

**South Carolina  
Office of the Secretary of State**

**Columbia, South Carolina**

**State Auditor's Report**

**For the Period July 1, 2024, through February 28, 2025**

**and**

**Selected Procedures**

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



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

April 7, 2025

The Honorable Mark Hammond, Secretary of State  
South Carolina Office of the Secretary of State  
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 Office of the Secretary of State (the Office) for the period July 1, 2024, through February 28, 2025, and for the fiscal year ended June 30, 2024. 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 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 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 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 management of the 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.

Brian A. Wilson, CPA  
State Audit Senior Manager

**South Carolina Office of the State Auditor  
Agreed-Upon Procedures Related to the Office of the Secretary of State (E080)**

**The following procedures were performed for the fiscal period July 1, 2024, through February 28, 2025:**

**Cash Receipts/Revenues**

1. Haphazardly select ten cash receipts and inspect supporting documentation to observe that:
  - Receipts agree with the general ledger as to amount, date, payor, and account classification.
  - Receipts are deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2025 Appropriation Act.
  - Both revenue collections and amounts charged are properly authorized by State law.
  - Receipts are recorded in the proper fiscal year.

We found no exception as a result of the procedure.

**Purchasing Card Transactions**

2. Haphazardly select ten purchasing card transactions and inspect supporting documentation to observe that:
  - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with Office policies and procedures.
  - The purchase is a valid expenditure.
  - The monthly purchase summary is 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 is 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 procedure.

**Payroll**

3. Select the two employees who terminated employment to observe 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.

We found no exceptions as a result of the procedure.

**Non-Payroll Disbursements**

4. Haphazardly select ten non-payroll disbursements and inspect supporting documentation to observe that:
  - Disbursement's supporting documentation agrees 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 Office.
  - Disbursement is recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

### **Journal Entries**

5. Haphazardly select ten journal entries and inspect supporting documentation to observe 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 procedure.

### **Capital Assets**

6. Select the three capital asset acquisitions and inspect related invoices to observe that each asset was properly capitalized and posted to the general ledger in accordance with the Office of the State Comptroller General's (CG) Reporting Policies and Procedures Manual.

We found no exceptions as a result of the procedure.

### **Status of Prior Finding**

7. Through inquiry of management and inspection of supporting documentation, observe that the Office has taken appropriate corrective action on the finding reported in the Agreed-Upon Procedures report dated August 4, 2023.

We determined that the Office has taken adequate corrective action on the finding reported during the prior engagement.

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

#### **Reporting Packages**

8. Inspect fiscal year end reporting packages submitted to the CG. Compare responses on the Master Reporting Package Checklist and any required supplemental information to the South Carolina Enterprise Information System (SCEIS) or Office prepared records.
9. In addition to the procedure above, inspect the Subsequent Events Questionnaire by comparing responses and any required supplemental information to the SCEIS general ledger or Office prepared records.

We found no exceptions as a result of these procedures.

#### **Personal Property**

10. Observe for evidence of performance of the FY24 personal property inventory in accordance with Code of Laws Section 10-1-140 and inspect documentation to determine dates and approvals are appropriately recorded.

We found no exception as a result of the procedure.