

**South Carolina  
Revenue and Fiscal Affairs Office**

**Columbia, South Carolina**

**State Auditor's Report**

**Selected Procedures**

**During the period July 1, 2020, through June 30, 2022**



Independent Accountant's Report on Applying Agreed Upon Procedures

August 15, 2022

Mr. Frank A. Rainwater, Executive Director  
and  
Members of the Board  
South Carolina Revenue and Fiscal Affairs Office  
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 Revenue and Fiscal Affairs Office (the Office) for the period July 1, 2020, through June 30, 2022. The Office's management is responsible for the systems, processes and behaviors related to financial activity.

The Office'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 Office 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 Office for the period July 1, 2020, through June 30, 2022. 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 Office's management. Management of the Office has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Up Procedures:

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

We are required to be independent of the Office 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 Revenue and Fiscal Affairs Office, 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 the South Carolina Revenue and Fiscal Affairs Office (E50)**

The following procedures were performed for the fiscal year ended June 30, 2021:

**Reporting Packages**

1. Inspect fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Compare responses in the Master Reporting Package Checklist and any required supplemental information to year end reporting packages submitted to the CG, the South Carolina Enterprise Information System (SCEIS) and Office prepared records. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.
2. In addition to the procedure above, perform the following:
  - **Grants and Contributions Revenue Reporting Package**  
Select all (two) grants and agree the reported beginning and ending fund balances, receipts, qualified expenditures, fund, grant number, and CFDA number to the SCEIS general ledger and SCEIS Display Grant Master. In addition, recalculate the accrual fund balance.
  - **Capital Assets Reporting Package**  
Compare responses and agree reported amounts to the SCEIS general ledger, the SCEIS *Asset History Sheet* and Office prepared records.
  - **Subsequent Events Questionnaire**  
Compare responses and any required supplemental information to the SCEIS general ledger and Office prepared records.

We found no exceptions as a result of the procedures.

The following procedure was performed for the period July 1, 2020, through June 30, 2022:

**State Wireless 911 Program Disbursements**

3. Randomly select twenty-five non-payroll disbursements from fund 49550000 (911 Phone Surcharge) and inspect supporting documentation to determine:
  - Disbursement was made in accordance with South Carolina Code of Laws Section 23-47-65(C).
  - The transaction is properly completed as required by Office procedures and invoice(s) agree(s) with general ledger as to vendor, amount, and date.
  - All supporting documents and approvals are present and agree with the invoice.
  - The transaction is an actual expenditure of the Office.
  - The transaction is properly classified in the general ledger.
  - Disbursement is recorded in the proper fiscal year.
  - Clerical accuracy.

We found no exceptions as a result of the procedure.

The following procedures were performed for the period January 1, 2022, through June 30, 2022:

**Payroll**

4. Haphazardly select five employee payments during the fiscal year to:
  - Inspect the employee's personnel file for various forms, communications, etc., to determine that the person is a true employee of the Office.
  - Agree gross pay to supporting documentation of gross salary for the fiscal year. Inspect any changes for proper approval.

**Payroll (Continued)**

5. Haphazardly select five employees who terminated employment during the timeframe to determine if they were removed from the payroll in accordance with the Office's policies and procedures and that their last pay check, including any leave payout, was properly calculated.
6. Select all (five) employees hired during the timeframe to determine if they were added to the payroll in accordance with the Office's policies and procedures and that their first pay check was properly calculated.

We found no exceptions as a result of the procedures.

**Local Business License Renewal Portal**

7. Obtain a listing of renewal portal transactions for five haphazardly selected municipalities. For each selected municipality, haphazardly select ten transactions and determine if proper collection and remittance to the municipality had occurred.
8. Haphazardly select five municipalities and inspect supporting documentation to ensure that the municipality is determining that they received appropriate payments of business license tax.

We found no exceptions as a result of the procedures.