

**South Carolina  
Department of Public Health**

**Cayce, South Carolina**

**State Auditor's Report**

**For the Period of July 1, 2024, through March 31, 2025**

**and**

**Selected Procedures  
For the Fiscal Year Ended June 30, 2024**



Independent Accountant's Report on Applying Agreed Upon Procedures

June 26, 2025

Dr. Edward Simmer, Interim Agency Director  
South Carolina Department of Public Health  
Cayce, 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 Department of Public Health (the Department) for the period July 1, 2024, through March 31, 2025, and the fiscal year ended June 30, 2024. The Department's management is responsible for the systems, processes and behaviors related to financial activity.

The Department'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 Department 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 Department 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 Department's management. Management of the Department has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon 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 Department 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 management of the Department, 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.

Brian A. Wilson, CPA  
Senior Audit Manager

**South Carolina Office of the State Auditor  
Agreed - Upon Procedures Related to the Department of Public Health (J060)**

**The following procedures were performed for the period July 1, 2024, through March 31, 2025:**

**Cash Receipts/Revenues**

1. Haphazardly select ten cash receipts and inspect invoices and deposit receipts to observe:
  - Receipt agrees with the general ledger as to amount, date, payor, and account classification.
  - Receipt was deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2025 Appropriations Act.
  - Both revenue collections and amounts charged are properly authorized by South Carolina Code of Laws Section 11-50-90; or federal awards.
  - Receipt was recorded in the proper fiscal year.

**Finding**

For one cash receipt inspected for \$53,548, the Department recorded the incorrect payor in the South Carolina Enterprise Information System (SCEIS) general ledger.

**Management's Response**

The Department agrees that the wrong customer code was inadvertently used in this case. There is currently no way to go back and correct this in SCEIS. The Accounts Receivable Director added a note in SCEIS stating that the wrong customer code was used and what the correct code should have been. To help prevent this from happening in the future, the Accounts Receivable Director will send an email reminding staff to double-check their data entry in SCEIS.

**Non-Payroll Disbursements**

2. Haphazardly select ten non-payroll disbursements and inspect invoices and approvals to observe:
  - Disbursement's invoices agree to the general ledger as to vendor, amount, date, and account classification.
  - Disbursement approval was performed by an individual other than the preparer, with proper authority.
  - Disbursement is a valid expenditure of the Department.
  - Disbursement is recorded in the proper fiscal year.

For federally funded cash disbursements/non-payroll expenditures, inspect invoices to observe:

- Disbursement was in accordance with the requirements and period of performance of the program and was properly reported on the SCEIS Business Warehouse Schedule of Expenditures of Federal Awards (SEFA) report as to fund source, reportability, federal sponsor, and assistance listing number.
3. Inspect the Department's procurement policies and procedures to confirm they were submitted to the South Carolina Materials Management Office for review in accordance with South Carolina Code of Regulations Section 19-445.2005.
  4. Haphazardly select five procurement purchases and inspect purchase orders, invoices, emails, and requisitions to observe:
    - Purchase order was prepared for a purchase over \$2,500.
    - Requisition was processed within ten days after the request was submitted.
    - Requisition was approved by the appropriate personnel.
    - Department maintained sufficient documentation to confirm that the procurement purchase was necessary, reasonable, allowable, and the method of application used.

## **Non-Payroll Disbursements (Continued)**

5. Haphazardly select ten purchasing card transactions from the Office of the Comptroller General's (CG) listing of purchasing card transactions and inspect monthly purchase summaries and applicable receipts to observe:
  - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with the South Carolina Purchasing Card Policy and Procedures.
  - The purchase is a valid expenditure.
  - The monthly purchase summary was submitted along with applicable receipts and signed by the cardholder and appropriate reviewer.
  - The purchase did not exceed the single transaction limit or the individual credit limit and there was no indication of transaction splitting.
  - The purchase did not exceed the procurement code's small purchase, no competition limit set forth in Section 11-35-1550(2)(a).

We found no exceptions as a result of the procedures.

## **Payroll**

6. Haphazardly select ten employees who terminated employment to observe 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, including any leave payout and/or comp time, was properly calculated.
7. Haphazardly select ten employees hired to observe 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.

We found no exceptions as a result of the procedures.

## **Journal Entries and Transfers**

8. Haphazardly select five journal entries and five transfers and inspect journal entry forms to observe that the entries are valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of the procedure.

## **The following procedures were performed for the fiscal year ended June 30, 2024:**

### **Reporting Packages**

9. Inspect fiscal year end reporting packages submitted to the CG. Compare responses on the Master Reporting Package Checklist to SCEIS and observe that all supplemental information that was required to be submitted to the CG was completed.

10. In addition to the procedure above, perform the following:

- Accounts Payable Reporting Package

Agree amounts to the Department prepared records. In addition, haphazardly select five payables reported on the Accounts Payable Summary Form and observe if the amounts were properly classified, calculated, and reported.

- Subsequent Events Questionnaire

Compare responses on the Subsequent Events Questionnaire to SCEIS and observe that supplemental information that was required to be submitted to the CG was completed. In addition, select five payables from the Subsequent Events Accounts Payable Worksheet and observe if the amount was properly classified, calculated, reported, and excluded from the original Accounts Payable Reporting Package submission.

We found no exceptions as a result of the procedures.

### **Assets and Personal Property**

11. Haphazardly select five capital asset acquisitions and inspect invoices to observe that each asset was properly capitalized and posted to the general ledger in accordance with the CG's *Reporting Policies and Procedures Manual*.
12. Haphazardly select ten capital asset retirements and inspect surplus turn in documents and/or asset disposal forms to observe that each asset was approved for removal and removed from the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.

We found no exceptions as a result of the procedures.

### **Composite Reservoir Accounts**

13. Observe that the Department submitted the required Bank Account Transparency and Accountability Report to the State Fiscal Accountability Authority by October first of the fiscal year in accordance with Proviso 117.80 of the fiscal year 2024 Appropriations Act.
14. Observe if the Department has established and implemented policies and procedures over its Women, Infants, and Children composite reservoir account for the Electronic Benefit Transfer system by inquiring with management and inspecting supporting documentation.

We found no exceptions as a result of the procedures.

### **Status of Prior Year Findings**

15. Through inquiry of management and inspection of supporting documentation, observe that the Department has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We found no exceptions as a result of the procedure.