

Treasurer's Office Assessment



Prepared for:
Jasper County, South Carolina

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CONTENTS

- 1. Overview and Background 2
- 2. Scope and Approach 3
- 3. Mission Critical Needs of the Office..... 5
- 4. Office Processes and Internal Controls 13
- 5. Assessment of Apportionment Formulas and Methodologies 24
- 6. Observations and Recommendations 25
- 7. Conclusion..... 28
- Appendix A: Revenue Streams..... 29

1. Overview and Background

Jasper County, South Carolina is located near the coast of the state and has a population of approximately 28,791. Jasper County's ("The County" or "County") seat is Ridgeland, and the largest community is Hardeeville. The County's mission is to provide efficient government services and manage growth while protecting Jasper County's rich environmental heritage and quality of life. The County has a total of 27 County departments and offices that work together to serve Jasper County residents.

Mauldin & Jenkins ("M&J") was engaged to perform a limited-scope Assessment to:

- Assist in defining and assessing the mission-critical needs of the Office;
- Assess current internal controls for key Office processes; and
- Assess apportionment formulas/methodologies currently utilized by the Office.

The Treasurer took office on July 1, 2023 with limited continuity of staff, reduced staff headcount, and no formal policies, procedures, and/or user guides for performing the operational functions of the Office. There was limited typical transition assistance requiring the Treasurer to learn Office operations with limited assistance while simultaneously assessing operations for efficiency and effectiveness.

The Treasurer has been working, and is continuing to work to develop formal governance and documentation for Office operations and desired the Assessment to aid in evaluating Office operations. Notable reported Office accomplishments to date include:

- Reconnected Department of Motor Vehicle ("DMV") and decal processes after being disabled
- Improved decal inventory procedures with assistance from DMV
- Enhanced the online credit card payment portal resulting in savings
- Hired a four member team that mirrors the diversity of Jasper County
- Worked with the CashVest (organization and software for public sector institutions to help manage and maximize funds strategically) to significantly increase interest returns
- Established processes for the proper documentation and follow up for payments returned for insufficient funds
- Helped the Jasper County fire departments identify and remedy a state fund disbursement
- Worked with the Department of Natural Resources to streamline fee/fine payments
- Worked closely with State Treasurer Curtis Loftis and other county treasurers to establish internal controls and procedures to mirror state recommendations and regulations

We commend the Office and the County for taking the proactive initiative to undertake the objective Assessment. This initiative should demonstrate to County citizens and stakeholders that the Office and the County is committed to overseeing operations in a prudent manner with a commitment to transparency, accountability, and customer service. We would also like to recognize the Office and County employees who provided requested information and time participating in interviews and shadowing sessions for specific business processes.

2. Scope and Approach

This section details the scope and approach performed by Mauldin & Jenkins to conduct the Assessment of the Treasurer’s Office.

Scope

The scope of the Assessment included a review of the Office’s functions and operations. The scope of the Assessment included:

- Assisting in defining and assessing the mission-critical needs of the Office
- Assessing current internal controls for key Office processes
- Assessing apportionment formulas/methodologies currently utilized by the Office

Objectives and Goals

Assessment objectives included:

- Gaining an understanding of the Office’s taxonomy (the Office’s key objectives, services, and functions)
- Gaining an understanding of key business processes including stakeholders, systems, dependencies, controls, inputs/outputs, timing, and end-user experiences
- Assessing the Office’s current staffing model from a resource, job function, and workload perspective
- Identifying “what is working well”, “what needs improvement”, and “areas for potential risk or concern”
- Developing recommendations to help maximize the Office’s operational and financial efficiency and effectiveness while maintaining proper internal controls and risk mitigation strategies

Approach

Our approach for the Assessment was based on Mauldin & Jenkins’ proprietary transformation methodology – COMPASS. The COMPASS methodology was developed based on leading practices, client input, and proven project and change management activities; and served as our framework for the Assessment.

We developed a workplan for the Assessment which consisted of the following four phases:

1. Initiation and Planning
2. Information Gathering
3. Fieldwork and Data Analysis
4. Validation and Reporting



As part of the Assessment, we performed the following key tasks to aid us in formulating our observations and recommendations:

- Requested and reviewed significant amounts of data and information, such as:
 - Organization charts
 - Governing documents
 - Policies and procedures
 - Financial information
 - Previous Audit Reports and reviews
 - Other relevant information
- Conducted interviews with relevant Office and County professionals
- Performed “job shadowing” observations of various Office functions and tasks
- Compared the current Office environment to leading practices

This report represents the culmination of our work and presents numerous recommendations. This report details our analysis and fieldwork completed between August 2023 and November 2023.

3. Mission Critical Needs of the Office

M&J developed a list of key functions required to be performed by the Treasurer’s Office and assessed whether the Office currently performs the functions and whether the Office’s current processes fulfill applicable requirements. Chapter 4 of this report contains more detailed walkthroughs and narratives of the Office’s current processes.

Methodology

M&J created an inventory of the key functions required of the Office by reviewing State and (as available) County statutes, policies, and procedures. M&J interviewed relevant Office and County professionals to understand the Office’s current operations, focusing on identified key functions. Finally, M&J compared the Office’s actual operations to the Office’s statutory requirements in order to identify gaps in the Office’s current workflow and business processes.

Analysis

M&J identified five key Office functions:

- Receiving and Processing State Distributions
- Processing Remittances to the State
- Property Tax Collections
- Motor Vehicle Registration and Watercraft Certification
- Investing County Funds

Receiving and Processing State Distributions

The Office receives four main distributions from the State:

- Sales and Use Tax
- Motor Carrier Fee
- Motor Fuel Tax
- County Officer Salary Supplement

Sales and Use Tax

Jasper County has imposed one local sales and Use tax, the Local Option Sales Tax, which is established by S.C. Code § 4-10 Article 1. The Local Option Sales Tax is a 1% tax on taxable goods and services sold in the County. The State Department of Revenue (“DOR”) collects the Local Option Sales Tax and the State Treasurer distributes the tax revenues as required by law. The State Treasurer allocates the total revenues into two internal funds, the Property Tax Credit Fund (“PTCF”) and the County/Municipal Reserve Fund (“CMRF”), with the exact distribution between the funds varying based on the number of years that the tax has been in effect. The State Treasurer then distributes revenues from both the PTCF and CMRF between the County and the municipalities within the County (i.e., Ridgeland and Hardeeville), using different formulas for each fund. 67% of PTCF revenues are distributed to the County, with the remaining 33% of PTCF revenues distributed between the municipalities based on their relative population. Half of CMRF funds are distributed based on the location of taxable sales within the County, while the other half of CMRF funds are distributed between the County and municipalities based on the relative population of the municipalities and unincorporated area of the County. The Office receives the County’s Local Option Sales Tax distributions and directs the distributions into the County’s general fund.

Jurisdictions that receive funds from the PTCF are required to “offset” property taxes in the following tax year by the PTCF revenues by reducing the statutory millage rate by an amount that would have produced property tax revenues equal to PTCF revenues. For example, a jurisdiction that received \$1 million in PTCF revenues in a given year would have to adjust the jurisdiction’s millage rate by an amount that would reduce property tax collections by \$1 million. Jurisdictions may elect to use CMRF revenues to “offset” property taxes in a similar way. The County Auditor updates the millage rates each year in QS1, the County’s revenue accounting software system, based on Local Option Sales Tax collection data provided to the County by the DOR.

The County used to impose a second sales and use tax, the Education Capital Improvements Sales and Use Tax, but this tax expired earlier in 2023 after County voters did not approve a referendum extending the tax in the November 2022 elections.

Motor Carrier Fees¹

Large commercial motor vehicles owned by motor carriers, or entities that own, control, operate, manage, or lease commercial motor vehicles for the purpose of transporting goods or persons, are exempt from property taxes. Motor carriers within the State that own large commercial vehicles instead pay a road use fee to the South Carolina Department of Motor Vehicles (“DMV”). The road use fee imposed on large commercial vehicles owned by motor carriers is similar to property taxes imposed on motor vehicles, in that it is based on the vehicle’s value and must be paid every 24 months at the time of registering or re-registering the vehicle.

Semitrailers and trailers commonly owned by motor carriers that are commonly used in combination with large commercial motor vehicles are also exempt from property taxes. Motor carriers within the State that own these types of semitrailers or trailers instead pay a one-time fee of \$87 to the DMV before the semitrailer or trailer can be placed into service.

¹ S.C. Code § 12-37 Article 23

The DMV retains a portion of collected road use fee and one-time fees. The State Treasurer distributes the remaining portion of the fees collected from motor carriers monthly to counties within the State based on each county's State and federal highway mileage. The Office receives motor carrier fee distributions into the County's general fund.

Motor Fuel Tax²

Motor fuels are exempt from State and County sales taxes. Instead, the DOR imposes a flat fee of 16 cents per gallon to motor fuels that are sold within the State. Of the 16 cents per gallon, 2.6 cents is apportioned by the State Treasurer to the Counties within the State. One third of the motor fuel tax is apportioned to the Counties based on their land area within the state. Another one third of the motor fuel tax is apportioned to the Counties based on their population. The final one third of the motor fuel tax is apportioned to the Counties based on the mileage of rural roads located within each County. Each county's motor fuel tax revenues must be used in furtherance of a countywide transportation plan adopted by a transportation committee within the county, appointed by the county's delegation to the State legislature. At least one quarter of the motor fuel tax revenues apportioned to each county is retained by the DOT to be used on construction, improvement, and maintenance of the State highway system within the county. Each county may decide whether they want the State Treasurer to retain the county's remaining motor tax apportionment in the county Transportation Fund or to distribute the county's remaining motor tax apportionment to the county. Jasper County has elected to receive the distribution from the State Treasurer and administer the funds themselves. The Office receives the distribution from the State Treasurer into the County's general fund and is not involved with ensuring that funds are spent in accordance with the state statutes.

County Officer Salary Supplement³

The State Legislature authorizes and pays for a flat supplement to the County-provided salaries of certain County officers across the State. County officers that receive the salary supplement include Clerks of Court, Probate Judges, Sheriffs, Registers of Deeds, Auditors, and Treasurers. The County receives a lump-sum payment from the State at the beginning of the fiscal year and distributes salary supplements monthly for County officers other than the Auditor and Treasurer. In order to preserve internal controls, the Auditor and Treasurer receive their salary supplements directly from the State Office of the Comptroller General. The Office receives the lump-sum payment for salary supplements from the State directly into the County's general fund and provides the County Finance Department with information needed to process the supplements. The County Human Resources Department processes the supplements along with general County payroll.

Processing Remittances to the State

The Office distributes three primary revenue sources to the State:

- Court Revenues
- Motor Vehicle Decal Fees
- Watercraft Certificate Fees

² S.C. Code § 12-28-2740

³ S.C. Code § 8-15-65

Court Revenues⁴

The County Clerk of Court collects costs, fines, fees, penalties, forfeitures, assessments, surcharges, and other revenues from the County courts and provides the collected revenues to the Office. State statutes designate how the collected court revenues are to be distributed. Figure 1: Summary of Statutory Distribution Requirements summarizes the statutory distribution requirements:

Figure 1: Summary of Statutory Distribution Requirements

Court	Revenue	Retained by County	To State Treasurer
All	Filing Fee	44%	56%
All	Additional Filing Fee	0%	100%
All	Costs, fees, fines, penalties, forfeitures, and other revenues (excluding filing fees)	56%	44%
General Sessions and Family Court	Additional Assessment	35.35% ⁵	64.65%
Magistrate Court	Additional Assessment	11.16% ⁵	88.84%
General Sessions and Magistrate Court	Conviction Surcharge (excluding misdemeanor traffic offenses and parking violations)	100% ⁵	0%
General Sessions and Magistrate Court	DUI Surcharge	0%	100%
General Sessions and Magistrate Court	Misdemeanor Fine Surcharge	0%	100%
General Sessions and Magistrate Court	Drug Offense Conviction Surcharge	0%	100%
All	Credit Card Processing Fees (if imposed)	100%	0%
All	Misdemeanor Traffic Offense Surcharge	0%	100%

The State Treasurer further distributes received funds to a variety of different programs across the State based on the source of the funds.

The Clerk of Court is required to transmit revenues to the Office by the 15th of each month and the Treasurer is required to transmit revenues to the State Treasurer by the 25th of each month. The State Auditor periodically audits County Treasurers and Clerks of Court to determine compliance with requirements regarding distribution and accounting of court revenues. The Office receives court revenues from the Clerk of Court and directs the revenues into the County's general fund. The Clerk of Court also provides the Office with reports showing the sources of the funds. The Office uses a form on the State Treasurer's website and electronic transfers to remit court revenues to the State Treasurer and is not involved with ensuring compliance with the County's requirements to expend a portion of the retained funds on providing victim services.

Motor Vehicle Decal Fees

On behalf of the DMV, the Office processes motor vehicle registrations, collects motor vehicle registration fees, and provides motor vehicle registration decals to County residents. The Office retains a portion of the collected motor vehicle registration fees and remits the remainder of the collected fees to the DMV.

⁴ S.C. Code § 14-1

⁵ Required to be expended on providing victim services

Watercraft Certificate Fees

On behalf of the South Carolina Department of Natural Resources (“DNR”), the Office processes watercraft certificate applications, collects watercraft certificate fees, and provides watercraft certificates to County residents. The Office retains a portion of the collected watercraft certificate fees and remits the remainder of the collected fees to the DNR.

Property Tax Collections

The Office processes five major streams of property tax collections:

- Standard Property Tax Collection
- Motor Vehicle and Watercraft Property Taxes
- Delinquent Property Taxes
- Payment of Property Taxes in Installments
- Fee in Lieu of Taxes Payments

Standard Property Tax Collection

The County collects taxes on real and personal property within the County. The County currently imposes four property taxes: a County tax (broken down into general County services and emergency services portions), a school district tax, a County debt service tax, and a school district debt service tax. The municipalities within the County (i.e. Ridgeland and Hardeeville) also impose a property tax on their residents. The Office collects both County property taxes and, if applicable, municipal property taxes. The Office apportions property tax revenues to the County general fund, school district fund, County debt service fund, school debt service fund, Town of Ridgeland, and Town of Hardeeville in line with the imposed millage rates.

The County Auditor prepares tax bills for real and personal property within the County and the Treasurer delivers tax notices to the County’s residents and businesses. The tax year begins and the Office begins collecting taxes on October 1 and taxes are due no later than January 15. The Office imposes penalties on taxes that are not paid after the January 15 deadline. If the tax remains unpaid, the penalties increase over time until the now-delinquent tax bill is sent to collections on March 17. The County Tax Collector manages the collections process. The County Treasurer can also initiate collections proceedings on “bounced” payments, either by check or electronic.

The County Treasurer is required to provide a monthly report to the County’s chief administrative officer on the funds received for and on account of the county and the character of the funds received. The County Treasurer must also make a report to the CEO of the school district on the 15th of each month that includes an itemized statement of receipts and disbursements from the school district’s fund.

Motor Vehicle and Watercraft Property Taxes

Unlike property taxes on other forms of personal property, property taxes on motor vehicles and watercraft are not imposed based on the property tax calendar. Instead, property taxes on motor vehicles and watercraft are paid prior to renewal of motor vehicle registration (every two years) or watercraft certificate (every year). Motor vehicles and watercraft are taxed at the owner’s millage rate and include municipal property taxes if the owner resides in a municipality. The County Auditor determines the assessed value of motor vehicles and watercraft and calculates the tax bill owed. The Office collects property tax payments from motor vehicle and watercraft owners and apportions the collected revenues in the same manner as other property tax payments.

Delinquent Property Taxes

The County Tax Collector collects delinquent taxes owed to the County. The Tax Collector sends collected taxes, fees, and penalties to the Office once per month along with reports produced in QS1 that shows the source and required apportionment of the collected taxes, fees, and penalties. The Office apportions delinquent tax collections as indicated at the tax's original assessment.

Payment of Property Taxes in Installments

The County allows taxpayers to pay property taxes in installments instead of in a lump-sum bill at the start of the tax year. In essence, the installment option allows taxpayers to pre-pay their expected taxes in five payments each equal to 16.5% of their expected tax bill, due on the 15th of February, April, June, August, and October. The final payment, due on January 15, covers any difference between the taxpayer's expected tax bill and their actual tax bill. Taxpayers must opt-in to the installment program prior to the start of the tax year. If a taxpayer misses an installment payment, the Office may remove the taxpayer from the installment program, although the Office currently does not exercise this option.

Fee in Lieu of Taxes Collection

The County enters into development agreements with property owners in order to encourage significant investments in the County. County development agreements generally exempt the covered property from taxation and instead require the property owner to pay a Fee in Lieu of Taxes ("FILOT"). FILOT payments operate as if they are property taxes charged at a lower rate. Owners of property covered by development agreements prepare FILOT returns and file the returns with the Office. FILOT revenues are apportioned as if they were property tax payments.

Motor Vehicle Registration and Watercraft Certification

The Office processes applications for motor vehicle registration and watercraft certificates using software systems supplied by the DMV and DNR, respectively. Processing registrations within the Office allows County residents to have a "one stop shop" for basic registration and certification tasks, as owners can pay the property tax and receive their registration/certification without having to visit a second location. As discussed earlier in this chapter, some of the fees charged for motor vehicle registration and watercraft certification are retained by the County, while the remainder are remitted to the DMV or DNR, as appropriate.

Investing County Funds⁶

The Office may invest any funds retained in excess of those needed for current expenses. State law limits the investments in which the Treasurer may invest to a select set of low-risk options, including obligations of the federal government, obligations of the State or any of its political subdivisions, savings and loan associations whose deposits are insured by the federal government, certificates of deposit backed by federal or State obligations, certain money markets, and the State-established Local Government Investment Pool ("LGIP"). Interest and other earnings from the County's investments accrue to the same funds that provide the investment capital and are paid out as other money in the fund. The Office currently maintains an account with the LGIP, several money market accounts, and savings accounts at the Bank of the Lowcountry and SouthState Bank.

⁶ S.C. Code § 12-45-220

State Guidance

The State Treasurer's Office defines the role of a County Treasurer as follows: *"The county treasurer serves as the county's banker, responsible for the safekeeping and investment of public funds. As the lawful custodian of county funds, this also includes the responsibility of receipt and disbursement of funds.*

"As a part of receipting, many county treasurers often receipt all current real and personal property taxes. County treasurers also issue receipts, vehicle decals and registrations, which helps facilitate the registration of boats, motors, and vehicles with the South Carolina Department of Natural Resources and South Carolina Department of Motor Vehicles.

*"County treasurers also distribute county funds, which includes school system taxes and pass throughs from the state. Some county treasurers assist municipalities, special purpose districts, and fire departments in the collection of their taxes and fees."*⁷

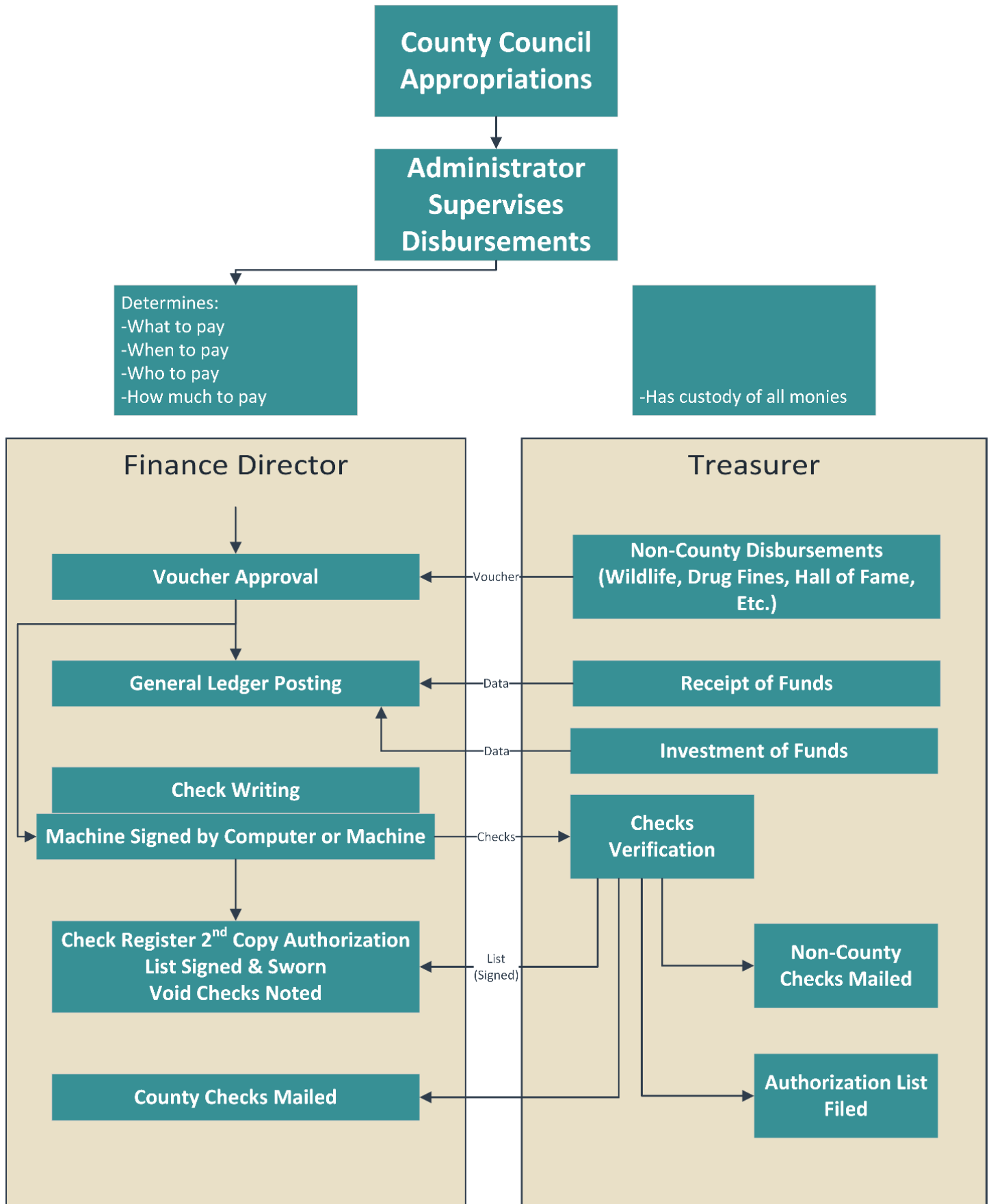
The South Carolina Association of Counties describes general county governance and operations in *A Handbook for County Government In South Carolina*. The fifth edition of the *Handbook* describes the County Treasurer's role as follows: *"The county treasurer's primary responsibilities are to collect the property tax, to receive other county revenues such as state aid, and to invest those funds for the county until such time as they are needed to cover county expenditures. The treasurer is charged with the collection of delinquent taxes and the sale of seized property. The treasurer is elected under the council, council-administrator and council-supervisor forms of government. Under the council-manager form, the treasurer may be elected or appointed by county council as set by ordinance. The specific duties of the treasurer are listed and described in Title 12, Chapter 45 of the Code of Laws. The duties and activities of the treasurer are regulated by the S.C. Department of Revenue."*⁸

The fifth edition of the *Local Government Procedures Manual*, published in 2004 by the South Carolina Office of the Comptroller General, includes a flowchart showing a typical county's receipt and disbursement system, dividing functions between the Finance Director and the County Treasurer. Figure 2: Typical County Receipt and Disbursement System Flowchart reproduces the flowchart included in the 2004 *Local Government Procedures Manual*.

⁷ <https://treasurer.sc.gov/what-we-do/for-governments/county-treasurers/>, accessed 11/27/2023

⁸ *A Handbook for County Government in South Carolina*, Fifth Edition (p. 25)

Figure 2: Typical County Receipt and Disbursement System Flowchart



4. Office Processes and Internal Controls

Methodology

To gain an understanding of processes and procedures currently performed in the Office, M&J interviewed and conducted shadowing of various processes with Office professionals. Based upon interviews and shadowing, M&J identified multiple processes related to the main functions of the Office in addition to internal controls associated with the processes. The following sections provide an overview of the primary Office processes and current internal controls as of the date of our fieldwork.

Overview

The Treasurer's Office is responsible for collecting fees for motor vehicles and watercraft registration as well as taxes on real and personal property within the County. The Treasurer's Office also serves as the custodian for funds of most County departments. Departments deposit revenues to the Treasurer's Office and the Treasurer is responsible for investing all revenues received, identifying, and remitting funds to the State of South Carolina and the DMV, in addition to apportioning tax revenues and ensuring that revenues are fairly and equitably distributed to end-users.

Functions

The following list identifies all of the functions of the Treasurer's Office related to collecting taxes, distributing revenues for remittance and apportionment, and investment of revenues.

- Collection of Taxes
- Reconciliation of Cash Drawers
- Inventory of Decals
- Remittance of Funds
- Receipt of Department Deposits
- Apportionment
- Issuance of Refund Checks
- Investment of Revenues

Appendix A: Revenue Streams illustrates the revenues received and distributed by the Treasurer's Office.

Collection of Taxes

Clerks at the front desk of the Treasurer's Office are responsible for providing customer service to taxpayers who visit the Office to pay fees related to motor vehicle decals and watercraft registration, in addition to real and personal property taxes. Clerks take payments using a cash drawer and enter all transactions into QS1. Within QS1, Clerks input the transaction information to account for each transaction that takes place and ensure taxpayer's bill status is updated as payments are processed.

Payment Processing

Clerks take payments in-person and by mail. For payments that are mailed-in, before scanning the bill(s), Clerks select "mailer" on QS1 under the posting tab. For payments completed in-person, Clerks select "walk-in" in QS1 under the posting tab.

When taking motor vehicle, watercraft, or property tax payments in-person or by mail, the taxpayer provides Clerks with their tax bill for scanning. The Clerks use the bill to scan the barcode provided which generates the customer's payment profile on QS1 and displays the customer's balance.

For payments related to motor vehicles, once the Clerk scans the barcode, a pop-up window appears which allows Clerks to select whether the customer is paying a renewal fee, whether they paid their bill previously, if they need a printed decal, or whether they are paying for their decal. On a case-by-case basis, Clerks ensure the correct options are selected to ensure the system processes the payment properly. The Office is capable of issuing and printing decals for motor vehicles and watercrafts, however, not all taxpayers come into the Office and receive a decal. For instance, if the taxpayer is late renewing their decal and therefore incurs a renewal fee, the Office cannot issue them a new decal. Instead, customers must receive a decal from the State DMV.

Once the taxpayer's payment profile appears, the taxpayers' balance is shown, and the Clerk selects the form of payment provided. Next, the Clerk selects the appropriate method (cash, check, money order, credit card) and enters in the amount of the payment. In the reference field, the Clerks enter information related to the method of payment used. Once the amount is confirmed and the reference field is completed, Clerks accept the payment and a receipt for the payment automatically prints. If a decal is issued as a result of the transaction, the decal automatically prints. The receipt page includes a white and yellow slip. The Clerks keep the white slip for recordkeeping purposes and provide the customer with the yellow slip as their receipt. Clerks place the white slip receipts in different drawers specific to each payment type. Clerks use abbreviations to indicate method of payment on the Office receipt to assist with reconciliation of their cash drawers.

Cash Payments

For cash payments, Clerks write a "\$" symbol on the kept receipt to indicate the customer paid cash.

Credit Card Payments

For credit card payments, Clerks use a system external to QS1 for processing. Clerks use Fluid Pay to accept credit cards. When taking a credit card payment, Clerks choose the proper terminal corresponding to their individual drawer and enter in the payment amount, and then submit to process the payment. In QS1, Clerks repeat this process to ensure the transaction is recorded in QS1. In the reference field, Clerks enter "CC". Once the receipt is generated, Clerks write "CC" on the kept receipt to indicate the customer paid with credit card.

Money Order

For money order payments, in the reference field on QS1 and on the kept receipt, Clerks use "MO" to indicate the customer paid with a money order.

Check

For check payments, in the reference field on QS1 and on the kept receipt, Clerks use the last four digits of the check number to indicate that the customer paid with a check. All checks are stored in the drawers specific to each payment type where receipts are held.

Transfer of Online Payments to QS1

The County uses Sturgis which is a solution that allows governments to securely accept online payments, for the processing of all online payments made to the Office. Sturgis and QS1 are not integrated systems and do not communicate. For this reason, Clerks must manually enter in all transactions completed in Sturgis to QS1 on a daily basis. Each morning, one of the two Clerks is responsible for logging into Sturgis and generating all of the processed transactions from the previous day for entry into QS1. The Clerk retrieves the receipt number generated from each transaction and pastes them into QS1 using a “multiple payments” feature that allows Clerks to batch multiple payments for uploading at once. Once all receipt numbers are copied over to QS1, the Clerk submits the payments and then saves them as internet payments. Once the payments are transferred, the Clerk selects “duplicate” on the top tab to print receipts for the online payments entered. The Clerk then ensures that all customer copies of receipts are mailed out to the correct customers. The Office then shreds their copy of the receipt for all online payments. *After M&J completed fieldwork, the Treasurer switched from Sturgis to Authorize.Net – a Visa solution for online payments.*

Payment Installment Program

The Office administers a payment installment program that allows taxpayers to make payments that are flexible and are not required to be the payment amount set by the Office. Customers may apply to be part of the installment program. The payment installment program is based upon customers paying one year’s worth of taxes and dividing up their payments into monthly installments. The Office then sends out remaining balances by mail and requests collection for payment on a bimonthly basis. Customers may choose to make a bimonthly payment of their choice or to not make any payment towards their balance without receiving any penalties.

When Clerks receive an installment payment by mail, Clerks use a “special processing” feature within QS1 to post payments or adjustments to installment payment balances. The Clerks use the record number associated with the taxpayer’s account and then select “post payment” and select a payment method and ensure that a receipt is printed. The Clerks then send the receipt by mail to the customer and save a copy of the receipt in a binder which houses all installment payment documents for all customers enrolled in the program.

Reconciliation of Cash Drawers

Clerk's Responsibilities

Each afternoon when the Office closes, Clerks are responsible for counting their drawers and ensuring that \$75.00 is left in the drawer for the next day. The Clerks access the safe to retrieve daily cash flow trackers to aid in recording the counts of all types of bills present in the drawer. The Clerks utilize a counting machine to count bills and bind stacks of bills to make the counting process quicker and more accurate. Then, Clerks count the coins and record dollar amounts of each coin type on the cash flow tracker. The Clerks ensure that some coins are left in the drawer to make change for the next day and account for how many coins are left in the drawer when totaling coin amounts. Next, the Clerks count the different types of bills and take out bills to keep in the drawer to maintain a balance of \$75.00. While counting the cash, Clerks use the cash flow tracker to total the amounts of all bills taken from the drawer for deposit. Once the drawer is counted, the Clerks total the amount of all coins and bills as written on the cash flow tracker using a calculator and use the calculator to print a receipt that includes the total amount for deposit and attaches the receipt to the cash flow tracker. The Clerks then sign and date the cash flow tracker to authorize the total. Lastly, Clerks take the cash and coins and place them in a deposit bag and binds checks and receipts and any remaining decals that have yet to be issued and place the drawer in the Office safe in a filing drawer to retrieve the next morning.

Deputy Treasurer's Responsibilities

Each morning, the Deputy Treasurer ("Deputy") is responsible for reconciling the Clerks' cash drawers and making deposits collected from the day before. To aid in the reconciliation process, the Deputy generates a summary cash drawer report from QS1 that details the total amount of revenue from each payment source (e.g., cash, checks, credit cards, online).

Cash

To account for all of the cash in the drawer, the Deputy reviews cash flow trackers that the Clerks completed the day before and uses the cash flow tracker to compare the second count with the Clerk's count. The Deputy then counts all cash a second time to ensure amounts reported on the cash flow tracker are accurate. The Deputy counts all cash and records the amount of each type of bill to compare to the cash flow tracker. The Deputy then records the dollar value of cash present in an Excel sheet that serves as a log for recording the totals of all payment types present in the drawers.

Checks

To account for all checks present in the drawer, the Deputy takes all checks received and matches the check numbers to corresponding receipts and ensures that the amount of the check matches the amount of the bill. Once all checks are matched to the receipts, the Deputy sums all check amounts and proceeds with depositing checks electronically using the SouthState website. The Deputy then stamps all checks and creates a deposit. The Deputy feeds all checks through a check machine to be read and included in the deposit. If errors appear from misreading of check numbers or amounts, the Deputy makes any needed corrections. Once the check deposit amount is correct, the Deputy submits the deposit and enters the amount of the deposit on an Excel spreadsheet to keep a log of the daily deposit amounts. Next, the Deputy matches the total amount of checks on hand to the reported total of checks shown in QS1. If the totals do not match, the Deputy will investigate why the drawer may be over or short on checks. The Deputy then records the dollar value of checks present in an Excel sheet that serves as a log for recording the totals of all payment types present in the drawers.

Credit Card Payments

For credit card payments, the Deputy reviews the total of online payments reported on the QS1 report. The Deputy then records the dollar value of all credit card payments reported in an Excel sheet that serves as a log for recording the totals of all payment types present in the drawers.

Online Payments

For online payments, the Deputy reviews the total of online payments reported on the QS1 report. The Deputy then records the dollar value of online payments reported in an Excel sheet that serves as a log for recording the totals of all payment types present in the drawers.

Inventory of Decals

As Clerks issue decals for motor vehicles and watercrafts, Clerks must account for all of the decal numbers they issue for tracking purposes as required by the South Carolina DMV. Clerks have a physical form that tracks the number and details of all decals that are received by the Office from the DMV. In addition to the physical form, Clerks also complete an electronic form on the DMV portal that tracks the control information of the decals received by the Office. When Clerks retrieve a new stack of 100 decals to issue at the front desk, they use the online and paper forms to enter in the first decal number of the batch in addition to the last decal number of the batch.

The Deputy also uses the paper and online forms to track decals that are voided, damaged, or missing from the Office's inventory. For example, if the Office receives a decal that was damaged in printing, the Office cannot issue the decal and it must be voided. To keep track of all decals that are not issued for various reasons, the Deputy records the corresponding decal numbers on the paper and online forms to provide to the DMV.

In addition to completing inventory forms online, the Deputy also tracks all decals issued by the Office to ensure that all issued decal numbers are accounted for. The Deputy keeps track of all decal numbers issued by recording the first and last name of the customer, in addition to the year and make and model of the vehicle, the amount of the transaction and the decal number issued to the customer's vehicle. While the Deputy deposits funds from the Office, the Deputy sorts through all receipts for transactions that included decals to record all of the information.

Remittance of Funds

The Office is responsible for the remittance of funds to State of South Carolina entities on behalf of County departments. The Office remits funds on behalf of the Clerk of Court, Sheriff's Office, County Magistrate Courts, and the Central Traffic Court. The Office must also remit revenues received from collecting DMV decal fees and taxes and watercraft payments.

Office of the State Treasurer

For the funds that must be remitted on behalf of the Clerk of Court, the Clerk of Court provides the Office with a packet that includes a check of funds to be remitted. The Deputy then uses the documents in the packet to report funds to be remitted using a form contained on the State Treasurer's website. Using the documents provided, the Deputy completes a form on the State Treasurer's website titled "Court Fines and Fees Reporting" and uses the information in the packet to populate the types and amounts of funds due for remittance. Then, the Deputy submits the online form and records the receipt number and confirmation number associated with the transaction. The funds remitted on the website are transferred out of the general fund by an electronic funds transfer.

Department of Motor Vehicles

On a biweekly basis, the Office also remits revenues received from decals and DMV fees to the DMV. To remit funds to the DMV, the Deputy runs a report within QS1 that shows all revenues collected in the form of taxes and fees. The Deputy also generates a report within the DMV website to show a list of all customers that have renewed their decals within the past week along with all issued decal numbers. Once both reports are generated and printed, the Deputy then writes a check to the DMV for the amount of reported revenue and also completes a template that details the exact amount of revenues from each source. Once the Deputy completes all of the documentation, the Deputy makes copies of all documents for recordkeeping purposes and then mails the reports and the check to the DMV.

Department of Natural Resources

On a biweekly basis, the Office remits funds received from watercraft payments to the (“DNR”). The first step of the process is for the Treasurer to generate a report within QS1 that details all transactions involving a watercraft payment. Next, the Treasurer retrieves a report from the DNR that details transactions processed by the Office and revenue from watercraft payments. The Treasurer compares the two reports to ensure they match and then writes a check to the DNR for the fees collected. The Treasurer then mails the check to DNR with a copy of the report from QS1.

Receipt of Department Deposits

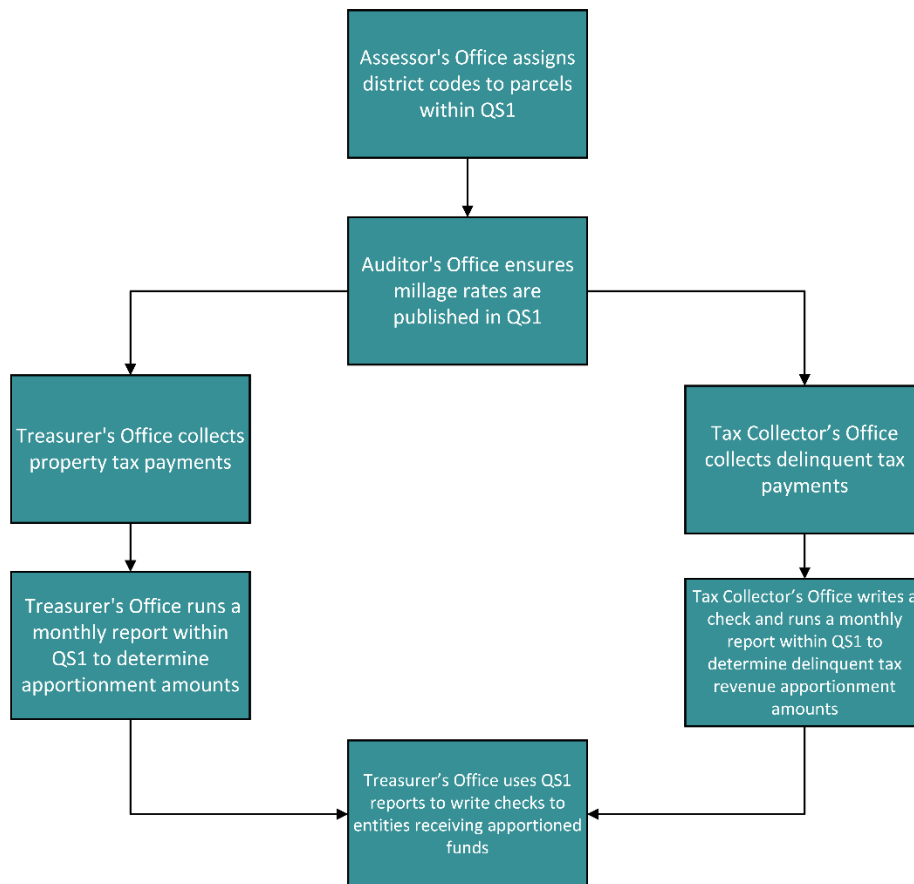
The Deputy is responsible for processing deposits from County departments and municipalities and depositing funds. Departments and municipalities such as the City of Hardeeville, the Jasper County School District, and multiple offices within Jasper County provide the Deputy with checks to deposit. The Deputy then completes a receipt and provides the depositing entity with a copy of the receipt including a deposit number which the entity can use to track the funds. Next, the Deputy deposits the check electronically. The Deputy uses online banking to create the deposit and enter a memo in the deposit to include the date of the deposit and the date that the check was received. The Deputy then makes and keeps a copy of the check for recordkeeping purposes and any other documents related to the deposit. If funds are deposited into the general fund, the Deputy will make an additional copy of all deposit documents and place them in an envelope to send to the Finance Office to inform the Finance Office of the account that the funds were deposited in.

Apportionment

Apportionment is a monthly process in which the Office distributes revenues to various entities within the County. Revenues that are not remitted back to a state entity instead are part of the apportionment process to ensure revenues received by the Office are distributed fairly and equitably to appropriate County entities that are entitled to a portion of the Office’s revenue. County entities or accounts that receive apportioned funds include the following: Jasper County Operations, Jasper County Debt, Jasper County School District Operations, Jasper County School District Debt, City of Hardeeville, and the Town of Ridgeland.

Apportioned revenues fall into two categories: revenue from non-delinquent tax collections and revenue from delinquent tax collections. While revenue from non-delinquent tax collections include deposits from County departments and sales tax and DMV-related revenues, revenue from delinquent tax collections involves property taxes that are classified as delinquent because the payments are overdue. The Office completes two separate apportionment processes that are based on the type of revenues being apportioned. The Office apportions non-delinquent and delinquent tax revenues to entities within the County that levy a property tax based on ratios of property taxes and millage rates. The apportionment process and the calculation of funds to be apportioned involves dependencies with the Offices of the Auditor, Assessor, and Tax Collector. Figure 3: Apportionment Process for Non-Delinquent Taxes demonstrates the process for the apportionment of non-delinquent taxes.

Figure 3: Apportionment Process for Non-Delinquent Taxes



The Office of the Assessor is responsible for assigning district codes to different parcels to aid in the apportionment process within QS1. On an annual basis, the Office of the Auditor is responsible for collecting all millage rates from various county units and publishing all millage rates in the County in a millage letter that is sent to QS1 professionals. Millage rates are then entered into QS1 by QS1 professionals, and the Auditor ensures that all millage rates are correctly entered into QS1.

Non-delinquent Property Tax Revenue

On a monthly basis, the Deputy generates an apportionment report within QS1 for general, non-delinquent property tax revenue that divides revenues eligible for apportionment into six totals that are specific to each account that receives apportioned funds. The six totals represent the amount of funds that are due to each entity based on reported property tax revenues in QS1. The report details the total amount of revenues due to each account and based on the report, the Deputy addresses checks to each account with the total amount of apportioned funds due for the month.

Delinquent Property Tax Revenue

The Tax Collector's Office is responsible for collecting all overdue payments on property taxes. For delinquent property tax revenue, the Tax Collector's Office provides the Treasurer's Office with a packet that details all disbursements for the previous month. The packet includes a summary report generated from QS1 that provides the total of all disbursements, copies of checks addressed to the Office for the disbursement payment, in addition to a detailed Tax Levy Breakdown report from QS1 that details the total amount of delinquent tax revenues received that must be distributed to each separate apportionment account. Also, a City Collection Report is included for each County entity that details the individual property tax delinquent payments that are being distributed to the entity for the month. When the Deputy receives the packet, the Deputy deposits the checks into the delinquent tax revenue account and then utilizes the QS1 report totals to address checks to all County entities receiving delinquent tax apportionments for the month.

Issuance of Refund Checks

The Office is responsible for issuing refund checks for overpayments. If the Office notices a refund is due to a customer during an in-person transaction, the Office issues the refund in-person using QS1. If the Office is made aware of a refund due to a customer after the payment has been processed, the Office notifies the Office of the Auditor of all refunds due to customers. Refunds then must be approved by the Auditor to be issued by mail. When the Office notifies the Auditor's Office of all due refunds, the Auditor's Office staff completes forms with documentation of the refund to describe the adjustment that must be made in QS1 before the refund is processed. The Auditor then uses QS1 to authorize the refunds.

Twice a month, the Office issues refund checks for overpayments to customers by mail. The Deputy is responsible for processing and sending out refund checks on the 15th and 30th of each month. First, to obtain a list of all refund checks that must be generated, the Deputy runs a report within QS1 that details all refunds that have been approved to be sent out by the Auditor's Office. The report summarizes the total dollar amount of the approved refunds and the reason for the refunds. Next, the Deputy prints out all approved refund checks in a batch within QS1 and stamps each check for endorsement. Once the Deputy prints the checks, the status of the refund in QS1 changes from "approved" by the Auditor to "refunded" by the Treasurer to indicate that the refund check has been generated. Then, the Deputy makes copies of all checks and the refund report. The Deputy then places the checks in envelopes and addresses the envelopes. While the Deputy is preparing checks to be mailed, the Deputy ensures that all of the printed checks match the refund report to account for all checks. The Deputy matches the total of all of the printed checks to the total indicated on the report. The Deputy then creates a letter to describe to the customer what the refund is for and the amount of the refund and includes the letter with each check. Once the Deputy sends out all of the checks, the Deputy files the refund check copies and report copies in the Office for recordkeeping purposes.

Investment of Revenues

The Treasurer is responsible for managing the investment accounts that funds and revenues received by the Office are deposited into. The Treasurer currently manages multiple investment accounts on behalf of the County. One of the accounts is invested with the LGIP, which provides local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. Additional accounts include money market funds and accounts invested at the Bank of the Lowcountry and SouthState Bank. In addition to investment accounts, the Treasurer also manages savings accounts for the County and recently negotiated higher interest rates for the accounts. The Treasurer recently started working with Cashvest, which is a software made for public sector institutions to help manage and maximize funds strategically. The software has access to the investment accounts and assesses the liquidity and how the funds have been invested in the past to generate a score from 1 to 100. This score measures fiscal responsibility and asset usage. The Treasurer is currently working on improving the County's Cashvest score.

Analysis of Internal Controls

Establishing and maintaining internal controls within the Office is critical due to the procedures that involve handling of cash and checks. Based on processes and procedures within the Office, analysis of internal controls is separated into three areas:

- Cash and Check Handling by Clerks
- Reconciliation of Cash Drawers
- Deposits

Figure 4: Treasurer's Office Internal Controls by Category documents current internal controls and procedures present and groups internal controls by category:

Figure 4: Treasurer's Office Internal Controls by Category

Internal Control Category	Present Internal Controls
Cash and Check Handling by Clerks	Cash drawers are stored in a locked safe overnight
	Two receipts are generated from transactions including a copy kept by the Office
	Payment methods are indicated on kept receipts (last four digits recorded if check)
Reconciliation of Cash Drawers	Cash drawers are reconciled on a daily basis
	Cash drawer check and cash amounts are balanced on a daily basis against a system-generated report
	Over/short amounts are tracked and monitored
Deposits	A second party other than the staff member depositing funds is provided the receipt for cash deposits
	Deposit receipts are provided to County departments for tracking purposes
	Copies of all checks deposited to the Office are maintained in the Office

Cash and Check Handling by Clerks

Clerks are responsible for processing payments and managing their respective cash drawers during their shift. Currently, cash drawers utilized by the Clerks at the front desk to take and store cash payments do not have locks. Relatedly, when Clerks process check payments, checks are placed in drawers that do not lock. Regarding security of the drawer and funds, there is currently a camera in the waiting room where customers give payments to the Clerks however, the camera is pointed towards customers and does not record the actions of Clerks. Current internal controls present regarding the safeguarding of cash and checks involves the Clerks placing their drawers in the locked Office safe overnight after their shift. There is one code that personnel may use within the Office to open the keypad placed on the door to the safe.

Additional internal controls regarding Clerk's duties include the generation of two receipts when a transaction is processed. When a receipt prints, one copy of the receipt is printed for the customer, and one copy is printed and kept by the Office for recordkeeping purposes. Although the receipt does not indicate the payment method used by the customer on the receipt kept by the Office, Clerks indicate the payment method type and include the last four digits of the check number for check payments which allows for all payments to easily be accounted for during reconciliation.

It was noted during the shadowing process that once a payment has been processed and a receipt is generated, Clerks have the ability to mark a bill as unpaid within QS1 without receiving prior authorization.

Reconciliation of Cash Drawers

The Deputy is the primary staff member responsible for reconciliation of the Clerk's cash drawers on a daily basis. The reconciliation process includes reviewing amount of revenue received in cash, checks, online payments, and credit cards that are detailed in a cash drawer summary report in QS1.

The Deputy balances the cash registers by counting cash manually and comparing the bill counts to those completed by the Clerks for a secondary count. The Deputy then uses the summary report in QS1 to compare cash amounts present in the drawers with those reported and records any over or short amounts in an Excel spreadsheet that tracks amounts of each type of payment method for each day that the drawers are reconciled. For credit cards, there is currently no method used by the Office to balance transactions processed from the credit card portal Fluid Pay that are automatically transferred to QS1. For check payments, the Deputy accounts for all checks by matching the checks present in the drawer to the check numbers written on receipts by the Clerks. Using the QS1 report, the Deputy compares reported check revenues with checks that are on hand and records any over or short amounts. While the over and short amounts of the drawer are monitored by staff using the Excel spreadsheet, there is confusion as to how to remedy or investigate any over or short amounts that may occur.

Deposits

Deposits of cash drawer and departmental funds are completed by the Deputy. The Deputy is currently the primary staff member responsible for reconciliation of the Office's cash drawers in addition to deposits of revenues from the cash drawers. Checks from the cash drawers are deposited electronically, while cash is deposited in-person about twice a week. For both checks and cash, the Deputy completes a deposit slip including the date that the funds were collected, the date of the deposit, and the types of funds that the deposit includes. After depositing the cash, the Deputy provides the Treasurer with the receipt.

For deposits of County department funds that are delivered to the Office, the Deputy deposits checks electronically and includes a memo to record the County department that the deposit is from, and the date that the deposit was received. The Deputy completes a receipt and includes the date that the deposit was received, and the receipt includes a number so that end-users can track the status of their deposit. Also, the Deputy makes a copy of all checks and other documents associated with the deposit and files the copies in the Office for recordkeeping purposes.

5. Assessment of Apportionment Formulas and Methodologies

M&J's work with the Treasurer's Office included an assessment of the formulas and methodologies currently used in the apportionment and distribution of funds received by the Treasurer. The Treasurer's Office provided M&J with a limited set of formulas and methodologies currently used in the apportionment process. M&J reviewed both an Excel workbook that included a template for determining the apportionment of Jasper County property taxes and an undated Excel workbook containing calculations showing the apportionment of revenues from an unspecified source. The property tax apportionment calculator provided by the Treasurer's Office is configured correctly to apportion FY23 and FY24 property taxes collected from residents of the unincorporated portions of the County. The undated Excel workbook containing calculations for apportioning revenues from an unspecified source appears to be reasonable and is internally consistent.

The Treasurer's Office also provided M&J with two reports received from the Tax Collector's office showing delinquent tax collections and associated disbursements for the months of August and September 2023. The reports include a coversheet showing total distributions to the Treasurer's Office for the month, scans of the check or checks transferring the funds to the Treasurer, and a QS1-generated report showing total disbursements required for the period and details of the delinquent taxes and penalties collected, including taxpayer name, assessed property value, levy year, tax paid, and penalty paid.

Additionally, the Treasurer's Office provided M&J with a DMV Insurance Report for the week of October 9, 2023. The DMV Insurance Report lists the motor vehicle customers served at the Treasurer's office during the week and includes the name of the customer, information on each of the customer's vehicles, the customer's insurance status, and records of taxes and fees collected from the customer. The DMV Insurance Report includes a summary for each day, showing the total number of customers served and the required distribution of that day's revenues between the County, municipalities within the County, and the South Carolina Department of Motor Vehicles. M&J did not review any records, such as bank statements or cancelled checks, showing that the Treasurer's office disbursed funds for the week of October 9, 2023 as indicated in that week's DMV Insurance Report.

6. Observations and Recommendations

In the course of our fieldwork, we identified several themes and trends that we leveraged to develop the following observations and recommendations.

Enterprise Wide

Observation 1: The Treasurer took office on July 1, 2023 with limited continuity of staff, reduced staff headcount, and no formal policies, procedures, and/or user guides for performing the operational functions of the Office. The Treasurer has been working and is continuing to work to develop formal governance and documentation for Office operations.

Recommendation 1: The Treasurer should continue to work to develop and maintain formal policies, procedures, and user guides to maintain proper governance and knowledge retention within the Office. To help ensure better transitions in the future, the County should ensure that all functions within the County maintain current formal policies, procedures, and user guides.

Statutory Compliance

Observation 2: Certain sources of funding retained by the County are required to be spent on particular types of expenditures. For example, certain court revenues retained by the County are required to be spent on victim services and the County's distribution of the motor fuels tax is required to be spent in furtherance of a Countywide transportation plan. The Treasurer's Office does not currently play a role in ensuring that the retained funds are spent on the required expenditures.

Recommendation 2: The Treasurer's Office should explore creating separate funds for County revenues dedicated to particular expenditures.

Interdepartmental Relations

Observation 3: The Offices of the Treasurer, Assessor, Auditor, and Tax Collector ("Offices") share dependencies and functions within QS1. During interviews, the offices were unable to speak to the roles and responsibilities of other offices in the shared processes such as apportionment. Furthermore, employees within the offices explained a reliance on system cues within QS1 to trigger actions from one another rather than communication with other offices.

Recommendation 3: The Offices should schedule a demo or training session held by representatives from QS1 to explain handoffs and dependencies of all Offices within the system. The session will help to inform all Offices of the division of roles and responsibilities in shared processes such as apportionment.

Reconciliation

Observation 4: During reconciliation of the cash drawers, staff is unaware of how to account for online payments because receipts from online payments are not kept by the Office. When online payments are transferred from Sturgis to QS1, Clerks do not keep receipts and therefore there is no way for staff to determine whether the amount of revenue reported from online payments is accurate.

Recommendation 4: The Office should keep receipts as Sturgis payments are manually transferred to QS1 and should ensure that staff reconciling the drawer has access to the receipts. If receipts are kept, staff reconciling the drawer will have a record to help identify the amount of funds in online payments that have been transferred to QS1 and therefore be able to identify whether the reported amount of online payments matches the receipts present for online payments.

Observation 5: During the reconciliation of the cash drawers in the morning, staff first make mobile deposits of all checks present in the drawers before reconciling the amount of funds in physical checks on hand with the amount of checks reported in QS1. Staff reconciles the checks after depositing them.

Recommendation 5: All checks should be reconciled and accounted for prior to depositing the checks. Prior to the deposit, staff should compare the number of checks on hand and all check numbers with the receipts generated from QS1 in conjunction with the detailed report showing all transactions by the Clerks to ensure the number of checks deposited matches the amount that is accounted for.

Internal Controls

Observation 6: The cash drawers used by the Clerks at the front desk do not have locks. If a Clerk has to step away from the drawer at any point during the shift, the drawer remains unlocked.

Recommendation 6: Locks should be installed on both cash drawers used by the Clerks to secure cash in the drawer when the drawers are left unattended. Clerks should be provided with keys for their respective drawers for security purposes.

Observation 7: When customers pay with check, Clerks place the check in a set of drawers next to the cash drawer that do not lock. At the end of the day, Clerks take the checks from the drawers and places them into the safe in the back of the Office.

Recommendation 7: To implement a safeguard against the theft of checks, checks should be placed into drawers that are able to be locked when Clerks step away from the cash drawer area.

Observation 8: The camera currently installed in the waiting room at the payment window only captures the customers.

Recommendation 8: The camera currently installed should be positioned so that it captures both the customers and the Clerks. The camera should capture both parties in addition to the payment methods that are exchanged to keep a record of all transactions that occur with the Treasurer's Office. Cameras will also help to deter fraud within the Office and serve as a security measure.

Observation 9: Clerks do not have to obtain permission within QS1 to mark a bill as unpaid after a payment is processed.

Recommendation 9: Clerks should not be allowed to mark bills as unpaid in QS1 without the authorization from an authority figure within the Office. Requiring permission prior to marking bills as unpaid will decrease chances of fraud and theft and tampering with customer's bill status.

Observation 10: While reconciling the cash drawers, staff does not currently balance all credit card transactions and compare the amount of funds in receipts for credit card payments with the amount of credit card payments reported by QS1.

Recommendation 10: To ensure that all credit card payments are accounted for, staff should begin to compare all receipts that are associated with credit card payments with the total amount of credit card funds reported in the QS1 cash drawer summary report.

Observation 11: When reconciling the cash drawers, staff is uncertain of how to search for transactions that may have caused the drawer to be over or short of funds when compared to the QS1 summary report. If staff does not identify the cause, no further action is taken to resolve the discrepancy.

Recommendation 11: While reconciling the cash drawers, staff should use the cash drawer report that shows detailed individual transactions from the shift when the drawer is over or short of funds. Staff should utilize the report to account for and identify individual transactions that may be the cause of the discrepancy.

Observation 12a: The staff member that collects and records the receipt of the deposits also is responsible for completing deposits.

Observation 12b: The staff member that reconciles the cash drawer also deposits funds from the cash drawer.

Recommendation 12: A staff member other than the staff completing the deposit should record the receipt of the deposit. Additional controls should be implemented to ensure that funds are accounted for by a different staff member when a single staff member is both reconciling the cash drawer and depositing funds from the cash drawer.

Observation 13: Staff currently makes cash deposits approximately twice a week.

Recommendation 13: To decrease exposure to theft or loss of funds, cash deposits should be made within 24 hours.

7. Conclusion

We commend the leadership of the Office and the County for commencing this limited-scope Assessment as this process has brought to light the positive accomplishments of the Treasurer's Office and the opportunities for improvement needed to achieve operational excellence. The Treasurer's Office is operating efficiently in many ways, but also has many opportunities to improve.

As the Treasurer took office on July 1, 2023 with limited continuity of staff, reduced staff headcount, and no formal policies, procedures, and/or user guides for performing the operational functions of the Office; the Treasurer has had to quickly ramp up operations without typical transition assistance or artifacts. The Treasurer has already begun creating formal operational documentation and has begun assessing certain operational aspects of the Office. The Treasurer should continue to leverage assistance from other county Treasurer peers, the South Carolina Office of the Treasurer, and other County professionals for assistance and guidance.

The recommendations contained in this report should aid the Treasurer in enhancing operations to help ensure an environment of compliance, prudent fiscal management, accountability, transparency, and customer service.

Appendix A: Revenue Streams

