prior to this and that we need to get both operation and cooperation from all parties.

Councilman Rowell said with policies and procedures being completed how often would finance and the treasurer get together to see if it's all working properly. Mrs. Burgess said that would be done almost daily and Mr. Skinner said he was making it almost dummy proof for the next person. Mr. Scanner said that Ms. Wechsler would not make policies and procedures for them. Ms. Burgess said that's not what she was retained to do. She also noted that this was what the County thought Malden and Jenkins was going to do for us. He said they were in 6 months too late and that there is a lot to do in that office and things get done.

- **Kimberly Burgess – Update and Overview of FY 24/25 Jasper County Budget**
- **Discussion – FY 24/25 Jasper County Budget**

Ms. Burgess reviewed the requested information on the FY24/25 Jasper County Budget and gave updates and reviews of the line items as requested. She addressed issues of concern and discussed the

following items: Revenues; Budget requests; Final estimates for FILOT Agreements; Cash Carry Forward; ARPA revenues and expenditures; the Pratt Library and Affordable Housing; Proposed fee schedules; Fuel cost; New positions; Emergency Services; Employer portion of benefits; Expenditures; Changes; Corrections and Additional Requests.

➤ **Adjourn**

For additional information on this meeting please go to our page on the County website for this video and go to https://www.youtube.com/channel/UCBmloqX05cKAsHm_ggXCJIA

Adjournment

Motion to adjourn: Vice Chairwoman Clark

Second: Councilman Rowell

Vote: Unanimous

The motion passed and the meeting adjourned

Respectfully submitted:



Wanda H. Giles
Clerk to Council



L. Martin Sauls IV
Chairman



Attachment "A"

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

County Council
Jasper County, South Carolina
358 Third Avenue
Ridgeland, SC

We have performed the procedures enumerated below, which were agreed to by Jasper County, South Carolina's management, solely to assist the users in evaluating the processes in place in the Treasurer's Office for the period from July 1, 2023 through February 29, 2024. The sufficiency of these procedures is solely the responsibility of the specific users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures were as follows:

1. We interviewed Mike Skinner, Jasper County Treasurer regarding policies and changes in procedures from prior years.
2. We requested copies of written procedures where available.
3. We reviewed procedures for receiving, depositing and recording tax revenues by Treasurers office.
4. We reviewed procedures for receiving, depositing, and recording state appropriations received.
5. We compared receipts to bank statements and reports to Finance Office.
6. We reviewed procedures for preparing apportionment reports.
7. We reviewed apportionment reports and compared to bank statements and disbursements.
8. We recalculated apportionment reports.
9. We interviewed all staff of the Treasurer's office regarding internal controls, segregation of duties and operations of the Treasurer's Office.
10. We prepared a management representation letter for signature by Mike Skinner and management.

Our findings are reported in Attachment A to this report.

These agreed upon procedures are substantially less in scope than an examination, the objective of which is not to express 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 information of the management of Jasper County, South Carolina and the parties listed in the first paragraph and should not be used by those who did not participate in determining the procedures.

Sincerely,

Baird Audit Group, LLC

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
April 29, 2024

Attachment "B"

Jasper County, South Carolina Agreed Upon Procedures - Findings Schedule A

Finding 1

The change in the Treasurer's Office on July 1, 2023 resulted in confusion and deficiencies in the accounting system of Jasper County, South Carolina. The entire staff was changed (with the exception of one person who worked for a short time with the previous Treasurer). The lack of trained personnel and understanding of the duties of the office resulted in accounting issues in recording cash receipts and deficiencies in internal control.

While some procedures have now been strengthened and put in place, the interface between the Treasurer's Office and the Finance Office needs to be formalized and written procedures established to allow for proper transfer of recorded transactions and to maintain adequate internal controls and segregation of duties.

The previous Treasurer recorded all the cash receipts into the County's software. The recorded receipts were monitored by the Finance Office and accepted into the general ledger. These transactions are the responsibility of the Treasurer's office and should have been recorded in that office. The bank accounts should have been reconciled in the Treasurer's office and provided to the Finance Office to enable reconciliation of the general ledger accounts. The Finance Office must have access to this information to insure the general ledger accounts and financial statements are accurately presented. Only the Treasurer's Office would have the necessary information to accurately reflect the source and purpose of cash receipts received by that office.

Finding 2

The State Funds Account functions as an ACH (automated clearing house) account for the State of South Carolina to electronically transfer funds to the County. Several deficiencies were noted in the processing of these funds.

1. There was a lack of proper identification of revenues which resulted in funds being put in incorrect accounts.
2. Transfers into other accounts were made backwards.
3. Some transfers into accounts were duplicated.
4. Lisa Wechsler CPA reconciled this account through the end of February 2024, but some adjustments will still be necessary to ensure all transfers of cash are corrected.

Additional training and oversight should be put in place to ensure that employees understand the procedures and entries that are needed. These accounts must be reconciled to be certain that transfers are made accurately and in a timely manner.

Finding 3

Bonuses were paid to the employees of the Treasurer's Office in December from the Decal Account. According to Section 56-2-2740 a governmental subdivision that issues license plates or revalidation decals pursuant to this section may charge a one-dollar fee to defray the expenses associated with the issuance of license plates and revalidation decals. The bonuses were \$750 to each employee and \$1,000 to the Treasurer. While the bonuses were included in the W-2 salaries of each employee, the payroll taxes related to these bonuses were paid by County funds. Funds were also used to purchase a piece of equipment for the Treasurer's Office. Discussions with the Treasurer indicated that he felt this one-dollar fee could be used for whatever purpose he deemed necessary. After discussions on the bonus payments, the County was reimbursed for the December 2023 payroll taxes paid by the County in April 2024. A legal determination should be made as to the allowable use of these funds.

**Jasper County, South Carolina
Agreed Upon Procedures - Findings
Schedule A**

Finding 4

The Tax Account is the Treasurer's account that holds the majority of funds received for county-wide tax collections. The monthly tax apportionment reports from QS1 were not accurately prepared because the print options for the reports were not input correctly. Delinquent taxes were included in the current tax apportionments which resulted in paying out delinquent taxes twice for two subsequent months. Apportionments for vehicles inaccurately included the County's Road Maintenance fees in the apportionments for the City and Town. All monthly tax apportionments need to be rerun with the correct settings and reconciled against the actual tax payments for each tax district. This process was started by Lisa Wechsler, CPA but needs to be established as a standard procedure monthly to verify and reconcile apportionments to the actual tax payments.

Past apportionments need to be verified and any necessary adjustments made as soon as possible.

Finding 5

A new credit card system was implemented. Fees and adjustments need to be reconciled from the monthly statements to ensure accuracy. A complete understanding of the process needs to be documented to determine if the fees are gross or net fees. Discussions with the Treasurer indicated some confusion in the new process. The Treasurer was in contact with the credit card company to verify the recording of transactions and fees on the monthly merchants' statements.

-- Finding 6

The general fund account holds the County's revenues and makes payments for payroll and vendors. The cash receipts were not recorded in the general fund account by the Treasurer's Office. Lisa Wechsler, CPA, has been working on reconciling this account; however, there was difficulty in identifying the nature of the deposits. Deposits should be identified and recorded by the Treasurer's Office. They receive and are responsible for all revenues received. Support for the source of funds received, the amounts received, and the appropriate coding of the receipts must be maintained by the Treasurer's Office. Without this information it is impossible for the recording to be reconciled accurately. The missing information was printed from Treasury Navigator which is the online banking app for South State Bank. The bank is not responsible for securing and storing the County's accounting records.

If an outside CPA or another office is going to post and reconcile the receipt of revenues, complete documentation must be provided to allow for accurate reporting.

Transfers from the State Funds Account and the Tax Account are not being made in a timely manner because the accounts were not accurately reconciled on a timely basis. All accounts should be reconciled at the end of each month and transfers made immediately.

The general fund account needs to be accurately reconciled through the current period and any needed adjustments made to accurately reflect the finances of the County.

Finding 7

The County received correspondence from the Town of Ridgeland regarding an overpayment of approximately \$33,000 of Fee in Lieu of Tax funds. Apparently, a report showing negative FILOT was presented for February. Failure to review the reports adequately and to respond to questions from the Town in a timely manner resulted in concerns about the operations of the Treasurer's Office. In addition, vehicle tax payments were not separated from ad valorem tax payments preventing the Town of Ridgeland from being able to accurately record the payments on their books. Not having sufficient understanding of the importance of verification and documentation of revenues resulted in creating additional work as well as concerns of accuracy from an outside source. All apportionments should be thoroughly reviewed and any negative amounts thoroughly investigated prior to issuing apportionments. Any

Jasper County, South Carolina
Agreed Upon Procedures - Findings
Schedule A

correspondence regarding apportionments needs to be addressed immediately to alleviate this type of concern. This will require a detailed review of all activity since July 1, reprinting the reports and reconciling to the payments issued and any corrections needed made and clearly documented.

Finding 8

Check verifications through positive pay were handled by the Treasurer's office during the past administration. The Finance Office did not have access to Treasury Navigator to review and verify checks. Two fraudulent checks were paid by the bank in 2 months. The same check number was used three times. The original check number was written to Grainger, the same check number was presented using two different payees in subsequent months. Since the Finance Office issues most of the checks, they should not approve any questionable checks. Being able to approve the duplicate checks could allow the person issuing checks to knowingly issue fraudulent checks.

I was informed during my review that the bank will now not honor duplicate check numbers; however, it is possible that illegible or misprinted check numbers could still be paid. Having the same office, especially one as small as the Finance Office, both issue and approve the checks would not provide adequate segregation of duties.

Finding 9

Our interviews with the staff of the Treasurer's Office, Finance Office, and outside CPA all indicated that there was a need for additional training as well as communication between the Treasurer's Office and Finance Office. The staff of the Treasurer's Office appears to be working as a cohesive team currently but consistently felt like having a lack of training and no written policies and procedures to follow hindered their progress. None of the staff have formal accounting backgrounds which resulted in a lack of understanding of reconciliation or documentation procedures. The Treasurer's Office has started working on written policies and procedures for the office which will be maintained on the County computer system and updated as changes are made to procedures. This will hopefully prevent chaos due to changes in the Treasurer or staff going forward.

We recommend that all departments establish written policies and procedures for their departments to prevent misunderstandings or confusion when there is transition.

Finding 10

Procedures need to be established and documented as to who will be responsible for the recording of revenues received. It is normally the responsibility of the Treasurer's Office to input this information and then transfer it to the Finance Office for acceptance and posting to the general ledger. This would allow for segregation of duties due to the small staff size and better internal control. If the Treasurer's Office does not record the revenues, it will be imperative that they provide all the supporting documentation and bank statements to the Finance Office to enable the Finance Office to accurately record the cash receipts. If the Finance Office takes on this responsibility, the Finance Office would have to hire additional staff to enable them to perform these functions in a timely manner. The additional staffing would help to alleviate the problems of internal control and segregation of duties if this responsibility is moved to the Finance Office.

Finding 11

The lack of training and understanding of the procedures necessary to properly record revenues received and amounts due to other agencies has resulted in the books and records of Jasper County being materially incorrect for most of this fiscal year. Since the revenues were not recorded accurately and on a timely basis, financial statements for each month were not able to be produced. This failure resulted in an inability to adequately monitor budgeted revenues, cash availability, or liabilities to other agencies and could have resulted in fraudulent activity that would not have been discovered and corrected in the normal course of business.