

**South Carolina
State Ethics Commission
Columbia, South Carolina**

State Auditor's Report

Selected Procedures

For the Fiscal Year Ended June 30, 2023

and

For the Period July 1, 2023, through February 29, 2024



Independent Accountant's Report on Applying Agreed Upon Procedures

April 8, 2024

Mrs. Meghan Walker Dayson, Executive Director
and
Members of the Commission
South Carolina State Ethics Commission
Columbia, South Carolina

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the South Carolina State Ethics Commission (the Commission) for the fiscal year ended June 30, 2023, and for the period of July 1, 2023 through February 29, 2024. The Commission's management is responsible for the systems, processes and behaviors related to financial activity.

The Commission's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the systems, processes and behaviors related to financial activity. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Commission for the engagement periods. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the Commission's management. Management of the Commission has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Up on Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

We are required to be independent of the Commission and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the governing body and management of the South Carolina State Ethics Commission, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA
State Auditor

**South Carolina Office of the State Auditor
Agreed-Upon Procedures Related to South Carolina State Ethics Commission (R52)**

The following procedures were performed for the fiscal year ended June 30, 2023:

Reporting Packages

1. Inspect fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Compare responses on the Master Reporting Package Checklist and any required supplemental information to the South Carolina Enterprise Information System (SCEIS) and Commission prepared records.
2. In addition to the procedure above, perform the following:
 - Subsequent Events QuestionnaireCompare responses and any required supplemental information to the SCEIS general ledger and Commission prepared records.

We found no exceptions as a result of the procedures.

Assets and Personal Property

3. Select five capital asset acquisitions and inspect invoices to determine that each asset was properly capitalized and posted to the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
4. Inspect the inventory of personal property, excluding expendables, provided by the Commission to determine that it was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of the procedures.

The following procedures were performed for the period July 1, 2023, through February 29, 2024:

Cash Receipts/Revenues

5. Haphazardly select ten cash receipts and inspect deposit slips, copies of checks and check logs to determine:
 - Receipts agree with the general ledger as to amount, date, payor, and account classification.
 - Receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2024 Appropriation Act.
 - Both revenue collections and amounts charged are properly authorized by SC Code of Laws section 8-13-130 and section 8-13-140.
 - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

Non-Payroll Disbursements

6. Haphazardly select fifteen non-payroll disbursements and inspect invoices, SCEIS workflow and email attachments to determine:
 - Disbursement agrees to the general ledger as to vendor, amount, date, and account classification.
 - Disbursement approval was performed by an individual, with proper authority, other than the preparer.
 - Disbursement is a valid expenditure of the Commission.
 - Disbursement is recorded in the proper fiscal year.

We found no exceptions as a result of the procedures.

Payroll

7. Select all employees who terminated employment to determine if they were removed from the payroll in accordance with the best practices established by the South Carolina Human Resources Division, and that their last paycheck was properly calculated.
8. Select all employees hired to determine if they were added to the payroll in accordance with the best practices established by the South Carolina Human Resources Division and that their first paycheck was properly calculated. If staff attorneys are listed as new hires, confirm compliance with SC Code of Laws Section 1-7-160.
9. Haphazardly select five bonus payments to determine:
 - The bonuses received during the year did not exceed \$3,000.
 - The payment amount agreed to the bonus justification forms and the bonus was given in accordance with objective guidelines established by the South Carolina Department of Administration.
 - The bonus pay was approved by the appropriate supervisor.

We found no exceptions as a result of the procedures.

Journal Entries and Transfers

10. Haphazardly select four journal entries and three transfers and inspect SCEIS Journal Entry Justification forms, receipts, and invoices to determine that the journal entries and transfers are valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of the procedures.

Status of Prior Findings

11. Through inquiry of management and inspection of the Commission's disbursements and journal entries, determine the Commission has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We determined that the Commission had taken adequate corrective action on the prior year finding.