

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2009

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, three
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	11.555
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 2009 - 1: Supporting Documentation and Authorization for Journal Entries

Supporting documentation for journal entries initiated in the Treasurer's office was not consistently maintained. As a result, there is not adequate documentation that these journal entries were properly authorized and reviewed for accuracy. This condition increases the risk that journal entries that are erroneous or for an unauthorized purpose could be recorded in the County's general ledger and not be detected.

We recommend that the Treasurer's office implement a policy in which documentation is maintained to indicate that journal entries are approved and reviewed for accuracy by authorized personnel other than the individual who initiated and/or recorded the journal entry in the general ledger.

Management Response: The Treasurer and Deputy Treasurer will begin to review all journal entries originating from the Treasurer's Office that will include relevant backup starting in fiscal year 2010.

Item 2009 - 2: Missing Deposit

Based on examination of a delinquent taxpayer's file, we were unable to trace a tax sale redemption payment to deposit in the bank as reflected in the monthly bank statement. We were also unable to trace the payment to posting in the general ledger.

The Treasurer's office should maintain adequate documentation for all tax sale redemption payments to allow for an audit trail which demonstrates that the payment was properly deposited to the bank and recorded in the County's general ledger.

Management Response: The Treasurer's Office has implemented more stringent controls over teller collections since this incident and will implement additional controls in the 2010 fiscal year. Furthermore, the incident is under further investigation.

Item 2009 - 3: Deposits in Transit

In testing Treasurer's cash accounts, we noted a bank reconciliation for which deposits in transit could not be individually identified. Therefore, we were unable to determine if the deposits were posted to the County's bank account as reflected in subsequent monthly bank statements.

In preparing monthly bank reconciliations, the Treasurer's office should adopt procedures to ensure that all deposits in transit are traced to posting in subsequent monthly bank statements.

Management Response: The Treasurer's Office has corrected this problem in fiscal year 2010.

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

NONE REPORTED



Photo by Barry E. Wright, MD

The cemeteries of Beaufort County include graves and tombs that pre-date the founding of our nation. They also provide a final resting place for soldiers from every war, beginning with pre-revolutionary wars between Native Americans and European settlers.