

AGENCY \_\_\_\_\_

FISCAL YEAR ENDED \_\_\_\_\_

**AGREED-UPON PROCEDURES INDEX**

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**NOTE**

The approach for testing individual transactions is to randomly select at least 25 items from the population being tested. The purpose of this approach is to gain an understanding of the internal controls, including knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation.

It is important to remember several key points:

1. We are not going to project the results of our testing to the population. Therefore, we are not using statistical sampling.
2. We are, in effect, performing a walk-through of the internal controls to gain an understanding of relevant policies, procedures, and records, and whether they have been placed in operation. We will not conclude on the effectiveness of those controls.
3. Even though we use the PPC forms for sample determination, materiality, and determination of individually significant items, concepts which relate to an Audit designed to result in expressing an opinion on GAAP financial statements, you must remember we are only going to report on the results of the specific agreed-upon procedures.

Revised 2/22/07

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

101-A

AGENCY	WORK AREA	FYE
	Planning and Completion	

Description	Done By and Date	W/P Reference
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OBJECTIVES:

1. To develop an overall strategy for the expected conduct and scope of the AUP engagement. The auditors should consider the five components of internal control, which are:
  - a. Control Environment
  - b. Risk Assessment
  - c. Control Activities
  - d. Information and Communications
  - e. Monitoring
2. To perform, and issue a special report on, the agreed-upon procedures as identified in the standard agreed-upon procedures report.
3. To establish target dates for each phase of the AUP engagement and make specific task assignments for each staff member. These assignments should include assignment dates, both initial and release, and required training and experience levels. The training needs of staff members should be considered in making assignments.
4. To ensure that the AUP engagement is conducted in accordance with the following generally accepted auditing standards:

General Standards

1. The AUP engagement is to be performed by a person or persons having adequate technical training and proficiency as an auditor.
2. In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors.
3. Due professional care is to be exercised in the performance of the AUP engagement and the preparation of the report.

Standards of Field Work

1. The work is to be adequately planned and assistants, if any, are to be properly supervised.
5. To ensure the report is presented in accordance with SAS 75, Engagements to Apply Agreed-Upon Procedures to Specified Elements, Accounts, or Items of a Financial Statement (AU Section 622), and is supported by sufficient documentary evidence.

PROCEDURES: PLANNING

1. Review the report, auditor's comments, and working papers of the prior year. Note areas requiring follow-up and any areas requiring additional work. Review the correspondence file and remove copies of pertinent information. Do not remove originals of correspondence from files unless it is data specifically applicable to the audit (such as news articles, etc.) which will be filed in the permanent file or current year work papers.

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PROCEDURES: PLANNING (Continued)

2. Review and extract pertinent data from the Code of Laws and Code supplements, the General Appropriations Act, supplemental appropriations, and if applicable, the permanent provisions of the Act.
3. For large agencies or new engagements, arrange a preliminary on-site visit with the agency's key accounting and internal audit staff. Discuss such topics as:
  - a. The availability of internal auditors and other staff to assist us with the engagement,
  - b. Proposed timing of transactions testing and the agency prepared data which will be necessary to complete such testing,
  - c. Changes in key personnel and operating conditions,
  - d. Working space, telephone availability, etc.,
  - e. Known defalcations, material errors, natural disasters, etc.,
  - f. Provide agency staff with copies of the Governmental Financial Reporting System Documentation Form (GCX-3), Governmental Control Procedures Form (GCX-9), etc., so they may complete/update them before we begin fieldwork.
4. In-charge auditor should prepare an engagement letter outlining all understandings reached in #3 above, scope and objectives, information which the agency is to provide, etc. Specifically address the agreed upon procedures.
5. Determine whether new accounting and auditing pronouncements could have an effect on the design of the engagement approach.
6. Review notes from the prior engagement, any special characteristics of the engagement, and determine whether appropriate personnel have been assigned to the engagement.
7. Contact staff to determine the availability of each staff member between the estimated start and finish of fieldwork.

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PROCEDURES: PLANNING (Continued)

8. Prepare a preliminary plan for each work area with your manager, or get manager's approval. Consider the following:
  - a. Problems encountered in prior engagement,
  - b. Materiality,
  - c. Risk exposure,
  - d. Anticipated use of the work of internal auditors,
  - e. Any other factors deemed necessary.
  
9. Select/prepare programs to cover each area of the engagement. Revise standard programs as necessary. Include the appropriate Appropriations Act work program.
  
10. Prepare a detailed time budget and get manager's approval.
  
11. Prepare a schedule of the following:
  - a. Staff assignments - include the anticipated reporting and release dates for each staff member,
  - b. Target dates - establish dates for the completion of each work area and the final completion date.
  
12. Hold a pre-fieldwork staff meeting to provide staff members with copies of the preliminary plans for their work areas. Instruct them to read prior year report, workpapers, applicable correspondence, etc. Remind staff members to maintain the proper degree of professional skepticism (i.e., do not assume either honesty or dishonesty on management's part).
  
13. Using Comptroller General reports, closing packages, agency prepared data, relevant GCX forms, etc.:
  - a. Identify areas that pose the greatest risk exposure because of such factors as dollar value of the account, weaknesses in internal control and risk of asset misappropriation.
  
  - b. In order to enhance understanding of transactions and events that have occurred since the last engagement and to identify areas that may represent specific risks relevant to the engagement, perform comparisons of the preliminary data with prior report data. Perform any other analytical procedures which may indicate matters which have planning ramifications.

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AGENCY	WORK AREA	FYE
Planning and Completion		

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PROCEDURES: PLANNING (Continued)

14. Review reports issued by other auditors. Follow up on any findings or comments and, if not corrected, consider including them in our report. Also, consider whether the reports point to areas in which we should do more or less work.
  
15. Hold a formal entrance conference with agency management and key personnel.
  - a. Review items contained in the AUP engagement letter and ascertain that agency is providing necessary information, etc.
  - b. Introduce staff members to agency personnel.
  - c. Be sure that upper management understands the objectives of our AUP engagement and the importance of their staff providing necessary information and resources. In addition, explain that management's responses relating to any findings must be received by the deadline specified in the preliminary draft letter.
  - d. If a preliminary on-site visit called for in Step 3 was not made, discuss the topics listed in Step 3.a. through f.
  
16. Inquire as to any significant changes in internal controls since our last engagement.
  
17. Before any testing or analytical procedures are performed in the field, review with appropriate management personnel GCX-3 and GCX-9 forms. Note any changes since our last engagement. When our engagement is being conducted substantially after the close of the period, be sure that answers reflect, as nearly as possible, the conditions that existed during the appropriate year.
  
18. Prepare flow charts/write-ups (or update, as applicable) of major control areas, including:
  - a. Sales/performance of services, accounts receivable and cash receipting,
  - b. Purchasing, receiving, accounts payable, and cash disbursements,
  - c. Personnel and payroll.
  
19. Review internal audit reports, workpapers, etc., and revise preliminary plans accordingly.

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AGENCY	WORK AREA	FYE
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PROCEDURES: PLANNING (Continued)

20. Finalize our gaining of an understanding of the internal controls for each work area.
  - a. Document strengths, weaknesses, and compensating controls.
  - b. Identify the strengths (controls) which we plan to test.
  - c. Assess the risk that errors and irregularities may cause the accounting records to contain a material error. Based on that assessment, design the tests to provide reasonable assurance of detecting material errors and irregularities.
  - d. Prepare formal preliminary scope section of each work area. Based on the above review, prepare a memorandum for each area in Step 18 setting forth your findings and conclusions, specifically addressing system strengths, weaknesses and any compensating or alternative controls to lessen the effect of noted weaknesses. Consider conditions that may require extension or modification of tests, such as the possibility of material errors or irregularities and management's ability to override controls.

PROCEDURES: COMPLETION

21. Based upon the results of tests, re-evaluate preliminary conclusion as to the effectiveness of the design and the operation of the policies and procedures relevant to preventing or detecting material misstatements in the accounting records for each area in Step 18. Modify scope and/or program as deemed necessary.
22. Scope of the work was adequate in the circumstances.
23. The workpapers support our report and the auditor's comments adequately reflect all significant points raised during the engagement.
24. Prepare the report on applying agreed-upon procedures.
25. Adequate supervision was given to all staff members commensurate with their level of experience and all staff evaluations associated with this engagement were completed.



SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

111-A

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AGENCY	WORK AREA	FYE
	Revenues and Receipts	

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Description	Done By and Date	W/P Reference
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OBJECTIVES:

To determine that:

1. Revenues are properly described and classified in the accounting records.
2. Collections of revenues are supported by law.
3. Retention of revenues, if any, is supported by law.
4. The Agency's control activities comprised of the policies and procedures established to provide reasonable assurance that controls over receipt transactions, are adequate in design and have been placed in operation.
5. Such policies and procedures have been placed in operation and, if they are operating effectively, would provide adequate:
  - a. Internal control over receipts,
  - b. Documentation of such transactions,
  - c. Distribution of such transactions in the books of account,
  - d. Compliance with State laws, rules, and regulations.

NOTES:

1. Cash receipts must be evaluated in relation to total revenues, including appropriations, in setting scope.
2. In selecting items to be tested, we need to be sure to start as early in the receipting process as feasible, based on controls in effect.
3. Our tests should be performed with the fact in mind that our primary concern with revenues is that they not be understated (i.e., such as through failure to record all revenues earned/received). For enterprise funds, especially where revenues must reach certain predetermined levels equal attention also should be given to a possible overstatement or misclassification of revenues.
4. Refer to the "General Ledger and Books of Original Entry" work program which includes procedures related to cash receipts.

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
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111-A

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AGENCY	WORK AREA	FYE
	Revenues and Receipts	

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Description	Done By and Date	W/P Reference
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PROCEDURES:

1. Review the work performed during our last engagement of the agency, noting any unusual problems encountered. Check for any notes to next engagement concerning receipts testing.
2. Review our permanent file write-ups on sales/services, billings, accounts receivable, and cash receipts and the applicable sections of the current ICQ. (Updating of this work is covered in the separate planning and completion work program.) Note any item that will affect the scope of our work.
3. Review our current year follow-up on the prior Auditor's Comments (See A section of workpapers) and note any uncleared items that should be considered in setting the scope of our work.
4. After completing Steps 1, 2 and 3, prepare a scope memorandum setting forth the items considered in determining the specific work to be performed.
5. Perform the following procedures:
  - a. Using the Agency's Appropriation Activity report,
    - 1) agree the original appropriation amount to copy of the Appropriation Act in the permanent file and to the CG 424 Report.
    - 2) Agree any supplemental appropriation amounts to the subsequent year act.
  - b. Agree other revenues from the accounting records to the Comptroller General's 406 report.
6. Compare current year non-State appropriated revenues with those of the prior year and analyze significant variances.
7. Randomly select 25 receipts. Obtain the support documentation related to the selected transactions. If the selected transactions do not appear to be a fair representation of the population, discuss the situation with the in-charge auditor or manager and determine whether the scope of testing needs to be modified. Document your assessment in the scope memo. Test the following attributes, at a minimum:
  - a. Agree amount, date, payor, receipt number, and account coding, if applicable, between the receipts register and the cash receipt.

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AGREED-UPON PROCEDURES

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AGENCY	WORK AREA	FYE
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Revenues and Receipts

Description	Done By and Date	W/P Reference
b. Determine that receipts were deposited timely.		
c. Trace postings from the receipts register to the general ledger.		
d. Determine that receipts were properly classified by object code and account number.		
8. Test the accountability and security over permits, licenses, and other documents issued for money.		
9. Determine that revenues have been recorded in the proper fiscal year. See the STARS Manual, Section 3.2.2., for information regarding deferred revenue.		
10. Consider performing a reasonableness test of revenues collected by multiplying numbers by published rate and comparing computed amount to the recorded amount.		
11. Ensure that both revenue collections and amounts charged are authorized by law.		
12. Determine that retention of revenues, if any, is supported by law, and that the use of such funds is consistent with any restrictions in the law.		
13. Draft appropriate auditor's comments.		
14. In-charge review.		
15. Manager review.		

CONCLUSION:

We have performed procedures sufficient to achieve the revenues and receipts work program objectives, and the results of these procedures are adequately documented in the accompanying workpapers.

Staff \_\_\_\_\_

Date \_\_\_\_\_

In Charge \_\_\_\_\_

Date \_\_\_\_\_

Manager \_\_\_\_\_

Date \_\_\_\_\_

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

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112-A

AGENCY	WORK AREA	FYE
Expenditures and Disbursements		

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Description	Done By and Date	W/P Reference
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**OBJECTIVES:**

To determine that:

1. The Agency's control activities, comprised of the policies and procedures established to provide reasonable assurance that controls over disbursement transactions, are adequate in design and have been placed in operation.
2. Such policies and procedures have been placed in operation and, if they are operating effectively, would provide adequate:
  - a. Internal control over disbursements,
  - b. Documentation of such transactions,
  - c. Distribution of such transactions in the books of account,
  - d. Compliance with State laws, rules, and regulations,
3. Expenditures represent bona fide disbursements of the agency, paid in conformity with State laws and regulations.
4. Expenditures are properly described and classified in the accounting records.
5. Restricted expenditures are made from funds for which they were intended, in conformity with externally imposed restrictions.

**NOTE:**

**Refer to the "General Ledger and Books of Original Entry" work program which includes procedures related to cash disbursements.**

**PROCEDURES:**

1. Review the work performed during our last engagement, noting any unusual problems encountered. Check for any notes to next engagement concerning expenditures/disbursements testing.
2. Review our permanent file write-ups on expenditures/disbursements and the applicable sections of the current ICQ. (Updating of this work is covered in the separate planning and completion work program.) Note any item that will affect the scope of our work.

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AGENCY	WORK AREA	FYE
	Expenditures and Disbursements	

Description	Done By and Date	W/P Reference
3. Review our current year follow-up on the prior Auditor's Comments (see A section of workpapers) and <u>note</u> any uncleared items that should be considered in setting the scope of our work.		
4. Perform analytical procedures (e.g., comparison of expenditures, relationships among related accounts, etc.), and analyze significant variances.		
5. After completing Steps 1, 2, 3 and 4, prepare a scope memorandum setting forth the items considered in determining the specific work to be performed.		
6. Randomly select 25 expenditure transactions. Obtain the support documentation related to the selected transactions. Test each transaction in conformity with the attributes in our standard grid. Document and resolve exceptions noted. If the selected transactions do not appear to be a fair representation of the population, discuss the situation with the in-charge auditor or manager and determine whether the scope of testing needs to be modified. Document your assessment in the scope memo.		
7. Determine that expenditures have been recorded in the proper fiscal year. <b>[Note - If it is determined that expenditures were paid in the wrong fiscal year consider budgetary impact of such errors]</b>		
8. Draft appropriate auditor's comments.		
9. In-charge review.		
10. Manager review.		

CONCLUSION:

We have performed procedures sufficient to achieve the expenditures and disbursements work program objectives, and the results of these procedures are adequately documented in the accompanying workpapers.

Staff \_\_\_\_\_

Date \_\_\_\_\_

In Charge \_\_\_\_\_

Date \_\_\_\_\_

Manager \_\_\_\_\_

Date \_\_\_\_\_

SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

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AGENCY	WORK AREA	FYE
Expenditures and Disbursements		

Description	Done By and Date	W/P Reference
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GRID HEADINGS - TEST OF DISBURSEMENTS

- A. Voucher jacket is properly completed as required by agency procedures as outlined in our permanent file at \_\_\_\_\_.
  
- B. Copy of invoice(s) present and agree(s) with cash disbursements book as to vendor, amount and # and date where shown [or agrees with the schedule of such where we prepared it from the cash disbursements book or had the agency prepare it].
  
- C. All supporting documents required by agency procedures as outlined at PF-\_\_\_\_\_and good business practice are present and agree with the invoice, including - \_\_\_\_\_.
  - 1) Purchase requisition indicating proper approvals as outlined at \_\_\_\_\_.
  - 2) Purchase order contained approvals as outlined at PF-\_\_\_\_\_.
  - 3) Receiving report as outlined at PF-\_\_\_\_\_.
  
- D. Voucher properly posted to account(s) shown on voucher jacket per comparison to cash disbursements book postings.
  
- E. Based on review of documents referred to above, the voucher amount appears to be a bona fide expenditure of the agency, properly chargeable to the account(s) indicated on the voucher.
  
- F. Disbursement complied with all State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations, etc.
  
- G. Voucher package contained evidence of following done by agency personnel -
  - 1) Checked for clerical accuracy.
  - 2) Discounts and credits checked and taken where applicable.
  - 3) Voucher and supporting documents properly canceled to prevent reuse.
  - 4) Sales/Use tax properly computed and paid/reflected.
  
- H. Rechecked clerical accuracy.

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AGENCY	WORK AREA	FYE
Expenditures and Disbursements		

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ADDITIONAL GRID HEADINGS FOR FEDERALLY ASSISTED PROGRAMS

- I. Charges are necessary and reasonable for the proper administration of the program.
- J. The charges conform to any limitations or exclusions in the award.
- K. The charges were given consistent accounting treatment and applied uniformly to both federally assisted and other activities of the recipient.
- L. The charges do not include costs properly chargeable to other federally assisted programs.
- M. The charges were approved in advance, if subject to prior approval in accordance with Circular A-87 or terms of the award.
- N. The charges were incurred in accordance with competitive purchasing procedures, if covered by OMB Common Rule Procurement Standards.
- O. Charges were allocated equitably to benefiting activities, including non-Federal activities.
- P. Charges were incurred during the approved grant period.

SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

113-A

AGENCY	WORK AREA Payroll	FYE
Description	Done By and Date	W/P Reference

OBJECTIVES:

To determine that:

1. Expenditures for payroll and fringe benefits have been properly recorded in the accounting records.
2. The Agency's control activities, comprised of the policies and procedures established to provide reasonable assurance that controls over payroll transactions, are adequate in design and have been placed in operation.
3. Such policies and procedures are actually in use and, if they are operating effectively, would provide adequate:
  - a. Internal control over payrolls,
  - b. Documentation of such transactions,
  - c. Distribution of such transactions in the books of account,
  - d. Compliance with State laws, rules, and regulations.
4. All payroll deductions have been properly authorized by the employees and are in accordance with existing legal requirements.
5. All persons on the payroll are bona fide employees.
6. Payroll and fringe benefits have been properly distributed in the accounting records by department and fund source.

**NOTE:**

In addition to the procedures outlined in this work program, the in-charge should consider whether or not a payroll payoff is warranted. The in-charge should use the following factors in the determination.

- a. The number of hourly or temporary employees.
- b. The number of out-of-town locations.
- c. The relative size of payroll expenditures to total agency expenditures.
- d. The occurrence of exceptions or significant internal control weaknesses in performing Steps 1 through 9 above.

Prior to performing the payroll payoff the in-charge should obtain manager approval.

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
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113-A

AGENCY	WORK AREA Payroll	FYE
Description	Done By and Date	W/P Reference

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PROCEDURES:

1. Review the work performed during our last engagement, noting any unusual problems encountered. Check for any notes to next engagement concerning payroll testing.
2. Review our permanent file write-ups on payroll and the applicable sections of the current ICQ. (Updating of this work is covered in the separate planning and completion work program.) Note any item that will affect the scope of our work.
3. Review our current year follow-up on the prior Auditor's Comments (see A section of workpapers) and note any uncleared items that should be considered in setting the scope of our work.
4. After completing Steps 1, 2 and 3, prepare a scope memorandum setting forth the items considered in determining the specific work to be performed.
5. Randomly select 25 payroll disbursements to be tested in detail. Consider additional substantive testing of key personnel in payroll, personnel, accounting, and finance departments; employees at locations away from the main office; employees paid on an hourly rate; employees paid from various fund sources. Perform the following tests for each disbursement selected:
  - a. Obtain and scan the employee's payroll and/or personnel file for various forms, communications, etc., to satisfy yourself that the person is a bona fide employee of the agency. If necessary interview the employee and require presentation of a picture I.D.
  - b. Agree gross pay to an Employee Profile from the Office of Human Resources. (The Office of Human Resources insures compliance with Federal minimum wage laws and a consistent rate of pay for similar work.)
  - c. Using the Employee Profile, note all changes to gross salary for the year. Determine that all changes have been approved by the proper agency officials and are within the State Human Resources regulations.  
**(Procedure 5 Continued on next page)**

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113-A

AGENCY	WORK AREA Payroll	FYE
Description	Done By and Date	W/P Reference
d. Determine that all voluntary deductions and Federal and State withholdings are supported by authorizations signed by the employee.		
e. Agree the department and fund source charged to the Employee Profile.		
6. Select a representative (random, if population is sufficiently large) number of payroll disbursements to hourly employees and:		
a. Agree the hourly rate to a rate approved by the agency and by the Office of Human Resources.		
b. Agree time worked to time sheets signed by the employee and the supervisor.		
c. Recalculate gross pay and agree to payroll.		
d. Examine evidence to satisfy yourself that the employee actually exists.		
7. For <u>at least</u> two payrolls:		
a. See that the payroll or payroll voucher was approved by the responsible agency official.		
b. Trace gross payroll to the general ledger, agreeing distribution by department and/or fund source.		
c. Trace gross payroll to the Comptroller General's Appropriation Transactions Details and/or Cash Transaction Detail.		
8. Randomly select 25 employee terminations. (If total terminations are less than 25, review 100%.) By reference to documents signed by the employee, determine termination date. Scan subsequent payrolls to determine that the employee was not on the payroll after the termination date. Verify the accuracy of any accrued annual leave paid at termination and any semi-monthly or partial pay.		
9. Randomly select 25 employee additions. (If total additions are less than 25, review 100%.) Determine that employee was a bona fide employee and did not get on the payroll prior to actually beginning work. Verify the accuracy of first pay.		

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AGENCY	WORK AREA Payroll	FYE
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10. Scan other payroll accounts. Perform analytical procedures (e.g., comparison of current year/prior year expenditures, relationships among related accounts - such as employer contributions-, etc.) and analyze/investigate unusual items or significant variances.		
11. a. Compute the % distribution of fringe benefit expenditures by fund source. Compare to the distribution of payroll expenditures by fund source. Investigate any significant variations.		
b. Compare the % change in personal service expenditures to the % change in employer contributions. Investigate any significant variations.		
12. Draft appropriate auditor's comments.		
13. Ensure that information is available for adequate disclosure in the special report.		
14. In-charge review.		
15. Manager review.		

CONCLUSION:

We have performed procedures sufficient to achieve the Payroll work program objectives, and the results of these procedures are adequately documented in the accompanying workpapers.

Staff \_\_\_\_\_

Date \_\_\_\_\_

In Charge \_\_\_\_\_

Date \_\_\_\_\_

Manager \_\_\_\_\_

Date \_\_\_\_\_

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

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114-A

AGENCY	WORK AREA	FYE
	General Ledger and Books of Original Entry	

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Description	Done By and Date	W/P Reference
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OBJECTIVES:

To determine that:

1. The Agency's control activities, comprised of the policies and procedures established to provide reasonable assurance that controls over general ledger postings and development of subsidiary books of account, are adequate in design and have been placed in operation.
2. Such policies and procedures have been placed in operation and, if they are operating effectively, would provide adequate control over the agency's transactions journals, journal entries and postings to the general ledger.
3. GAAP Closing Packages submitted to the Comptroller General's Office were prepared in accordance with the CG's GAAP Closing Procedures Manual and supported by adequate documentation.
4. Schedule of Federal Financial Assistance (SFFA) submitted to the State Auditor was prepared in accordance with the SAO's Letter of Instruction and supported by adequate documentation.

PROCEDURES:

1. Review the work performed during our last engagement, noting any unusual problems encountered. Check for notes to next engagement concerning this work area.
2. Review our permanent file write-ups on General Matters - accounting, cash receipts, cash disbursements, and payroll and the applicable sections of the current ICQ. Note any item that will affect the scope of our work. Be sure to adequately consider the impact of electronic data processing (EDP) on the scope of the work in this area. We must do adequate work in this area to ensure that the EDP system is properly capturing and summarizing data in the General Ledger and Books of Original Entry.
3. Review our current year follow-up of prior Auditor's Comments and note any uncleared items that will affect the scope of our work.
4. After completing Steps 1, 2 and 3, prepare a scope memorandum setting forth the items considered in determining the specific work to be performed. Clearly document methods to be used in selecting transactions for testing, and obtain the manager's approval.

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SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

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114-A

AGENCY	WORK AREA	FYE
	General Ledger and Books of Original Entry	

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Description	Done By and Date	W/P Reference
<p>5. Review journal entries made during the year. Select several routine JEs and all large and/or unusual JEs and:</p> <ul style="list-style-type: none"><li>a. Verify that debits equal credits.</li><li>b. Trace postings to the general ledger.</li><li>c. Determine whether explanations, together with supporting documentation adequately explain the purpose of the journal entry.</li><li>d. Determine that amounts in the journal entry agree with supporting documentation.</li><li>e. Examine for evidence of proper approval.</li></ul>		
<p>6. Schedule operating transfers <u>between subfunds</u> and:</p> <ul style="list-style-type: none"><li>a. Check for approval of Agency.</li><li>b. Determine that net transfers between all funds equal zero.</li><li>c. Evaluate the propriety of the transfer through review of supporting documentation.</li><li>d. Trace postings to general ledger.</li></ul>		
<p>7. Schedule all interagency appropriation transfers and:</p> <ul style="list-style-type: none"><li>a. Check for approval of agency.</li><li>b. Trace postings to general ledger.</li></ul>		
<p>8. Select one month or period, as applicable (different from that used in our last engagement) and test:</p> <ul style="list-style-type: none"><li>a. Footing of:<ul style="list-style-type: none"><li>1) cash receipts subsidiary ledger,</li><li>2) cash disbursements subsidiary ledger,</li></ul></li><li>b. Working with the books themselves and not the detail documents, account for numerical sequence of:<ul style="list-style-type: none"><li>1) cash receipts,</li><li>2) vouchers written</li></ul></li><li>c. Trace postings of the books at a. to the general ledger.</li><li>d. Perform similar tests at a., b., and c. for any other general ledger posting sources. Account for all postings to the general ledger for one test period.</li></ul>		

SOUTH CAROLINA STATE AUDITOR'S OFFICE  
AGREED-UPON PROCEDURES

114-A

AGENCY \_\_\_\_\_ WORK AREA \_\_\_\_\_ FYE \_\_\_\_\_  
General Ledger and  
Books of Original Entry

Description	Done By and Date	W/P Reference
9. Review GAAP closing packages submitted by the agency to determine that they were correctly prepared, the amounts are reasonable and <b><u>trace all closing package amounts</u></b> to supporting workpapers and accounting records.		
10. Review the SFFA submitted to the SAO to determine that it was correctly prepared, the amounts were reasonable, and they agree to the supporting grant documents, workpapers, accounting records, and the CG's CSA 467 Report.		
11. Review the fiscal year-end as well as other reconciliations of the agency accounting records to the Comptroller General STARS reports for accuracy and completeness.		
12. Draft appropriate auditor's comments.		
13. In-charge review.		
14. Manager review.		

CONCLUSION:

We have performed procedures sufficient to achieve the general ledger and books of original entry work program objectives, and the results of these procedures are adequately documented in the accompanying workpapers.

Staff \_\_\_\_\_

Date \_\_\_\_\_

In Charge \_\_\_\_\_

Date \_\_\_\_\_

Manager \_\_\_\_\_

Date \_\_\_\_\_