

**South Carolina  
Legislative Services Agency  
Columbia, South Carolina**

**State Auditor's Report**

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

**And**

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



## Independent Accountant's Report on Applying Agreed Upon Procedures

August 26, 2024

Members of the South Carolina General Assembly  
State of South Carolina  
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 Legislative Services Agency (the Agency) for the fiscal years ended June 30, 2023, and June 30, 2024. The Agency's management is responsible for the systems, processes and behaviors related to financial activity.

The Agency'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 Agency 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 Agency 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 Agency's management. Management of the Agency 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 reporting packages.

We are required to be independent of the Agency 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 Members of the South Carolina General Assembly and the management of the South Carolina Legislative Services Agency, 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 Legislative Services Agency (A17)**

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

**Cash Receipts/Revenues**

1. Haphazardly selected ten cash receipts and inspected invoices and observed that:
  - 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 South Carolina Code of Laws Section 2-3-75.
  - Receipts were recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

**Non-Payroll Disbursements**

2. Haphazardly selected ten non-payroll disbursements and inspected invoices and the South Carolina Enterprise Information System (SCEIS) workflow and observed that:
  - Disbursement 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 Agency.
  - Disbursement was recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

**Purchasing Card Transactions**

3. 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 and observed that:
  - The cardholder was an authorized user and individual credit limits were properly approved in accordance with Agency 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.

We found no exceptions as a result of the procedure.

**Payroll**

4. Haphazardly selected five employees who terminated employment and observed that 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 or comp time, was properly calculated.

## Payroll (Continued)

5. Haphazardly selected five employees hired and observed that 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

6. Haphazardly selected five journal entries and inspected Agency prepared documentation and SCEIS workflow and observed that 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 the procedure.

## Assets and Personal Property

7. Haphazardly selected five capital asset acquisitions from the Agency's Capital Assets Worksheet and observed that the assets were properly coded and classified in the Agency's records. If the asset was not under construction, observed that the assets conform with appropriate useful lives for depreciation and that amounts calculated for depreciation and accumulated depreciation were correct.
8. Inspected the inventory of personal property, excluding expendables, provided by the Agency, and observed 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 these procedures.

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

### Reporting Packages

9. Inspected fiscal year end reporting packages submitted to the CG's Office. Compared responses on the Master Reporting Package Checklist and any required supplemental information to the SCEIS general ledger and Agency prepared records.

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

- Inventory Reporting Package

Agreed amounts to the SCEIS *Yearend Reporting - Inventory* report. In addition, agreed the Agency's reconciliation of physical inventory to Agency prepared records.

- Capital Assets Reporting Package

Compared responses and agreed reported amounts to Agency prepared records.

- Accounts Payable Reporting Package

Agreed amounts to Agency prepared records.

- Subsequent Events Questionnaire

Compared responses and any required supplemental information to Agency prepared records. In addition, selected all (three) payables from the Subsequent Events Accounts Payable Worksheet and observed that the amounts were properly classified, calculated, reported, and excluded from the original Accounts Payable Reporting Package submission.

## **Reporting Packages (Continued)**

### **Finding**

For the Subsequent Events Questionnaire, the Agency reported payables that were previously reported on the Accounts Payable Reporting Package. Per the package's instructions, a previously reported payable at the Accounts Payable Worksheet should be excluded from the Subsequent Events reporting package.

### **Management Response**

Legislative Services Agency acknowledges the State Auditor's finding of Subsequent Events Reporting Package. Legislative Services Agency has reviewed internal controls to ensure accurate and timely information required for managerial and external agency reporting. Legislative Services Agency hired a Senior Accountant to perform and/or coordinate complex professional duties in the creation and maintenance of government accounting records. This position has some supervisory responsibilities over the LSA's Finance Team.