

**South Carolina
Department on Aging
Columbia, 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 11, 2025

Ms. Connie Munn, Director
South Carolina Department on Aging
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 Department on Aging (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-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 Department on Aging, 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.

Vickie C. Funk, CPA
Senior Audit Manager

**South Carolina Office of the State Auditor
Agreed - Upon Procedures Related to the Department on Aging (L060)**

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 Appropriation Act.
 - Both revenue collections and amounts charged are properly authorized by South Carolina Code of Law Sections 43-21-40, 11-50-90; or federal awards.
 - Receipt was recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

Non-Payroll Disbursements

2. Haphazardly select ten non-payroll disbursements and inspect invoices and approvals to observe:
 - Disbursement's invoice agrees 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 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 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. Inspect the Department's procurement policies and procedures to confirm that they were submitted to the Material Management Office for review in accordance with South Carolina Code of Regulation § 19-445.2005.
 4. Haphazardly select five procurement purchases and inspect purchase orders, invoices, emails, requisitions, and contracts 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 purchases was necessary, reasonable, allowable, and the method of application used.

We found no exceptions as a result of the procedures.

Purchasing Card Transactions

5. Haphazardly select ten purchasing card transactions from the Office of Comptroller General (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).

6. Haphazardly select ten lodging card transactions from the CG listing of lodging card transactions and inspect monthly purchase summaries, applicable receipts, and travel approvals to observe that:
 - Lodging costs do not exceed the current maximum lodging rates as established by the U.S General Services Administration without written approval of the agency head prior to incurring the expenditure.
 - Lodging expenditures charged to the card were not for State employees whose headquarters or place of residence is within 50 miles of the lodging facility.
 - Lodging expenditures were for lodging, taxes, any required charges such as parking and were not used to pay for conferences, charges related to conferences, or any other events.
 - A detailed folio was submitted along with the monthly statement when payment was requested.
 - Travel advances were not allowed for lodging expenditures placed on this card.

We found no exceptions as a result of the procedures.

Payroll

7. Select all (four) 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.

8. Haphazardly select five 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.

9. Haphazardly select three bonus payments to observe that:
 - The bonuses received during the year did not exceed \$3,000.
 - The payment amount agreed to the bonus justification form and the bonus was given in accordance with Department policy.
 - The bonus pay was approved by the appropriate supervisor.

We found no exceptions as a result of the procedures.

Journal Entries

10. Haphazardly select five journal entries 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

11. 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.
12. In addition to the procedure above, perform the following:

- Grants and Contributions Revenue Reporting Package

Haphazardly select five grants and agree the reported beginning and ending fund balances, receipts, expenditures, fund, grant number, accounts payable amounts, and Catalogue of Federal Domestic Assistance number (now known as Assistance Listing Number) to the prior year package or SCEIS. In addition, confirm through inquiry that the Department properly reported their deferred revenue on the Grants Receivables and Deferred Revenue Summary Form and the Contributions Receivables and Deferred Revenue Summary Form.

- 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.

Findings

Subsequent Events Questionnaire (Improper Payable Classifications) – For all five payables selected for inspection, totaling \$966,032, the payable was improperly classified as vendor payables instead of intergovernmental payables.

Subsequent Events Questionnaire (Overstatement of Accounts Payable) - The Department reported \$2,873 of interfund payables as part of its response to Question 20 on the Subsequent Events Questionnaire. The Department also reported these payables on the Subsequent Events Accounts Payable Worksheet. Therefore, the payables were duplicative.

Management Response

Subsequent Events Questionnaire (Improper Payable Classifications & Overstatement of Accounts Payable) - SCDOA acknowledges the finding and will continue to adhere to Reporting Package guidelines provided by Comptroller General's Office to ensure accuracy and completion. Additionally, necessary adjustments will be included in future Subsequent Event Reporting Packages.

Status of Prior Year Findings

13. Through inquiry of management and inspection of cash receipts, purchasing cards, procurement policies and procedures submission, procurement purchases, payroll, and the Grants and Contribution Revenue Reporting Package, 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.