

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified:	No
Significant deficiencies identified that are not considered to be material weaknesses:	Yes, one
Noncompliance material to financial statements noted:	No

Federal Awards

Internal control over major programs:	
Material weakness identified:	No
Significant deficiencies identified that are not considered to be material weaknesses:	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133	None reported
1. The programs tested as major programs were:	
Federal Aviation Administration Airport Improvement Program	20.106
Homeland Securities Grants Administration Homeland Security Grant Program	97.004

2. The threshold for distinguishing Types A and B programs was \$300,000.
3. Beaufort County, South Carolina did not qualify as a low risk auditee.

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Item 2008 - 1: Lack of Segregation of Duties

During fiscal year 2008, Journal entries initiated by the Controller and Treasurer's Office were not subject to review by a second individual. This lack of segregation of duties subjects the County to increased risk of material misstatement within its financial statements as there is little or no oversight over the Controller's and Treasurer's Office's work.

Responsibilities should be assigned within the Finance Department and Treasurer's Office to allow for sufficient oversight and review of an individual's work, particularly in key areas such as initiating and recording journal entries.

Management Response: The County's Finance Department hired additional employees during the 2008 fiscal year. These new employees will help to implement a system with better segregation of duties.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE REPORTED