

**South Carolina Judicial Department**

**Columbia, South Carolina**

**State Auditor's Report**

**For the Period of July 1, 2023 to March 31, 2024**

**and**

**Selected Procedures  
For the Fiscal Year Ended June 30, 2023**



Independent Accountant's Report on Applying Agreed Upon Procedures

July 12, 2024

The Honorable Donald W. Beatty, Chief Justice  
and  
Management of the South Carolina Judicial Department  
South Carolina Judicial Department  
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 Judicial Department (the Department) for the period July 1, 2023, to March 31, 2024, and the fiscal year ended June 30, 2023. 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 period July 1, 2023, to March 31, 2024, and the fiscal year ended June 30, 2023. 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-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 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 South Carolina Judicial 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.

George L. Kennedy, III, CPA  
State Auditor

**South Carolina Office of the State Auditor  
Agreed - Upon Procedures Related to the South Carolina Judicial Department (B04)**

**The following procedures were performed for the period July 1, 2023 to March 31, 2024:**

**Cash Receipts/Revenues**

1. Haphazardly selected ten cash receipts and inspected customer invoices, check logs, and deposit slips to determine:
  - Receipts agreed 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 were properly authorized by Proviso 57.6, 57.10, 57.12 of the 2024 Appropriation Act or Rule 203(d)(1)(B)(iii) of the South Carolina Appellate Court Rules.
  - Receipts recorded in the proper fiscal year.

**Finding**

One cash receipt was not deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2024 Appropriations Act.

**Management's Response**

Management agrees with the finding. The Department will conduct refresher training in the importance of timely deposits for staff handling receipts.

**Non-Payroll Disbursements**

2. Haphazardly selected ten non-payroll disbursements and inspected invoices and approvals to determine:
  - Disbursement's invoice agreed 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 was a valid expenditure of the Judicial Department.
  - Disbursement was recorded in the proper fiscal year.

For federally funded non-payroll disbursements, inspected invoices and approvals to determine:

- Disbursements complied with the requirements and period of performance of the program and were properly reported on the South Carolina Enterprise Information System (SCEIS) Business Warehouse Schedule of Federal Awards (SEFA) report as to fund source, reportability, federal sponsor, and assistance listing number.
3. Haphazardly selected five taxable subsistence payments and inspected travel reimbursement requests to:
    - Agree payment for taxable subsistence to travel reimbursement request.
    - Determine that the employee was paid in accordance with the Judicial Department's policies and procedures and Proviso 117.20 (F)-(G) of the fiscal year 2024 Appropriation Act.

We found no exceptions as a result of these procedures.

## **Purchasing Card Transactions**

4. Haphazardly selected five purchasing card transactions from the Office of Comptroller General (CG) listing of purchasing card transactions and inspected monthly purchase summaries and applicable receipts to determine:
  - The cardholder was an authorized user and individual credit limits were properly approved in accordance with Judicial Department policies and procedures.
  - The purchase was 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 this procedure.

## **Payroll**

5. Haphazardly selected ten 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, including any leave payout and comp time, was properly calculated.
6. Haphazardly selected ten employees who were 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.

We found no exceptions as a result of these procedures.

## **Journal Entries**

7. Haphazardly selected six journal entries and inspected journal entry forms and SCEIS to determine that the journal entries were valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of this procedure.

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

### **Reporting Packages**

8. Inspected fiscal year end reporting packages submitted to the CG. Compared responses on the Master Reporting Package Checklist and any required supplemental information to the SCEIS general ledger and the Judicial Department prepared records.
9. In addition to the procedure above, performed the following:
  - Prepaid Expenses Reporting Package

Agreed amounts to the Judicial Department prepared records. Haphazardly selected five prepaid expenses and determined if the amounts were properly classified, calculated, and reported.

## Reporting Packages (Continued)

- Subsequent Events Questionnaire

Compared responses and any required supplemental information to the SCEIS general ledger and the Judicial Department prepared records. In addition, haphazardly selected five payables from the Subsequent Events Accounts Payable Worksheet and determined if the amounts were properly classified, calculated, reported, and excluded from the original Accounts Payable Reporting Package submission.

We found no exceptions as a result of these procedures.

## Assets and Personal Property

10. Haphazardly selected ten capital asset acquisitions and inspected related 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.
11. Haphazardly selected ten capital asset retirements and inspected South Carolina State Surplus Property Turn – In Documents to determine that each asset was approved for removal and removed from the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
12. Inspected the inventory of personal property, excluding expendables, provided by the Judicial Department to determine that it was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

## Finding

For one asset acquisition inspected, the Department excluded installation costs totaling \$4,600 from the capitalization value.

## Management's Response

Management agrees with the finding. The Department will conduct refresher training for the staff responsible for recording our asset acquisitions.

## Composite Reservoir Accounts

13. Obtained a listing of composite reservoir accounts and inquired of Judicial Department management that the listing was complete.
14. Obtained fiscal year monthly reconciliations for each composite reservoir account, and for a total of four reconciliations (two from each account), performed the following procedures:
  - Recalculated selected reconciliations and determined that they were timely performed, reviewed, and properly documented in accordance with Judicial Department procedures.
  - Agreed month end balances from reconciliations to the Judicial Department accounting records.
  - Agreed month end balances from reconciliations to the State Treasurer's Office monthly reports.
  - Determined if reconciling differences were explained and resolved.
  - Determined if adjusting entries were made in the accounting records.

We found no exceptions as a result of these procedures.

## **Appropriation Act Provisos**

15. Determined compliance with Judicial Department -specific state provisos (57.3 – Judicial Expense Allowance, 57.8 – Interpreters, 57.9 – Reimbursement Receipt Deposit, and 57.12 – Case Management Services) by inquiring with management and observing general ledger, where applicable.

We found no exceptions as a result of this procedure.