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Certified Public Accountants

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S. Stewart Bromley, CPA, CFP®
Ronnie A. Barnhill, Jr., CPA
Shannon L. Brett, CPA, CFE

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Certified Public Accountants

Recommendations Based on Applied Agreed-Upon Procedures

May 18, 2012

Mr. David A. Starkey, CPA
Chief Financial Officer
Beaufort County
P.O. Drawer 1228
Beaufort, SC 29901

We performed the agreed-upon procedures noted in the accompanying report and propose the following recommendations to improve the internal processes and financial reporting of the Beaufort County Stormwater Department.

Recommendation 1:

Improve the training of individuals charged with completing the project daily summary worksheets.

During our procedures, numerous variances were identified while attempting to recount the amount of materials used, equipment hours charged, and labor hours charged. Many variances identified were due to an inconsistent completion of the project daily summary worksheets. Specifically, materials hauled to job sites may have been marked as installed and vice versa. It is recommended that additional training be provided to employees charged with completing the project daily summary worksheets, and that identified mistakes are corrected and communicated to improve future worksheets.

Recommendation 2:

Replace illegible project daily summary worksheets with clean copies.

Multiple projects included project daily summary worksheets that were illegible or difficult to read. In turn, recounts were problematic or impossible to verify. It is recommended that messy project daily summary worksheets be recompleted so that adequate support for project summary figures is available.

Mr. David Starkey, CPA

May 18, 2012

Page 2

Recommendation 3:

Large projects should be summarized weekly and monthly to make compiling easier at the end of the project.

On certain large projects, compiling of the project daily summary worksheets was not performed until the project was completed. This means that a large amount of worksheets had to be summed at one time, creating additional opportunities for errors. It is recommended for large projects, that weekly summaries of the project daily summary worksheets be performed.

Additionally, the project daily summary worksheets should be organized and grouped to agree to each weekly and monthly summary. Through discussions with management, it was determined that this has become standard practice in the more recent fiscal years.

Recommendation 4:

Keep project folders clear of unnecessary or duplicated documentation.

During our procedures it was noted that many folders had duplicated or unnecessary information, which created difficulties when performing recounts. It is recommended that folders be organized and kept free of unnecessary or duplicated information to allow for more accurate recordkeeping.

Recommendation 5:

Indicate on the project daily summary worksheets the installation of project specific materials.

During our procedures, it was noted that custom materials, such as drainage basins and pipe, would often have an invoice in the folder, however there was no indication of it being installed on the project based on the project daily summary worksheets. While some invoices explicitly indicate the project the materials were correlated to, many did not. It is recommended when custom materials are used, the project daily summary worksheets reflect the installation and the invoice be attached to that worksheet. Through discussions with management, it was determined that this has become standard practice in the more recent fiscal years.

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Savannah, Georgia

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