ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Community Services

OMB #0970-0234
Exp. Date: 03/31/2027

Division of Social Services
Social Services Block Grant
Intended Use Plan

The Paperwork Reduction Act of 1995 (Pub. L. 104-13). STATEMENT OF PUBLIC BURDEN: Through this information collection, ACF is identifying plans for State use of Social Services Bock Grant (SSBG) Funding. The purpose of this information is to identify estimated SSBG expenditures and recipients, as well as the intended geographic location and eligibility considerations for planned services. Information will be used to gain insight on the administration of the SSBG program and to provide support to grantees related to the administration of their SSBG program. Public reporting burden for this collection of information is estimated to average 40 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. This is a mandatory collection of information and is required to retain a benefit [45 C.F.R. §96.74.]. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless it displays a currently valid OMB control number. The OMB # is 0970-0234 and the expiration date is 03/31/2027. If you have any comments on this collection of information, please contact the Office of Community Services, Social Services Block Grant Program via email: SSBG@acf.hhs.gov.

I. General Information

1. State South Carolina **2. Fiscal Year** FY2027

3. State Official Contact Information

Tony Catone
State Director
South Carolina Department of Social Services
1535 Confederate Avenue Columbia, South Carolina 29202
Phone: 803-898-7621

4. SSBG Contact Information

Jan Nerud
Director of Policy and Engagement
South Carolina Department of Social Services
1535 Confederate Avenue Columbia, South Carolina 29202
Phone: 803-440-7016

5. SSBG Award from Previous Year $ 25,679,954.00

6. SSBG Expenditures Planned for Current Year $ 25,679,954.00

7. TANF Funds Transferred into SSBG $ 0.00

8. Consolidate Block Grant Funds Included in SSBG Budget: YES ○ **NO** ◉

Provide the amount of funding for each applicable funding source for the consolidated block grant.

a. Funding Source(s) for the Consolidated Block Grant	b. Amount of Funding from Each Program
N/A	

9. **SSBG Carryover Funding from the Previous Year: YES ○ NO ●**

a. Source(s) of Carryover Funding	b. Amount of Carryover from Each Source

II. Administrative Operations

1. Administering Agency South Carolina Department of Social Services

2. Location 1535 Confederate Avenue Columbia, South Carolina 29202

3. Mission/Goals of Agency

The mission of the South Carolina Department of Social Services is, "To serve South Carolina by promoting the safety, permanency, and well-being of children and vulnerable adults, helping individuals achieve stability and strengthening families."

SCDSS Strives to:
a. Promote the safety and well-being of children and vulnerable adults and promote permanency for children.
b. Help preserve the family unit by enhancing the capability of individuals and families to provide for their own needs.
c. Ensure the DSS workforce is supported in their efforts to provide high-quality service that is responsive and engaged; and,
d. Foster trust, collaboration, and communication with stakeholders to improve outcomes for children, families, and vulnerable adults.

4. Description of Financial Operations Systems

South Carolina DSS program staff, in collaboration with SCDSS finance staff, annually develops a program plan for allocating SSBG funds. Through the planning process, the state seeks to allocate social service resources in a fiscally accountable manner to address and ensure that SSBG meets the priority service needs of the state. Members of the SCDSS Executive staff review and approve the plan. Consistent with state and federal requirements, citizens receive assistance to achieve, restore, and maintain a level of health, social, and economic well-being. As SSBG funding is a capped resource, the ability to develop new programs and address more needs of the state is limited. Continuity of priority services and the provision of mandated services is the State's primary focus in development of the Intended Use Plan (IUP).

Program areas within SCDSS are required to develop budget projections to ensure allocation of financial resources meet strategic objectives; that budgeted operations are within available funding; and that the agency derives maximum benefit from all available funding sources. The budget process requires an analysis of resource allocation and funding needed for budgeted operations. This process includes a review of necessary expenditures from the grants accounting staff and controller through the senior management levels of the Agency.
SCDSS allocates costs to the SSBG program based upon a federally approved Public Assistance Cost Allocation Plan (PACAP). The most recent full PACAP was approved, effective July 1, 2016. Several partial amendments have been submitted since 2016, and a full PACAP amendment was submitted, effective October 1, 2022, and is still pending

III. Program Planning

1. Planning for Distribution and Use of Funds

Describe the planning process for determining the State's use and distribution of SSBG funds.

South Carolina uses a goal-directed target group approach in the social services delivery system. This approach provides a conceptual framework within which SCDSS can identify a recipient's service needs and can develop, implement, and evaluate the distribution of funds with optimum participation of the recipients. The South Carolina Department of Social Services determines eligibility for services that support Adult Protective Services, Child Protective Services, and Foster Care for Children.

Target Group Criteria

The first step of determining eligibility is the identification of an applicant as a member of at least one of the target groups. Each target group is defined in terms of a problem or barrier experienced by SSBG service applicants. The problem provides the parameters for developing a specific goal and measurable objectives. The target groups are prioritized, with Target Group 1 having the highest priority (see below).
Target Group 1: Individuals unable to protect their own interest from abuse, neglect, or exploitation

2. Describe the Characteristics of Individuals to be Served

Include definitions for child, adult, and family; eligibility criteria; and income guidelines.

In the SSBG program, an individual adult is defined as an individual eighteen years of age or older who receives services based on need. This includes emancipated minors and married minors. An individual 17 years of age or younger is defined as a child.
An SSBG Family includes the following members:
• One or more adults and children related by blood, law, or kinship (formal or informal) arrangement and who are residing in the same household

3. Public Inspection of Pre-Expenditure Report

Describe how the State made available for public inspection and comment the current Pre-Expenditure Report or revision to the report. Supporting documentation for public inspection is also required. (See V. Appendices, Appendix A: Documentation of public Hearing).

South Carolina does not hold a public hearing for comment on the SSBG plan; however, the citizens of the state and service providers can review and comment on the pre-expenditure plan via the SCDSS website. A hard copy of the pre-expenditure plan is also available for review at SCDSS, 1535 Confederate Ave, SC 29202. The public can e-mail questions and comments to program staff charged with preparing the plan.

IV. Program Operations

Complete one table for each service category provided by the state during the reporting period.

1. Program Operations – Adoption Services

a. Service Category (use uniform definition) – Adoption Services
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

2. Program Operations – Case Management Services

a. Service Category (use uniform definition) – Case Management Services

b. SSBG Goal

NA

c. Description of Services

d. Description of Recipients (eligibility considerations)

e. Method of Delivery and Geographic Area

f. Partnering State Agency

g. Subgrantee / Service Providers

3. Program Operations – Congregate Meals

a. Service Category (use uniform definition) – Congregate Meals
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

4. Program Operations – Counseling Services

a.	**Service Category (use uniform definition)** – Counseling Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

5. Program Operations – Day Care Services – Adults

a. Service Category (use uniform definition) – Day Care Services – Adults
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

6. Program Operations – Day Care Services – Children

a. Service Category (use uniform definition) – Day Care Services – Children
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

7. Program Operations – Education and Training Services

a. Service Category (use uniform definition) – Education and Training Services	
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

8. Program Operations – Employment Services

a. Service Category (use uniform definition) – Employment Services	
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

9. Program Operations – Family Planning Services

a. Service Category (use uniform definition) – Family Planning Services
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

10. Program Operations – Foster Care Services for Adults

a. Service Category (use uniform definition) – Foster Care Services for Adults	
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

11. Program Operations – Foster Care Services for Children

a. Service Category (use uniform definition) – Foster Care Services for Children

b. SSBG Goal

3. Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserve, rehabilitate, or reunite families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care.

c. Description of Services

Foster Care Services provide an alternative family life experience for abused, neglected, or dependent children.

d. Description of Recipients (eligibility considerations)

Children unable to protect their own interest from abuse, neglect, or exploitation and must need services provided by the state that are without regard to income.

e. Method of Delivery and Geographic Area

These services may include assessment of the child's needs; case planning and management to assure that the child receives proper care in a licensed or approved environment; room and board or medical care; counseling of the child, the child's parents and foster parents; and referral and assistance in obtaining other necessary supportive services. SCDSS provides this service in all 46 counties of the state.

f. Partnering State Agency

Department of Juvenile Justice, Department of Behavioral Health and Developmental Disabilities Department of Public Health, Department of Education, Department of Children's Advocacy.

g. Subgrantee / Service Providers

60 contracted licensed group homes and 2,331 foster homes

12. Program Operations – Health Related and Home Health Services

a.	**Service Category (use uniform definition)** – Health Related and Home Health Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

13. Program Operations – Home Based Services

a. Service Category (use uniform definition) – Home Based Services
b. SSBG Goal 1. Achieve or maintain economic self-support to prevent, reduce, or eliminate dependency; 2. Achieve or maintain self-sufficiency, including reduction or prevention of dependency; 3. Prevent or remedy neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserve, rehabilitate, or reunite families; 4. Prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care.
c. Description of Services Home-Based Services are provided to adults and children receiving protective services.
d. Description of Recipients (eligibility considerations) Adults and children unable to protect their own interest from abuse, neglect, or exploitation, or who are at or below 200 percent of the poverty guidelines, or must need services provided by the state that are without regard to income.
e. Method of Delivery and Geographic Area Activities include light house cleaning, meal planning, marketing and food preparation, personal care and home management, budgeting, child rearing skills, and assistance in following treatment plans prescribed by a physician. This service is also provided to foster children and their foster families and families receiving child protective services and is provided for adults and children in all 46 counties of the state.
f. Partnering State Agency NA
g. Subgrantee / Service Providers Addus Health Care; Attentive Angels Home Care; Caregivers on Demand; CHS Group; Elite Home Care; First Priority Home Care; From the Heart Home Care; Hearts and Hands CLA; Living Well Family Care; Rest Assured LLC; Unique Serenity In-Home Care Agency; Vigilant Healthcare Staffing

14. Program Operations – Home Delivered Meals

a.	**Service Category (use uniform definition)** – Home Delivered Meals
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

15. Program Operations – Housing Services

a.	**Service Category (use uniform definition)** – Housing Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

16. Program Operations – Independent and Transitional Living Services

a.	**Service Category (use uniform definition)** – Independent and Transitional Living Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

17. Program Operations – Information and Referral

a. Service Category (use uniform definition) – Information and Referral
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

18. Program Operations – Legal Services

a.	**Service Category (use uniform definition)** – Legal Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

19. **Program Operations – Pregnancy and Parenting Services for Young Parents**

a. Service Category (use uniform definition) –	Pregnancy and Parenting Services for Young Parents
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

20. Program Operations – Prevention and Intervention Services

a. Service Category (use uniform definition) – Prevention and Intervention Services

b. SSBG Goal

3. Prevent or remedy neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserve, rehabilitate, or reunite families;
4. Prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care.

c. Description of Services

Prevention and Intervention Services provide flexible and easily accessible resources to Department of Social Services' staff in child protective services, foster care, and adoption services to assist them in their efforts to preserve, strengthen, or reunite families with children who are receiving, or are at risk of receiving, child welfare services. The service goals for Flexible Use of SSBG Funding include preventing placement in foster care; preventing disruptions in foster or pre-adoption families; reunification of a child with family or relatives; preventing abuse from occurring or recurring; and facilitating adoption.

d. Description of Recipients (eligibility considerations)

Children unable to protect their own interest from abuse, neglect, or exploitation who are at or below 200 percent of the poverty guidelines or must need services provided by the state that are without regard to income.

e. Method of Delivery and Geographic Area

This service is provided on a state-wide basis by SCDSS. Services include assistance with housing; electric bills; counseling; drug assessment and treatment services; medical services when Medicaid is not available and the services are an integral part of the service plan; wrap-around services; and short term child care services (no more than 2 weeks).

f. Partnering State Agency

NA

g. Subgrantee / Service Providers

NA

21. Program Operations – Protective Services for Adults

a.	**Service Category (use uniform definition)** – Protective Services for Adults
b.	**SSBG Goal** 1. Achieve or maintain economic self-support to prevent, reduce, or eliminate dependency; 2. Achieve or maintain self-sufficiency, including reduction or prevention of dependency; 3. Prevent or remedy neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserve, rehabilitate, or reunite families; 4. Prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
c.	**Description of Services** Adult Protective Services (APS) are provided to vulnerable adults who are 18 years of age or older and are victims of abuse, neglect, or exploitation. This maltreatment may be caused by others or may be caused by the adult victim. The Omnibus Adult Protection Act of the South Carolina Code of Laws authorizes the Department of Social Services to investigate/assess reports of abuse and/or neglect and to coordinate protective services.
d.	**Description of Recipients (eligibility considerations)** Adults unable to protect their own interest from abuse, neglect, or exploitation or who are at or below 200 percent of the poverty guidelines, or must need services provided by the state that are without regard to income.
e.	**Method of Delivery and Geographic Area** Services are provided &/or coordinated to protect vulnerable adults from abuse, neglect, and exploitation by investigating and providing temporary assistance until risk is minimized and services are secured. Services are provided to meet the adults' basic needs and to provide intervention and protection for Vulnerable Adults who cannot provide care or protection for themselves in a manner that ensures attention will be given to the Adult's right to self-determination. These services must be provided in the least restrictive environment as determined by the Adult's level of care and safety. In some cases, emergency caretakers are
f.	**Partnering State Agency** Department of Health and Human Services, Department of Behavioral Health and Developmental Disabilities, Department on Aging, State Law Enforcement Division, Local law Enforcement.
g.	**Subgrantee / Service Providers** Rosewood Assisted Living; Addus Health Care; Attentive Angels Home Care; Caregivers on Demand; CHS Group; Elite Home Care; First Priority Home Care; From the Heart Home Care; Hearts and Hands CLA; Living Well Family Care; Rest Assured LLC; Unique Serenity In-Home Care Agency; Vigilant Healthcare Staffing, Patriot Living.

22. Program Operations – Protective Services for Children

a. Service Category (use uniform definition) – Protective Services for Children

b. SSBG Goal

1. Achieve or maintain economic self-support to prevent, reduce, or eliminate dependency;
2. Achieve or maintain self-sufficiency, including reduction or prevention of dependency;
3. Prevent or remedy neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserve, rehabilitate, or reunite families;
4. Prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and

c. Description of Services

Child Protective Services (CPS) are provided to families whose children have been abused or neglected.

d. Description of Recipients (eligibility considerations)

Child Protective Services (CPS) are provided to families whose children have been abused or neglected without regard to income.

e. Method of Delivery and Geographic Area

State law requires the Department of Social Services to assess reports of child abuse/neglect to determine their validity. This includes determining whether the child is at risk and determining the need for supportive services for the family. In addition to investigating abuse/neglect and providing counseling and offering other treatment services to parents and children, the case managers are advocates for the child and family to law enforcement and the family court. SCDSS provides this service at the county level in all 46 counties of the state.

f. Partnering State Agency

Law Enforcement, Department of Education, Department of Juvenile Justice, Department of Behavioral Health and Developmental Disabilities

g. Subgrantee / Service Providers

NA

23. Program Operations – Recreational Services

a. Service Category (use uniform definition) – Recreational Services
b. SSBG Goal NA
c. Description of Services
d. Description of Recipients (eligibility considerations)
e. Method of Delivery and Geographic Area
f. Partnering State Agency
g. Subgrantee / Service Providers

24. Program Operations – Residential Treatment Services

a.	**Service Category (use uniform definition)** – Residential Treatment Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

25. Program Operations – Special Services for Persons with Developmental or Physical

a. Service Category (use uniform definition) –	Special Services for Persons with Developmental or Physical
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

26. Program Operations – Special Services for Youth Involved in or at Risk of Involvement with Criminal Activity

a. Service Category (use uniform definition) – Special Services for Youth Involved in or at Risk of Involvement with Criminal Activity	
b. SSBG Goal NA	
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

27. Program Operations – Substance Abuse Services

a.	**Service Category (use uniform definition)** – Substance Abuse Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

28. Program Operations – Transportation Services

a.	**Service Category (use uniform definition)** – Transportation Services
b.	**SSBG Goal** NA
c.	**Description of Services**
d.	**Description of Recipients (eligibility considerations)**
e.	**Method of Delivery and Geographic Area**
f.	**Partnering State Agency**
g.	**Subgrantee / Service Providers**

29. Program Operations – Other Services

a. Service Category (use uniform definition) – Other Services	
b. SSBG Goal	NA
c. Description of Services	
d. Description of Recipients (eligibility considerations)	
e. Method of Delivery and Geographic Area	
f. Partnering State Agency	
g. Subgrantee / Service Providers	

V. Appendices

Appendix A: Documentation of Public Hearing

Attach documentation of public hearing, such as public hearing notices, websites, electronic correspondence, letters, newspaper articles, etc.

Appendix B: Certifications

Attach signed copies of the following certifications

1. Drug-Free Workplace Requirements
2. Environmental Tobacco Smoke
3. Lobbying
4. Debarment, Suspension and Other Responsibility Matters

Appendix C: Proof of Audit

Federal regulations state that: "Each State shall, not less often than every two years, audit its expenditures from amounts received (or transferred for use) under this title…Within 30 days following the completion of each audit, the State shall submit a copy of that audit to the legislature of the State and to the Secretary." (Sec. 2006 [42 U.S.C. 1397a, Sec. 2006]).

Provide a copy or link to the most recent audit, or a description of the audit that specifies when the audit occurred and summarizes the results of the audit.

Appendix D: SF 424M

Scanned copy must be uploaded with application

Appendix E: Federal Financial Report (FFR) For SF-425 Federal Financial Reporting (FFR) Form SF-425

Scanned copy must be uploaded with the Intended Use Plan

Appendix F: TANF ACF-196R form

Scanned copy must be uploaded with the Intended Use Plan

Appendix A:

Documentation of Public Hearing

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families (ACF)
Office of Community Services (OCS)

PUBLIC COMMENT CERTIFICATION

Social Services Block Grant / Consolidated Block Grant (SSBG/CBG)

Applicant (State/Territory): South Carolina

DUNS/UEI Number: YPHCPMULMCD5

Grant Program: SSBG/CBG

Certification

The state or territory's authorized official/delegate certifies compliance with public notice and comment requirements under Section 2004 of Title XX of the Social Security Act and applicable federal regulations, including providing the public a reasonable opportunity to review and comment on the Intended Use Plan and Pre-Expenditure Report for a minimum of 10 days prior to submission.

The applicant affirms that these documents were made publicly available for inspection and comment for a minimum of 10 days in accordance with federal guidance. The applicant further certifies that documentation of publication and proof of distribution has been completed.

Such documentation has been submitted to the federal program office as an attachment via the SSBG Portal.

Proof of public comment may include a web link or uploaded documentation (e.g., newspaper clipping, website screenshot, etc.).

Certification Agreement:

Agree ☑

Disagree ☐

Public Comment Proof Link (if applicable):
https://dss.sc.gov/about/data-and-resources/federal-reporting/

If you have selected 'Disagree', please explain why:

NA

Authorized Official

Name: Tony Catone

Title: State Director

Agency: SC Department of Social Servic

Signature:

Date:

Appendix B:

Certifications

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645 (a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies.

4. For grantees who are individuals, Alternate II applies.

5. Workplaces under grants, for grantees other than individuals, need to be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
(b) Establishing an ongoing drug-free awareness program to inform employees about - -
(1) The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will - -
(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
(e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted - -
(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

____
Signature and Date
Tony Catone________________________________
Printed Name
State Director ________________________________
Title
SC Department of Social Services________________
Organization

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity by signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

____
Signature and Date
__Tony Catone______________________________________
Printed Name
__State Director_____________________________________
Title
__South Carolina Department of Social Services ___________
Organization

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

____

Signature and Date

_Tony Catone___________________________________

Printed Name

_State Director___________________________________

Title

_South Carolina Department of Social Services_____________

Organization

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - - Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusive-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant

may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

****

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - - Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other

remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph five of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

****

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared

ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

____

Signature and Date

_Tony Catone________________________________

Printed Name

_State Director________________________________

Title

_South Carolina Department of Social Services___________

Organization

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families (ACF)
Office of Community Services (OCS)

ASSURANCE OF COMPLIANCE WITH FEDERAL NONDISCRIMINATION REQUIREMENTS

Social Services Block Grant / Consolidated Block Grant (SSBG/CBG)

Applicant (State/Territory): South Carolina

DUNS/UEI Number: YPHCPMULMCD5

Grant Program: SSBG/CBG

Certification

The Applicant, including all subrecipients and contractor organizations, will comply with all applicable Federal statutes and regulations relating to nondiscrimination, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

The Applicant further assures that all programs, services, and activities funded under SSBG/CBG will comply with the Americans with Disabilities Act (ADA), including providing accessible formats and reasonable accommodations.

These assurances apply to all operations of the Applicant, including subrecipients and contractors receiving Federal financial assistance.

Authorized Official

Name: Tony Catone

Title: State Director

Agency: SC Department of Social Services

Signature:

Date:

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families (ACF)
Office of Community Services (OCS)

AUDIT ASSURANCE CERTIFICATION
Social Services Block Grant / Consolidated Block Grant (SSBG/CBG)

Applicant (State/Territory): South Carolina

DUNS/UEI Number: YPHCPMULMCD5

Grant Program: SSBG/CBG

Certification

The applicant certifies compliance with audit requirements under Title XX of the Social Security Act, including Section 2006, and applicable provisions of 2 CFR Part 200 (Uniform Guidance). The applicant affirms that required audits are conducted in accordance with federal standards and that any findings are addressed through appropriate corrective actions. A copy of the most recent audit report has been submitted to the federal program office as an attachment via the SSBG Portal. The applicant acknowledges responsibility for maintaining records and providing access for federal or authorized review as required.

Audit upload cover sheet note: The state or territory will upload the audit with this completed form as the cover sheet for SSBG/CBG.

Authorized Official

Name: Tony Catone

Title: State Director

Agency: South Carolina Department of Social Services

Signature: ______________________

Date: ______________________

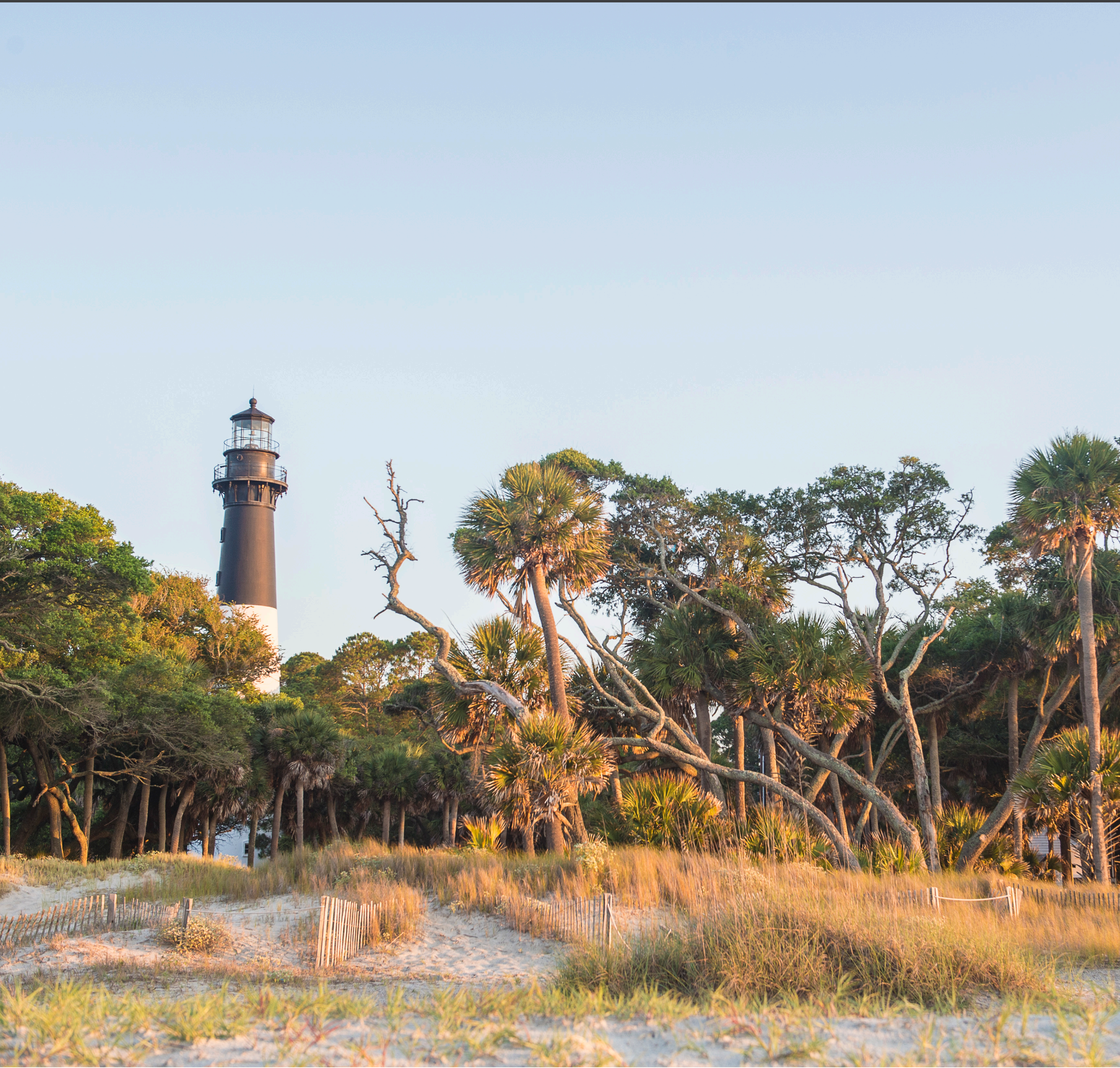
By signing this certification, the Authorized Official affirms compliance for the duration of the grant award and acknowledges that failure to comply may result in enforcement actions under Federal law.

Appendix C:

Proof of Audit

State of South Carolina
Statewide Single Audit

For the year ended June 30, 2025



CONTENTS

Independent Auditor's Report on Compliance for
Each Major Federal Program; Report on Internal
Control over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance

March 25, 2026

The Honorable Henry D. McMaster, Governor
and
Members of the State Fiscal Accountability Authority
State of South Carolina
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the State of South Carolina's (the State) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2025. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on ALN 93.566 Refugee and Entrant Assistance State/Replacement Designee Administered Programs

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Refugee and Entrant Assistance State/Replacement Designee Administered Programs for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State’s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Refugee and Entrant Assistance State/Replacement Designee Administered Programs

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the Refugee and Entrant Assistance State/Replacement Designee Administered Programs as described in finding number’s 2025-027 for Subrecipient Monitoring, 2025-029 for Eligibility, and 2025-030 for Activities Allowed or Unallowable and Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the State’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State’s compliance with the

compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-003 through 2025-004, 2025-006 through 2025-014, 2025-017 through 2025-020, 2025-022, 2025-024 through 2025-026, 2025-028, 2025-031 through 2025-043, and 2025-046 through 2025-047. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The State's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-027, 2025-029 and 2025-30 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-003 through 2025-26, 2025-028, and 2025-031 through 2025-047 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The State's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have jointly audited the basic financial statements of the State as of and for the year ended June 30, 2025, and have issued a report thereon dated January 28, 2026 which contained, based upon our joint audit and the report of other auditors, an unmodified opinion on those basic financial statements. The audit was performed for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sue S. Moss

Columbia, South Carolina
March 25, 2026

Schedule of Expenditures of Federal Awards by Federal Grantor and Assistance Listing Number

Schedule 1

Federal Grantor/Assistance Listing Number/Title		Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
Department of Agriculture					
SNAP Cluster	10.551 Supplemental Nutrition Assistance Program			1,352,256,218	-
	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			48,610,428	3,766,548
SNAP Cluster Total				**1,400,866,646**	**3,766,548**
Child Nutrition Cluster	10.553 School Breakfast Program			563,236	-
	10.555 National School Lunch Program			512,372,047	472,699,562
	10.582 Fresh Fruit and Vegetable Program			3,834,792	3,834,792
Child Nutrition Cluster Total				**516,770,075**	**476,534,354**
Food Distribution Cluster	10.568 Emergency Food Assistance Program (Administrative Costs)			2,153,551	1,970,317
	10.568 COVID-19 Emergency Food Assistance Program (Administrative Costs)			940,316	940,316
Food Distribution Cluster Total				**3,093,867**	**2,910,633**
Schools and Roads Cluster	10.665 Schools and Roads - Grants to States			862,440	862,440
Schools and Roads Cluster Total				**862,440**	**862,440**
Department of Housing and Urban Development					
CDBG - Entitlement/Special Purpose Grants Cluster	14.218 Community Development Block Grants/Entitlement Grants			1,247,905	1,114,694
CDBG - Entitlement/Special Purpose Grants Cluster Total				**1,247,905**	**1,114,694**
Department of Interior					
Fish and Wildlife Cluster	15.605 Sport Fish Restoration			192,600	158,261
	15.611 Wildlife Restoration and Basic Hunter Education and Safety			4,327,790	-
	15.626 Enhanced Hunter Education and Safety			186,982	-
Fish and Wildlife Cluster Total				**4,707,372**	**158,261**
Department of Transportation					
FMCSA Cluster	20.218 Motor Carrier Safety Assistance			8,878,064	-
	20.237 Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements			251,155	-
FMCSA Cluster Total				**9,129,219**	**-**
Transit Services Programs Cluster	20.513 Enhanced Mobility of Seniors and Individuals with Disabilities	Berkeley Charleston Dorchester Council of Governments	SC-2024-005	14,522	-
Transit Services Programs Cluster Total				**14,522**	**-**
Highway Safety Cluster	20.600 State and Community Highway Safety			6,030,877	2,426,795
	20.616 National Priority Safety Programs			5,444,453	1,627,321
Highway Safety Cluster Total				**11,475,330**	**4,054,116**
Department of Education					
Special Education Cluster (IDEA)	84.027 Special Education Grants to States			233,764,281	211,811,524
	84.173 Special Education Preschool Grants			8,062,744	7,563,130
Special Education Cluster (IDEA) Total				**241,827,025**	**219,374,654**
Department of Health and Human Services					
Aging Cluster	93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			8,173,004	7,545,476
	93.044 COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			4,221,625	3,618,950
	93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services			12,139,787	11,771,561
	93.045 COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services			1,553,350	1,486,216
	93.053 Nutrition Services Incentive Program			544,338	544,336
Aging Cluster Total				**26,632,104**	**24,966,539**

Federal Grantor/Assistance Listing Number/Title		Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
CCDF Cluster	93.489 Child Care Disaster Relief			1,497,971	-
	93.575 Child Care and Development Block Grant			245,758,651	3,138,936
	93.575 COVID-19 Child Care and Development Block Grant			175,639,487	-
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund			62,325,529	-
CCDF Cluster Total				**485,221,638**	**3,138,936**
Head Start Cluster	93.600 Head Start			170,946	-
Head Start Cluster Total				**170,946**	**-**
Medicaid Cluster	93.775 State Medicaid Fraud Control Units			2,559,332	-
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			8,400,932	-
	93.778 COVID-19 Medical Assistance Program			288,809	-
	93.778 Medical Assistance Program			7,446,175,504	-
Medicaid Cluster Total				**7,457,424,577**	**-**
Social Security Administration					
Disability Insurance/SSI Cluster	96.001 Social Security Disability Insurance			40,261,139	-
Disability Insurance/SSI Cluster Total				**40,261,139**	**-**
Research and Development Cluster					
Department of Agriculture					
National Institute of Food and Agriculture	10.200 Grants for Agricultural Research, Special Research Grants				
		Mississippi State University			
			321673327054.05.18.FR22-2	5,684	-
National Institute of Food and Agriculture	10.215 Sustainable Agriculture Research and Education			33,429	-
		University of Georgia			
			2022-38640-37488	75,657	26,333
	10.215 Sustainable Agriculture Research and Education Total			109,086	26,333
Risk Management Agency	10.460 Risk Management Education Partnerships				
		Clemson University			
			RMA23CPT0013388	12,041	-
Forest Service	10.697 State & Private Forestry Hazardous Fuel Reduction Program			43,767	42,304
Rural Business Cooperative Service	10.771 Rural Cooperative Development Grants				
		Clemson University			
			46-039-576000254	4,545	4,545
			46-040-690474971	71,506	27,513
	10.771 Rural Cooperative Development Grants Total			76,051	32,058
Department of Commerce					
National Oceanic and Atmospheric Administration	11.011 Ocean Exploration			5,184	-
National Oceanic and Atmospheric Administration	11.012 Integrated Ocean Observing System (IOOS)				
		Southeast Coastal Ocean Observing Regional Association			
			NA21NOS0120097	28,507	-
			NA24NOSX012C0034	4,967	-
			IOOS.21(097)SCDNR.TS.DM.1	34,125	-
	11.012 Integrated Ocean Observing System (IOOS) Total			67,599	-
National Oceanic and Atmospheric Administration	11.407 Interjurisdictional Fisheries Act of 1986			36,694	-

Federal Grantor/Assistance Listing Number/Title		Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
National Oceanic and Atmospheric Administration	11.417 Sea Grant Support			4,146,926	2,415,481
		Mississippi State University			
			NA21OAR4170268	4,221	-
		North Carolina State University			
			2022-1681-02	11,568	-
			NA23OAR4170426	18,580	-
		University of Florida			
			SUB00003174	143	-
	11.417 Sea Grant Support Total			4,181,438	2,415,481
National Oceanic and Atmospheric Administration	11.419 Coastal Zone Management Administration Awards				
		University of South Carolina			
			22-4709	26,698	-
		The Regents of the University of Michigan			
			SUBK00018018	118,784	28,299
			SUBK00020289	115,564	65,101
	11.419 Coastal Zone Management Administration Awards Total			261,046	93,400
National Oceanic and Atmospheric Administration	11.420 Coastal Zone Management Estuarine Research Reserves			860,121	-
National Oceanic and Atmospheric Administration	11.431 Climate and Atmospheric Research			88,800	78,431
		East Carolina University			
			NA23OAR4310473	14,992	14,075
	11.431 Climate and Atmospheric Research Total			103,792	92,506
National Oceanic and Atmospheric Administration	11.433 Marine Fisheries Initiative			290,797	61,424
National Oceanic and Atmospheric Administration	11.434 Cooperative Fishery Statistics			165,027	-
National Oceanic and Atmospheric Administration	11.435 Southeast Area Monitoring and Assessment Program			1,655,487	24,229
National Oceanic and Atmospheric Administration	11.454 Unallied Management Projects			810,046	-
National Oceanic and Atmospheric Administration	11.472 Unallied Science Program			1,096,101	-
National Oceanic and Atmospheric Administration	11.473 Office for Coastal Management			178,871	33,075
		National Fish and Wildlife Foundation			
			0318.22.076180	193,213	62,569
		South Carolina Coastal Conservation League			
			75464	40,693	-
	11.473 Office for Coastal Management Total			412,777	95,644
National Oceanic and Atmospheric Administration	11.474 Atlantic Coastal Fisheries Cooperative Management Act			264,464	-
National Oceanic and Atmospheric Administration	11.478 Center for Sponsored Coastal Ocean Research Coastal Ocean Program			3,500	-
Department of Defense					
Department of the Army	12.005 Conservation and Rehabilitation of Natural Resources on Military Installations			74,184	-
Office of the Secretary of Defense	12.017 Readiness and Environmental Protection Integration (REPI) Program				
		South Carolina Coastal Conservation League			
			75464	270,380	-
Department of the Army	12.107 Navigation Projects			244,407	-
Washington Headquarters Services (WHS)	12.630 Basic, Applied, and Advanced Research in Science and Engineering			103,359	-
Department of Interior					
US Geological Survey	15.073 Earth Mapping Resources Initiative			94,291	-
Bureau of Ocean Energy Management	15.424 Marine Minerals Activities			102,669	91,048
US Fish and Wildlife Service	15.605 Sport Fish Restoration			4,683,052	-
US Fish and Wildlife Service	15.608 Fish and Wildlife Management Assistance			80,686	-
US Fish and Wildlife Service	15.611 Wildlife Restoration and Basic Hunter Education and Safety			7,913,487	22,146

Federal Grantor	Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
US Fish and Wildlife Service	15.615 Cooperative Endangered Species Conservation Fund			188,606	-
US Fish and Wildlife Service	15.634 State Wildlife Grants			1,162,095	266,309
US Fish and Wildlife Service	15.657 Endangered Species Recovery Implementation			120,376	-
US Fish and Wildlife Service	15.669 Cooperative Landscape Conservation				
		National Estuarine Research Reserve			
			78114	30,673	-
US Fish and Wildlife Service	15.683 Prescott Marine Mammal Rescue Assistance			13,342	-
US Fish and Wildlife Service	15.684 White-nose Syndrome National Response Implementation			43,784	-
US Geological Survey	15.808 U.S. Geological Survey Research and Data Collection			112,437	37,439
US Geological Survey	15.810 National Cooperative Geologic Mapping			375,843	-
National Park Service	15.904 Historic Preservation Fund Grants-In-Aid			20,085	-
National Science Foundation					
	47.083 Integrative Activities				
		Integrative Activities			
			OIA-2418396	2,100	-
Department of Energy					
	81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			164,409	-
Department of Education					
	84.184 School Safely National Activities			152,032	-
	84.372 Statewide Longitudinal Data Systems			131,609	-
National Archives and Records Administration					
	89.003 National Historical Publications and Records Grants			7,336	7,336
Department of Health and Human Services					
	93.103 Food and Drug Administration Research			1,446,543	-
		American Association of Food and Drug Officials			
			G-2310-04271	2,040	-
			G-2411-04894 G-2412-0493	6,858	-
		National Environmental Health Association			
			U2FFD007358	59,213	-
	93.103 Food and Drug Administration Research Total			1,514,654	-
	93.236 Grants to States to Support Oral Health Workforce Activities				
		Medical University of South Carolina			
			5 T12HP28882-09-00;A00-2	25,548	-
			5 T12HP28882 10 00,A00-2	111,146	-
	93.236 Grants to States to Support Oral Health Workforce Activities Total			136,694	-
	93.315 Rare Disorders: Research, Surveillance, Health Promotion, and Education			201,286	-
	93.434 Every Student Succeeds Act/Preschool Development Grants				
		SC First Steps			
			90TP0113-01-00	73,712	-
	93.876 Antimicrobial Resistance Surveillance in Retail Food Specimens			68,421	-
	93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			118,277	-
Research and Development Cluster Total				**28,664,988**	**3,307,657**
	Total Clusters			**10,228,369,793**	**740,188,832**

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
Department of Agriculture				
10.093 Voluntary Public Access and Habitat Incentive Program			96,800	96,800
10.153 Market News			39,219	-
10.170 Specialty Crop Block Grant Program - Farm Bill			832,417	762,338
10.170 COVID-19 Specialty Crop Block Grant Program - Farm Bill			191,791	116,786
10.170 Specialty Crop Block Grant Program - Farm Bill Total			1,024,208	879,124
10.171 Organic Certification Cost Share Programs			7,337	7,337
10.182 COVID-19 Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments			3,871,548	3,814,852
10.185 COVID-19 Local Food for Schools Cooperative Agreement Program			33,342	33,342
10.187 The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds			618,000	618,000
10.190 COVID-19 Resilient Food System Infrastructure Program			1,341,990	1,160,877
10.351 Rural Business Development Grant			98,982	40,000
10.525 Farm and Ranch Stress Assistance Network Competitive Grants Program			111,357	97,059
10.541 Child Nutrition-Technology Innovation Grant			188,575	-
10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children			103,986,100	165,353
10.558 Child and Adult Care Food Program			42,553,127	42,077,384
10.560 State Administrative Expenses for Child Nutrition			6,454,322	1,455,658
10.572 WIC Farmers' Market Nutrition Program (FMNP)			31,838	-
10.576 Senior Farmers Market Nutrition Program			378,580	-
10.576 COVID-19 Senior Farmers Market Nutrition Program			1,232,795	-
10.576 Senior Farmers Market Nutrition Program Total			1,611,375	-
10.579 Child Nutrition Discretionary Grants Limited Availability			1,130,183	1,105,295
10.580 Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants			165,370	-
10.645 Farm to School State Formula Grant			354,256	67,861
10.652 Forestry Research			487,031	-
10.664 Cooperative Forestry Assistance			2,829,615	615,592
10.676 Forest Legacy Program			4,062,016	-
10.678 Forest Stewardship Program			29,396	-
10.680 Forest Health Protection			421,988	177,166
10.691 Good Neighbor Authority			56,448	-
10.697 State & Private Forestry Hazardous Fuel Reduction Program			66,568	49,588
10.698 State & Private Forestry Cooperative Fire Assistance			672,523	271,425
10.720 Infrastructure Investment and Jobs Act Community Wildfire Defense Grants			76,434	-
10.721 Infrastructure Investment and Jobs Act Temporary Bridge Program			58,744	54,553
10.727 Inflation Reduction Act Urban & Community Forestry Program			419,423	396,923
10.731 Inflation Reduction Act Landscape Scale Restoration			2,500	-
10.734 Inflation Reduction Act - Forest Legacy Program			141,706	-
10.912 Environmental Quality Incentives Program			134,138	-
10.931 Agricultural Conservation Easement Program			59,148	-
10.934 Feral Swine Eradication and Control Pilot Program			41,307	41,307
Department of Agriculture Total			**173,276,914**	**53,225,496**
Department of Commerce				
11.032 State Digital Equity Planning and Capacity Grant			86,582	-
11.035 Broadband Equity, Access, and Deployment Program			1,496,428	-
11.039 Regional Technology and Innovation Hubs			135,585	-
11.419 Coastal Zone Management Administration Awards			2,926,289	-
11.420 Coastal Zone Management Estuarine Research Reserves			5,100	-

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
11.463 Habitat Conservation				
	The Nature Conservancy			
		P118353-A109232-112228	74,251	-
11.473 Office for Coastal Management			14,776	-
	National Fish and Wildlife Foundation			
		0318.23.075909	187,558	-
	U.S. Department of Commerce - Univ of South Carolina			
		25-5968	1,493,500	-
11.473 Office for Coastal Management Total			1,695,834	-
11.477 Fisheries Disaster Relief			650,719	531,470
Department of Commerce Total			**7,070,788**	**531,470**
Department of Defense				
12.113 State Memorandum of Agreement Program for the Reimbursement of Technical Services			1,037,452	-
12.400 Military Construction, National Guard			1,809,547	-
12.401 National Guard Military Operations and Maintenance (O&M) Projects			39,189,485	-
12.404 National Guard ChalleNGe Program			4,568,336	-
Department of Defense Total			**46,604,820**	**-**
Department of Housing and Urban Development				
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			44,239,724	26,270,760
14.228 COVID-19 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			11,039,565	10,744,195
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Total			55,279,289	37,014,955
14.231 Emergency Solutions Grant Program			2,065,754	1,909,891
14.231 COVID-19 Emergency Solutions Grant Program			34,177	34,177
14.231 Emergency Solutions Grant Program Total			2,099,931	1,944,068
14.241 Housing Opportunities for Persons with AIDS			3,052,025	2,900,908
14.267 Continuum of Care Program			389,625	389,625
14.401 Fair Housing Assistance Program			385,099	-
14.921 Older Adults Home Modification Grant Program			138,890	49,941
Department of Housing and Urban Development Total			**61,344,859**	**42,299,497**
Department of Interior				
15.438 National Forest Acquired Lands			785	785
15.616 Clean Vessel Act			634,550	364,290
15.622 Sportfishing and Boating Safety Act			2,228,992	2,221,477
15.630 Coastal			2,130	-
15.634 State Wildlife Grants			75,111	37,970
15.657 Endangered Species Recovery Implementation			125	-
15.904 Historic Preservation Fund Grants-In-Aid			846,476	167,351
15.916 Outdoor Recreation Acquisition, Development and Planning			2,136,748	1,636,748
15.926 American Battlefield Protection			26,068	-
15.957 Emergency Supplemental Historic Preservation Fund			210,962	210,962
Department of Interior Total			**6,161,947**	**4,639,583**
Department of Justice				
16.017 Sexual Assault Services Formula Program			697,519	572,327
16.034 Coronavirus Emergency Supplemental Funding Program			2,853,205	-
16.043 Veterans Treatment Court Discretionary Grant Program			4,000	4,000
16.540 Juvenile Justice and Delinquency Prevention			473,109	246,552

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
16.543 Missing Children's Assistance			745,185	-
16.554 National Criminal History Improvement Program (NCHIP)			175,193	-
16.575 Crime Victim Assistance			19,168,133	17,442,524
16.576 Crime Victim Compensation			1,439,568	-
16.585 Treatment Court Discretionary Grant Program			526,603	451,500
16.588 Violence Against Women Formula Grants			2,855,370	2,395,771
16.593 Residential Substance Abuse Treatment for State Prisoners			756,409	494,029
16.607 Bulletproof Vest Partnership Program			275,941	156,865
16.609 Project Safe Neighborhoods			504,375	480,133
16.710 Public Safety Partnership and Community Policing Grants			309,962	-
16.735 PREA Program: Strategic Support for PREA Implementation			60,297	15,185
16.738 Edward Byrne Memorial Justice Assistance Grant Program			6,712,853	5,713,761
	Richland County Sheriff's Department			
		15PBJA-23-GG-00033-BSCI	92,442	-
		15PBJA-23-GG-03028-MUMU	1,348	-
		5G003123	68,735	-
16.738 Edward Byrne Memorial Justice Assistance Grant Program Total			6,875,378	5,713,761
16.741 DNA Backlog Reduction Program			669,431	-
16.742 Paul Coverdell Forensic Sciences Improvement Grant Program			251,083	185,441
16.745 Criminal and Juvenile Justice and Mental Health Collaboration Program			30,467	-
	Anderson County			
		None	38,459	-
16.745 Criminal and Juvenile Justice and Mental Health Collaboration Program Total			68,926	-
16.750 Support for Adam Walsh Act Implementation Grant Program			277,683	-
16.813 NICS Act Record Improvement Program			442,430	-
16.816 John R. Justice Prosecutors and Defenders Incentive Act			109,972	-
16.827 Justice Reinvestment Initiative			315,599	-
16.831 Children of Incarcerated Parents			22,062	-
16.838 Comprehensive Opioid, Stimulant, and other Substances Use Program			994,833	825,625
16.922 Equitable Sharing Program			308,125	-
16.U01 Domestic Cannabis Eradication/Suppression Program			76,848	-
Department of Justice Total			**41,257,239**	**28,983,713**
Department of Labor				
17.005 Compensation and Working Conditions			92,995	-
17.235 Senior Community Service Employment Program			1,054,828	951,243
17.285 Registered Apprenticeship			5,712,645	-
17.503 Occupational Safety and Health State Program			2,882,690	-
17.504 Consultation Agreements			701,841	-
17.604 Safety and Health Grants			1,091,475	-
Department of Labor Total			**11,536,474**	**951,243**
Department of Transportation				
20.106 Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs			282,664	-
20.219 Recreational Trails Program			947,493	875,250
20.232 Commercial Driver's License Program Implementation Grant			2,027,461	-
20.240 Fuel Tax Evasion-Intergovernmental Enforcement Effort			38,652	-
20.614 National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements			266,214	-
20.703 Interagency Hazardous Materials Public Sector Training and Planning Grants			298,260	298,260
Department of Transportation Total			**3,860,744**	**1,173,510**

Schedule 1

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
Department of Treasury				
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds			449,261,708	309,568,076
21.029 COVID-19 Coronavirus Capital Projects Fund			66,725	-
Department of Treasury Total			**449,328,433**	**309,568,076**
Appalachian Regional Commission				
23.002 Appalachian Area Development			352,453	352,453
23.011 Appalachian Research, Technical Assistance, and Demonstration Projects			134,842	-
Appalachian Regional Commission Total			**487,295**	**352,453**
General Services Administration				
39.003 Donation of Federal Surplus Personal Property			2,232,077	2,232,077
General Services Administration Total			**2,232,077**	**2,232,077**
National Endowment for the Humanities				
45.025 Promotion of the Arts Partnership Agreements			1,072,869	11,250
45.301 Museums for America				
	South Carolina State Museum Foundation			
		MA-245298-OMS-20	439	-
		MA-251425-OMS-22	120,870	-
45.301 Museums for America Total			121,309	-
45.310 Grants to States			4,511,952	714,371
National Endowment for the Humanities Total			**5,706,130**	**725,621**
Small Business Administration				
59.061 State Trade Expansion			243,425	200,825
Small Business Administration Total			**243,425**	**200,825**
Department of Veterans Affairs				
64.005 Grants to States for Construction of State Home Facilities			250,000	-
64.005 COVID-19 Grants to States for Construction of State Home Facilities			59,427	-
64.005 Grants to States for Construction of State Home Facilities Total			309,427	-
64.053 Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes			92,285	-
64.124 All-Volunteer Force Educational Assistance			441,819	-
Department of Veterans Affairs Total			**843,531**	**-**
Environmental Protection Agency				
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			627,213	-
66.040 Diesel Emissions Reduction Act (DERA) State Grants			802	-
66.046 Climate Pollution Reduction Grants			754,541	-
66.312 Environmental Justice Government-to-Government (EJG2G) Program			14,867	-
66.419 Water Pollution Control State, Interstate, and Tribal Program Support			256,150	-
66.442 Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program			76,100	-
66.444 Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))			746	-
66.454 Water Quality Management Planning			1,948	-
66.458 Clean Water State Revolving Fund			8,002,205	6,897,967
66.460 Nonpoint Source Implementation Grants			1,991,960	-
66.468 Drinking Water State Revolving Fund			32,241,442	28,199,061
66.605 Performance Partnership Grants			8,440,196	-
66.802 Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			2,899,807	-

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
66.804 Underground Storage Tank (UST) Prevention, Detection, and Compliance Program			244,065	-
66.805 Leaking Underground Storage Tank Trust Fund Corrective Action Program			908,314	-
66.809 Superfund State and Indian Tribe Core Program Cooperative Agreements			89,387	-
66.817 State and Tribal Response Program Grants			903,754	-
66.818 Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			696,064	-
66.920 Solid Waste Infrastructure for Recycling Infrastructure Grants			48,340	-
66.950 National Environmental Education Training Program			2,968	-
66.959 Greenhouse Gas Reduction Fund: Section 134(a)(1) - Zero Emission Technologies Grant Program			72,450	-
Environmental Protection Agency Total			**58,273,319**	**35,097,028**
Department of Energy				
81.041 State Energy Program			2,114,196	78,226
81.042 Weatherization Assistance for Low-Income Persons			6,490,442	6,042,821
81.086 Conservation Research and Development			88,729	-
81.104 Environmental Remediation and Waste Processing and Disposal			470,913	-
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions			248,575	-
	U.S. Department of Energy C/O Savannah River Nuclear Solution	SSEB-WIPP-920-SCEMD-2021-015amd	134,965	-
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Total			383,540	-
81.128 Energy Efficiency and Conservation Block Grant Program (EECBG)			659,659	491,690
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			4,234,548	238,309
Department of Energy Total			**14,442,027**	**6,851,046**
Department of Education				
84.002 Adult Education - Basic Grants to States			10,876,092	9,007,010
84.010 Title I Grants to Local Educational Agencies			287,025,544	283,272,832
84.011 Migrant Education State Grant Program			898,886	167,170
84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth			2,048,539	-
84.048 Career and Technical Education -- Basic Grants to States			17,815,250	14,606,771
84.126 Rehabilitation Services Vocational Rehabilitation Grants to States			73,007,873	-
84.144 Migrant Education Coordination Program			135,666	40,996
84.177 Rehabilitation Services Independent Living Services for Older Individuals Who are Blind			523,725	-
84.181 Special Education-Grants for Infants and Families			7,764,765	-
84.187 Supported Employment Services for Individuals with the Most Significant Disabilities			261,000	-
84.196 Education for Homeless Children and Youth			2,017,586	1,781,502
84.215 Innovative Approaches to Literacy; Promise Neighborhoods; Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects				
	Lancaster County Partners for Youth	LPNP2024	8,489	-
84.282 Charter Schools			7,020,502	6,521,986
84.287 Twenty-First Century Community Learning Centers			18,218,630	17,089,439
84.305 Education Research, Development and Dissemination			91,724	-
84.326 Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			118,447	-
84.358 Rural Education			3,804,964	3,673,087
84.365 English Language Acquisition State Grants			6,214,476	5,849,067
84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			37,424,540	34,781,906
84.369 Grants for State Assessments and Related Activities			5,041,810	-
84.372 Statewide Longitudinal Data Systems			1,290,127	-
84.421 Disability Innovation Fund (DIF)			1,903,067	1,594,650
84.424 Student Support and Academic Enrichment Program			24,403,492	23,760,734

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
84.425B COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants			378,915	-
84.425C COVID-19 Governor's Emergency Education Relief (GEER) Fund			1	-
84.425D COVID-19 Elementary and Secondary School Emergency (GEER) Fund			562,040	-
84.425U COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			461,350,540	434,924,666
84.425V COVID-19 American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS) Program			4,517,475	4,393,532
84.425 COVID-19 Education Stabilization Fund Total			466,808,971	439,318,198
84.906 American Printing House for the Blind (APH)			305,361	-
Department of Education Total			**975,029,526**	**841,465,348**
Election Assistance Commission				
90.705 Southeast Crescent Regional Commission - Economic and Infrastructure Development Grants			127,417	-
Election Assistance Commission Total			**127,417**	**-**
Department of Health and Human Services				
93.008 Medical Reserve Corps Small Grant Program			517,036	104,253
	National Association of County and City Health Officials	6HITEP150032-02-12; 2001	1,260	-
93.008 Medical Reserve Corps Small Grant Program Total			518,296	104,253
93.041 Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation			101,573	-
93.042 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			409,740	365,912
93.042 COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			3,709	2,012
93.042 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals Total			413,449	367,924
93.043 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			357,984	352,975
93.043 COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			322,049	307,437
93.043 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services Total			680,033	660,412
93.048 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			556,099	286,985
93.048 COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			18,268	-
93.048 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects Total			574,367	286,985
93.052 National Family Caregiver Support, Title III, Part E			3,230,327	3,011,763
93.052 COVID-19 National Family Caregiver Support, Title III, Part E			510,791	495,162
93.052 National Family Caregiver Support, Title III, Part E Total			3,741,118	3,506,925
93.069 Public Health Emergency Preparedness			9,891,905	-
93.070 Environmental Public Health and Emergency Response			675,317	-
93.071 Medicare Enrollment Assistance Program			498,228	477,726
93.072 Lifespan Respite Care Program			349,255	301,720
93.073 Birth Defects and Developmental Disabilities - Prevention and Surveillance			969,742	-
93.092 Affordable Care Act (ACA) Personal Responsibility Education Program			817,642	288,053
93.103 Food and Drug Administration Research			57,493	-
93.104 Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)			1,826,079	-
93.110 Maternal and Child Health Federal Consolidated Programs			1,978,958	558,666
93.110 COVID-19 Maternal and Child Health Federal Consolidated Programs			465,180	-
93.110 Maternal and Child Health Federal Consolidated Programs Total			2,444,138	558,666
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs			835,279	-
93.127 Emergency Medical Services for Children			137,439	-
93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			168,205	-
93.136 Injury Prevention and Control Research and State and Community Based Programs			4,870,295	1,866,109
93.150 Projects for Assistance in Transition from Homelessness (PATH)			615,632	-
93.197 Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			345,047	14,427

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
93.217 Family Planning Services			5,671,900	20,000
93.234 Traumatic Brain Injury State Demonstration Grant Program			82,578	-
93.235 Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			382,672	211,525
93.242 Mental Health Research Grants				
	The Feinstein Institute for Medical Research			
		5R01MH120594-05	11,144	-
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance			4,882,655	276,918
	National Association of State Mental Heath Program Directors			
		HHSS283201700024I75S20321F42001	312,653	-
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance Total			5,195,308	276,918
93.251 Universal Newborn Hearing and Screening			114,963	-
93.268 Immunization Cooperative Agreements			104,035,548	-
93.268 COVID-19 Immunization Cooperative Agreements			1,387,551	-
93.268 Immunization Cooperative Agreements Total			105,423,099	-
93.270 Viral Hepatitis Prevention and Control			288,931	-
93.297 Teenage Pregnancy Prevention Program			2,765	-
	Fact Forward Advancing Reproductive Health			
		1 TP2AH000064-01-00;LC-1	42,603	-
		1 TP2AH000064-01-00;ML-1	45,890	-
93.297 Teenage Pregnancy Prevention Program Total			91,258	-
93.314 Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program			50,470	-
93.322 CDC Partnership: Strengthening Public Health Laboratories				
	Association of Public Health Laboratories			
		56300-250-702-24-03 IC-2815	51,627	-
		NU60OE000104; IC-3568	52,877	-
		NU60OE000104; IC-3593	40,000	-
93.322 CDC Partnership: Strengthening Public Health Laboratories Total			144,504	-
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			3,892,390	-
93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			25,160,779	6,775,058
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Total			29,053,169	6,775,058
93.324 State Health Insurance Assistance Program			786,324	637,690
93.324 COVID-19 State Health Insurance Assistance Program			17,322	-
93.324 State Health Insurance Assistance Program Total			803,646	637,690
93.334 The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels			281,108	-
93.336 Behavioral Risk Factor Surveillance System			887,985	-
93.354 COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			5,660,195	3,180,935
93.359 Nurse Education, Practice, Quality and Retention Grants				
	Clemson University			
		5 UK1HP46052-03-00	108,429	-
		6 UK1HP46052 02 02	2,164	-
93.359 Nurse Education, Practice, Quality and Retention Grants Total			110,593	-
93.366 State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes			367,046	3,130
93.369 ACL Independent Living State Grants			380,799	-
93.387 National and State Tobacco Control Program			1,593,424	69,972
93.391 COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			6,860,400	5,606,610

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
93.421 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation’s Health				
	Association of State and Territorial Health Officials (ASTHO)			
		00-FE-2072-06-00;ER-4-32	3,912	-
		6 NU38PW000018-01-03;Sp20-01	18	-
	National Association of County and City Health Officials			
		6NU38OT000306-05-01;2023	10,805	-
93.421 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation’s Health Total			14,735	-
93.426 The National Cardiovascular Health Program			840,169	204,436
93.434 Every Student Succeeds Act/Preschool Development Grants			4,546,579	1,085,218
93.436 Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewoman)			333,747	37,046
93.556 MaryLee Allen Promoting Safe and Stable Families Program			5,575,487	290,413
93.558 Temporary Assistance for Needy Families			113,145,952	1,704,341
93.563 Child Support Services			37,781,865	13,208,984
93.566 Refugee and Entrant Assistance State/Replacement Designee Administered Programs			8,740,521	489,117
93.568 Low-Income Home Energy Assistance			63,993,320	62,362,551
93.569 Community Services Block Grant			13,442,954	12,943,813
93.586 State Court Improvement Program			541,645	-
93.597 Grants to States for Access and Visitation Programs			140,765	-
93.599 Chafee Education and Training Vouchers Program (ETV)			437,349	-
93.603 Adoption and Legal Guardianship Incentive Payments Program			96,030	-
93.630 Developmental Disabilities Basic Support and Advocacy Grants			1,440,670	820,985
93.634 Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals			217,440	46,254
93.643 Children's Justice Grants to States			261,139	-
93.645 Stephanie Tubbs Jones Child Welfare Services Program			3,998,519	-
93.658 Foster Care Title IV-E			41,802,909	892,134
93.659 Adoption Assistance			40,373,792	-
93.667 Social Services Block Grant			18,631,415	-
93.669 Child Abuse and Neglect State Grants			1,282,120	-
93.669 COVID-19 Child Abuse and Neglect State Grants			881,947	316,122
93.669 Child Abuse and Neglect State Grants Total			2,164,067	316,122
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			1,670,626	1,255,026
93.671 COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			3,174,967	3,134,416
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services Total			4,845,593	4,389,442
93.674 John H. Chafee Foster Care Program for Successful Transition to Adulthood			4,520,002	137,442
93.686 Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B			3,358,004	2,453,594
93.698 Elder Justice Act – Adult Protective Services			307,896	-
93.747 COVID-19 Elder Abuse Prevention Interventions Program			1,960,939	846,241
93.767 Children's Health Insurance Program			206,106,717	-
93.788 Opioid STR			21,329,713	17,218,608
93.791 Money Follows the Person Rebalancing Demonstration			1,160,378	-
93.869 Transforming Maternal Health (TMaH) Model			46,805	-
93.889 National Bioterrorism Hospital Preparedness Program			3,334,598	-
93.898 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			6,302,045	587,086
93.917 HIV Care Formula Grants			23,680,961	10,540,654
93.940 HIV Prevention Activities Health Department Based			9,914,785	2,032,173
93.941 HIV Demonstration, Research, Public and Professional Education Projects			344,564	221,791
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			174,517	-

Federal Grantor/Assistance Listing Number/Title	Pass-Through Awarding Entity	Pass-Through Identifying Grant Number	Federal Expenditures	Subrecipient Expenditures
93.958 Block Grants for Community Mental Health Services			15,357,336	-
93.958 COVID-19 Block Grants for Community Mental Health Services			10,229,560	-
93.958 Block Grants for Community Mental Health Services Total			25,586,896	-
93.959 Block Grants for Prevention and Treatment of Substance Abuse			26,806,120	24,660,740
93.959 COVID-19 Block Grants for Prevention and Treatment of Substance Abuse			6,303,322	5,756,699
93.959 Block Grants for Prevention and Treatment of Substance Abuse Total			33,109,442	30,417,439
93.967 COVID-19 Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			12,539,317	153,414
93.977 Sexually Transmitted Diseases (STD) Prevention and Control Grants			1,680,960	54,451
93.977 COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants			1,556,067	34,869
93.977 Sexually Transmitted Diseases (STD) Prevention and Control Grants Total			3,237,027	89,320
93.988 Cooperative Agreements for Diabetes Control Programs			840,550	116,886
93.991 Preventive Health and Health Services Block Grant			1,808,899	180,587
93.994 Maternal and Child Health Services Block Grant to the States			10,109,070	172,938
Department of Health and Human Services Total			**927,125,511**	**189,174,067**
Department of Homeland Security				
97.008 Non-Profit Security Program			1,090,860	846,726
97.012 Boating Safety Financial Assistance			2,468,171	-
97.023 Community Assistance Program State Support Services Element (CAP-SSSE)			358,522	-
97.029 Flood Mitigation Assistance			1,691,837	1,643,520
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)			93,189,653	46,867,527
97.036 COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)			118,954,948	117,885,459
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total			212,144,601	164,752,986
97.039 Hazard Mitigation Grant			7,835,685	6,934,952
97.039 COVID-19 Hazard Mitigation Grant			831,474	517,940
97.039 Hazard Mitigation Grant Total			8,667,159	7,452,892
97.041 National Dam Safety Program			371,253	-
97.042 Emergency Management Performance Grants			5,792,054	2,961,285
97.042 COVID-19 Emergency Management Performance Grants			111,013	44,790
97.042 Emergency Management Performance Grants Total			5,903,067	3,006,075
97.043 State Fire Training Systems Grants			12,200	-
97.044 Assistance to Firefighters Grant			233,421	-
97.045 Cooperating Technical Partners			2,618,035	-
97.047 BRIC: Building Resilient Infrastructure and Communities			2,351,023	2,047,258
97.052 Emergency Operations Center			348,762	-
97.056 Port Security Grant Program			746,335	-
97.067 Homeland Security Grant Program			3,227,042	737,889
97.082 Earthquake State Assistance			51,838	-
97.088 Disaster Assistance Projects			2,559,659	-
97.137 State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program			413,666	6,520
Department of Homeland Security Total			**245,257,451**	**180,493,866**
Total NonCluster Programs			**3,030,209,927**	**1,697,964,919**
Total Federal Expenditures			**13,258,579,720**	**2,438,153,751**

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Entity

For purposes of complying with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the State of South Carolina (the State) is defined in a manner consistent with the entity defined in the State of South Carolina Annual Comprehensive Financial Report as of and for the year ended June 30, 2025, with the exception of the following entities:

- Department of Employment & Workforce
- Department of Transportation
- All blended component units and all major and non-major discretely presented component units, as defined in the Annual Comprehensive Financial Report (Note 1)

The excluded entities include State agencies and component units that engage with other auditors to perform separate audits in compliance with Uniform Guidance, when applicable.

Basis of Accounting

The expenditures presented in the accompanying Schedule of Expenditures of Federal Awards were developed from the South Carolina Enterprise Information System (SCEIS). SCEIS is the State's accounting system which serves as the primary source of information in the preparation of the State's basic financial statements.

The expenditures reported in the accompanying Schedule of Expenditures of Federal Awards and the related note disclosures are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when cash is disbursed rather than when the obligation is incurred. Federal revenues and expenditures are included primarily in the governmental funds in the State's basic financial statements.

Non-Cash Federal Programs

The State is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-cash programs." The distributions under these programs are included in the accompanying Schedule of Expenditures of Federal Awards.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Cash Federal Programs (Continued)

As of June 30, 2025, there were non-cash expenditures that occurred within the State. The non-cash expenditures are listed below:

Assistance Listing	Program Title	Non-Cash Expenditures
10.555	National School Lunch Program	$37,196,080
39.003*	Donation of Federal Surplus Personal Property	$2,232,077
84.906	American Printing House for the Blind (APH)	$305,361
93.268	Immunization Cooperative Agreements	$97,942,067

** ALN 39.003 (Donation of Federal Surplus Personal Property) – Donated federal surplus property is valued at 23.34% of the original acquisition cost as assigned by the federal government. The amount included in the accompanying schedule reflects distributions to other governmental entities during the year ended June 30, 2025.*

Assistance Listings

The system for award management is a government-wide listing of individual federal programs. Each listed program is assigned a five-digit program assistance listing number (ALN) which is reflected in the accompanying Schedule of Expenditures of Federal Awards as assigned on the sam.gov website.

NOTE 2 - DE MINIMIS INDIRECT COST RATE

The State did not use the de minimis cost rate.

NOTE 3 - LOAN PROGRAMS

There were no outstanding federal loan balances and loan guarantees at the end of the year.

NOTE 4 - MATCHING COST

Matching costs, or the non-federal share of certain program costs, are included in the accompanying Schedule of Expenditures of Federal Awards when the federal and State portions of costs are combined and the State portion cannot be separately identified.

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards are prepared on the basis explained in Note 1, and do not necessarily agree with amounts reported using regulations and guidelines of individual agencies or grants.

NOTE 6 - REBATES FROM PRIVATE COMPANIES

Private company rebate activity is not included on the Schedule of Expenditures of Federal Awards. Due to the significance of the resources provided by this rebate activity, the following amounts are disclosed for fiscal year ending June 30, 2025:

Assistance Listing	Program Title	Rebated Activity	Rebate Amount
10.557	WIC Special Supplemental Nutrition Program for Women, Infants and Children	Infant Formula	$19,466,974
93.767	Children's Health Insurance Program	Prescription Drugs	$1,984,502
93.778	Medical Assistance Program (Medicaid)	Prescription Drugs	$61,222,149
93.917	HIV Care Formula Grants	Prescription Drugs	$48,874,927

NOTE 7 - PASSTHROUGH OF EXPENDITURES WITHIN REPORTING ENTITIES

Certain transactions related to expenditures of federal financial assistance may initially appear in the records of more than one State agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State, the following policies have been adopted: (1) federal financial assistance is considered expended when a State agency books an expenditure where the payee is a non-State reporting entity as defined in Note 1 and (2) purchases of goods or services by a State reporting entity using federal financial assistance from another State reporting entity is considered expended on the books of the State reporting entity making the purchase only.

NOTE 8 - DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) (ALN 97.036)

During the fiscal year ended June 30,2025, the State of South Carolina Reported $212,144,601 of expenditures under Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036)

Of this amount, the Federal Emergency Management Agency (FEMA) approved approximately $140,861,567 of eligible expenditures that were incurred in prior years and are included in the schedule.

Schedule of Findings and Questioned Costs

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SUMMARY OF AUDITOR'S RESULTS

Basic Financial Statements

Type of auditor's report issued:	***Unmodified***	
Internal control over financial reporting:		
Material weaknesses identified?	___ yes	X no
Significant deficiencies identified that are not considered to be material weaknesses?	X yes	___ none reported
Noncompliance material to basic financial statements noted?	___ yes	X no

Federal Awards

Type of auditor's report issued on compliance for major programs:	***Unmodified*** for all major programs except for the following program which was ***qualified***: 93.566	
Internal control over major programs:		
Material weaknesses identified?	X yes	___ no
Significant deficiencies identified that are not considered to be material weaknesses?	X yes	___ none reported

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

Are there audit findings that are required to be reported under 2 CFR § 200.516(a)?	X yes	___ no

Identification of major programs:

ALN[1]	Name of Federal Program or Cluster
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
66.468	Drinking Water State Revolving Fund
66.605	Performance Partnership Grants
93.268	Immunization Cooperative Agreements
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs
93.659	Adoption Assistance
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health
93.994	Maternal and Child Health Services Block Grant to the States
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Various[2]	CCDF Cluster
Various[2]	Disability Insurance/SSI Cluster
Various[2]	Medicaid Cluster

[1] – Assistance Listing Number (ALN).

[2] – See Schedule of Expenditures of Federal Awards (SEFA) for all ALNs included in the identified cluster programs.

Dollar threshold used to distinguish between Type A and Type B programs:	$ 30,000,000	
Auditee qualified as low-risk auditee?	___ yes	X no

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Financial Statement Findings

SOUTH CAROLINA COMPTROLLER GENERAL'S OFFICE (E120)

2025 – 001. Significant Deficiency in Financial Reporting–Preparation of Statewide Accounting Records– Comptroller General's Office

Criteria: The CGO is responsible for compilation of the ACFR from reporting packages and audited financial statements submitted from State agencies. There were several misstatements in the compilation of the ACFR which were not detected or corrected by the CGO supervisory staff during the review process and as a result, audit adjustments were recorded.

Condition: Internal controls over financial reporting were inadequate to prevent or detect significant misstatements during the preparation of the State's Annual Comprehensive Financial Report (ACFR) and in the supporting accounting records, requiring the Comptroller General's Office (CGO) to post adjustments to the State's ACFR.

Cause: These errors were not detected during CGO supervisory staff review.

Effect: Amounts included in the financial statements were inaccurate and as a result audit adjustments were required.

Repeat Finding: No

Recommendation: We recommend the CGO review its current processes and procedures over identifying and recording adjustments related to reporting packages and other audited financial statements for inclusion in the statewide ACFR and strengthen its review procedures. Additionally, we recommend the CGO consider the purchase of software for accounting specific data extraction to assist with the automation of data sets from audited financial statement entities.

Views of responsible officials and planned corrective actions: See management's response on page 171.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA STATE TREASURER'S OFFICE (E160)

2025 – 002. Significant Deficiency in Financial Reporting–Preparation of Statewide Accounting Records–State Treasurer's Office

Criteria: Currently constructed policies and procedures require significant manual adjustments to ensure a complete and proper reconciliation of the State's cash and investment balances between the way the various portfolios are maintained by the STO and the way cash and investments are presented in the ACFR in accordance with GAAP, specifically Governmental Accounting Standards Board (GASB) Statement No. 40 (*Deposit and Investment Risk Disclosures*) and GASB Statement No. 72 (*Fair Value Measurement and Application*).

Condition: During our audit procedures, we noted that several significant adjustments by the Comptroller General's Office (CGO) to components of the Annual Comprehensive Financial Report (ACFR) were required to ensure the reporting of the State's cash and investment balances are properly reported in accordance with Generally Accepted Accounting Principles (GAAP). Some of these adjustments were required as a result of current State Treasurer's Office (STO) policies and procedures concerning the handling of cash and investments by accounting fund.

Cause: Although the STO provided cash and investment information to the CGO in the prescribed format required by the CGO, identification of any issues within an individual ACFR GAAP funds for reporting purposes would not be identified until after the reporting package is completed, which is after the end of the fiscal year. This oversight is partially due to the STO not currently having a process by which the General Fund investment portfolio cash by each individual state agency and financial accounting fund is regularly reconciled from the financial module of the South Carolina Enterprise Information System (SCEIS) to the treasury management module (also known as NVEST). Additionally, the aggregation of individual investments into single investment portfolio lines in the financial reporting system requires extensive manual adjustments to the provided supporting documentation to allow for insertion in the ACFR and complicates the audit trail back to original records.

Effect: The current process for reporting the State's cash and investments balances requires the CGO to undertake an extensive manual process to incorporate the supporting documentation provided by the STO. Manual adjustments of this extent and magnitude increase the risk of misstatement in the ACFR. Furthermore, current practices create challenges regarding the understanding of differences between cash and investment portfolios maintained by the STO, and the presentation of those same cash and investments balances in the State's ACFR for reporting conventions.

SOUTH CAROLINA STATE TREASURER'S OFFICE (E160) (CONTINUED)

2025 – 002. Significant Deficiency in Financial Reporting–Preparation of Statewide Accounting Records–State Treasurer's Office (Continued)

Repeat Finding: No

Recommendation: We recommend that the STO work with the SCEIS application team to create reporting that would allow for clear visibility of statewide treasury pooled cash, budgetary cash authority, and agency held cash by financial accounting fund for reconciliation back to the treasury management module, treasury only funds, and external support.

Additionally, we recommend working with the SCEIS application team to separate the aggregated portfolio in the accounting system to allow for easier tracking of investment purchases and cash equivalents by accounting fund.

Finally, as the office responsible for maintaining the State's cash and investment balances, we recommend that the STO continue to strengthen their knowledge of how their cash and investment reporting package information becomes incorporated into the ACFR for financial reporting and that they continue to work with the CGO and be more involved in the annual preparation of the statewide ACFR, specifically as it relates to the financial reporting process regarding cash and investments in accordance with GAAP. Although not all cash and investments presented in the ACFR are maintained with the STO, ideally the STO should be able to materially trace the totals they custodian to the totals presented in the ACFR, adding further assurance the amounts reported are accurate.

Views of responsible officials and planned corrective actions: See management's response on page 172.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA STATE TREASURER'S OFFICE (E160) (CONTINUED)

2025 – 002. Significant Deficiency in Financial Reporting–Preparation of Statewide Accounting Records–State Treasurer's Office (Continued)

Auditor's Conclusion: The Auditors disagree with the STO that the STO does not have responsibility to understand the financial reporting of cash and investments for the State. The finding as written does not call into question any current investment or liquidity practices of the STO. As noted in the recommendation of the finding, the Auditors understand that not all cash and investments in the ACFR are maintained by the STO, and that there are components of the financial reporting that the STO will not be able to calculate on its own. However, it is the stance of the Auditors that the STO should have the ability to materially verify the cash and investments as reported on the ACFR and understand the importance of budgetary cash authority on financial reporting. As records of the STO held cash and investments by budgetary authority are already housed in the statewide accounting system in real time, we do not believe a holistic understanding of how cash and investments move through financial reporting would require undue strain on the STO and would only serve to strengthen the internal controls of the State.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Federal Award Findings

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240)

2025 – 003. Period of Performance

Federal Agency: Department of Homeland Security
Federal Program Title: Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Assistance Listing: 97.036
Federal Grant ID Number: 4286-DR-SC
Pass-Through Entity: Not applicable
Award Period: October 11, 2016 through April 10, 2017
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.403(h) requires that all costs, excluding administrative costs, be incurred during the approved budget period.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Expenditures were incurred and charged to the grant after the authorized period of performance.

Cause: Office controls failed to prevent costs incurred outside the applicable period of performance from being charged to the grant.

Effect: Costs charged outside the period of performance may be unallowable.

Questioned Costs: Questioned costs totaled $2,231 for expenditures improperly charged to the federal award in noncompliance of period of performance requirements.

Context: One of thirty-four transactions selected for testing costs for which the obligation had not been paid as of the end of period of performance was incurred after the period of performance ended, totaling $2,231.

Prior Year Single Audit Report Finding Number: Not applicable

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 003. Period of Performance (Continued)

Recommendation: We recommend that the Office strengthen its internal controls to ensure that expenditures charged to federal grants are incurred within the applicable period of performance.

Views of responsible officials and planned corrective actions: See management's response on page 181.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 004. Reporting

Federal Agency: Department of Homeland Security
Federal Program Title: Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Assistance Listing: 97.036
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 170 Appendix A requires that recipients of grants or cooperative agreements report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) no later than the end of the month following the month in which the obligation was made.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: FFATA reporting and timing errors were identified.

Cause: Data entry errors and lack of retaining submitted reports led to the compliance errors identified during testing.

Effect: The Office was not in compliance with FFATA reporting requirements.

Questioned Costs: None, as this finding relates to reporting requirements, rather than unallowable expenditures.

Context: Twelve subawards were selected for testing and the following compliance errors were identified during the testing:

- For one of the subawards tested, incorrect information was reported in the FSRS regarding the subaward obligated amount.
- For six of the subawards tested, the Office could not provide documentation of the original submission date in order to test the reports for timely submission.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 004. Reporting (Continued)

This is a repeat finding from the fiscal year 2024 Single Audit. The Office stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected with Previously Reported Corrective Action Implemented”. Due to this issue repeating for fiscal year 2025, this issue has not been fully corrected.

Prior Year Single Audit Report Finding Number: 2024-003

Recommendation: We recommend that the Office update their current internal controls to include continuous monitoring and reviewing of project obligations and retaining all submitted FFATA reports.

Views of responsible officials and planned corrective actions: See management’s response on page 182.

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Schedule of Findings and Questioned Costs
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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 005. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of Defense
Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects
Assistance Listings: 12.401
Federal Grant ID Numbers: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.430 states that (a) Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part and that the total compensation for individual employees: (1) Is reasonable for the services rendered and conforms to the established written policy of the recipient or subrecipient consistently applied to both federal and non-federal activities; (2) Follows an appointment made in accordance with recipient's or subrecipient's laws, rules or written policies and meets the requirements of federal statute, where applicable; and (3) Is determined and supported as provided in paragraph (g) of this section, Standards for Documentation of Personnel Expenses, when applicable.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Personnel expenditures were charged to the federal award without documented approval as required by the Office's internal control procedure.

Cause: The Office did not document all required approvals of payroll changes for grant employees.

Effect: Personnel costs could be incorrectly charged to the federal award.

Questioned Costs: Questioned costs are undetermined because this finding relates to missing approvals, rather than a specifically identifiable unallowable amount.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 005. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Context: Two out of sixty employees tested were missing one or more of the required management approvals on their State Personnel Action Form applicable to the pay received in the selected period.

Prior Year Single Audit Report Finding Number: Not applicable

Recommendation: We recommend that the Office strengthen its efforts to consistently adhere to its procedures, including maintaining the approved State Personnel Action Form to support the personnel charges and allocations to applicable funding sources.

Views of responsible officials and planned corrective actions: See management's response on page 182.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 006. Activities Allowed or Unallowed and Allowable Costs/Cost Principles and Matching

Federal Agencies: Department of Defense
Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects
Assistance Listing: 12.401
Federal Grant ID Number: W912QG-24-2-1001
Pass-Through Entity: Not applicable
Award Period: October 1, 2023 through September 30, 2026
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 75.403 outlines factors affecting allowability of cost, including that costs should not be used to meet cost sharing or matching requirements of federally-financed programs.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Costs were improperly charged to the federal award.

Cause: The Office's controls failed to ensure that all costs were allowable and properly allocated.

Effect: Improper allocation of costs resulted in the federal award being overcharged.

Questioned Costs: Questioned costs totaled $1,969 for expenditures improperly allocated to the federal award in noncompliance of matching requirements.

Context: For one out of sixty non-payroll transactions tested, the costs were not properly allocated in accordance with the federal award matching requirements.

Prior Year Single Audit Report Finding Number: Not applicable

Recommendation: We recommend that the Office review and update its procedures to ensure proper allocation of costs according to matching requirements.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 006. Activities Allowed or Unallowed and Allowable Costs/Cost Principles and Matching (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 183.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 007. Cash Management

Federal Agencies: Department of Defense
Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects
Assistance Listing: 12.401
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: NGR 5-1-11-5 (5) requires the grantee to minimize the time elapsing between the transfer of funds from the United States Treasury and their disbursement by the State. (no more than 45 days)

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Federal funds were received and held for more than 45 days before being paid out for allowable program expenditures, resulting in federal cash on hand in excess of immediate cash needs.

Cause: Drawdowns were based on estimated expenditures of total contract amounts rather than actual or near-term payment activity.

Effect: The Office did not comply with the awarding federal agency cash management requirements, increasing the risk of excess federal funds or interest liability.

Questioned Costs: None, as this finding relates to the timing of federal cash drawdowns and the holding of funds in excess of 45 days needs, rather than unallowable expenditures.

Context: One out of thirty-nine cash disbursements tested indicated that the Office retained a material amount of federal funds in excess of 45 days after the covered period identified on the cash advancement request.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 007. Cash Management (Continued)

Prior Year Single Audit Report Finding Number: Not applicable

Recommendation: We recommend that the Office strengthen its cash management controls by aligning federal drawdowns with actual or near-term disbursement activity.

Views of responsible officials and planned corrective actions: See management's response on page 183.

Auditor's Conclusion: In response to the Office's corrective action plan, GCAPL #20-02 references back to NGR 5-1 for applicable guidance including the 45 day requirement. Additionally, our testing methodology was performed in accordance with the OMB Compliance Supplement, which requires auditors to assess whether individual cash drawdowns align with immediate cash needs. We also did not identify documentation indicating that the federal awarding agency granted a waiver from federal cash management requirements for capital projects. Therefore, based on our review, the Office did not fully comply with federal cash management requirements.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 008. Period of Performance

Federal Agency: Department of Defense
Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects
Assistance Listing: 12.401
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.403(h) requires that all costs, excluding administrative costs, be incurred during the approved budget period.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Expenditures were incurred and charged to the grant both before and after the authorized period of performance.

Cause: Office controls failed to prevent costs incurred outside the applicable period of performance from being charged to the grant.

Effect: Costs charged outside the period of performance may be unallowable.

Questioned Costs: Questioned costs totaled $33,061 for expenditures incurred outside the authorized period of performance.

Context: Two of twenty transactions selected for testing costs recorded during the first period of the grant were for costs incurred prior to the applicable period of performance, totaling $30,490. One of five transactions selected for testing costs for which the obligation had not been paid as of the end of period of performance was incurred after the period of performance ended, totaling $2,571.

Prior Year Single Audit Report Finding Number: Not applicable

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 008. Period of Performance (Continued)

Recommendation: We recommend that the Office strengthen its internal controls to ensure that expenditures charged to federal grants are incurred within the applicable period of performance.

Views of responsible officials and planned corrective actions: See management's response on page 184.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 009. Matching

Federal Agency: Department of Defense
Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects
Assistance Listing: 12.401
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.306 requires that matching contributions be allowable, properly allocated, and used in accordance with the terms and conditions of the federal award.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Office did not apply required matching contributions to federal expenditures by the applicable expenditure categories as required by the federal award.

Cause: Office controls failed to ensure that matching costs were tracked and applied to federal expenditures at the expenditure-category level.

Effect: Matching requirements were not met in accordance with federal regulations and award terms, and federal expenditures were not consistently supported by properly applied matching contributions.

Questioned Costs: Questioned costs are undetermined because matching compliance was evaluated in total by category across multiple transactions, and the specific unsupported portion could not be reasonably isolated.

Context: For all three grants that closed during the fiscal year, federal expenditures were not matched to the required amounts by expenditure category; testing identified one grant where the required match total was not met, one grant where the matching total was met, but was misapplied to multiple expenditure categories, and one grant where the required match total was not met and the requirement was misapplied to multiple expenditure categories.

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SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E240) (CONTINUED)

2025 – 009. Matching (Continued)

Prior Year Single Audit Report Finding Number: Not applicable

Recommendation: We recommend that the Office strengthen controls to ensure matching contributions are properly tracked, documented, and applied to federal expenditures as required by the federal award.

Views of responsible officials and planned corrective actions: See management's response on page 184.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020)

2025 – 010. Special Tests and Provisions (Provider Eligibility)

Federal Agency: Department of Health and Human Services
Federal Program Title: Medicaid Cluster
Assistance Listing: 93.775, 93.777, and 93.778
Federal Grant ID Number: 05-2405-SC-5MAP and 05-2505-SC-5MAP
Pass-Through Entity: Not Applicable
Award Period: October 1, 2023, through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR § 455.412 (b), the State Medicaid agency must confirm that the provider's license has not expired and that there are no current limitations on the provider's license.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department's monitoring process and provider eligibility system did not ensure that the provider's license was not expired or had imposed limitations.

Cause: The Department did not revoke or subsequently update the Medicaid Management Information System and licensure and certification information for providers with expired or imposed licenses when updates were made within the enrollment process, nor did the Department complete the close out process to remove providers from the list of eligible providers.

Effect: We were unable to verify that the State ensured providers met the prescribed health and safety standards and providers who were no longer qualified providers remained eligible to receive payment.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: We tested sixty eligible providers to ensure that the provider's license was unexpired or have imposed limitations. We determined the Department did not confirm that the provider's license was not expired or limited for five providers.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 010. Special Tests and Provisions (Provider Eligibility) (Continued)

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen procedures to ensure that providers do not have expired or imposed limitations on their licenses and that providers who have expired and imposed limitations on licenses have their enrollment terminated.

Views of responsible officials and planned corrective actions: See management's response on page 185.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 011. Special Tests and Provisions (Provider Eligibility)

Federal Agency: Department of Health and Human Services
Federal Program Title: Medicaid Cluster
Assistance Listing: 93.775, 93.777, and 93.778
Federal Grant ID Number: 05-2405-SC-5MAP and 05-2505-SC-5MAP
Pass-Through Entity: Not Applicable
Award Period: October 1, 2023, through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 42 CFR § 455.414, The State Medicaid agency must revalidate the enrollment of all providers regardless of provider type at least every five years.

Per 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department did not confirm that the provider's enrollment was revalidated at least every five years.

Cause: Through the Department's enrollment requests and updates process the Department did not detect to ensure that providers' enrollments are being revalidated at least every five years.

Effect: Providers who no longer meet the revalidation requirements remain eligible and receive payment.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: We tested sixty eligible providers to ensure the Department confirmed that the provider's enrollment was revalidated at least every five years. We determined the Department did not confirm that the providers enrollment was revalidated at least every five years for one provider.

Prior Year Single Audit Finding Number: Not applicable

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 011. Special Tests and Provisions (Provider Eligibility) (Continued)

Recommendation: We recommend the Department strengthen procedures to ensure that provider enrollment is being revalidated at least every five years in accordance with 42 CFR § 455.414.

Views of responsible officials and planned corrective actions: See management's response on page 186.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 012. Special Tests and Provisions (Provider Health and Safety Standards)

Federal Agency: Department of Health and Human Services
Federal Program Title: Medicaid Cluster
Assistance Listing: 93.775, 93.777, and 93.778
Federal Grant ID Number: 05-2405-SC-5MAP and 05-2505-SC-5MAP
Pass-Through Entity: Not Applicable
Award Period: October 1, 2023, through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Per Section 4 of the South Carolina Department of Health and Human Services State Plan (h) the State assures that each facility shall have a standard survey which includes (for a case-mix stratified sample of residents) a survey of the quality of care furnished, as measured by indicators of medical, nursing and rehabilitative care, dietary and nutritional services, activities and social participation, and sanitation, infection control, and the physical environment, written plans of care and audit of resident's assessments, and a review of compliance with resident's rights not later than 15 months after the date of the previous standard survey. Additionally, Section 4 (i) states that the State assures that the Statewide average interval between standard surveys of nursing facilities does not exceed 12 months.

Condition: The Department was unable to provide documentation to verify that annual health and safety surveys were performed during the fiscal year.

Cause: The Department did not maintain a record of completed annual health and safety surveys.

Effect: We were unable to verify that the State ensured providers met the prescribed health and safety standards.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 012. Special Tests and Provisions (Provider Health and Safety Standards) (Continued)

Context: The Department could not provide annual health and safety surveys in accordance with the State Plan. Therefore, we were unable to perform audit procedures.

Prior Year Single Audit Finding Number: 2024-006

Recommendation: We recommend that the Department ensure that provider health and safety surveys are conducted in accordance with the State Plan and documentation is adequately maintained and monitored.

Views of responsible officials and planned corrective actions: See management's response on page 186.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 013. Special Tests and Provisions (Managed Care Financial Audit)

Federal Agency: Department of Health and Human Services
Federal Program Title: Medicaid Cluster
Assistance Listing: 93.775, 93.777, and 93.778
Federal Grant ID Number: 05-2405-SC-5MAP and 05-2505-SC-5MAP
Pass-Through Entity: Not Applicable
Award Period: October 1, 2023, through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 2 CFR § 438.602 (e), The State must periodically, but no less frequently than once every three years, conduct, or contract for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO, PIHP or PAHP.

Per 2 CFR § 438.602 (g), The State must post on its Web site, as required in § 438.10(c)(3), the following documents and reports:
(1) The MCO, PIHP, PAHP, or PCCM entity contract; (2) The data at § 438.604(a)(5); (3) The name and title of individuals included in § 438.604(a)(6); (4) The results of any audits under paragraph (e) of this section; (5) Enrollee handbooks, provider directories, and formularies required at § 438.10(g) through (i); (6) The information on rate ranges required at § 438.4(c)(2)(iv), if applicable; (7) The reports required at §§ 438.66(e) and 438.207(d); (8) The network adequacy standards required at § 438.68(b)(1) through (2) and (e); (9) The results of secret shopper surveys required at § 438.68(f); (10) State directed payment evaluation reports required in § 438.6(c)(2)(v)(C); (11) Information on all required Application Programming Interfaces including as specified in § 431.60(d) and (f); (12) Quality related information as required in §§ 438.332(c)(1), 438.340(d), 438.362(c) and 438.364(c)(2)(i); (13) Documentation of compliance with requirements in subpart K—Parity in Mental Health and Substance Use Disorder Benefits.

Per 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department has not completed or maintained a record of the completed periodic audits of the five contracted Managed Care Organizations (MCOs) within the most recent three-year period nor did they post the information on their website.

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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J020) (CONTINUED)

2025 – 013. Special Tests and Provisions (Managed Care Financial Audit) (Continued)

Cause: The Department did not ensure that the MCOs were receiving periodic audits or that the information was posted on the Department's website.

Effect: We are unable to determine the accuracy, truthfulness, and completeness of the financial data submitted by each MCO.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: The Department did not complete any periodic audits in the most recent three-year period or post the required information to the Department's website.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend that the Department ensure that MCOs are fulfilling the requirement of receiving periodic audits within the most recent three-year period as well as posting the required information to their website in accordance with 2 CFR § 438.602 (e) and (g).

Views of responsible officials and planned corrective actions: See management's response on page 187.

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SOUTH CAROLINA DEPARTMENT ON AGING (L060)

2025 – 014. Reporting

Federal Agency: Department of Health and Human Agencies
Federal Program Title: Aging Cluster
Assistance Listing: 93.044, 93.045, and 93.053
Federal Grant ID Number: None
Pass-Through Entity: Not applicable
Award Period: July 1, 2023, through June 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303 requires that the recipient or subrecipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Discrepancies were identified in the reported amounts on SF-425 reports.

Cause: Department's review of semi-annual SF-425 reports submitted during fiscal year 2025 failed to detect discrepancies in reported amounts.

Effect: Without proper supervisory review, there is an increased risk of inaccurate reporting.

Questioned Costs: None, as this finding relates to reporting requirements, rather than unallowable expenditures.

Context: In all seven of the SF-425 reports tested, reporting discrepancies in financial data were identified related to federal share of expenditures, and recipient share of expenditures. Additionally, in all seven of the SF-425 reports tested, they lacked sufficient support of proper review and approval prior to submission.

This is a repeat finding from the fiscal year 2024 Single Audit. The Department stated on its Summary Schedule of Prior Year Audit Findings that this issue was "Fully Corrected with Previously Reported Corrective Action Implemented". Due to this issue repeating for fiscal year 2025, this issue has not been fully corrected.

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SOUTH CAROLINA DEPARTMENT ON AGING (L060) (CONTINUED)

2025 – 014. Reporting (Continued)

Prior Year Single Audit Report Finding Number: 2024-008

Recommendation: We recommend the Department strengthen procedures to ensure an adequate review is completed prior to report submission and records are maintained of adjustments made within the period.

Views of responsible officials and planned corrective actions: See management's response on page 189.

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SOUTH CAROLINA CRIMINAL JUSTICE ACADEMY (N200)

2025 – 015. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of Transportation
Federal Program Title: Highway Safety Cluster
Assistance Listing: 20.600 and 20.616
Federal Grant ID Number: M5TR-2024-HS-26-24
Pass-Through Entity: Not applicable
Award Period: October 1, 2023, through September 30, 2024
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.303 requires that the recipient or subrecipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Academy failed to provide documentation to prove the existence of an internal control.

Cause: There was an absence of documented evidence to support the internal control process.

Effect: Without adequate controls in place, unallowable expenditures may be charged to the grant.

Questioned Costs: None, as this finding relates to missing approvals, rather than a specifically identifiable unallowable amount.

Context: For one of ten transactions tested, no documentation was available to prove the existence of an internal control.

This is a repeat finding from the fiscal year 2024 Single Audit. The Departments stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected with Previously Reported Corrective Action Implemented”. Due to this issue repeating for fiscal year 2025, this issue has not been fully corrected.

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SOUTH CAROLINA CRIMINAL JUSTICE ACADEMY (N200) (CONTINUED)

2025 – 015. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Prior Year Single Audit Report Finding Number: 2024-015

Recommendation: We recommend that the Academy strengthen controls to ensure that documentation is maintained to support that costs charged to the grant were properly reviewed and approved for allowability.

Views of responsible officials and planned corrective actions: See management's response on page 190.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA CRIMINAL JUSTICE ACADEMY (N200) (CONTINUED)

2025 – 016. Period of Performance

Federal Agency: Department of Transportation
Federal Program Title: Highway Safety Cluster
Assistance Listing: 20.600 and 20.616
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: October 1, 2023, through September 30, 2024
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.303 requires that the recipient or subrecipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Academy failed to provide documentation to prove the existence of an internal control.

Cause: There was an absence of documented evidence to support the internal control process.

Effect: The costs charged outside the period of performance may not be allowable.

Questioned Costs: None, as this finding relates to missing approvals, rather than a specifically identifiable unallowable amount.

Context: For one of ten expenditures tested, the Academy was unable to provide sufficient documentation of a review and approval.

This is a repeat finding from the fiscal year 2024 Single Audit. The Departments stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected with Previously Reported Corrective Action Implemented”. Due to this issue repeating for fiscal year 2025, this issue has not been fully corrected.

Prior Year Single Audit Report Finding Number: 2024-016

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SOUTH CAROLINA CRIMINAL JUSTICE ACADEMY (N200) (CONTINUED)

2025 – 016. Period of Performance (Continued)

Recommendation: We recommend that the Academy strengthen controls to ensure that documentation is maintained to support that period of performance requirements are reviewed and approved.

Views of responsible officials and planned corrective actions: See management's response on page 190.

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500)

2025 – 017. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Environmental Protection Agency
Federal Program Title: Drinking Water State Revolving Fund
Assistance Listing: 66.468
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.430(g)(1)(vi) requires charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department did not accurately calculate time and effort costs associated with the grant.

Cause: The Department’s internal control did not ensure that time and effort was allocated appropriately.

Effect: The Department could improperly allocate additional labor cost to the grant.

Questioned Costs: $678 was the amount overcharged to program after evaluation of time and effort documentation.

Context: We tested eleven individuals to ensure time and effort requirements were being properly met. We determined the Department did not properly allocate time and effort for ten of the eleven individuals tested.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 017. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommended the Department strengthen its controls to ensure that time and effort is tracked and allocated accurately.

Views of responsible officials and planned corrective actions: See management's response on page 192.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 018. Cash Management

Federal Agency: Environmental Protection Agency
Federal Program Title: Drinking Water State Revolving Fund
Assistance Listing: 66.468
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Supporting documentation was not adequate to determine if federal reimbursement requests had a separate preparer and reviewer prior to requesting a drawdown request as required by the Department's policies and procedures.

Cause: The documentation that was provided was inadequate to support that the employee who completed the drawdown request was a different individual than the employee who reviewed and approved the drawdown request prior to the reimbursement request.

Effect: The Department may request improper drawdowns due to a lack of segregation of duties.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: We tested ten drawdowns for set-asides to ensure there were two different signatures approving the draw. We determined the Department did not appropriately approve any of the ten drawdowns.

Prior Year Single Audit Finding Number: Not applicable

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 018. Cash Management (Continued)

Recommendation: We recommended the Department strengthen its controls to ensure proper documentation of supervisory review is maintained and that there is a segregation of duties between the individual completing the drawdown request and the individual approving the drawdown request.

Views of responsible officials and planned corrective actions: See management's response on page 193.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 019. Cash Management

Federal Agency: Environmental Protection Agency
Federal Program Title: Drinking Water State Revolving Fund
Assistance Listing: 66.468
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 40 CFR § 35.3560(e) a State may draw cash through the Automated Clearing House for the full amount of costs incurred for set-aside expenditures based on Environmental Protection Agency approved workplans. A State may draw cash in advance to ensure funds are available to meet State payroll expenses. However, cash should be drawn no sooner than necessary to meet immediate payroll disbursement needs.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department overdrew federal funds.

Cause: The Department's internal control did not ensure that drawdown requests were supported by adequate supporting documentation prior to the reimbursement request.

Effect: The Department may request and drawdown inappropriate federal funds.

Questioned Costs: None, as this finding relates to the timing of federal cash drawdowns and the holding of funds in excess of 45 days needs, rather than unallowable expenditures.

Context: We tested ten drawdowns for set-asides to ensure compliance requirements were being met. We determined the Department overdrew federal funds for one of ten drawdowns for a total of $8,252.

Prior Year Single Audit Finding Number: Not applicable

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 019. Cash Management (Continued)

Recommendation: We recommend the Department strengthen its controls to ensure that policies and procedures are followed to ensure expenditures are incurred prior to submitting drawdown requests.

Views of responsible officials and planned corrective actions: See management's response on page 193.

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 020. Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Payroll and Indirect Costs

Federal Agency: Environmental Protection Agency
Federal Program Title: Performance Partnership Grants
Assistance Listing: 66.605
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR §200.404 states that a cost is reasonable when the charge is consistent with the recipient's or subrecipient's established written personnel policies.

2 CFR § 200.430 requires that charges to federal awards for salaries and wages must be supported by accurate time and effort records that reflect the actual work performed. The records must: be supported by a system of internal controls that provides reasonable assurance payroll costs are accurate, allowable, and properly allocated; be incorporated into the recipient's official accounting records; reasonably reflect the employee's total compensated activity, not exceeding 100 percent of compensated time; properly allocate payroll costs when employees work on multiple cost objectives, including federal and non-federal activities; comply with the recipient's established accounting policies and procedures. Charges should not rely solely on budget estimates unless: the estimates reasonably approximate actual work performed; significant changes in work activity are promptly identified and recorded and periodic after-the-fact reviews and adjustments are performed to ensure final charges are accurate, allowable, and properly allocated.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 020. Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Payroll and Indirect Costs (Continued)

Condition: The Department did not maintain adequate time and effort documentation to support salaries and wages charged to federal awards. Specifically, payroll charges were not consistently supported by records that accurately reflected actual work performed and/or did not properly document the allocation of time between federal and non-federal activities. Indirect costs are directly correlated to the payroll expenditures thus if the payroll expenditures are inaccurate then the indirect cost will also be inaccurate.

Cause: The Department lacked sufficient internal controls and/or written procedures to ensure time and effort was allocated among payroll accurately**.**

Effect: As a result, there is an increased risk that salaries and wages charged to federal awards were inaccurate, unallowable, or improperly allocated, which could result in questioned costs and noncompliance with federal grant requirements.

Questioned Costs: $17,445 for payroll testing. The overall variance between hours worked and amounts paid represents the questioned costs for payroll.

Unknown for journal entry testing. Indirect costs were allocated based on budgeted personnel amounts rather than actual time and effort recorded in the Personnel Cost Account System (PCAS) and discrepancies were identified during our testing of time and effort requirements.

Context: We selected thirty-six individuals to ensure time and effort requirements were properly met. Eleven out of thirty-six employees tested were paid more from the grant funds than they actually worked during the pay period. Twenty-three out of thirty-six employees tested, were paid less from the grant funds than they worked during the pay period.

We selected seven indirect cost transactions to ensure time and effort requirements were being met properly. Because the journal entries related to indirect cost were made based on the budget for the grant and not the actual time and effort contributed by the individual employees per the PCAS, we were unable to provide reasonable assurance that time and effort was calculated accurately.

Prior Year Single Audit Finding Numbers: Not applicable

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 020. Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Payroll and Indirect Costs (Continued)

Recommendation: We recommend the Department develop and/or strengthen written policies and procedures for time and effort reporting; Ensure time and effort recordings accurately reflect actual work performed and total compensated activity; Implement supervisory review of time and effort documentation; and perform periodic after-the-fact reviews and adjustments to payroll charges to ensure compliance with federal requirements.

Views of responsible officials and planned corrective actions: See management's response on page 194.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 021. Cash Management

Federal Agency: Environmental Protection Agency
Federal Program Title: Performance Partnership Grants
Assistance Listing: 66.605
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department provided documentation that does not show a separate preparer and reviewer signature.

Cause: The Department lacked sufficient internal controls to ensure that the drawdowns had separate preparers and reviewers.

Effect: The Department may request improper drawdowns due to a lack of segregation of duties.

Questioned Costs: None: The finding is related to insufficient documentation due to lack of approval signatures and thus we do not question any of the drawdown amounts.

Context: We tested six drawdowns to ensure there were two different signatures approving the draw. We determined the Department did not appropriately approve for all six drawdowns.

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend that the Department strengthen its controls to ensure that drawdowns are reviewed appropriately.

Views of responsible officials and planned corrective actions: See management's response on page 195.

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 022. Period of Performance

Federal Agency: Environmental Protection Agency
Federal Program Title: Performance Partnership Grants
Assistance Listing: 66.605
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.403(h) requires costs must be incurred during the approved budget period.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department charged costs to a grant after the grant period ended.

Cause: The Department lacked sufficient internal controls to ensure all costs to grants occurred during the grant period.

Effect: Costs charged outside the period of performance may not be allowable.

Questioned Costs: $2,771. The six transactions that occurred outside of the Period of Performance totaled this amount.

Context: We tested the one journal entry transaction that occurred during the liquidation period for a grant that ended 9/30/2024. We determined that six of the transactions involved with the journal entry occurred after the grant period ended.

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend that the Department strengthen its controls to ensure that costs are incurred within the grant period.

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SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES (P500) (CONTINUED)

2025 – 022. Period of Performance (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 195.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040)

2025 – 023. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Adoption Assistance
Assistance Listings: 93.659
Federal Grant ID Numbers: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: The Department did not document approved payments in the accounting system.

Cause: The documentation that was provided was inadequate to support that the subsidy payments were appropriately approved in the accounting system.

Effect: The Department could allocate incorrect payments to the grant.

Questioned Costs: None, as this finding relates to missing approvals, rather than a specifically identifiable unallowable amount.

Context: For four of sixty individual payments tested, the Department did not properly document approval.

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend the Department strengthen internal controls to ensure that batch payments are reviewed and approved prior to submission.

Views of responsible officials and planned corrective actions: See management's response on page 196.

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STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 024. Eligibility

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Adoption Assistance
Assistance Listings: 93.659
Federal Grant ID Numbers: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 42 USC § 673(A)(4)(a)(iii) requires a payment may not be made pursuant to this section to parents or relative guardians with respect to a child if the State determines that the child is no longer receiving any support from the parents or relative guardians, as the case may be.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: The Department did not ensure benefits were properly terminated.

Cause: The Department's controls did not ensure that the child was still the legal responsibility of the parents.

Effect: The Department could continue providing benefits to ineligible individuals.

Questioned Costs: $532. We determined that the Department overpaid federal expenditures associated with this area of compliance requirements.

Context: We tested sixty individuals to ensure they were eligible for adoption assistance. We determined the Department did not terminate benefits timely for one of the sixty individuals.

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend the Department strengthen internal controls to ensure that individuals are removed from the program when deemed ineligible.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 024. Eligibility (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 196.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 025. Eligibility

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Adoption Assistance
Assistance Listings: 93.659
Federal Grant ID Numbers: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: The Department approved inappropriate eligibility criteria documentation.

Cause: The Department reviewed and approved inappropriate documentation that determines program eligibility.

Effect: The Department could inappropriately deem individuals eligible.

Questioned Costs: None. There were no federal expenditures associated with this area of compliance.

Context: We tested sixty individuals against program eligibility requirements. We determined the Department approved inappropriate eligibility determination checklists for three of sixty individuals

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend the Department strengthen its internal control procedures to ensure individuals are deemed eligible using appropriate eligibility criteria.

Views of responsible officials and planned corrective actions: See management's response on page 197.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 026. Reporting

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Refugee and Entrant Assistance State/Replacement Designee Administered Programs
Assistance Listings: 93.566
Federal Grant ID Numbers: 2201SCRSSS & 2401SCRSSS
Pass-Through Entity: Not applicable
Award Period: October 1, 2022 through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

2 CFR § 170 Appendix A requires that recipients of grants or cooperative agreements report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) no later than the end of the month following the month in which the obligation was made.

Condition: The Department did not report accurate financial information to the federal reporting agency.

Cause: The Department did not fully implement the corrective action associated with this finding from the prior year.

Effect: The Department reported inaccurate financial information to the federal reporting agency.

Questioned Costs: None. We did not question any costs, the costs were only reported incorrectly.

Context: In two of the six SF-425 reports (FFR) tested, the Department failed to report the accurate amount of expenditures either through not matching cash receipts and disbursements, not drawing upon the appropriate information from the general ledger, or failing to provide the general ledger detail to substantiate reported costs.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 026. Reporting (Continued)

In one of the five ORR-2 reports tested, the Department failed to report the accurate amount of expenses for administrative costs (Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) Administration). This took place because the underlying general ledger had an error that caused RCA and RMA administrative costs to have a credit balance. The Department appeared to make an adjustment to take from overall expenditures to eliminate the credit balances, resulting in a second layer of errors.

In two of the six FFATA reports submitted, the report was not submitted by the designated deadline.

Prior Year Single Audit Finding Numbers: 2024-019 and 2024-020

Recommendation: We recommend the Department strengthen its internal controls to ensure all reports are accurately prepared and submitted by the appropriate deadline.

Views of responsible officials and planned corrective actions: See management's response on page 197.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 027. Subrecipient Monitoring

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Refugee and Entrant Assistance State/Replacement Designee Administered Programs
Assistance Listings: 93.566
Federal Grant ID Numbers: 2201SCRSSS & 2401SCRSSS
Pass-Through Entity: Not applicable
Award Period: October 1, 2022 through September 30, 2025
Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

2 CFR § 200.332(c) requires that all pass-through entities evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring.

2 CFR § 200.332(e) requires that all pass-through entities monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.

Condition: The Department did not maintain the subrecipient monitoring and did not comply with federal subrecipient monitoring requirements.

Cause: The Department has not fully implemented the corrective action associated with this finding from the prior year.

Effect: The Department is not in compliance with federal subrecipient monitoring requirements.

Questioned Costs: None, as the finding relates to monitoring and not unallowable expenditures.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 027. Subrecipient Monitoring (Continued)

Context: The checklists were not maintained, and the Department could not provide the completed checklist to demonstrate monitoring of any subrecipients during FY 2025. For one subrecipient, the Department did not provide documentation to demonstrate that a verification was performed to confirm the subrecipient was not excluded or disqualified. Additionally, the Department failed to evaluate subrecipients for risks, create a monitoring plan that considered those risks, or sufficiently monitor and address the audit findings of the subrecipient.

Prior Year Single Audit Finding Number: 2024-021

Recommendation: We recommend the Department continue its efforts to strengthen their current policies and procedures and to ensure that the subrecipient monitoring checklist is being completed and maintained.

Views of responsible officials and planned corrective actions: See management's response on page 198.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 028. Eligibility – Refugee Cash Assistance (RCA)

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Refugee and Entrant Assistance-State/Replacement Designee Administered Programs
Assistance Listings: 93.566
Federal Grant ID Numbers: 2201SCRCMA & 2401SCRCMA
Pass-Through Entity: Not applicable
Award Period: October 1, 2021 through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statues, regulations, and the terms and conditions of the Federal award.

The Standards for Internal Control in the Federal Government (the Green Book) as issued by the Comptroller General of the United States emphasize that "The effectiveness of a detective control activity depends on timeliness" (10.10) and when detective controls are employed "management strengthens and expedites detective control activities and may also expedite monitoring activities to enable the entity to effectively mitigate the risk to acceptable levels" (10.13).

Condition: The Department did not maintain controls over eligibility for this program, forms necessary for determining eligibility were not appropriately completed, forms completed were not completed in a timely fashion.

Cause: The Department did not develop a control with a 100% implementation target and is utilizing un-auditable stop-gap measures such as live documents to facilitate processing of program participant applications.

Effect: The Department's system can fail to catch errors in each applicant's application or payments and has resulted in overcharging grants.

Questioned Costs: $15,126. Payments to program participants with control findings.

Context: The following discrepancies were encountered during our testing of forty-nine case files.

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 028. Eligibility – Refugee Cash Assistance (RCA) (Continued)

- The Department did not have a preventive control to ensure all RCA eligibility criteria were reviewed, as the existing Quality Assurance Checklist was not designated to check all cases or be timely.

- In the files of thirty-eight, the Authorization of Refugee Cash Assistance Payment (Form 1325) was not signed until after it had been approved and payments had already been issued, and for six cases, the form was either not dated or had no sign-offs at all.

- We noted that applicant reviews and aid amount authorizations for the Refugee Employment Services Registration/Participation Status form and the Notification of Eligibility Determination for Refugee Resettlement Program form (Forms 1324 and 1326, respectively) were completed after applicants had already begun receiving aid, resulting in grant overcharges.

- In forty-one cases, the employment service provider did not return Part II of the Form 1324, which, according to the form instructions, must be submitted prior to approval of RCA benefits.

- In one case, Form 1326 did not specify the date on which participant payments would end, which is needed to evaluate compliance with the eligibility period.

Prior Year Single Audit Finding Number: 2024-018

Recommendation: We recommend the Department continue its efforts to strengthen their current policies and procedures and to ensure that all RCA applicants are reviewed with the quality assurance audit checklist and that all appropriate forms are signed, dated, and reviewed in a timely manner.

Views of responsible officials and planned corrective actions: See management's response on page 198.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 029. Eligibility – Refugee Medical Assistance (RMA)

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Refugee and Entrant Assistance-State/Replacement Designee Administered Programs
Assistance Listings: 93.566
Federal Grant ID Numbers: 2201SCRCMA & 2401SCRCMA
Pass-Through Entity: Not applicable
Award Period: October 1, 2021 through September 30, 2025
Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: 45 CFR § 400.100 requires that recipients of RMA payments are not full-time students in institutions of higher education, as defined by the Director, except where such enrollment is approved by the State, or its designee, as part of an individual employability plan for a refugee under § 400.79 of this part or a plan for an unaccompanied minor in accordance with § 400.112.

45 CFR § 400.100 also requires that the RMA eligibility only applies during a period of time to be determined by the Director in accordance with § 400.112.

Condition: The South Carolina Department of Health and Human Services (SCDHHS), a partnering state agency contracted by the Department to perform eligibility determinations, did not remove higher education students from the RMA system or terminate benefits after the one-year eligibility period expired.

Cause: SCDHHS did not collect the information noted and the Department lacked sufficient oversight of SCDHHS's eligibility determinations and removal of ineligible participants.

Effect: Overcharging federal grants can occur through either payments past their eligible period or payments to individuals who never were eligible.

Questioned Costs: $1,923 based upon the total amount of ineligible payments identified in testing. It is known that these participants received additional amounts inappropriately in other months and periods but the scope of these could not be determined.

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 029. Eligibility – Refugee Medical Assistance (RMA) (Continued)

Context: Out of the eleven cases selected for testing, we noted the following:

- One individual was a child eligible for another federal funded cash assistance program but was assigned to RMA.
- There is no current process to identify and disallow applicants enrolled in higher education.
- Four program participants were given assistance beyond the twelve-month eligibility period.

Prior Year Single Audit Finding Number: 2024-018

Recommendation: We recommend the Department ensure that partnering Departments are checking for the appropriate information to exclude ineligible program participants and to take participants off the program when their eligible period has ended.

Views of responsible officials and planned corrective actions: See management's response on page 199.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 030. Activities Allowed or Unallowed & Allowable Costs/Cost Principles

Federal Agencies: Department of Health and Human Services
Federal Program Titles: Refugee and Entrant Assistance-State/Replacement Designee Administered Programs
Assistance Listings: 93.566
Federal Grant ID Numbers: 2201SCRCMA, 2401SCRCMA, 2201SCRSSS & 2401SCRSSS
Pass-Through Entity: Not applicable
Award Period: October 1, 2021 through September 30, 2025
Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Expenditures charged to the program were not adequately supported or were inappropriate.

Cause: The Department did not maintain appropriate review and approval controls over program participant payments to RCA and RMA participants nor over invoice payments to subrecipients.

Effect: The federal grants were overcharged through payments for unallowable costs or reimbursing ineligible program participants.

Questioned Costs: $876,636. Payments for insufficiently reviewed invoices or to ineligible program participants

Context: We identified several payments made to subrecipients that the Department did not review nor did the Department retain documentation at the appropriate level of detail to support the allowability of the costs.

We noted that the Department did not have the details on RMA program participants (determined and paid via the South Carolina Department of Health and Human Services) sufficient to verify that the payments were allowable. Multiple ineligible payments were made (see finding 2025-029).

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 030. Activities Allowed or Unallowed & Allowable Costs/Cost Principles (Continued)

Prior Year Single Audit Finding Number: 2024-017

Recommendation: We recommend that the Department ensure appropriate controls over subrecipient payments and payments to program participants.

Views of responsible officials and planned corrective actions: See management's response on page 200.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 031. Period of Performance

Federal Agency: Department of Health and Human Services
Federal Program Title: CCDF Cluster
Assistance Listing: 93.575, 93.596, and 93.489
Federal Grant ID Number: 2201SCCCDD
Pass-Through Entity: Not applicable
Award Period: October 1, 2021, through September 30, 2024
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 45 CFR § 98.60(d)(1) requires that discretionary funds (Assistance Listing 93.575) be obligated in the fiscal year in which funds are awarded or in the succeeding fiscal year. Unliquidated obligations as of the end of the succeeding fiscal year shall be liquidated within one year.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

2 CFR § 200.403(h) requires costs be incurred during the approved budget period.

Condition: Expenditures were incurred after the end of the grant's period of performance.

Cause: The Department's internal controls failed to identify and prevent charging costs incurred outside the applicable period of performance.

Effect: Costs charged outside the period of performance may not be allowable.

Questioned Costs: $11 is based on the sum of the three transactions that incurred program expenditures that were outside of the period of performance.

Context: Three of sixty expenditure transactions tested had incurred program expenditures at the end of the obligation period that were not obligated and expended in accordance with program requirements.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 031. Period of Performance (Continued)

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department review and update internal controls to ensure all expenditures charged to federal awards are incurred within the grant's period of performance.

Views of responsible officials and planned corrective actions: See management's response on page 200.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 032. Reporting

Federal Agencies: Department of Health and Human Services
Federal Program Titles: CCDF Cluster
Assistance Listings: 93.575, 93.596, and 93.489
Federal Grant ID Numbers: 2302SCCCDD & 2402SCCCDD
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 170 Appendix A requires that recipients of grants or cooperative agreements report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) no later than the end of the month following the month in which the obligation was made.

2 CFR § 200.303(a) requires that the recipient and subrecipient must establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: The Department did not report accurate financial information to the federal reporting agency.

Cause: The Department's internal control failed to ensure retention of documentation.

Effect: The Department could fail to appropriately report the FFATA.

Questioned Costs: None. There were no federal expenditures associated with this area of compliance.

Context: In our testing of the four subrecipients, it was determined that the department could not provide the FFATA submission documentation for one of them.

Prior Year Single Audit Finding Numbers: Not applicable

Recommendation: We recommend that the Department strengthen its internal controls to ensure that FFATA reports are submitted and documented appropriately.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 032. Reporting (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 201.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 033. Reporting and Earmarking

Federal Agencies: Department of Health and Human Services
Federal Program Titles: CCDF Cluster
Assistance Listings: 93.575, 93.596, and 93.489
Federal Grant ID Numbers: 2201SCCCDD and 2201SCCCDF
Pass-Through Entity: Not applicable
Award Period: October 1, 2021, through September 30, 2024
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient must establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

45 CFR § 98.50(f) requires that the Lead Agency shall: (1) Reserve the minimum amount required under paragraph (b) of section 45 CFR § 98.50 for quality activities, and the funds for administrative costs described at paragraph (d) of section 45 CFR § 98.50; and (2) From the remainder, use not less than 70 percent to fund direct services (provided by the Lead Agency).

Condition: The Department did not ensure four key line-items were accurately reported on the financial report.

Cause: The Department's internal controls failed to prevent inaccurate reporting of expenditures.

Effect: The accuracy of the financial report could not be validated.

Questioned Costs: None. We did not question any costs, the costs were only reported incorrectly.

Context: In our testing of four key line-items, it was determined that the department miscategorized transactions when grouping the line-item totals on the report.

Prior Year Single Audit Finding Numbers: Not applicable

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 033. Reporting and Earmarking (Continued)

Recommendation: We recommend the Department strengthen its internal controls to ensure all reports are accurately prepared and submitted.

Views of responsible officials and planned corrective actions: See management's response on page 201.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 034. Eligibility

Federal Agency: Department of Agriculture
Federal Program Title: Child and Adult Care Food Program
Assistance Listing: 10.558
Federal Grant ID Number: 5SC300329
Pass-Through Entity: Not Applicable
Award Period: October 1, 2023, through September 30, 2025
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: Per 7 CFR 226.6(b)(3), any new or renewing institution applying for participation in the Program must be notified in writing of approval or disapproval by the State agency, within thirty calendar days of the State agency's receipt of a complete application.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Department was unable to provide documentation to verify seven institutions were notified of approval or disapproval within thirty calendar days of the State agency's receipt of a completed application.

Cause: Internal controls failed to ensure that subrecipients were notified of approval/disapproval.

Effect: Without adequate controls in place, the Department will not be in compliance with eligibility requirements.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: The Department could not provide supporting documentation that seven out of sixty subrecipients tested received notification of approval/disapproval within thirty calendar days of completion of application.

Prior Year Single Audit Finding Number: Not Applicable

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 034. Eligibility (Continued)

Recommendation: We recommend the Department strengthen controls to ensure that documentation exists that subrecipients were notified of approval/disapproval.

Views of responsible officials and planned corrective actions: See management's response on page 201.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 035. Reporting

Federal Agency: Department of Health and Human Services
Federal Program Title: Temporary Assistance for Needy Families
Assistance Listing: 93.558
Federal Grant ID Numbers: 2201SCTANF and 2501SCTANF
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 45 CFR § 265.7(a) requires that each state's quarterly reports, including the TANF Data Report, be complete and accurate.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Discrepancies existed between the ACF-199 (TANF Data Report) and the Department's records. The agency did not comply with their approved corrective action plan for formal documentation of report review.

Cause: The incorrect source data was utilized when completing the referenced data element on the performance report.

Effect: Some of the data fields reported on the ACF-199 report are inconsistent with the supporting case records.

Questioned Costs: None. There were no federal expenditures associated when testing this area of compliance.

Context: Key data elements for ten families were tested from one quarterly ACF-199 report. A discrepancy was noted for one data element related to recording the number of months countable towards the federal time limit for assistance.

This is a repeat finding from the fiscal year 2024 Single Audit. The Department stated on its Summary Schedule of Prior Year Audit Findings that this issue was "Fully Corrected with Previously Reported Correction Action Implemented". Due to this issue repeating for fiscal year 2025, this issue has not been fully corrected.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L040) (CONTINUED)

2025 – 035. Reporting (Continued)

Prior Year Single Audit Finding Number: 2024-024

Recommendation: We recommend that the Department strengthen its processes to ensure that federal reports are free from error prior to submission. We also recommend that the Department update and review processes to ensure proper documentation of supervisory review is maintained.

Views of responsible officials and planned corrective actions: See management's response on page 202.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA OFFICE OF RESILIENCE (D300)

2025 – 036. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of Housing and Urban Development
Federal Program Title: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Assistance Listing: 14.228
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.405(a) states that a cost is allocable to a Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Costs charged to the program were not adequately allocated.

Cause: The Office failed to ensure costs were properly allocated based upon the approved cost allocation plan for FY25.

Effect: The potential for overcharging the grant exists when costs charged to the federal award are not properly allocated.

Questioned Costs: $12,949. The Disaster Relief and Mitigation grants were overcharged by $4,316 and $8,633, respectively.

Context: One of twenty-two expenditures tested had costs improperly charged to the federal award. The transaction involved allowable charges that benefited multiple grant programs and activities but were not properly allocated to match the Office’s cost allocation plan for FY25.

Prior Year Single Audit Report Finding Number: Not applicable

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA OFFICE OF RESILIENCE (D300) (CONTINUED)

2025 – 036. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Recommendation: We recommend the Office review and update its procedures to ensure all costs charged to the grant are properly allocated to applicable grants and funding sources based upon their yearly cost allocation plan.

Views of responsible officials and planned corrective actions: See management's response on page 203.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF COMMERCE (P320)

2025 – 037. Reporting

Federal Agency: Department of Housing and Urban Development
Federal Program Title: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Assistance Listing: 14.228
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 170 Appendix A requires that recipients of grants or cooperative agreements report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: The Department did not submit FFATA reports on time for FY25.

Cause: The Department lacked sufficient internal controls and/or written procedures to ensure FFATA reports were submitted on time.

Effect: The Department was not in compliance with FFATA reporting requirements.
Questioned Costs: None, as it relates to timely reporting, rather than unallowable expenditures

Context: Eight of the forty FFATA reports tested were submitted after the reporting deadline.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend that the Department implement procedures to ensure reports are submitted in compliance with FFATA reporting requirements.

Views of responsible officials and planned corrective actions: See management's response on page 204.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060)

2025 – 038. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of the Treasury
Federal Program Title: Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing: 21.027
Federal Grant ID Number: None Provided
Pass-Through Entity: Not applicable
Award Period: March 3, 2021, through December 31, 2026
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 45 CFR § 75.403 (a) costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

2 CFR § 200.302 (b)(3) states each recipient's and subrecipient's financial management system must provide maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

Condition: Amounts charged to the program did not agree to the supporting invoices.

Cause: The Department's review process and internal controls did not detect discrepancies between the invoiced amounts and the amounts recorded and charged to the grant.

Effect: Program expenditures were not accurately recorded in the Department's financial records.

Questioned Costs: None, as this finding relates to an underpayment.

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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 038. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Context: One out of four transactions tested, the amount charged to the Federal program did not agree to the amount reflected on the supporting invoice. The Department recorded and reimbursed an amount that was less than the invoiced amount, resulting in an underpayment totaling $313.

This is a repeat finding from the fiscal year 2024 Single Audit. The Office stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected with Previously Reported Corrective Action Implemented”. Due to this issue repeating for fiscal year 2024, this issue has not been fully corrected.

Prior Year Single Audit Report Finding Number: 2024-026

Recommendation: We recommend the Department strengthen controls to ensure the review process includes verification that amounts charged to the grant agree to the supporting invoices prior to reimbursement.

Views of responsible officials and planned corrective actions: See management’s response on page 206.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 039. Reporting and Matching

Federal Agency: Department of Health and Human Services
Federal Program Title: Maternal and Child Health Services Block Grant to the States
Assistance Listing: 93.994
Federal Grant ID Number: B04MC47445
Pass-Through Entity: Not Applicable
Award Period: October 1, 2022, through September 30, 2024
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Discrepancies existed between the Federal Financial Report (FFR) and the accounting system. In addition, although the Department met their matching requirement, the Department's calculation did not align with expenditures from the accounting system.

Cause: For the recipient share of expenditures reported on the FFR, the Department reported the matching amount included on the grant award document instead of the calculated match prepared by the Budget Analyst. For indirect costs, the base expenditures were not reported with the correct applicable rate for each applicable period. Finally, the internal database the Department used to make the matching calculation contained incomplete expenditure data causing an incorrect calculation. The Department's internal controls failed to detect that the expenditures in the internal database did not reconcile with the actual expenditures from the accounting system.

Effect: The Department's control procedures did not detect the calculation errors identified in our testing.

Questioned Costs: None, as the finding relates to reporting requirements, and the Department met their matching requirement.

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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 039. Reporting and Matching (Continued)

Context: We tested the sole FFR report submitted during fiscal year 2025 and identified reporting discrepancies in financial data related to the recipient share of expenditures and indirect expenditures. In addition, we noted that the Department's calculation of the state match differed from the recipient share of expenditures reported on the FFR and was based on inaccurate data.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen its internal controls and processes to ensure that federal reports are free from error prior to submission and that matching calculations are based on accurate accounting records.

Views of responsible officials and planned corrective actions: See management's response on page 207.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 040. Earmarking and Level of Effort

Federal Agency: Department of Health and Human Services
Federal Program Title: Maternal and Child Health Services Block Grant to the States
Assistance Listing: 93.994
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 42 USC 704(d) requires that a state may not use more than ten percent of allotted funds for administrative expenses.

42 USC 705(a)(4) requires that the state must maintain the level of funds provided solely by the state for maternal and child health programs at a level at least equal to the level provided in fiscal year 1989.

2 CFR § 200.303(a) requires that the recipient and subrecipient establish and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Department was not in compliance with the ten percent administrative expenses requirement. In addition, although the Department exceeded the level of effort requirement threshold, the calculated amount was less than what was actually expended.

Cause: The internal database the Department used to calculate the earmarking and level of effort requirements contained incomplete expenditure data causing incorrect calculations. The Department's internal controls failed to detect that the expenditures in the internal database did not reconcile with the actual expenditures from the accounting system.

Effect: The Department's control procedures did not detect the calculation errors identified in our testing, which leads to an increased risk of not meeting earmarking or level of effort requirements.

Questioned Costs: Questioned costs totaled $142,775 as this was the amount expended over the allotted ten percent earmarking threshold for administrative expenses. There were no questioned costs related to the level of effort requirement.

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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 040. Earmarking and Level of Effort (Continued)

Context: The Department reviews the earmarking and level of effort calculations and reports these amounts as part of the annual Maternal and Child Health Services Block Grant Application/Annual Report. We selected for testing the most recently submitted 2025 report which contain expenditure details related to fiscal year 2024 and noted discrepancies between Department support and the accounting system.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen its controls to ensure that earmarking and level of effort calculations are based on accurate data from the accounting system.

Views of responsible officials and planned corrective actions: See management's response on page 208.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 041. Period of Performance

Federal Agency: Department of Health and Human Services
Federal Program Title: Maternal and Child Health Services Block Grant to the States
Assistance Listing: 93.994
Federal Grant ID Numbers: B04MC47445 and B04MC54575
Pass-Through Entity: Not Applicable
Award Period: October 1, 2022, through September 30, 2026
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.403(h) requires costs to be incurred during the approved budget period.

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Expenditures were incurred and charged outside of the period of performance.

Cause: The Department's internal controls failed to identify and prevent charging costs incurred outside the applicable period of performance.

Effect: Costs charged outside the period of performance may not be allowable.

Questioned Costs: $1,338. The amount is based on the sum of the five transactions that had incurred program expenditures outside of the applicable period of performance date.

Context: For a total of sixty expenditure transactions tested, one transaction had costs that were incurred before the start of the period of performance date and four transactions had incurred program expenditures that were not obligated and expended in accordance with program requirements.

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 041. Period of Performance (Continued)

Recommendation: We recommend the Department review and update its internal controls to ensure that all expenditures charged to federal awards are incurred within the grant's period of performance.

Prior Year Single Audit Finding Number: Not applicable

Views of responsible officials and planned corrective actions: See management's response on page 209.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 042. Reporting
Federal Agency: Department of Health and Human Services
Federal Program Title: Maternal and Child Health Services Block Grant to the States
Assistance Listing: 93.994
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Discrepancies existed between the Maternal and Child Health Services Block Grant Application/Annual Report and the accounting system.

Cause: The internal database the Department used to compile the report contained incomplete expenditure data causing incorrect calculations. The Department's internal controls failed to detect that the expenditures in the internal database did not reconcile with the actual expenditures from the accounting system.

Effect: Although the Department still met matching and earmarking requirements, several reported amounts of 2023 expenditures were not accurately stated within the report.

Questioned Costs: None, as this finding relates to reporting requirements, rather than unallowable expenditures.

Context: For the sole Maternal and Child Health Services Block Grant Application/Annual Report submitted during fiscal year 2025, the Department reported inaccurate expended fiscal year 2023 data on Form 2 including amounts related to state matching and earmarking requirements.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen procedures to ensure accurate filing of the Maternal and Child Health Services Block Grant Application/Annual Report.

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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 042. Reporting (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 209.

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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 043. Cash Management

Federal Agency: Department of Health and Human Services
Federal Program Title: Immunization Cooperative Agreements and Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health
Assistance Listing: 93.268 and 93.967
Federal Grant ID Numbers: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

31 CFR § 205.11(a) requires a State and a Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds.

Condition: Supporting documentation was not adequate to determine if federal reimbursements were properly reviewed and approved by a programmatic supervisor prior to requesting a drawdown as required by the Department's policies and procedures. In addition, some draws were made in excess of allowable incurred expenditures.

Cause: The Department failed to retain documentation demonstrating performance of a programmatic supervisory review and approval. In addition, Department controls failed to detect potential overcharging of the grant.

Effect: The Department may drawdown funds in excess of eligible reimbursable expenditures.

Questioned Costs: Total questioned costs could not be determined due to the Department's methodology of calculating grant draws.

Context: The following discrepancies were encountered during testing of cash management:

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 043. Cash Management (Continued)

- Five of seven Immunization Cooperative Agreements drawdowns and six of eight Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health drawdowns selected for testing lacked sufficient documentation to confirm whether the federal reimbursement requests had a separate and appropriate preparer and reviewer prior to requesting a drawdown.

- In addition, each respective program had one tested drawdown where the requested grant reimbursement amount was greater than the eligible costs recorded in the accounting system.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen its controls to ensure that drawdowns are reviewed appropriately and that drawdowns are reconciled to grant expenditures prior to the submission of the reimbursement request to prevent overdrawing the grant.

Views of responsible officials and planned corrective actions: See management's response on page 210.

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Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 044. Special Tests and Provisions

Federal Agency: Department of Health and Human Services
Federal Program Title: Immunization Cooperative Agreements
Assistance Listing: 93.268
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance

Criteria: The Office of Management and Budget's (OMB) 2025 Compliance Supplement states that effective control and accountability must be maintained for all vaccines under the Vaccines for Children (VFC) program. Vaccines must be adequately safeguarded and used solely for authorized purposes in accordance with guidance set forth in 42 USC 1396s. To comply with this requirement, the Department's Vaccines for Children Operation Guide requires that all completed VFC compliance site visits be reviewed by the VFC coordinator, immunization program manager, or a designee.

2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Department did not perform a review and approval of a VFC compliance site visit in accordance with its policies.

Cause: Due to staffing turnover, there were delays in reviewing compliance visits.

Effect: In the absence of a compliance visit review, providers could have unresolved issues that could affect the quality and quantity of vaccines provided to VFC recipients.

Questioned Costs: None, as this finding relates to an untimely approval of a compliance site visit, rather than unallowable expenditures.

Context: For sixty providers selected for testing, one compliance site visit did not have approval completed by the VFC Coordinator, Immunization Program Manager, or a designee.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 044. Special Tests and Provisions (Continued)

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department ensure compliance visits are reviewed in accordance with Department policy.

Views of responsible officials and planned corrective actions: See management's response on page 211.

Auditor's Conclusion: The compliance site visit where we noted the untimely review was performed on June 6, 2025. Although the Department had been tracking and monitoring the site visit, it was not reviewed or approved by the VFC-Coordinator or their designee as of our audit fieldwork in early February of 2026. Based on our audit inquiries, the documentation relating to the provider's compliance site visit was updated, which enabled the site visit to be approved a few days later. We understand there were difficulties with staffing turnover, but in instances of prolonged vacancies, there should be policies to help reduce the timing between when site visits are conducted and when they can be reviewed.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 045. Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Federal Agency: Department of Health and Human Services
Federal Program Title: Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health
Assistance Listing: 93.967
Federal Grant ID Number: NE11OE000041
Pass-Through Entity: Not Applicable
Award Period: December 1, 2023, through November 30, 2025
Type of Finding: Significant deficiency in internal control over compliance

Criteria: 2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: The Department did not maintain appropriate documentation supporting the review and approval over one journal entry.

Cause: The Department failed to retain documentation demonstrating performance of a supervisory review and approval.

Effect: Without a proper supervisory review, there is an increased risk that the Department could allocate unallowable costs to the grant.

Questioned Costs: None, as the issue is only related to the review of the entry and not unallowable expenditures.

Context: For one of seventy transactions selected for testing, supporting documentation was not adequate to demonstrate that a proper review and approval by a programmatic supervisor occurred on the journal entry form.

Prior Year Single Audit Finding Number: Not applicable

Recommendation: We recommend the Department strengthen controls to ensure that documentation is maintained to support that costs charged to the grant were properly reviewed and approved for allowability.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 045. Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Continued)

Views of responsible officials and planned corrective actions: See management's response on page 212.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 046. Suspension and Debarment

Federal Agency: Department of Health and Human Services
Federal Program Titles: Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health and Epidemiology and Laboratory Capacity for Infectious Disease (ELC)
Assistance Listings: 93.967 and 93.323
Federal Grant ID Number: Various
Pass-Through Entity: Not Applicable
Award Period: Various.
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 180.300 requires that when a non-federal entity enters into a covered transaction (contracts for goods and services that are expected to equal or exceed $25,000, as well as all subawards to subrecipients, irrespective of award amount) with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. The regulation lists several permitted methods for verification, including checking the System for Award Management (SAM.gov) Exclusions maintained by the United States General Services Administration.

2 CFR § 200.303(a) requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations, and the terms of conditions of the federal award.

Condition: Compliance with suspension and debarment regulations could not be confirmed for one vendor contract.

Cause: The Department was unable to locate the documentation demonstrating that they checked the SAM.gov Exclusions for that vendor.

Effect: The Department's compliance with federal suspension and debarment requirements was not supported by adequate documentation.

Questioned Costs: None, as the finding is related to insufficient verification documentation rather than unallowable expenditures.

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 046. Suspension and Debarment (Continued)

Context: The Department verifies suspension and debarment through checking SAM.gov Exclusions. For one out of six vendors tested, the Department was unable to provide support that they checked the SAM.gov Exclusions.

Suspension and debarment is performed on an agencywide basis for all grant programs. In the fiscal year 2024 Single Audit, there was a similar finding for the Epidemiology and Laboratory Capacity for Infectious Disease (Assistance Listing Number 93.323) program. The Department stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected” with Previously Reported Corrective Action Implemented”. Due to this issue repeating for fiscal year 2025, the issue has not been fully corrected.

Prior Year Single Audit Finding Number: 2024-032

Recommendation: We recommend the Department consistently adhere to its procedures including maintaining the SAM.gov Exclusions check for all applicable vendors.

Views of responsible officials and planned corrective actions: See management’s response on page 212.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 047. Equipment and Real Property Management

Federal Agency: Department of Health and Human Services
Federal Program Title: Public Health Emergency Preparedness and Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
Assistance Listing: 93.069 and 93.354
Federal Grant ID Number: Various
Pass-Through Entity: Not applicable
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters

Criteria: 2 CFR § 200.303 requires that the recipient and subrecipient establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient or subrecipient is managing the federal award in compliance with federal statutes, regulations and the terms and conditions of the federal award.

2 CFR § 200.313(d)(1) requires property records include a description of the property, a serial number or another identification number, the source of funding for the property (including the Federal Award Identification Number (FAIN)), the title holder, the acquisition date, the cost of the property, the percentage of the Federal agency contribution towards the original purchase, the location, use, and condition of the property, and any disposition data including the date of disposal and sale price of the property.

Condition: The Department was not in compliance with several equipment and real property requirements.

Cause: The Department's processes did not ensure that assets transferred during the transition from the Department of Health and Environmental Control (DHEC) to the Department of Public Health (DPH) were properly associated with the applicable federal funding source or grant information within the asset management system.

Effect: Incomplete property records increase the risk that equipment purchased with federal funds may not be properly tracked, monitored, or reported in accordance with federal regulations.

SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH (J060) (CONTINUED)

2025 – 047. Equipment and Real Property Management (Continued)

Questioned Costs: None, as this finding relates to equipment record keeping, rather than unallowable expenditures.

Context: During follow-up procedures related to equipment and real property management, the Department provided an asset history listing for review. However, the listing did not clearly identify assets purchased with federal funds. Additionally, assets transferred from DHEC to DPH in the South Carolina Enterprise Information System (SCEIS) were not associated with a federal funding source or specific grant.

As a result, the Department was unable to demonstrate that equipment purchased with federal funds was being tracked in accordance with federal requirements. In addition, since assets were not listed under federal grants, we were unable to obtain a population to test whether assets bought with federal grants were accounted for in the Department's annual physical inventory.

This is a repeat finding from the fiscal year 2023 Single Audit. The Office stated on its Summary Schedule of Prior Year Audit Findings that this issue was "Fully Corrected with Previously Reported Corrective Action Implemented". Due to this issue repeating for fiscal year 2023, this issue has not been fully corrected.

Prior Year Single Audit Report Finding Number: 2023-026

Recommendation: We recommend the Department strengthen procedures to ensure equipment purchased with federal funds is properly tracked and associated with the applicable federal funding source within the asset management system and property records should include all elements required by federal regulations.

Views of responsible officials and planned corrective actions: See management's response on page 213.

Summary Schedule of Prior Audit Findings

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

Finding Number	Agency Code[1]	State Agency Submitted Corrective Action Status	Assistance Listing Number	Page Number	New Finding Number
2022-005	J020	Fully Corrected with Previously Reported Corrective Action Implemented	93.767	121	
2022-010	D300	Partially Resolved	14.228	124	
2023-004	H630	Fully Corrected with Previously Reported Corrective Action Implemented	84.010, 84.367	125	
2023-009	J200	Partially Resolved	93.959	126	
2023-010	J200	Partially Resolved	93.959	127	
2023-014	J200	Fully Corrected with Significantly Differing Corrective Action Implemented	93.959	128	
2023-015	J200	Partially Resolved	93.959	129	
2023-018	J020	Fully Corrected with Previously Reported Corrective Action Implemented	93.767	121	
2023-019	J020	Fully Corrected with Previously Reported Corrective Action Implemented	93.767	122	
2023-020	J020	Fully Corrected with Previously Reported Corrective Action Implemented	93.767	122	
2023-021	J020	Fully Corrected with Previously Reported Corrective Action Implemented	93.775, 93.777, 93.778	123	
2023-022	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.069	130	
2023-026	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.069, 93.354	131	2025-047
2023-029	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.069, 93.940	132	
2023-030	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.354	133	
2023-031	L040	Partially Resolved	93.658	134	
2024-001	R440	Fully Corrected with Previously Reported Corrective Action Implemented	N/A - ACFR	135	
2024-002	D500	Partially Resolved	N/A - SWCAP	136	
2024-003	E240	Fully Corrected with Previously Reported Corrective Action Implemented	97.036	137	2025-004
2024-004	J200	Fully Corrected with Previously Reported Corrective Action Implemented	93.959	138	
2024-005	J200	Partially Resolved	93.959	139	
2024-006	J020	Partially Resolved	93.775, 93.777, 93.778	140	2025-012
2024-007	H630	Fully Corrected with Previously Reported Corrective Action Implemented	10.553, 10.555, 10.559, 10.582	141	
2024-008	L060	Fully Corrected with Previously Reported Corrective Action Implemented	93.044, 93.045, 93.053	142	2025-014
2024-009	L060	Fully Corrected with Previously Reported Corrective Action Implemented	93.044, 93.045, 93.053	143	
2024-010	J120	Fully Corrected with Previously Reported Corrective Action Implemented	93.958	144	
2024-011	J120	Partially Resolved	93.958	145	
2024-012	D500	Fully Corrected with Previously Reported Corrective Action Implemented	93.568	146	
2024-013	K050	Fully Corrected with Previously Reported Corrective Action Implemented	20.600, 20.616	147	
2024-014	K050	Partially Resolved	20.600, 20.616	148	
2024-015	N200	Fully Corrected with Previously Reported Corrective Action Implemented	20.600, 20.616	149	2025-015
2024-016	N200	Fully Corrected with Previously Reported Corrective Action Implemented	20.600, 20.616	150	2025-016
2024-017	L040	Fully Corrected with Previously Reported Corrective Action Implemented	93.566	151	2025-030
2024-018	L040	Partially Resolved	93.566	152	2025-028 & 2025-029
2024-019	L040	Partially Resolved	93.566	153	2025-026
2024-020	L040	Fully Corrected with Previously Reported Corrective Action Implemented	93.566	154	2025-026

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

Finding Number	Agency Code[1]	State Agency Submitted Corrective Action Status	Assistance Listing Number	Page Number	New Finding Number
2024-021	L040	Partially Resolved	93.566	155	2025-027
2024-022	L040	Fully Corrected with Previously Reported Corrective Action Implemented	93.558	156	
2024-023	L040	Fully Corrected with Previously Reported Corrective Action Implemented	10.551, 10.561, 93.558	157	
2024-024	L040	Fully Corrected with Previously Reported Corrective Action Implemented	93.558	158	2025-035
2024-025	P450	Fully Corrected with Previously Reported Corrective Action Implemented	21.027	159	
2024-026	J060	Fully Corrected with Previously Reported Corrective Action Implemented	21.027	160	2025-038
2024-027	J060	Partially Resolved	10.557, 93.917, 93.323, 93.391, 93.069, 93.354, 93.940	161	
2024-028	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.917	162	
2024-029	J060	Partially Resolved	10.557	163	
2024-030	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.323, 93.354, 93.940	164	
2024-031	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.323, 93.391	165	
2024-032	J060	Fully Corrected with Previously Reported Corrective Action Implemented	93.323	166	2025-046

[1]State agency names can be found at Appendix A.

Henry McMaster GOVERNOR
Eunice Medina DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2022-005
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
Assistance Listing Number	93.767
Federal Program Name	Children's Health Insurance Program (CHIP)
Compliance Requirement	Eligibility
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Eligibility files did not contain adequate documentation to support the Medicaid and CHIP recipient eligibility status.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Reference Number	2023-018
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
Assistance Listing Number	93.767
Federal Program Name	Children's Health Insurance Program (CHIP)
Compliance Requirement	Eligibility
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department's monitoring process and eligibility systems do not ensure recipients' eligibility determinations are renewed annually as required by 42 CFR § 435.916(a)(1) and 42 CFR § 435.916(b).

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Reference Number	2023-019
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
Assistance Listing Number	93.767
Federal Program Name	Children's Health Insurance Program (CHIP)
Compliance Requirement	Eligibility
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

The Department's monitoring process and eligibility systems did not ensure recipients nineteen or older who are deemed ineligible no longer receive CHIP benefits.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Reference Number	2023-020
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
Assistance Listing Number	93.767
Federal Program Name	Children's Health Insurance Program (CHIP)
Compliance Requirement	Special Test and Provisions - Medical Loss Ratio
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

The Department's review of reporting templates did not ensure the thirteen required elements in reports submitted by MCOs

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Reference Number	2023-021
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department of Health and Human Services
Assistance Listing Number	93.775, 93.777, and 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	Special Test and Provisions - Medicaid Recovery Audit Contractors
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

The Department's review of quarterly CMS-64 reports did not ensure the federal share of overpayments recovered by the Medicaid RAC were included on each report.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2022-010
Federal Agency	Department of Housing and Urban Development
State Agency	Office of Resilience
Assistance Listing Number	14.228
Federal Program Name	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
We identified noncompliance with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements.

Current Status
Partially Resolved - Comment Below

Comment
SCOR has met all Subaward reporting requirements. It has reported all applicable Subawards in FSRS.GOV and reported its Total Executive Compensation information in SAM.GOV for the only year that it was triggered. ARPA/SLFRF subawards are reported in a separate system, as allowed and required by the Department of Treasury. SCOR reports all ARPA/SLFRF subawards within Guidehouse's (The State of South Carlina's retained SLFRF program manager) Salesforce system, which is used to collate all ARPA/SLFRF reporting for most/all State Agency recipients. This information is then inputted into Treasury's reporting system. Additionally, whenever SCOR is a 2nd tier recipient of Federal Funds, it works with the 1st tier Awarding agency/organization to ensure that they have the information they need to report SCOR's information in FSRS.GOV (now SAM.GOV).

SCOR has worked with HUD to correct the UEI issues for the 2018 Hurricane Florence and Mitigation grant programs, which both received split grant allocations from Public Law 115-254 and Public Law 116-20. After coordinating across several departments, HUD was able to change the UEI numbers for the portions of the grant programs that were allocated under Public Law 115-254 (Initial CDBG-Mitigation Grant B-18-DP-45-0001 and 2018 Hurricane Florence Grant B-18-DV-45-0001), but has struggled with changing the UEI numbers under the portions of the grant programs that were allocated Public Law 116-20 (Secondary Mitigation Grant B-19-DT-45-0001 and 2018 Hurricane Florence Grant B-18-DV-45-0002). We anticipate awarding 0 subawards to the grants that received allocations from Public Law 116-20, which means that we have 0 obstacles towards meeting our FFATA requirements. That said, we are still coordinating with HUD on addressing the UEI's of the two remaining grant allocations. Personnel changes, including the departure of the HUD Representative most knowledgeable about our FFATA situation, has created setbacks with assisting HUD's correction of the remaining UEI issues.

SCOR has also taken steps towards avoiding any future FFATA reporting deficiencies. Shortly after discovering its reporting deficiency, SCOR conducted an All Hands training to spread internal organizational awareness about FFATA and its requirements. It also proactively prepares its review of its applicability concerning potential Total Executive Compensation reporting in July (Beginning of the State Fiscal Year), to determine if it triggered those reporting requirements. If triggered again, SCOR now knows where to request data from and has a template for how to calculate some of the trickier components, such as Future Pension Valuations for PEBA recipients. Reporting staff has also participated in the Sam.gov and FSRS.gov Migration training.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-004
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
Assistance Listing Number	84.010 and 84.367
Federal Program Name	Title I Grants to Local Education Agencies and Supporting Effective Instruction State Grants
Compliance Requirement	Special Tests and Provisions
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Documentation was not adequate to support compliance with oversight and monitoring responsibilities.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Henry Dargan McMaster, *Governor*

OFFICE of SUBSTANCE USE SERVICES
Sara Goldsby, *Office Director*

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-009
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment Substance Abuse
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Costs charged to the program were not adequately supported.

Current Status
Partially Resolved - Comment Below

Comment
Our Office is being merged with two other state agencies. Currently, our grant management process is under review as personnel is being reassigned to new roles and job duties. We expect to have this matter resolved during state fiscal year 2026.

Henry Dargan McMaster, *Governor*

OFFICE of SUBSTANCE USE SERVICES
Sara Goldsby, *Office Director*

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-010
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment Substance Abuse
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department did not have adequate controls in place to ensure timesheets were properly completed and reviewed by a supervisor, maintained by the agency, and that the time and effort documentation agreed to salary allocations in the accounting system.

Current Status
Partially Resolved - Comment Below

Comment
Our Office is being merged with two other state agencies. Currently, our grant management process is under review as personnel is being reassigned to new roles and job duties. We expect to have this matter resolved during state fiscal year 2026.

Henry Dargan McMaster, *Governor*

OFFICE of SUBSTANCE USE SERVICES
Sara Goldsby, *Office Director*

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-014
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment Substance Abuse
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
We tested the sole-SF-425 report submitted during the fiscal year 2023 and noted the Department did not document a supervisory review and approval.

Current Status
Fully Corrected with Significantly Differing Corrective Action Implemented - Comment Below

Comment
A grants administrator personnel member completes the report and provides it to the Director for review. The process is documented on a copy of the report. The corrective action was implemented on June 1, 2025.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-015
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment Substance Abuse
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
We identified noncompliance with FFATA reporting requirements.

Current Status
Partially Resolved - Comment Below

Comment
Our Office is being merged with two other state agencies. Currently, our grant management process is under review as personnel is being reassigned to new roles and job duties. We expect to have this matter resolved during state fiscal year 2026.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-022
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.069
Federal Program Name	Public Health Emergency Preparedness
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

Costs were improperly charged to the federal award.

Current Status

Fully Corrected with Previous Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-026
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.069 and 93.354
Federal Program Name	Public Health Emergency Preparedness and Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
Compliance Requirement	Equipment and Real Property Management
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department was not in compliance with several equipment and real property requirements.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Comment
An Asset Management & Property Custodian Manual was developed and posted to the DPH Fixed Assets SharePoint site in September 2024. Quarterly meetings with the Property Custodians are planned to start in August 2025 to discuss any issues or questions.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-029
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.069 and 93.940
Federal Program Name	Public Health Emergency Preparedness and HIV Prevention Activities Health Department Based
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Discrepancies existed between the federal financial reports and the accounting system.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-030
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.354
Federal Program Name	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
Compliance Requirement	Period of Performance
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Expenditures were charged to the program after the end of the period of performance.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2023-031
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.658
Federal Program Name	Foster Care Title IV-E
Compliance Requirement	Eligibility/Activities Allowed or Unallowable and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Eligibility and allowable costs/cost principles related discrepancies were encountered for some payments.

Current Status
Partially Resolved – Comment Below

Comment
The Placement and Licensing Software System which would require all DSS and Provider staff to electronically input all required information into a centralized location was delayed. As of 6/30/25, the system was partially implemented, however, the module that would fully correct this finding is not one that was implemented as of this date. The Placement and Licensing Software System has not been implemented for our Child Placing Agencies (CPA's), Group Homes, or Placement.

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-001
Federal Agency	Not Applicable - ACFR
State Agency	Department of Revenue
Assistance Listing Number	Not Applicable - ACFR
Federal Program Name	Not Applicable - ACFR
Compliance Requirement	Not Applicable - ACFR
Type of Finding	Not Applicable - ACFR

Condition

The Department of Revenue (DOR) changed its methodology for calculating income tax receivables and refunds during the fiscal year ended June 30, 2024. DOR's development of the tax refund payable was based on total collections for the calendar year which led to an overstatement of the liability as of June 30, 2024. Although there was adequate documentation of the detailed calculations and supporting data available to justify the amount recorded for the tax receivable and allowance, we noted that DOR's management did not have enough appropriate documentation supporting the development of the allowance estimate for tax receivables. Without proper documentation, it becomes challenging to understand the basis for management's estimation and evaluate if the change in estimate is preferable to the previous measurement methodology.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

As stated in the Corrective Action Plan, SCDOR met with the CG's Office and the State Auditor's Office on May 13th. The three agencies discussed and agreed upon all methodologies to be used on the FY25 Tax Revenue Reporting Package.

admin
SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

Henry McMaster, *Governor*
Marcia S. Adams, *Executive Director*

EXECUTIVE BUDGET OFFICE
Kevin Etheridge, Acting Office Director
1205 Pendleton Street, Suite 529
Columbia, SC 29201
803.734.2280

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-002
Federal Agency	Department of Health and Human Services
State Agency	Department of Administration
Assistance Listing Number	Not Applicable - SWCAP
Federal Program Name	Not Applicable - SWCAP
Compliance Requirement	Not Applicable - SWCAP
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Executive Budget Office (Office) was unable to provide the SWCAP and supporting documentation.

Current Status
Partially Resolved - Comment Below

Comment
The State contracted with Maximus, Incorporated, to prepare the State's SWCAPs for 2018 through 2021. The 2018, 2019, 2020 and 2021 SWCAPs have been prepared and submitted to the federal HHS Cost Allocation Services (CAS) for review and approval. The preparation of the 2022 (based on Fiscal Year 2020 Actuals) and 2023 (based on Fiscal Year 2021 Actuals) SWCAPs are in process and are expected to be finalized during state fiscal year 2026.

Once the above SWCAPs have been finalized, the State will move forward with the completing the remaining outstanding SWCAPs.

South Carolina Department of Administration
1200 Senate Street, Suite 460 Columbia, SC 29201
Post Office Box 2825, Columbia, SC 29211

Phone: 803.734.8120
Fax: 803.734.9002
admin.sc.gov

Robin B. Stilwell
MAJOR GENERAL
THE ADJUTANT GENERAL

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-003
Federal Agency	Department of Homeland Security
State Agency	Office of the Adjutant General
Assistance Listing Number	97.036
Federal Program Name	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
FFATA reporting and timing errors were identified.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Comment
Notice from FEMA was received 7/1/2025. As a result of the FY25 Single Audit finding, additional documentation would need to be submitted as proof of the corrective action plan implementation. The corrective action plan implementation began December 2024 with an anticipated completion date of June 30, 2025.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-004
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment of Substance Abuse
Compliance Requirement	Cash Management
Type of Finding	Significant deficiency in internal control over compliance

Condition
Supporting documentation was not adequate to determine if federal reimbursements had a separate preparer and reviewer prior to requesting a drawdown as required by the Department's policies and procedures.

Current Status
Fully Corrected with Significantly Differing Corrective Action Implemented - Comment Below

Comment
Our Office has contracted with the Department of Administration to assist with grant management. The Department of Administration notifies our management team when there is a negative balance for the grant in the accounting system. Our management team reviews any support provided by the Department and provides approval of the drawdown amount. The corrective action was implemented on June 1, 2025.

Henry Dargan McMaster, *Governor*

OFFICE of SUBSTANCE USE SERVICES
Sara Goldsby, *Office Director*

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-005
Federal Agency	Department of Health and Human Services
State Agency	Department of Behavioral Health and Developmental Disabilities Office of Substance Use Services Formerly Department of Drug and Other Drug Abuse Services
Assistance Listing Number	93.959
Federal Program Name	Block Grants for Prevention and Treatment of Substance Abuse
Compliance Requirement	Period of Performance
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Expenditures were incurred and charged after the period of performance had ended.

Current Status
Partially Resolved - Comment Below

Comment
Our Office is being merged with two other state agencies. Currently, our grant management process is under review as personnel is being reassigned to new roles and job duties. We expect to have this matter resolved during state fiscal year 2026.

State of South Carolina

Summary Schedule of Prior Audit Findings

6/30/2025

Reference Number: 2024-006

Federal Agency: Department of Health and Human Services

Assistance Listing Number: 93.775, 93.777, 93.778

Federal Program Name: Medicaid Cluster

Compliance Requirement: Special Tests and Provisions (Provider Health and Safety Standards)

Type of Finding: Significant deficiency in internal control over compliance, other matters

Condition

The Department of Health and Human Services was unable to provide documentation to verify that annual health and safety surveys were performed during the fiscal year.

Current Status

Partially Resolved

Comment

The corrective action is ongoing. Quarterly meetings have been scheduled with Dept of Public Health (DPH), with the first meeting scheduled for 7/15/2025. DPH will begin sending CMS Form 2567 document which will be tracked and verified during quarterly meetings to ensure recertifications occur no later than 15 months after previous survey and that the average interval between surveys does not exceed 12 months.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-007
Federal Agency	Department of Agriculture
State Agency	South Carolina Department of Education
Assistance Listing Number	10.553, 10.555, 10.559, and 10.582
Federal Program Name	Child Nutrition Cluster
Compliance Requirement	Special Tests and Provisions - Paid Lunch Equity (NSLP)
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Documentation was not adequate to support compliance with oversight and monitoring responsibilities.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Department on Aging

Henry McMaster
Governor

Connie Munn
Director

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-008
Federal Agency	Department of Health and Human Services
State Agency	Department on Aging
Assistance Listing Number	93.044, 93.045, and 93.053
Federal Program Name	Aging Cluster
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Discrepancies were identified in the reported amounts on SF-425 reports.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Comment
SCDOA has implemented a review process for SF-425 submission. The Finance Director reviews SF-425 Reports completed by the Grant Administrator for accuracy before final submission.

State of South Carolina
Department on Aging

Henry McMaster
Governor

Connie Munn
Director

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-009
Federal Agency	Department of Health and Human Services
State Agency	Department on Aging
Assistance Listing Number	93.044, 93.045, and 93.053
Federal Program Name	Aging Cluster
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
We identified noncompliance with FFATA reporting requirements.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Comment
Once SCDOA was made aware of FFATA reporting requirements, immediate action was taken for compliance. Research was conducted to understand the submission process, and necessary information was gathered to refine procedures to ensure accurate and timely submissions moving forward.

SOUTH CAROLINA
DEPARTMENT of BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES
OFFICE of MENTAL HEALTH

Henry Dargan McMaster, *Governor*

OFFICE of MENTAL HEALTH
Robert L. Bank, M.D., *Office Director*

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-010
Federal Agency	Department of Health and Human Services
State Agency	Department of Mental Health
Assistance Listing Number	93.958
Federal Program Name	Block Grants for Community Mental Health Services
Compliance Requirement	Period of Performance
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Expenditures were incurred outside of the period of performance.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina Health Campus • 400 Otarre Parkway • Cayce, South Carolina 29033

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-011
Federal Agency	Department of Health and Human Services
State Agency	Department of Mental Health
Assistance Listing Number	93.958
Federal Program Name	Block Grants for Community Mental Health Services
Compliance Requirement	Earmarking
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department did not comply with federal earmarking minimum spending requirements.

Current Status
Partially Resolved - Comment Below

Comment
The Office is now meeting compliance requirements for evidence-based crisis services. Evidence-based ESMI programs have continued to increase. Due to the early termination of the supplemental grants for ARPA and CARES, we now expect to meet compliance fully by SFY27.

Henry McMaster, *Governor*
Marcia S. Adams, *Executive Director*

OFFICE *of* ECONOMIC OPPORTUNITY
James Miller, Director
1205 Pendleton Street, Suite 349
Columbia, SC 29201
803.734.0662
803.734.0356 Fax

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-012
Federal Agency	Department of Health and Human Services
State Agency	Department of Administration
Assistance Listing Number	93.568
Federal Program Name	Low-Income Home Energy Assistance Program
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance

Condition
FFATA report did not have documentation supporting a review by an employee other than the preparer prior to submission.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-013
Federal Agency	Department of Transportation
State Agency	Department of Public Safety
Assistance Listing Number	20.600 and 20.616
Federal Program Name	Highway Safety Cluster
Compliance Requirement	Subrecipient Monitoring
Type of Finding	Significant deficiency in internal control over compliance

Condition
The Department failed to provide documentation to prove the existence of an internal control.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-014
Federal Agency	Department of Transportation
State Agency	Department of Public Safety
Assistance Listing Number	20.600 and 20.616
Federal Program Name	Highway Safety Cluster
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance

Condition
The Department failed to provide documentation to prove the existence of an internal control.

Current Status
Partially Resolved - Comment Below

Comment
The Department has updated the Highway Safety Grant Program's Financial Procedures Manual to include the revised FFATA review and approval process; however, the next FFATA report submission will not take place until November 2025.

South Carolina Criminal Justice Academy

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-015
Federal Agency	Department of Transportation
State Agency	Criminal Justice Academy
Assistance Listing Number	20.600 and 20.616
Federal Program Name	Highway Safety Cluster
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance

Condition
The Department failed to provide documentation to prove the existence of an internal control.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

South Carolina Criminal Justice Academy

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number Federal	2024-016
Agency	Department of Transportation
State Agency	Criminal Justice Academy
Assistance Listing Number	20.600 and 20.616
Federal Program Name	Highway Safety Cluster
Compliance Requirement	Period of Performance
Type of Finding	Significant deficiency in internal control over compliance

Condition
The Department failed to provide documentation to prove the existence of an internal control.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-017
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.566
Federal Program Name	Refugee and Entrant Assistance
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Material weakness in internal control over compliance, material noncompliance

Condition
Expenditures charged to the program were not adequately supported

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-018
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.566
Federal Program Name	Refugee and Entrant Assistance
Compliance Requirement	Eligibility
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department was not in compliance with several eligibility requirements

Current Status
Partially Resolved – Comment Below

Comment
The benefit interview tool used for the program asks if the applicant is age 18 or older and enrolled as a student in the household, enrolled at least half time (as defined by the school program, or institution), in a school, training program, or institution of higher education.

The data management system was implemented in July 2025.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-019
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.566
Federal Program Name	Refugee and Entrant Assistance
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department did not ensure one key line-item was accurately reported on the financial report.

Current Status
Partially Resolved – Comment Below

Comment
The role of contract monitor was in place; however, the position was in training and not fully performing the duties of the job as of 6/30/25. As of July 2025, the contract monitor for this program is conducting monitoring on all budgets, subrecipient agreements, and invoices to validate the appropriate use of federal funds.

The data management system was implemented in July 2025.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-020
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.566
Federal Program Name	Refugee and Entrant Assistance
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department did not submit a FFATA report for fiscal year 2024

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-021
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.566
Federal Program Name	Refugee and Entrant Assistance
Compliance Requirement	Subrecipient Monitoring
Type of Finding	Material weakness in internal control over compliance, material noncompliance

Condition
The Department did not comply with subrecipient monitoring requirements

Current Status
Partially Resolved – Comment Below

Comment
The role of contract monitor was in place; however, the position was in training and not fully performing the duties of the job as of 6/30/25. As of July 2025, the contract monitor for this program is conducting subrecipient monitoring on all subrecipient agreements to validate the appropriate use of federal funds.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-022
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.558
Federal Program Name	Temporary Assistance for Needy Families
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Costs charged to the program were not properly allocated

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-023
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	10.551, 10.561, and 93.558
Federal Program Name	SNAP Cluster and Temporary Assistance for Needy Families
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Personnel expenditures for one employee were charged to the federal award without documented approval as required by the Department's internal control procedure

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-024
Federal Agency	Department of Health and Human Services
State Agency	Department of Social Services
Assistance Listing Number	93.558
Federal Program Name	Temporary Assistance for Needy Families
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Discrepancies existed between the ACF-199 (TANF Data Report) and the Department's records. Documentation was not retained to determine that the report had been reviewed prior to submission as required by the Department's policies and procedures.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

Harry M. Lightsey III
Chairman

Bonnie Ammons
Executive Director

South Carolina
Rural Infrastructure Authority

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-025
Federal Agency	Department of Treasury
State Agency	Rural Infrastructure Authority
Assistance Listing Number	21.027
Federal Program Name	Coronavirus State and Local Fiscal Recovery Funds
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Costs charged to the program were not adequately allocated.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

1201 Main Street, Suite 1600, Columbia, SC 29201 | P: 803-737-0390 | F: 803-737-0894

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-026
Federal Agency	Department of Treasury
State Agency	Department of Public Health
Assistance Listing Number	21.027
Federal Program Name	Coronavirus State and Local Fiscal Recovery Funds
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Costs charged to the program were not necessary and reasonable to the purpose of the program, were not adequately supported, and were improperly charged.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-027
Federal Agency	Department of Agriculture and Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	10.557, 93.917, 93.323, 93.391, 93.069, 93.354, and 93.940
Federal Program Name	WIC Special Supplemental Nutrition Program for Women, Infants, and Children, HIV Care Formula Grants, Epidemiology and Laboratory Capacity for Infectious Disease (ELC), Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises, Public Health Emergency Preparedness, Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response, and HIV Prevention Activities Health Deparment Based
Compliance Requirement	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
The Department did not povide adequate support for its required quarterly reconciliations of the labor system to the payment system.

Current Status
Partially Resloved.

Comment
Due to the implementation date of November 2024, the corrective action was not effective for the full fiscal year. Effective November 2024, DPH implemented a standardized process that includes routine distribution of the Pesonnel Cost Accounting System (PCAS)-based time and effort reports, documented review discussions between Budget staff and program areas using a standardized tool, centralized tracking of review activity, and retention of supporting documentation. Guidance materials and a Standard Operating Procedure have also been developed to support consistent application across the agency.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-028
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.917
Federal Program Name	HIV Care Formula Grants
Compliance Requirement	Cash Management
Type of Finding	Significant deficiency in internal control over compliance

Condition

Supporting documentation was not adequate to determine if federal reimbursements were properly reviewed and approved by a supervisor as required by the Department's policies and procedures.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-029
Federal Agency	Department of Agriculture
State Agency	Department of Public Health
Assistance Listing Number	10.557
Federal Program Name	WIC Special Supplemental Nutrition Program for Women, Infancts, and Children
Compliance Requirement	Period of Performance
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Supporting documentation was not adequate to determine if federal reimbursements were properly reviewed and approved by a supervisor as required by the Department's policies and procedures.

Current Status
Partially Resolved

Comment
Regarding the bonus payment system, the Payroll Director developed a new workflow for bonuses that was implemented on May 19, 2025. So far this new workflow has been successful.
Because the WIC program closeout is based on the Federal Fiscal Year, it was not able to be completed by June 30, 2025. The WIC Section Manager sends a grant closeout email to all WIC staff that reminds them of the Grant Closeout Process and verifying expenses. The email notes that 2 CFR 200.403(h) requires that costs must be incurred during the approved budget period. We will send this email again during the grant closeout process.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-030
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.232, 93.354, and 93.940
Federal Program Name	Epidemiology and Laboratory Capacity for Infectious Disease (ELC), Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response, and HIV Prevention Activities Health Department Based
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

The Department did not submit timely FFATA reports in accordance with FFATA reporting requirements.

Current Status

Fully Corrected with Previously Reported Correctve Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-031
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.323 and 93.391
Federal Program Name	Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
Compliance Requirement	Reporting
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition

Discrepancies existed between the federal financial reports and the accounting system. Additionally, Department did not document a supervisory review and approval for all submitted reports.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2025

Reference Number	2024-032
Federal Agency	Department of Health and Human Services
State Agency	Department of Public Health
Assistance Listing Number	93.323
Federal Program Name	Epidemiology and Laboratory Capacity for Infectious Disease (ELC)
Compliance Requirement	Suspension & Debarment
Type of Finding	Significant deficiency in internal control over compliance, other matters

Condition
Compliance with suspension and debarment regulations could not be confirmed for one vendor contract.

Current Status
Fully Corrected with Previously Reported Corrective Action Implemented.

Appendix A

Index of State Agencies Included in Schedule 1

STATE OF SOUTH CAROLINA
Index of State Agencies Included in Schedule 1
For the Year Ended June 30, 2025

Agency Code	Agency Name
A850	Education Oversight Committee
B040	Judicial Department
D100	State Law Enforcement Division
D300	Office of Resilience
D500	Department of Administration
E160	Office of State Treasurer
E200	Office of the Attorney General
E210	Prosecution Coordination Commission
E240	Office of Adjutant General
E260	Department of Veterans’ Affairs
E500	Revenue and Fiscal Affairs Office
H030	State Commission on Higher Education
H590	State Board for Technical and Comprehensive Education
H630	Department of Education
H640	Governor’s School for the Arts and Humanities
H670	Educational Television Commission
H710	Wil Lou Gray Opportunity School
H730	Department of Vocational Rehabilitation
H750	School for the Deaf and the Blind
H790	Department of Archives and History
H870	State Library
H910	Arts Commission
H950	State Museum Commission
J020	Department of Health and Human Services
J060	Department of Public Health
J120**	Department of Mental Health
J160**	Department of Disabilities and Special Needs
J200**	Department of Alcohol and Other Drug Abuse Services
K050	Department of Public Safety
L040	Department of Social Services
L060	Department on Aging
L080	Department of Children’s Advocacy
L120	Governor’s School of Agriculture at John De La Howe
L240	Commission for the Blind
L360	Human Affairs Commission
N040	Department of Corrections
N080	Department of Probation, Parole and Pardon Services
N120	Department of Juvenile Justice

STATE OF SOUTH CAROLINA
Index of State Agencies Included in Schedule 1
For the Year Ended June 30, 2025

Agency Code	Agency Name
N200	Law Enforcement Training Council
P120	Forestry Commission
P160	Department of Agriculture
P240	Department of Natural Resources
P260	Sea Grant Consortium
P280	Department of Parks, Recreation and Tourism
P320	Department of Commerce
P450	Rural Infrastructure Authority
P500	Department of Environmental Services
R060	Office of Regulatory Staff
R360	Department of Labor, Licensing and Regulation
R400	Department of Motor Vehicles
R440	Department of Revenue
U300	Division of Aeronautics

Notes: Only State agencies that recorded federal expenditures during fiscal year 2025 are listed above.

** Beginning December 31, 2025, the Department of Mental Health, Department of Disabilities and Special Needs, and the Department of Alcohol and Other Drug Abuse Services (Agency Codes – J120, J160, and J200) combined into one agency:

Department of Behavioral Health and Developmental Disabilities – J080.

Appendix B

State Agency Corrective Action Plans

State of South Carolina
Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgoffice@cg.sc.gov

BRIAN J. GAINES
COMPTROLLER GENERAL

CHIEF OF STAFF

January 28, 2026

Ms. Sue F. Moss, CPA
Interim State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Mr. Tim Lyons, CPA
Mauldin & Jenkins, PLLC
508 Hampton St., 1st Floor
Columbia, South Carolina 29201

Dear Ms. Moss and Mr. Lyons:

For comment 2025-001:

The Comptroller General's Office (CGO) agrees with this finding. The identified reclassifications resulted in no changes to fund balance or net position. The CGO will examine these findings and incorporate the appropriate risk mitigation procedures within its ongoing process improvement activities with its third-party accounting and financial reporting consultant. The CGO began the transition to a new ACFR-writing software for the 2024 ACFR and greatly expanded its use for the 2025 ACFR. Its use will continue to be expanded over the next fiscal years as the CGO continues to engage its implementation consultant to identify and implement additional capacity and functionality.

If you have any questions, please contact me at (803) 734-2542 or email me at dstarkey@cg.sc.gov.

Sincerely,

David A. Starkey, CPA
Senior Assistant Comptroller General

DS/js

cc: Brian J. Gaines

THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

March 4, 2026

VIA E-MAIL ONLY
Ms. Sue F. Moss, CPA, Interim State Auditor
South Carolina Office of the State Auditor
1401 Main St., Suite 1200
Columbia, SC 29201

Mr. Timothy Lyons, CPA, Partner
Mauldin & Jenkins
508 Hampton St., 1st Floor
Columbia, SC 29201

Re: State Treasurer's Office Response to Audit Finding 2025-002

Dear Ms. Moss and Mr. Lyons:

This letter is provided on behalf of the State Treasurer's Office (STO) in response to Audit Finding 2025-002 "Significant Deficiency in Financial Reporting–Preparation of Statewide Accounting Records–State Treasurer's Office," related to the State's General Fund cash and investments as presented in the Annual Comprehensive Financial Report (ACFR).

As discussed in more detail below, STO disagrees with the finding for the following reasons:

1) The Comptroller General's Office (CGO) is responsible for the State's accounting policies and guidance, and the STO has complied with all CGO-provided policies and guidance;

2) ACFR preparation is the responsibility of CGO, and the STO has provided all information requested by CGO for this purpose, and has done so in a timely manner;

3) The finding fails to provide specific STO or CGO policies, or specific provisions of Governmental Accounting Standards Board (GASB) or Generally Accepted Accounting Principles (GAAP), which the joint auditors believe STO has not complied with, or specific examples of STO's non-compliance.

Notwithstanding our objections to the audit finding, the STO remains committed to improving efficiency and strengthening collaboration and transparency with both the CGO and the Joint Auditors. The STO supports and has made efforts to improve cooperation and communication regarding the ACFR and has pursued increased automation within the State's accounting system (SCEIS) to help streamline the ACFR preparation process.

The STO respectfully requests that the Joint Auditors consider this response (including the facts and context discussed) when evaluating the finding and its assignment:

Joint Auditors' Comment: *[A]s the office responsible for maintaining the State's cash and investment balances, we recommend that the STO continue to strengthen their knowledge of how their cash and investment reporting package information becomes incorporated into the ACFR for financial reporting and that they continue to work with the CGO and be more involved in the annual preparation of the statewide ACFR, specifically as it relates to the financial reporting process regarding cash and investments in accordance with GAAP. Although not all cash and investments presented in the ACFR are maintained with the STO, ideally the STO should be able to materially trace the totals they custodian to the totals presented in the ACFR, adding further assurance the amounts reported are accurate.*

STO Response: The STO strongly supports and has made efforts to improve efficiency, cooperation, and communication with the CGO related to the ACFR regarding cash and investments custodied by the STO, including but not limited to increased automation within SCEIS to streamline the CGO's ACFR preparation process. However, this audit finding assumes a level of authority over the ACFR policies and procedures, and the State's accounting system (SCEIS), which neither State law nor longstanding guidance has ascribed to the STO.

The CGO—not the STO—has the sole authority and responsibility to dictate the ACFR preparation process, and to maintain SCEIS such that it is capable of producing a GAAP-compliant ACFR. See Proviso 97.2. The CGO is required to maintain sufficient records "constituting a complete check upon" the STO. S.C. Code Ann. § 11-3-100. The STO does not have reciprocal authority or responsibility to serve as a complete check on the CGO. That responsibility—at least insofar as the ACFR is concerned—is expressly and narrowly assigned in statute: "Annually the State Auditor shall audit or cause to be audited the State's basic financial statements prepared by the Comptroller General of South Carolina." S.C. Code Ann. § 11-7-20(B). In fact, the STO (and all other state agencies) are required to pay "…the State Auditor an amount representing an equitable portion of the expense of contracting with a certified public accounting firm to conduct a portion of the audit of the State's Comprehensive Annual Financial Report prepared by the Comptroller General's Office." S.C. Code Ann. § 11-7-60.

Thus, to the extent that the Joint Auditors require "further assurance the amounts reported [in the ACFR] are accurate," the CGO has the legal responsibility and authority to fulfill that requirement.

As for the STO's involvement in, or ability to ascertain the accuracy of, the CGO's presentation of cash and investments in the FY2025 ACFR, the CGO does not fully disclose and explain its ACFR adjustments to the STO. In fact, despite STO's prior requests, this year the CGO declined to provide the STO with the FY2025 ACFR until after business hours on January 28, 2026, the date of publication to the CGO's website. As of the date of this response, STO still does not have access to all of the CGO's adjustments to FY2025 ACFR cash and investments, or explanations regarding those adjustments.

(803) 734-2101 Fax (803) 734-2690
www.treasurer.sc.gov
116 Wade Hampton Building
Capital Complex
1200 Senate Street
Columbia, SC 29201

Based on the limited transparency and collaboration the CGO allows the STO regarding the CGO's preparation of ACFR cash and investments, we requested, via our letter dated October 30, 2025, that the Joint Auditors focus on these adjustments during the audit to ensure that the adjustments were correct. Beyond informing the Joint Auditors of any areas that we believe should receive heightened scrutiny during the audit, the CGO's approach to ACFR preparation precludes the STO from being "able to materially trace the totals they custody to the totals presented in the ACFR," and "adding further assurance the amounts reported [in the ACFR] are accurate," as you have recommended.

Joint Auditors' Comment: *During our audit procedures, we noted that several significant adjustments by the Comptroller General's Office (CGO) to components of the Annual Comprehensive Financial Report (ACFR) were required to ensure the reporting of the State's cash and investment balances are properly reported in accordance with Generally Accepted Accounting Principles (GAAP).*

STO Response: We share your concern regarding the current CGO ACFR process which involves "significant [manual] adjustments" made by the CGO to components of the ACFR; however, any weakness in internal controls resulting from the size and/or nature of those adjustments is the responsibility of the CGO, and should not be attributed to the STO. In fact, due to the CGO's refusal to disclose and explain its ACFR adjustments to the STO, our ability to respond to this audit finding is limited.

As you know, in 2024, Mauldin and Jenkins (MJ) evaluated and commented on CGO's ACFR preparation processes, namely those related to the CGO calculations and adjustments to ACFR General Fund cash and investments. Similarly, in January of 2025, AlixPartners (AP) made additional recommendations to the CGO addressing these issues. In both instances, AlixPartners and Mauldin and Jenkins correctly assigned responsibility for these adjustments to the CGO. Implementation of their recommendations was codified into law by the General Assembly via S.C. Act No. 72.

Namely, AP 21 requires the CGO, not the STO, to "Assess all prior topside entries or other adjustments and disclosures related to offsets of negative cash balances to ensure compliance with relevant accounting standards." AP 16 requires the CGO to "Establish a policy outlining the situations in which the CGO is permitted to adjust information it receives from various agencies and a process by which such adjustments must be communicated to the affected agencies." AP 20 requires the CGO to "Establish a policy or procedure that outlines the CGO's position on accounting for negative cash (with relevant Generally Accepted Accounting Principles ("GAAP")/GASB citations) and the related accounting and disclosure requirements to ensure compliance and consistency in application." AP 13 requires the CGO to "Establish a process by which non-standard adjustments to cash and investments reported by AFS entities are identified and evaluated." AP 14 requires the CGO to "Establish a minimum standard for all accounting and financial reporting workpapers such that an external party can both understand and reperform the process. Documentation should include information sufficient to understand the purpose of the workpaper and the source of the information." AP 7 requires the CGO to "Provide training and related documentation to the STO that… should be sufficient to allow the STO to independently quantify the ACFR General Fund cash balance using information to which it already has access."

Despite these consultants' recommendations, the CGO's description of their procedures for the FY2025 ACFR states that the STO does not have access to all of the information required to calculate cash, and suggests the CGO has no intent to provide it to the STO. For example, on page 15 of the CGO's "Cash and Cash Equivalents for the ACFR General Fund -specific focus on Treasury Pooled Cash," (approved by the State's Independent Compliance Consultant, Forvis Mazars, on or about February 26, 2026), the CGO states

> CGO prepared timing adjustments related to STO pooled cash. For FY2025, the CGO pulled cash transactions totaling $306MM with a clearing date >6/30/2025 for the dates between 7/1/2025-8/11/2025. Of the $306MM, the CGO booked for the ACFR GF a timing adjustment of $424MM. Some of this balance requires specialized knowledge of AFS entities and what these respective entities posted on their financials as a due to/due from and **would not be able to be reperformed by someone outside of the [CGO's] ACFR group.**

(emphasis added).

Most notably, on page 16 of the same CGO document, the CGO sets forth "the calculation of cash within the ACFR general fund," noting that, "**only the Steps highlighted green are the amounts that STO can reasonably estimate.**" (emphasis added). Of the eight calculations listed, the CGO indicates that the STO could reasonably estimate only four, with the remaining calculations being CGO adjustments that the CGO does not fully explain or justify to the STO. Namely, page 17 indicates that the adjustments that CGO acknowledge the STO cannot "reasonably calculate" include adjustments of approximately $1.7 billion, $424.4 million, $66.7 million, and $39.9 million.

The fact that the CGO is capable of withholding— and is withholding— its calculations of and justification for these adjustments from STO is explicit evidence that the CGO is solely responsible for any weakness or deficiency resulting from the nature of their adjustments to ACFR cash and investments.

Joint Auditors' Comment: *Currently constructed policies and procedures require significant manual adjustments to ensure a complete and proper reconciliation of the State's cash and investment balances between the way the various portfolios are maintained by the STO and the way cash and investments are presented in the ACFR in accordance with GAAP, specifically Governmental Accounting Standards Board (GASB) Statement No. 40 (Deposit and Investment Risk Disclosures) and GASB Statement No. 72 (Fair Value Measurement and Application).*

STO Response: The STO disagrees that our policies and procedures are responsible for the CGO's adjustments to ACFR cash and investments.

In preparing its response to this finding, the STO requested that the Joint Auditors clarify its general references to GASB Statement No. 72 and GASB Statement No. 40 to identify the specific sections implicated in this finding. We understand the auditors are unable to point to specific standard language supporting the conclusion as stated. We also note the finding references "currently constructed policies" at a high level, without clearly specifying which policies (or which entity's policies) are being referenced or how they create the described risk.

Even with the additional context you provided in a meeting with STO staff, the language of this finding does not appear to describe a specific deficiency in STO's internal controls, processes, or procedures related to accounting and financial reporting for cash and investments. In the absence of specificity as to factual detail and clear GAAP support, we believe the finding would benefit from further clarification to align with GAS 6.51, which provides that findings should be developed and presented "to the extent necessary to assist management or the oversight officials of the audited entity in understanding the need for corrective action."

Joint Auditors' Comment: *The current process for reporting the State's cash and investments balances requires the CGO to undertake an extensive manual process to incorporate the supporting documentation provided by the STO. Manual adjustments of this extent and magnitude increase the risk of misstatement in the ACFR.*

STO Response: The STO is not responsible for any deficiency in internal controls caused by the CGO's time-consuming manual processes which the CGO designed, and to which only the CGO has complete visibility.

The CGO is legally responsible for the procedures related to ACFR preparation, and for establishing and enforcing accounting policy directives that ensure GAAP compliance. Proviso 97.2 states "the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS) that will result in… the preparation and issuance of the official financial reports for the State of South Carolina." Proviso 97.2 also states that "the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP."

Additionally, the CGO alone dictates the manner in which STO reports cash and investments to the CGO for preparation of the ACFR. Pursuant to S.C. Code Ann. § 11-5-180, the State Treasurer shall, when required by the Comptroller General, "produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State." Proviso 98.18 requires that "the Office of the State Treasurer shall fully comply with information requested in the form of closing packages from the Office of the Comptroller General for the same purposes."

Numerous consultants, including prior joint auditors, have noted concerns for the CGO's "extensive manual process" and assigned responsibility for this concern to the CGO, alone. For fiscal year ending 2023, and numerous years prior, the State Auditor's "Report to Governance on the Audit of the State of South Carolina" noted that the CGO's processes are "manual and time consuming" and "based off review of the account coding and historical knowledge." In 2024, Mauldin and Jenkins observed, "The CGO mostly leverages Excel to develop the ACFR. The CGO does not currently utilize a technology solution to manage the ACFR development process. As a result, email is typically used to communicate, transfer, and submit files between the CGO and agencies, and the CGO must manually transfer large volumes of data into ACFR development templates." MJ 4 requires the CGO to procure a "technology solution(s) for managing and creating the ACFR."

Even in the absence of improvements in those areas, it remains the CGO's responsibility to address the extensive nature of ACFR preparation by sufficiently staffing their Financial Reporting division. Both AP 9 and MJ 7A require that the CGO hire additional employees within the Financial Reporting division "to prepare the ACFR and better distribute workloads."

These prior related findings and recommendations were appropriately assigned to the CGO because the CGO is legally responsible for SCEIS, the issuance of the ACFR, and the State's accounting policies.

As you have acknowledged, the STO provides complete, timely and accurate documentation to the CGO, in the format dictated by the CGO, in response to the CGO's requests for information related to ACFR cash and investments. If the STO had failed to provide such information, the CGO should have and would have informed us accordingly. It is the CGO's responsibility—not STO's, and not the Joint Auditors'—to dictate what information the CGO requires of the STO in its closing packages. If the Joint Auditors have recommendations regarding the CGO's closing packages, they must be addressed with and to the CGO.

Joint Auditors' Comment: *Although the STO provided cash and investment information to the CGO in the prescribed format required by the CGO, identification of any issues within an individual ACFR GAAP funds for reporting purposes would not be identified until after the reporting package is completed, which is after the end of the fiscal year. This oversight is partially due to the STO not currently having a process by which the General Fund investment portfolio cash by each individual state agency and financial accounting fund is regularly reconciled from the financial module of the South Carolina Enterprise Information System (SCEIS) to the treasury management module (also known as NVEST). Additionally, the aggregation of individual investments into single investment portfolio lines in the financial reporting system requires extensive manual adjustments to the provided supporting documentation to allow for insertion in the ACFR and complicates the audit trail back to original records.*

STO Response: We disagree with the assertion that STO's cash and investment reconciliation processes are likely to cause (partially or otherwise) delayed "identification [presumably by the

CGO] of any issues within an individual ACFR GAAP fund for report purposes…," or necessitate the CGO's "extensive manual adjustments… to allow for insertion in the ACFR."

First and foremost, it is necessary to clarify that these concerns relate to the CGO's calculation and presentation of General Fund cash and investments in the ACFR, and are not an indication of the STO's failure or inability to reconcile actual cash and investments on hand. The STO has procedures which reconcile the financial module and treasury management module in SCEIS on a daily, monthly, and quarterly basis.

Second, your concern regarding the "aggregation of individual investments into single investment portfolio lines" suggests a misunderstanding regarding pooled cash and investments. The assignment of all specific assets in an investment pool (i.e. individual securities by CUSIP) to individual funds would represent far more than a new report in SCEIS. It would require a system-wide change in SCEIS operation. Moreover, it would represent a significant departure from the State's successful and longstanding investment pooling methodology.

GASB 31, Paragraph 22, defines "Internal Investment Pool" as "An arrangement that commingles (pools) the moneys of more than one fund or component unit of a report entity." Because the assets of the pool are commingled, GASB 31, Paragraph 11, states that the "**equity position** of each fund or component unit in an internal investment pool should be reported as assets in those funds and component units." (Emphasis added.)

Outside of very limited exceptions which are not at issue here, there appears to be no basis in State law or accounting standards to support the assertion that an accounting fund, to which money is appropriated, "owns" any individual investment instrument held by the pool, or that there must be an audit trail establishing such ownership. Instead, that agency and fund has a claim to, or share of, equity in the pool. When the equity in the fund is drawn upon, that fund's expenditure is paid indiscriminately by the pool's overall liquidity.

STO carefully monitors fund liquidity in accordance with STO's Comprehensive Investment Policy and cash management policy. STO is obligated to "invest and deposit funds from any source… to draw the best rate of interest obtainable." S.C. Code Ann. § 11-13-30. STO's pooled investment strategies, developed in accordance with Proviso 98.3 and S.C. Code Ann. § 11-9-660, have been incredibly successful in growing the State's resources. For FY 2025, the STO's efforts produced a $477 million return in the General Fund Portfolio. Managing liquidity at the pool level allows the STO to take advantage of economies of scale, allowing more resources to be invested and produce returns, as encouraged by state law.

The STO does not believe it is appropriate to revise successful investment policies and procedures without clear GAAP or GASB guidance indicating that specific provisions of STO's pooled investment policies and practices are noncompliant.

Joint Auditors' Comment: *We recommend that the STO work with the [Department of Administration] SCEIS application team to create reporting that would allow for clear visibility* *of statewide treasury pooled cash, budgetary cash authority, and agency held cash by financial accounting fund for reconciliation back to the treasury management module, treasury only funds, and external support.*

Additionally, we recommend working with the [Department of Administration] SCEIS application team to separate the aggregated portfolio in the accounting system to allow for easier tracking of investment purchases and cash equivalents by accounting fund.

STO Response: While the STO is certainly willing to meet with Department of Administration and the CGO to assess improving the system, an audit finding communicating these recommendations is more appropriately directed to the CGO as the entity responsible for preparation of the ACFR and ensuring SCEIS is designed to produce an accurate ACFR, and also the Comptroller General, as the State's Accounting Officer, and the Chairman of the SCEIS Oversight Committee.

Here again, we reiterate that the CGO has not articulated concern to STO regarding the visibility of "statewide treasury pooled cash, budgetary cash authority, and agency held cash by financial accounting fund…" nor has the CGO requested any change to the manner in which the STO reports these items for purposes of the CGO-created ACFR closing package. STO cannot reasonably be expected to act upon what we understand to be a speculative assertion of the CGO's preferences, particularly when the implementation of such a change would likely be extraordinarily costly to the State.

Moreover, the change you have proposed relates specifically to ACFR reporting, and as such, is subject to the Comptroller General's oversight as both the State's Accounting Officer, and as Chairman of the SCEIS Oversight Committee. Per Proviso 97.2, "the Comptroller General is directed, as the State Accounting Officer, to maintain an Enterprise Information System for State Government (SCEIS) that will result in… the preparation and issuance of the official financial reports for the State of South Carolina." Proviso 97.2 also states that "the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP." Likewise, "The South Carolina Enterprise Information System Oversight Committee, as appointed by the Comptroller General, shall provide oversight for the implementation and continued operations of the system." S.C. Code Ann. § 11-53-20.

In the absence of evidence that STO's policies and procedures fail to comply with GASB or GAAP, or that the STO has somehow failed in its responsibility to report information as the CGO requests it, we believe this finding is also more appropriately assigned to the CGO.

STO Action Taken in Response to Finding: STO will continue in its efforts to improve efficiency and strengthen collaboration and transparency with both the Joint Auditors and the CGO. Additionally, STO welcomes the opportunity to meet with the Joint Auditors and the CGO to align on clear roles, improve transparency into ACFR adjustments, and advance process improvements and automation that support accurate, timely, and auditable statewide reporting. STO will also join meetings with the CGO and DOA to discuss potential improvements to SCEIS. STO recommends meetings begin as soon as possible so that any resulting changes can be implemented and finalized before the FY2026 ACFR year-end audit.

If you would like to schedule a working session or to request any additional documentation, please feel free to contact me at your convenience.

Respectfully submitted,

Mark Barnes
Chief of Staff

The State of South Carolina

Military Department

1 NATIONAL GUARD ROAD
COLUMBIA, SOUTH CAROLINA 29201-4752

STATE OF SOUTH CAROLINA

Corrective Action Plan

For the Year Ended June 30, 2025

The South Carolina Office of the Adjutant General respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings — FEDERAL AWARD PROGRAM AUDIT

United States Department of Homeland Security

2025-003 Public Assistance (Presidentially Declared Disasters) - Assistance Listing No. 97.036

Disposition of Audit Finding: The South Carolina Emergency Management Division (SCEMD) of the Office of the Adjutant General concurs with the audit finding.

Corrective Action:

The Agency will refine its Public Assistance (PA) Reimbursement Review SOP and related Recovery Grants and Finance staff training to specify a requirement to validate that for projects under PA grants declared in 2018 and before, Direct Administrative Costs (DAC) were expended before the end of the project period of performance. In addition, the Recipient has submitted a time extension for the project period of performance but does not yet have approval from FEMA.

Notes:

- DAC was an eligible category of costs in PA projects under disaster grants through 2017 and optional for those declared August 1, 2017, through October 04, 2018 (opt-in).

- Federal PA policy shifted to a management costs approach for projects under incidents declared on or after October 05, 2018. See attached FEMA Recovery Policy FP 104-11-2. Management costs are eligible for reimbursement up to 180 days after the subrecipient completes its last non-management cost project (p. 5).

- Guidance regarding Direct Administrative Costs (see FEMA table attached) indicates that project closeout activities are eligible direct costs,which may have led to the Recipient considering DAC during the closeout period as eligible even when the project period of performance had ended.

- The Federal Agency involved, FEMA, closed the project without noting an issue with reimbursement of these expenditures.

Anticipated Completion Date: June 30, 2026

Name of the contact person responsible for corrective action:

- Emily Bentley, SCEMD Chief of Mitigation and Recovery, at (803) 737-8774

- Antonio Johnson, SCEMD Grants and Finance Manager, at (803) 737-8606

2025-004 Public Assistance (Presidentially Declared Disasters) - Assistance Listing No. 97.036

Disposition of Audit Finding: The SCEMD of the Office of the Adjutant General concurs with the audit finding.

Corrective Action:

1. The SCEMD Finance and Administration staff will implement and/or update the succession plan for any role or team member responsible for duties within the FFATA reporting process.

2. SCEMD will continue its monthly review of the South Carolina Recovery Grants (SCRG) platform by the SCEMD Finance and Administration staff to ensure the accuracy of information gathered for FFATA reporting. Where any prior reporting inaccuracies may be identified, FFATA reporting corrections of subrecipient obligations will be made.

Anticipated Completion Date: June 30, 2026

Name of the contact person responsible for corrective action: Landry Phillips at LPhillips@emd.sc.gov or 803-737-8559

U.S. Department of Defense

2025-005 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Disposition of Audit Finding: The Office of the Adjutant General concurs with the audit finding.

Corrective Action: The Agency has added additional quality control measures within the approval process, is hiring an additional staff member who will be responsible for auditing personnel actions and personnel files, and has implemented monthly audits in addition to the current standard of annual audits.

Anticipated Completion Date: 6/30/2026

Name of the contact person responsible for corrective action: Robert Faulk at 803-299-4337

2025-006 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Disposition of Audit Finding: The Office of the Adjutant General concurs with the audit finding.

Corrective Action: The Agency will continue to monitor reports and ensure each Cooperative Agreement adheres to the established Chart of Accounts. The Agency will continue to review purchase submissions in the SCEIS system for adherence to Cooperative Agreement matching requirements.

Anticipated Completion Date: 10/01/2026

Name of the contact person responsible for corrective action: Anita Ballington at 803-229-4294

2025-007 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Disposition of Audit Finding: The Office of the Adjutant General non-concurs with the audit finding.

1. The cited Regulation (National Guard Regulation 5-1) was changed from a Regulation to a policy guideline in 2020 by the National Guard Bureau (NGB) Grants and Cooperative Agreements Policy Letter (GCAPL) #20-02 dated 04 February 2020.

2. There is not a risk for interest liability to the State. The basis and thresholds for determining if a program is subject to interest payments is defined in Federal Code 31 CFR Part 205 and Treasury Financial Manual (TFM) 4A-2000, "Overall Disbursing Rules for All Federal Agencies." In addition, the Cash Management Improvement Act Agreement (CIMA) between The State of South Carolina and The Secretary of the Treasury, United States Department of the Treasury, dated 6/30/2025, does not list the Agency's Catalogue of Federal Domestic Assistance (CFDA) 12.401 as one of the State's programs that meets or exceeds the State's threshold for major Federal assistance programs.

3. The Cash Management testing used a one-to-one analysis based on monthly cash advance requests and monthly expenditures during the same time period. However, the testing, based on NGB Policy 5-1, should be from the date of receipt to the date of disbursement.

4. Lastly, the State of South Carolina's Department of Administration does not allow submissions for Capital Projects (projects over $250,000) without the funding in possession of the requesting Agency. In addition, neither the Legislative Joint Bond Review Committee (JBRC) nor the State Fiscal Accountability Authority (SFAA) will approve a Capital Project without the Agency having the required funds on-hand. The average Readiness Center Revitalization (Capital Project) can take 2-3 years to complete, and the total funds have to be on-hand to receive approval for the start of the projects. This requires Cooperative Agreement 1001 to advance funding for projects months ahead of the execution of any Purchase Orders.

Corrective Action: The Agency will continue to strive to minimize the time elapsed between transfer of funds from the United States Treasury and their disbursement by the State in accordance with the annual Request for Advance Payment Method Authorization signed between the State/Agency and the United States Property and Fiscal Officer (USPFO).

Anticipated Completion Date: Current

Name of the contact person responsible for corrective action: Anita Ballington at 803-299-4294

2025-008 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Disposition of Audit Finding: The Office of the Adjutant General concurs with the audit finding.

The $2,571 finding was identified by the Agency prior to the audit. The Agency was only able make corrections to the grants which remained open (total of $1,421). The Agency was unable to make corrections for the remaining amount as those grants had been closed.

Corrective Action: The Agency relies on SCEIS workflow approvals to verify and approve the period of performance. The Agency currently has three or four levels of approvals (depending on the specific grant) for each Shopping Cart. During this process, the Shopping Carts are reviewed and approved/disapproved by the Cooperative Agreement budget analyst, the Grants Department, the Procurement Department and the Budget & Finance Department. Annual reminders are sent to each Cooperative Agreement and email verification of disbursements are filed.

Additional quarterly quality control checks will be added to the process.

Anticipated Completion Date: 6/30/2026

Name of the contact person responsible for corrective action: Anita Ballington at 803-299-4294

2025-009 National Guard Military Operations and Maintenance (O&M) Projects – Assistance Listing No. 12.401

Disposition of Audit Finding: The Office of the Adjutant General concurs with the audit finding.

Corrective Action: The Agency will strengthen controls by enhancing annual trainings to ensure matching requirements are properly tracked, documented, and applied to Federal expenditures as required by the Federal award. Additional notes will be added on the Federal Final Modification forms to address any differences required by the Cooperative Agreement.

Anticipated Completion Date: 10/01/2026

Name of the contact person responsible for corrective action: Anita Ballington at 803-299-2031

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The South Carolina Department of Health and Human Services (SCDHHS) respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Health and Human Services

2025-010 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, and 93.778

Disposition of Audit Finding: The SCDHHS management concurs with the audit finding.

Corrective Action:

- Regarding the five providers identified as not meeting SCDHHS eligibility requirements, we do not currently have a process, nor a mechanism in place, that allows SCDHHS to monitor the status of provider licenses issued by South Carolina Department of Labor, Licensing and Regulation (SCLLR) or Department of Public Health (DPH). Currently, a provider's license status is verified during initial enrollment and revalidation.

- Recently, SCDHHS completed a project with SCLLR to implement a data exchange allowing access to South Carolina provider licensing information specific to independent pharmacy services. We intend to broaden the scope of our project work with SCLLR to include the license status information for all South Carolina Medicaid providers. While we are actively engaged with SCLLR, we have had initial conversations with DPH and intend to replicate the data exchange process with them for entities licensed by DPH.

Anticipated Completion Date:

Currently, we do not have a final implementation date but estimate that this could be a six – 12-month timeline following execution of a signed Data Sharing Agreement (DSA). This estimate not only includes work with SCLLR but also required updates to our Medicaid Management Information System (MMIS) and development of associated policies and procedures. Once we have additional information, we will provide an update.

Contact persons responsible for corrective action:

- Dawn Hunt at (803) 898-1843
- Nick Constantino at (803) 898-2561

2025-011 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, and 93.778

Disposition of Audit Finding: The SCDHHS management concurs with the audit finding.

Corrective Action:

Regarding the Provider Enrollment Revalidation finding - One provider whose last enrollment validation date was 5/10/2014. The revalidation date for this provider would have been due by 5/10/2019 which would have been before the start of the Public Health Emergency (PHE). The current Provider Enrollment and Support Functions Team Director was not with SCDHHS at the time of the missed revalidation and we are unable to attest to reasons this provider did not complete revalidation, as required.

Anticipated Completion Date:

Our post-PHE revalidation restart began in July 2024 and will conclude by the required completion date of February 28, 2027. Once SCDHHS completes our current revalidation schedule, we will resume normal revalidation cadence.
Contact persons responsible for corrective action:

- Dawn Hunt at (803) 898-1843
- Nick Constantino at (803) 898-2561

2025-012 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, and 93.778

Disposition of Audit Finding: The SCDHHS concurs with the audit finding.

Corrective Action:

In accordance with the current contract with the state survey and certification agency, the South Carolina Department of Public Health (DPH), SCDHHS has implemented the following actions to address the Provider Health and Safety Standards audit finding:

- SCDHHS requires DPH to submit a quarterly summary report to SCDHHS which identifies nursing facilities surveyed, and F tags cited, including scope and severity measures.
- SCDHHS requires DPH to submit a cumulative end-of-year report confirming that each facility has had a survey within an average interval not to exceed 12 months, and no later than 15 months after the date of the previous survey.
- SCDHHS and DPH hold quarterly meetings to review the submitted reports and discuss findings. Meetings were held on 7-25-25 and 10-30-25, and the next meeting is scheduled for 1-15-26.

Anticipated Completion Date: Completed

Contact persons responsible for corrective action:

- Margaret Alewine at (803) 898-0047
- Lisa Ragland at (803) 898-1387

2025-013 Medicaid Cluster – Assistance Listing No. 93.775, 93.777, and 93.778

Disposition of Audit Finding: The SCDHHS concurs with the audit finding.

Corrective Action: Management hereby proposes the Corrective Action Plan below.

The Department will implement a control to ensure that the following Codes of Federal Regulations are being met:

42 CFR 438.602 (e)

The state has implemented this requirement into its' July 1, 2024 through June 30, 2027 contract with the MCOs. While the contract gives the MCOs a three-year period to have this audit completed, SC DHHS will engage each MCO to make a commitment to the date to have this audit completed and submitted. The audits will be submitted to the Director, Medicaid Managed Care Financing with copies to the Bureau Chief of the Bureau of Managed Care, and the Director of Strategic Communications in the Office of Communications and Public Relations. The Director, Medicaid Managed Care Financing will be responsible for tracking the submissions.

42 CFR 438.602 (g)

The specific reference to the posting of the results of any audits under paragraph (e) is 42 CFR 438.602 (g)(4). The expected date of submission of the audits required under paragraph (e) will be provided to the Bureau Chief of the Bureau of Managed Care and the Director of Strategic Communications in the Office of Communications and Public Relations. The Director, Medicaid Managed Care Financing will be responsible for tracking the submissions and confirming with the Office of Communications and Public Relations the audits have been posted to the agency's website.

Anticipated Completion Date: June 30, 2026

Name of the contact person responsible for corrective action:

- T Clark Phillip at (803) 898-1017

Henry McMaster
Governor

Connie D. Munn, MSW
Director

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The South Carolina Department on Aging (SCDOA) respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Health and Human Services (HHS) – Administration for Community Living (ACL)

2025-014 Aging Cluster – Assistance Listing No. 93.044, 93.045, and 93.053

Disposition of Audit Finding: The SCDOA concurs with the audit finding.

Corrective Action:

To prevent future occurrences, the Department will implement the following measures:

- A secondary review process has been established requiring supervisory approval before report submission.
- Supporting documentation including general ledgers will be cross-referenced prior to finalization and documentation will be saved.

Anticipated Completion Date: 12/05/2026

Names of the contact persons responsible for corrective action:

- Syeeda Gallman, Finance Director at 1-803-734-9917
- Towanda Prior, Grants Manager at 1-803-734-9950

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

Criminal Justice Academy respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

Department of Transportation

2025-015 State and Community Highway Safety & National Priority Safety Programs – Assistance Listing No. 20.600 & 20.616

Disposition of Audit Finding: The South Carolina Criminal Justice Academy (SCCJA) concurs with the audit finding.

Corrective Action:

Agency policy was previously amended to ensure adequate internal controls. Additional staff training has been conducted to ensure full understanding of the policy changes to prevent future errors.

Anticipated Completion Date: 10/30/2025

Name of the contact person responsible for corrective action:

- Lauren Wright at (803) 896-8115

2025-016 State and Community Highway Safety & National Priority Safety Programs – Assistance Listing No. 20.600 & 20.616

Disposition of Audit Finding: The South Carolina Criminal Justice Academy (SCCJA) concurs with the audit finding.

Corrective Action:

Agency policy was previously amended to ensure adequate internal controls. Additional staff training has been conducted to ensure full understanding of the policy changes to prevent future errors.

Anticipated Completion Date: 10/30/2025

Name of the contact person responsible for corrective action:

- Lauren Wright at (803) 896-8115

Chris Wimberly
Finance and Operations
2600 Bull Street
Columbia, SC 29201

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The South Carolina Department of Environmental Services (SCDES) respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Environmental Protection Agency

2025-017 Drinking Water – Assistance Listing No. 66.468

Disposition of Audit Finding: The SCDES concurs with the audit finding.

Corrective Action:

According to (g),(vii),(B) Significant changes in the related work activity (as defined by the recipient's or subrecipient's written policies) are promptly identified and entered into the records. Short-term (such as one or two months) fluctuations between workload categories do not need to be considered as long as the distribution of salaries and wages is reasonable over the longer term;

Many DES staff will work on multiple grants, and effort between grants may change from week to week. Reviewing the effort compared to amounts charged to a Federal grant for a single pay period may not be an accurate reflection of what the DES employees work over the life of that grant award. Reconciliations between payroll and effort occur over the life of the grant to ensure that all charges applied are reasonable and support the overall goal of the project on the longer term.

To support this effort, budget staff will perform more periodic reviews of effort as compared to funding to identify situations where the difference between payroll and effort recorded are not on track to support the overall charges to a federal award.

Anticipated Completion Date: Will have to be ongoing

Budget and Program staff will be responsible for the corrective action plan.

Simon Li 803-898-3443

2025-018 Drinking Water – Assistance Listing No. 66.468

Disposition of Audit Finding: The SCDES concurs with the audit finding.

Corrective Action:

Grant draws will be created by one Budget staff member and reviewed by another Budget staff member. The creation and review process of the draws will be supported by two signatures recorded on the draw form, that of the creator and that of the reviewer.

Anticipated completion date: July 1, 2025 the process was put into place.

The Budget staff along with the Program staff will be responsible for the corrective action plan.

Simon Li 803-898-3443

2025-019 Drinking Water – Assistance Listing No. 66.468

Disposition of Audit Finding: The SCDES concurs with the audit finding.

Corrective Action:

An error was found in the report used to perform draws. Due to the number of draws performed at a time, the duplicate draw was not caught by the drawing staff. The report has been corrected.

Also, two Budget staff review the draws to ensure that the amounts are correct. This dual control will be supported by two signatures on the draw forms.

Anticipated Completion Date: 7/1/2025.

The Budget staff will be responsible for the corrective action plan.

Simon Li 803-898-3443

Chris Wimberly
Finance and Operations
2600 Bull Street
Columbia, SC 29201

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The Department of Environmental Services respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Environmental Protection Agency

2025-020 Performance Partnership Grants – Assistance Listing No. 66.605

Disposition of Audit Finding: The Department of Environmental Services agrees with the audit finding.

Corrective Action:

According to (g),(vii),(B) Significant changes in the related work activity (as defined by the recipient's or subrecipient's written policies) are promptly identified and entered into the records. Short-term (such as one or two months) fluctuations between workload categories do not need to be considered as long as the distribution of salaries and wages is reasonable over the longer term;

Many DES staff will work on multiple grants, and effort between grants may change from week to week. Reviewing the effort compared to amounts charged to a Federal grant for a single pay period may not be an accurate reflection of what the DES employees work over the life of that grant award. Reconciliations between payroll and effort occur over the life of the grant to ensure that all charges applied are reasonable and support the overall goal of the project on the longer term.

To support this effort, budget staff will perform more periodic reviews of effort as compared to funding to identify situations where the difference between payroll and effort recorded are not on track to support the overall charges to a federal award.

Anticipated Completion Date: Processed started July 1, 2025 and will ongoing.

Simon Li will be responsible for corrective action:

- Simon Li at 803-898-3443

2025-021 Performance Partnership Grants – Assistance Listing No. 66.605

Disposition of Audit Finding: The Department of Environmental Services agrees with the audit finding.

Corrective Action:

A new process has been put into place where the draws are performed by one staff member and then reviewed by another. This process is documented with signatures of both staff members.

Anticipated Completion Date: Processed started July 1, 2025, and will ongoing

Simon Li and Doug Beaty are responsible for corrective action:

- Simon Li at 803-898-3443
- Doug Beaty at 803-898-3453

2025-022 Performance Partnership Grants – Assistance Listing No. 66.605

Disposition of Audit Finding: The Department of Environmental Services agrees with the audit finding.

Corrective Action:

There will be one staff member in Budgets that prepares the document and the JE and supporting documentation will be reviewed by another to ensure that the JE is not moving an expenditure onto a closed Federal grant.

Anticipated Completion Date: Process began July 1, 2025, and will be ongoing.

Simon Li will be responsible for corrective action:

- Simon Li at 803-898-3443

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The South Carolina Department of Social Services (SCDSS) respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Health and Human Services

2025-023 Adoption Assistance – Assistance Listing No. 93.659

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Department's internal controls require the monthly batch reports to be uploaded with all payment documents. During the audit, four payment documents were identified that did not have the required supporting documentation attached. Department staff have retrieved the necessary backup for the four payments and have uploaded the required documentation to the accounting system.

Anticipated Completion Date: Completed

Names of the contact persons responsible for corrective action:

- Courtney Hogue, Controller at 803-898-7488

U.S. Department of Health and Human Services

2025-024 Adoption Assistance – Assistance Listing No. 93.659

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The program will work with IT to establish a notification method sent to State Office Adoptions when a foster care maintenance payment and an adoption subsidy payment are being paid for the benefit of a child at the same time. This will allow State Office Adoptions to be able to research whether the adoption subsidy payment needs to be terminated, adjusted, or if the adoptive parent must submit proof of support for the child.

Anticipated Completion Date: December 31, 2026

Names of the contact persons responsible for corrective action:

- Melissa S. Lowe at 803-898-7194

U.S. Department of Health and Human Services

2025-025 Adoption Assistance – Assistance Listing No. 93.659

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

As of July 1, 2024, all children are considered applicable no matter their age. Due to this change, there is only one eligibility determination form to be completed. The department has archived the non-applicable form, and it is no longer accessible to the Regional Staff.

Anticipated Completion Date: Completed

Names of the contact persons responsible for corrective action:

- Melissa S. Lowe at 803-898-7194

U.S. Department of Health and Human Services

2025-026 Refugee and Entrant Assistance – Assistance Listing No. 93.566

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Department now has controls in place for a more in-depth review by the Grants Accounting Manager of federal reporting to ensure expenditures and cash receipts are reported accurately on the SF-425 reports. The Department has established training for grants accountant staff and an internal tracking log to track subawards issued to ensure FFATA submissions to SAM.gov within the required timeframe. This process was implemented on July 1, 2025.

Anticipated Completion Date: Completed

Names of the contact persons responsible for corrective action:

- Courtney Hogue, Controller at 803-898-7488
- Hiba Khalaf, Grants Accounting Manager at 803-898-7484

U.S. Department of Health and Human Services

2025-027 Refugee and Entrant Assistance – Assistance Listing No. 93.566

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Refugee Resettlement Program (RRP) will implement a semiannual subrecipient monitoring process conducted by the State Refugee Coordinator and Refugee Contract Monitor.

Monitoring activities will utilize standardized checklists aligned with the Code of Federal Regulations governing the Refugee Support Services (RSS) Program, including requirements under Assistance Listing 93.566.

All documentation and follow-up actions will be maintained to ensure compliance with federal and state requirements and to support ongoing program integrity.

Anticipated Completion Date: May 1, 2026

Names of the contact persons responsible for corrective action:

- Ambrea Jones, State Refugee Coordinator at 803-898-7303

U.S. Department of Health and Human Services

2025-028 Refugee and Entrant Assistance – Assistance Listing No. 93.566

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The South Carolina Department of Social Services (SCDSS) has formally implemented the Refugee Information Management System (RIMS), the agency’s case management system for the Refugee Resettlement Program. RIMS supports timely processing of Refugee Cash Assistance (RCA) applications and maintains essential program data for individuals applying for refugee benefits.

RIMS includes automated, time-sensitive reminders to ensure case managers and eligibility specialists meet the 30-day federal requirement for RCA application processing and determination, prompt generation of required forms at approval, and ensure timely completion of employment services registration or documentation of non-participation with good cause within 30 days of aid approval.

Implementation of RIMS will enhance program accuracy, reduce processing delays, and support compliance with federal regulations and agency policies.

Anticipated Completion Date: October 1, 2026

Names of the contact persons responsible for corrective action:

- Ambrea Jones, State Refugee Coordinator at 803-898-7303

U.S. Department of Health and Human Services

2025-029 Refugee and Entrant Assistance – Assistance Listing No. 93.566

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

SCDSS will collaborate closely with SCDHHS to ensure eligibility policies and procedures for the Refugee Medical Assistance (RMA) program clearly and accurately define program eligibility requirements. SCDSS will also ensure that staff responsible for processing RMA applications receive appropriate training to apply these policies consistently and correctly.

To support ongoing compliance, SCDSS will implement a quarterly monitoring plan designed to identify any individuals incorrectly categorized under RMA. SCDSS will maintain continuous communication and follow-up with SCDHHS to verify timely implementation of these corrective actions and to address any issues that arise.

Anticipated Completion Date: July 1, 2026

Names of the contact persons responsible for corrective action:

- Ambrea Jones, State Refugee Coordinator at 803-898-7303
- Brittney White, State Refugee Health Coordinator at 803-898-7545

U.S. Department of Health and Human Services

2025-030 Refugee and Entrant Assistance – Assistance Listing No. 93.566

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

SCDSS now has direct access to SCDHHS's Curam eligibility system, enabling the agency to review individuals categorized under Refugee Medical Assistance (RMA) and ensure they do not remain in the category beyond the federally mandated four-month eligibility period. This access allows SCDSS to verify that no program expenditures are issued for individuals who exceed the allowable timeframe.

SCDSS also receives a monthly detailed expense report and invoice from both RSS and RMA subrecipients, which provide documentation sufficient to validate that all expenditures are appropriate and properly attributable to individuals eligible. This report will be used to reconcile payments and confirm alignment between eligibility records and financial activity.

Anticipated Completion Date: July 1, 2026

Names of the contact persons responsible for corrective action:

- Ambrea Jones, State Refugee Coordinator at 803-898-7303
- Brittney White, State Refugee Health Coordinator at 803-898-7545

U.S. Department of Health and Human Services

2025-031 Child Care and Development Fund (CCDF) Cluster – Assistance Listing No. 93.575, 93.596, and 93.489

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Department is in the process of closing grants within the accounting system to prevent system-generated payroll expenses from posting after the grant period of performance has ended. This control ensures that payroll charges are restricted to the allowable grant period.

Anticipated Completion Date: December 31, 2026

Names of the contact persons responsible for corrective action:

- Courtney Hogue, Controller at 803-898-7488

- Hiba Khalaf, Grants Accounting Manager at 803-898-7484

U.S. Department of Health and Human Services

2025-032 Child Care and Development Fund (CCDF) Cluster – Assistance Listing No. 93.575

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Department has established training for grants accountant staff and an internal tracking log to track subawards issued to ensure FFATA submissions to SAM.gov within the required timeframe. This process was implemented on July 1,2025

Anticipated Completion Date: Completed

Names of the contact persons responsible for corrective action:

- Courtney Hogue, Controller at 803-898-7488
- Hiba Khalaf, Grants Accounting Manager at 803-898-7484

U.S. Department of Health and Human Services

2025-033 Child Care and Development Fund (CCDF) Cluster – Assistance Listing No. 93.575 and 93.596

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

The Department now has controls in place for a more in-depth review by the Grants Accounting Manager of federal reporting to ensure expenditures are reported accurately on the Federal ACF 696 Form.

Anticipated Completion Date: Completed

Names of the contact persons responsible for corrective action:

- Courtney Hogue, Controller at 803-898-7488
- Hiba Khalaf, Grants Accounting Manager at 803-898-7484

U.S. Department of Health and Human Services

2025-034 Child and Adult Care Food Program – Assistance Listing No. 10.558

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

SC CACFP staff has reviewed USDA CACFP Federal Regulation 7 CFR 226.6(b)(3) and 2 CFR 200.303 regarding notifying new and renewing institutions applying of the approval or disapproval by the State agency. Additional training will be provided to staff processing CACFP applications. State agency staff reviewing applications for approval will monitor the SC CACFP Online Application Dashboard and emails for pending final approvals for CACFP Applications and will complete the approval or denial within 30 days of the pending final approval date.

Anticipated Completion Date: March 31, 2026

Names of the contact persons responsible for corrective action:

- Greta F. Avery, CACFP Supervisor at (803) 898-7576
- Dyeretta M. Fashion, CACFP Supervisor at (803) 898-0945
- Mary A. Young, CACFP Manager at (803) 898-0958

U.S. Department of Health and Human Services

2025-035 Temporary Assistance for Needy Families – Assistance Listing No. 93.558

Disposition of Audit Finding: The SCDSS concurs with the audit finding.

Corrective Action:

Management will ensure that the discrepancy noted for one data element related to recording the number of months countable toward the federal time limit for assistance is corrected and retransmitted. Management and a lead worker will review 15 to 25 cases per reviewer per month using the form developed that will be completed with each review. The form will be signed by the reviewer, the lead worker, and the Program Coordinator II. If an error is found during the review process, that case will be corrected within 10 days and re-transmitted. Trainings will be conducted monthly to discuss errors and ensure everyone is trained on policies and procedures.

Anticipated Completion Date: June 30,2026

Names of the contact persons responsible for corrective action:

- Kimberly Boyd, Program Coordinator II at 803-898-7590
- Michelle Harley, Lead Worker at 803-898-7595

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The Office of Resilience respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Housing and Urban Development

2025-036 Community Development Block Grant – Assistance Listing No. 14.228

Disposition of Audit Finding:
The Office of Resilience does not agree this item rises to the level of a finding and could be sufficiently addressed with a recommendation. SCOR acknowledges this process could be improved and will act to better support this transaction going forward.

Corrective Action:
To provide additional support and clarification on the use of cost allocation percentages, SCOR Finance will create a memo to file each time the cost allocation changes. The current methodology is based on headcount and is subject to change frequently.

At the beginning of each quarter, SCOR Finance will recalculate the cost allocation percentage based on agency headcount on the last day of the previous quarter. The quarterly updated allocation percentages will be the basis of allocating agency wide shared costs. A copy of the memo will be attached to the SCEIS payable document as support.

Anticipated Completion Date:
Immediately. SCOR Finance will go back to the beginning of FY26, recalculate the cost allocation percentages, create the memo to file and post correcting journal entries as needed.

Names of the contact persons responsible for corrective action:

- Andrew DeRienzo - CFO at 803-422-0092
- Sarah Reynolds – Accounting Manager at 803-896-0038
- Tiffany Frye -Budget Manager at 803-896-6704

STATE OF SOUTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2025

The Department of Commerce respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Housing and Urban Development

2025-037 Community Development Block Grant – Assistance Listing No. 14.228

Disposition of Audit Finding: The Department of Commerce accepts the finding that the FFATA was submitted late. This delay was not the result of inattention or disregard for compliance requirements. Rather, it occurred during a period of significant transition in federal reporting requirements.

Specifically, the U.S. Department of Housing and Urban Development (HUD) migrated FFATA reporting to a new platform without providing sufficient implementation guidance to CPD prime recipients, including South Carolina's State CDBG Program. Compounding this challenge, the HUD Exchange website, previously a primary source of program guidance, was taken offline on July 31, 2024, for redesign and did not relaunch until November 21, 2025, creating a prolonged information gap. During this time, the State CDBG Program relied on communications from the regional HUD Field Office and made inquiries regarding FFATA reporting requirements and system processes.

Once the State CDBG Program was informed that the new reporting system was operational and prepared to accept FFATA data, staff promptly followed established internal review protocols and submitted the required information.

Corrective Action: The State CDBG Program management will continue to follow program review protocols and will make every attempt to collect update information from the appropriate federal sources, national Community Development organizations (i.e.: COSCDA – Council of State Community Development Agencies) and contract consultants to the State CDBG Program to ensure adherence with federal regulations and reporting deadlines.

1201 Main Street, Suite 1600, Columbia, SC 29201

Anticipated Completion Date: March 1, 2026, CDBG program management has adopted this corrective action plan to ensure timely submission of all required FFATA reporting.

South Carolina Department of Commerce contact(s) responsible for corrective action:

- **Caroline Griffin**, Deputy Director – Business Incentives and Community Development
  (803)737-0472 or cgriffin@sccommerce.com

- **Lisa Huff**, Federal Program Data Manager - Business Incentives and Community Development
  (803)737-0292 or ehuff@sccommerce.com

The Department remains committed to maintaining full compliance with federal reporting requirements and continues to closely monitor evolving federal guidance to safeguard critical funding for the communities we serve.

March 23, 2026

State of South Carolina
Corrective Action Plan
For the Year Ended June 30, 2025

Department of Public Health respectfully submits the following corrective action plan for the year ended June 30, 2025, on behalf of the State of South Carolina. The findings from the schedule of findings and questioned costs are discussed below. The findings numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAM AUDIT

Department of the Treasury

[2025-038] (Activities Allowed or Unallowed and Allowable Costs/Cost Principles)
Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing: 21.027

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

Although significant progress has been made and the invoice in question was short-paid for unallowable charges, there was a mistake in a formula calculation which caused the contractor to be underpaid by $313. We will continue with our strengthened review process and verify the documentation as well as the formulas in the spreadsheet prior to reimbursement.

Anticipated Completion Date: June 30, 2026

The contact persons responsible for corrective action:

- Trey Reed, Director, Bureau of Business Management at 803-898-3522
- Marshall Rock, Director, Facilities, Bureau of Business Management 803-898-3510

Department of Health and Human Services

[2025-039] (Reporting and Matching) Maternal and Child Health Services Block Grant to the States

Assistance Listings: 93.994

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

We provided a reconciliation for the MCH Block Grant that shows that the expenditures reconcile to the amounts reported on the Federal Financial Report (FFR). This report was generated using the KSB1 report in the SC Enterprise Information System (SCEIS). The indirect cost (IDC) amount may not fully align because an incorrect rate was entered on the FFR. The applicable rates should have been applied as follows:

- 19.40% for the period 10/1/2022 – 6/30/2023
- 20.30% for the period 7/1/2023 – 6/30/2024
- 24.00% for the period 7/1/2024 – 9/30/2024

Additionally, in the Payment Management System (PMS) the IDC calculation requires entry of the rate and the base amount, and the system automatically calculates the federal share. Because the system performs this calculation, minor rounding differences may occur.

At the time of submission, the employee responsible for preparing and submitting the FFR was new to the role and relied on the matching requirement as presented in the Notice of Award (NOA) that was in effect at that time. The NOA included an incorrect matching amount, which was not removed until an amendment was issued after the FFR was submitted and approved in PMS.

For the matching and indirect cost, we will have a more detailed second level of review. We will also require that the Cost Accountant obtains any matching information from the Budget Analyst assigned to the grant.

Anticipated Completion Date: June 30, 2026

The contact person responsible for corrective action:

- Katie Tillman, Director, Grant Compliance at 803-898-4103

Department of Health and Human Services

[2025-040] (Earmarking and Level of Effort) Maternal and Child Health Services Block Grant to the States

Assistance Listings: 93.994

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

We acknowledge that the level of effort amount reflected in the electronic signature approval for the FY26 Application/FY24 Annual Report was understated by $279,390. This variance resulted from a data extraction issue and does not reflect unallowable expenditures or misallocation of funds. The overall level of effort for the grant remains supported and exceeds the minimum required, and the impact of the discrepancy is immaterial relative to the total grant award. Controls are in place to review and validate level of effort allocations during report preparation, and any updates identified during this process will be accurately reflected in the submitted documentation.

The agency has had ongoing discussions with the Grantor regarding our methodology for allocating administrative costs. During those discussions, we were informed that states have flexibility in how the calculation is prepared and we were provided with examples of methodologies used by several other states. While our administrative percentage for the current reporting period slightly exceeded the 10 percent, we have been actively working with the Grantor to evaluate alternative approaches for calculating these costs. Due to the recent agency split, HPS reorganization, and bureau management transitions, we have continued using our current methodology while considering potential adjustments. While reviewing these methodologies, we will assess administrative costs to ensure compliance with the 10 percent cap in future periods.

Anticipated Completion Date: June 30, 2026

The contact person responsible for corrective action:

- Meredith Murphy, Director, Budgets & Financial Planning at 803-898-4222

Department of Health and Human Services

[2025-041] (Period of Performance) Maternal and Child Health Services Block Grant to the States

Assistance Listings: 93.994

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

For 5 of the 60 transactions tested, 1 had costs incurred before the period of performance date and 4 had program expenditures not obligated and expended in accordance with program requirements. This was the result of human error/misclassification during processing. We are reinforcing guidance with both program and budget staff to prevent similar errors in future reporting periods.

Anticipated Completion Date: June 30, 2026

The contact persons responsible for corrective action:

- Meredith Murphy, Director, Budgets & Financial Planning at 803-898-4222
- Danielle Wingo, Director, MCH Bureau at 640-649-9292

Department of Health and Human Services

[2025-042] (Reporting) Maternal and Child Health Services Block Grant to the States

Assistance Listings: 93.994

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

The variance identified occurred because the amounts reported were compiled from internal supporting documentation rather than directly from SCEIS. While reported totals met the minimum required thresholds for Matching and Earmarking, the department recognizes the importance of alignment with the official accounting system. Going forward, the budget analyst will prioritize using SCEIS data when preparing reports, and the department will continue to monitor reporting procedures to ensure accuracy and consistency.

Anticipated Completion Date: June 30, 2026

The contact persons responsible for corrective action:

- Meredith Murphy, Director, Budgets & Financial Planning at 803-898-4222

Department of Health and Human Services

[2025-043] (Cash Management) Immunization Cooperative Agreements and Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health

Assistance Listings: 93.268 and 93.967

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

The agency has implemented additional procedures to ensure that all applicable documents receive the required second-level review and signature prior to final processing. These processes include reinforcing review requirements with staff and incorporating additional verification steps to confirm that a second signature is obtained and documented. The agency will continue to monitor this control to ensure compliance going forward.

The overdraw observed for Immunizations was the result of a timing issue. A draw was processed based on the cash balance at that time, and a subsequent journal entry reclassified revenue. This sequence temporarily created an overstated cash balance; however, the balance was then applied to payroll and other eligible expenses.

Regarding the Collaboration with Academia grants, these discrepancies occurred during a period when the agency was utilizing the draw database, which at that time was not pulling accurate data. The agency has since corrected the process used to perform federal draws to ensure accuracy and proper reconciliation. Any remaining balance was applied to allowable program expenses, and the grant has since been properly closed out with no remaining balance.

Anticipated Completion Date: June 30, 2026

The contact person responsible for corrective action:

- Katie Tillman, Director, Grant Compliance at 803-898-4103

Department of Health and Human Services

[2025-044] (Special Tests and Provisions) Immunization Cooperative Agreements

Assistance Listing: 93.268

Disposition of Audit Finding: Management understands and respects the audit process, while maintaining our disagreement with this finding. The tardiness of the data entry was due to staff turnover and overburdening of remaining staff, not due to lack of oversite or "falling through the cracks". Internal email communication forwarded to the audit team evidences that the specific item in question was being tracked and followed up on to ensure completion.

Corrective Action:

The 1 of the 60 site visit follow-ups was completed within the appropriate timeframe for this site. However, due to loss of staff, the documentation was not completely done in a timely manner. The documentation has since been updated by the Lowcountry Compliance Unit Manager in lieu of the former staff member, and the site visit reviewed by VFC Coordinator in Secured Access Management Services. VFC Coordinator continues to monitor and track site visit data and communicates to compliance unit managers to stay ahead of upcoming due dates and assist in supporting teams as needed. These communications will be increased to occur monthly in the last week of the month.

Anticipated Completion Date: Ongoing

The contact person(s) responsible for corrective action and phone number(s):

- McColloch Salehi - 803-587-1537

Department of Health and Human Services

[2025-045] (Activities Allowed or Unallowed and Allowable Costs/Cost Principles) Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health

Assistance Listings: 93.967

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

In this case, 1 of 70 transactions tested did not contain a supervisory review and approval of a journal entry. The agency has implemented additional procedures to ensure that all applicable documents receive the required second-level review and signature prior to final processing. These processes include reinforcing review requirements with staff and incorporating additional verification steps to confirm that a second signature is obtained and documented. The agency will continue to monitor this control to ensure compliance going forward.

Anticipated Completion Date: June 30, 2026

The contact person responsible for corrective action:

- Katie Tillman, Director, Grant Compliance at 803-898-4103

Department of Health and Human Services

[2025-046] (Suspension and Debarment) Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health

Assistance Listing: 93.967

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

In this case, one of the six contracts tested did not have documentation on file to show that a SAM check was done. It is standard practice that when the SAM check is performed, a copy of the results is printed from the SAM.gov website. This is typically a page showing "no exclusions" or, frequently, if the vendor has no Federal contracting history, a screen showing "no results found." If the purchase is the result of a formal written solicitation, the solicitation contains the standard Compendium clause, “Certification Regarding Debarment and Other Responsibility Matters”.

To strengthen compliance, the agency procurement director created an instructional video on March 15, 2024, guiding staff through the SAM check process, which is complex and lacks clear federal instructions, and distributed it to procurement staff. On January 27, 2025, this requirement was reinforced again in an email to all buyers, which included the video link and a detailed explanation of when SAM checks are necessary. The importance of, and process for, the SAM check is also a frequent topic at our monthly staff meetings. Most recently, it was a "Reminder" topic at both our January and February 2026 staff meetings. Moving forward, we will continue reminding staff of this requirement and incorporate it as a checkpoint in our quality assurance review before issuing purchase orders.

Anticipated Completion Date: June 30, 2026

The contact persons responsible for corrective action:

- Trey Reed, Director, Bureau of Business Management at 803-898-3522
- Tripp Clark, Director, Procurement, Bureau of Business Management at 803-898-3485

Department of Health and Human Services

[2025-047] (Equipment and Real Property Management) Public Health Emergency Preparedness and Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response

Assistance Listing: 93.069 and 93.354

Disposition of Audit Finding: The Department of Public Health concurs with the audit finding.

Corrective Action:

At the time of the agency restructuring and transfer of assets from the Department of Health and Environmental Control (DHEC) to the Department of Public Health (DPH) and the Department of Environmental Services (DES), the DHEC Asset Manager oversaw the asset transfers to both successor agencies (J060 and P500). During this transition, we were advised by the SCEIS team to temporarily move all agency assets into a single generic fund for each new agency to ensure the transfer process could be completed without system errors. Specifically, one generic funding stream was established for J060 and one for P500 to facilitate the transfer of assets from the previous J040 designations. We gave the auditors an email from the SCEIS team that provided this guidance.

To complete the transition, the assets were placed on large transfer documents that were uploaded into SCEIS in bulk. This process was facilitated by the SCEIS team, and we followed their direction throughout the entire transfer process. Due to the complexity and volume of assets involved, it ultimately took close to a year after the agency split for all assets to be successfully moved from their original J040 designations to the new agency structures.

Following the transition, our Budget team developed a crosswalk identifying which former J040 grants would correspond to the new J060 grant designations. Based on the information you shared, it appears that the updated grant designations for certain assets were not fully applied or uploaded into SCEIS after the initial transfer into the generic funding stream. As a result, those assets are still present in the system under DPH but are not currently associated with the applicable federal program when reports are generated.

To address this, we will work with the SCEIS Asset Management team to determine why the grant designations were not updated as expected and to ensure the affected assets are reassigned to the appropriate grant funding sources in the system.

We are unsure how long the correction process will take. If the adjustments must be made individually at the asset level, the updates will be completed by October.

Anticipated Completion Date: October 31, 2026

The contact persons responsible for corrective action:

- Trey Reed, Director, Bureau of Business Management at 803-898-3522
- Ryan Sims, Director, Support Services, Bureau of Business Management 803-898-3523

Appendix C

Index of Findings by Federal Grantor and Assistance Listing Number

STATE OF SOUTH CAROLINA
Index of Findings by Federal Grantor and Assistance Listing Number
For the Year Ended June 30, 2025

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance[1] Requirement	Type of Internal Control Finding: Significant Deficiency	Material Weakness	Page
	State of South Carolina					
N/A	Annual Comprehensive Financial Report	2025-001	(ACFR)	X		27
		2025-002	(ACFR)	X		28
	Department of Agriculture					
10.558	Child and Adult Care Food Program	2025-034	E	X		91
	Department of Defense					
12.401	National Guard Military Operations and Maintenance (O&M) Projects	2025-005	A,B	X		35
		2025-006	A,B,G	X		37
		2025-007	C	X		39
		2025-008	H	X		41
		2025-009	G	X		43
	Department of Housing and Urban Development					
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	2025-036	A,B	X		95
		2025-037	L	X		97
	Department of Transportation					
20.600	State and Community Highway Safety	2025-015	A,B	X		55
		2025-016	H	X		57
20.616	National Priority Safety Programs	2025-015	A,B	X		55
		2025-016	H	X		57
	Department of Treasury					
21.027	Coronavirus State and Local Fiscal Recovery Funds	2025-038	A,B	X		98
	Environmental Protection Agency					
66.468	Drinking Water State Revolving Fund	2025-017	A,B	X		59
		2025-018	C	X		61
		2025-019	C	X		63

[1] **Compliance Requirement Legend – See page 219**

Appendix C

STATE OF SOUTH CAROLINA
Index of Findings by Federal Grantor and Assistance Listing Number
For the Year Ended June 30, 2025

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance[1] Requirement	Type of Internal Control Finding: Significant Deficiency	Material Weakness	Page
	Environmental Protection Agency (Continued					
66.605	Performance Partnership Grants	2025-020	A,B	X		65
		2025-021	C	X		68
		2025-022	H	X		69
	Department of Health & Human Services					
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	2025-014	L	X		53
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	2025-014	L	X		53
93.053	Nutrition Services Incentive Program	2025-014	L	X		53
93.069	Public Health Emergency Preparedness	2025-047	F	X		116
93.268	Immunization Cooperative Agreements	2025-043	C	X		108
		2025-044	N	X		110
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	2025-046	I	X		114
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	2025-047	F	X		116
93.489	Child Care Disaster Relief	2025-031	H	X		85
		2025-032	L	X		87
		2025-033	G,L	X		89
93.558	Temporary Assistance for Needy Families	2025-035	L	X		93
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	2025-026	L	X		75
		2025-027	M		X	77
		2025-028	E	X		79
		2025-029	E		X	81
		2025-030	A,B		X	83

[1] **Compliance Requirement Legend – See page 219**

STATE OF SOUTH CAROLINA
Index of Findings by Federal Grantor and Assistance Listing Number
For the Year Ended June 30, 2025

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance[1] Requirement	Type of Internal Control Finding: Significant Deficiency	Type of Internal Control Finding: Material Weakness	Page
	Department of Health & Human Services (Continued)					
93.575	Child Care and Development Block Grant	2025-031	H	X		85
		2025-032	L	X		87
		2025-033	G,L	X		89
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	2025-031	H	X		85
		2025-032	L	X		87
		2025-033	G,L	X		89
93.659	Adoption Assistance	2025-023	A,B	X		71
		2025-024	E	X		72
		2025-025	E	X		74
93.775	State Medicaid Fraud Control Units	2025-010	N	X		45
		2025-011	N	X		47
		2025-012	N	X		49
		2025-013	N	X		51
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2025-010	N	X		45
		2025-011	N	X		47
		2025-012	N	X		49
		2025-013	N	X		51
93.778	Grants to States for Medicaid	2025-010	N	X		45
		2025-011	N	X		47
		2025-012	N	X		49
		2025-013	N	X		51
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	2025-043	C	X		108
		2025-045	A,B	X		112
		2025-046	I	X		114

[1] **Compliance Requirement Legend – See page 219**

STATE OF SOUTH CAROLINA

Index of Findings by Federal Grantor and Assistance Listing Number

For the Year Ended June 30, 2025

Assistance Listing	Federal Grantor/Program Name	Finding Number	Compliance[1] Requirement	Type of Internal Control Finding: Significant Deficiency	Type of Internal Control Finding: Material Weakness	Page
	Department of Health & Human Services (Continued)					
93.994	Maternal and Child Health Services Block Grant to the States	2025-039	G,L	X		100
		2025-040	G	X		102
		2025-041	H	X		104
		2025-042	L	X		106
	Department of Homeland Security					
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	2025-003	H	X		31
		2025-004	L	X		33

[1] **Compliance Requirement Legend**

A – Activities allowed or unallowed
B – Allowable costs/cost principles
C – Cash management
D – Reserved
E – Eligibility
F – Equipment and real property management
G – Matching, level of effort, earmarking
H – Period of performance
I – Procurement and suspension and debarment
J – Program income
K – Reserved
L – Reporting
M – Subrecipient monitoring
N – Special tests and provisions

Appendix D:

SF 424M

OMB Number: 4040-0020
Expiration Date: 02/28/2026

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

1.a. Type of Submission:

- [x] Application
- [ ] Plan
- [ ] Funding Request
- [ ] Other

Other (specify):

1.b. Frequency:

- [x] Annual
- [ ] Quarterly
- [ ] Other

Other (specify):

1.c. Consolidated Application/Plan/Funding Request?

Yes [ ] No [x] Explanation

1.d. Version:

[x] Initial [ ] Resubmission [ ] Revision [ ] Update

2. Date Received:

STATE USE ONLY:

3. Applicant Identifier:

5. Date Received by State:

4a. Federal Entity Identifier:

6. State Application Identifier:

4b. Federal Award Identifier:

7. APPLICANT INFORMATION:

a. Legal Name: South Carolina Department of Social Services

b. Employer/Taxpayer Identification Number (EIN/TIN): 1576000286C2

c. UEI: YPHCPMULMCD5

d. Address:

Street1: P.O. Box 1520

Street2:

City: Columbia

County / Parish:

State: South Carolina

Province:

Country: USA: UNITED STATES

Zip / Postal Code: 29063

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this submission:

Prefix:

First Name: Susan

Middle Name:

Last Name: Roben

Suffix:

Title: Chief Financial Officer

Organizational Affiliation:

Telephone Number: 803-898-7427

Fax Number:

Email: susan.roben@dss.sc.gov

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

8a. TYPE OF APPLICANT:

A: State Government

Other (specify):

b. Additional Description:

9. Name of Federal Agency:

The Administration for Children and Families

10. Catalog of Federal Domestic Assistance Number:

93.667

CFDA Title:

Social Services Block Grant

11. Descriptive Title of Applicant's Project:

South Carolina's Intended Use Plan for FFY27 Social Services Block Grant

12. Areas Affected by Funding:

Statewide

13. CONGRESSIONAL DISTRICTS OF:

a. Applicant:	b. Program/Project:
SC-006	

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

14. FUNDING PERIOD:

a. Start Date:	b. End Date:
10/01/2626	9/30/27

15. ESTIMATED FUNDING:

a. Federal ($):	b. Match ($):

16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?

- ☐ a. This submission was made available to the State under the Executive Order 12372 Process for review on:
- ☒ b. Program is subject to E.O. 12372 but has not been selected by State for review.
- ☐ c. Program is not covered by E.O. 12372.

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

17. Is The Applicant Delinquent On Any Federal Debt?

Yes ☐ No ☒ Explanation

18. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

** I Agree ☒

** This list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr.

First Name: Tony

Middle Name:

Last Name: Catone

Suffix:

Title: State Director

Organizational Affiliation:

Telephone Number: 803-898-7621

Fax Number:

Email: tony.catone@dss.sc.gov

Signature of Authorized Representative:

Date Signed:

Attach supporting documents as specified in agency instructions.

Add Attachments Delete Attachments View Attachments

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

Consolidated Application/Plan/Funding Request Explanation:

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

Applicant Federal Debt Delinquency Explanation:

Appendix E:

Federal Financial Report (FFR) SF-425

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted **HHS-ADMINISTRATION FOR CHILDREN & FAMILIES**	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) **2500SCSOSR**

3. Recipient Organization (Name and complete address including Zip code)

Social Services South Carolina Department

Post Office Box 1520, COLUMBIA, SC 29202-1520 USA

4a. UEI	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
YPHCPMULMCD5	**1576000286C2**	**N132P**	☐ Quarterly ☐ Semi-Annual ☒ Annual ☐ Final	☐ Cash ☒ Accural

8. Project/Grant Period (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)
From: **October 1, 2024**	To: **September 30, 2026**	**September 30, 2025**

10. Transactions	Cumulative
(Use lines a-c for single or combined multiple grant reporting)	
Federal Cash (To report multiple grants separately, also use FFR Attachment):	
a. Cash Receipts	$10,238,351.66
b. Cash Disbursements	$10,238,351.66
c. Cash on Hand (line a minus b)	$0.00
(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	$25,679,954.00
e. Federal share of expenditures	$8,220,332.86
f. Federal share of unliquidated obligations	$0.00
g. Total Federal share (sum of lines e and f)	$8,220,332.86
h. Unobligated balance of Federal funds (line d minus g)	$17,459,621.14
Recipient Share:	
i. Total recipient share required	$0.00
j. Recipient share of expenditures	$0.00
k. Remaining recipient share to be provided (line i minus j)	$0.00
Program Income:	
l. Total Federal share of program income earned	$0.00
m. Program income expended in accordance with the deduction alternative	$0.00
n. Program income expended in accordance with the addition alternative	$0.00
o. Unexpended program income (line l minus line m and line n)	$0.00

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
				g. Totals:	$0.00	$0.00	$0.00

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official **Khalaf, Hiba** **Grants Senior Accountant**	c. Telephone (Area code, number, and extension) d. Email Address **hiba.khalaf@dss.sc.gov**
b. Signature of Authorized Certifying Official **Khalaf, Hiba**	e. Date Report Submitted (Month, Day, Year) **December 19, 2025**

Standard Form 425
OMB Approval Number: 4040-0014
Expiration Date: 06/30/2028

FEDERAL FINANCIAL REPORT
(Additional Page)

Federal Agency & Organization	:	HHS-ADMINISTRATION FOR CHILDREN & FAMILIES
Federal Grant ID	:	2500SCSOSR
Recipient Organization	:	Social Services South Carolina Department Post Office Box 1520, COLUMBIA, SC 29202-1520 USA
UEI	:	YPHCPMULMCD5
UEI Status when Certified	:	ACTIVE (as of 12/19/2025)
EIN	:	1576000286C2
Reporting Period End Date	:	September 30, 2025
Status	:	Report Certified/Pending Agency Approval
Remarks	:	

Federal Agency Review

Reviewer Name	:	
Phone #	:	
Email	:	
Review Date	:	
Review Comments	:	

Appendix F:

TANF ACF-196R Form

Department of Health and Human Services
Administration for Children and Families
Temporary Assistance for Needy Families (TANF) ACF - 196R Financial Report
Part 1: Expenditure Data

State	Grant Year	Fiscal Year	Report Quarter Ending	Next Quarter Ending	Report is Submitted as:
SOUTH CAROLINA	2026	2026	03/31/2026	09/30/2026	(•) New ( ) Revised ( ) Final

	(A) Federal Funds State Family Assistance Grant	(B) State Funds	(C) State Funds	(D) Federal Funds Contingency Funds Award Reconciliation FS at FMAP Rate of -1
1. Awarded	$49,818,966.00			$9,996,780.00
2. Transferred to CCDF Discretionary	$0.00			
3. Transfered to SSBG	$0.00			
4. Adjusted Award	$49,818,966.00			
5. Carryover	$0.00			

Expenditure Categories	Federal TANF Expenditures	State MOE Expenditures in TANF	MOE Expenditures Separate State Programs	Expenditures with Contigency Funds
6. Basic Assistance	$6,062,347.00	$0.00	$0.00	$4,998,390.00
6.a. Basic Assistance (excluding Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies)	$3,767,863.00	$0.00	$0.00	$4,998,390.00
6.b. Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies	$2,294,484.00	$0.00	$0.00	$0.00
7. Assistance Authorized Solely Under Prior Law	$0.00			$0.00
7.a. Foster Care Payments	$0.00			$0.00
7.b. Juvenile Justice Payments	$0.00			$0.00
7.c. Emergency Assistance Authorized Solely Under Prior Law	$0.00			$0.00
8. Non-Assistance Authorized Solely Under Prior Law	$0.00			$0.00
8.a. Child Welfare or Foster Care Services	$0.00			$0.00
8.b. Juvenile Justice Services	$0.00			$0.00
8.c. Emergency Services Authorized Solely Under Prior Law	$0.00			$0.00
9. Work, Education, and Training Activities	$349,979.00			$0.00
9.a. Subsidized Employment	$0.00	$0.00	$0.00	$0.00
9.b. Education and Training	$349,979.00	$0.00	$0.00	$0.00
9.c. Additional Work Activities	$0.00	$0.00	$0.00	$0.00
10. Work Supports	$428,301.00	$0.00	$0.00	$0.00
11. Early Care and Education	$0.00	$2,042,635.00	$0.00	$0.00
11.a. Child Care (Assistance and Non-Assistance)	$0.00	$2,042,635.00	$0.00	$0.00
11.b. Pre-Kindergarten/Head Start	$0.00	$0.00	$0.00	$0.00
12. Financial Education and Asset Development	$0.00	$0.00	$0.00	$0.00
13. Refundable Earned Income Tax Credits	$0.00	$0.00	$0.00	$0.00
14. Non-EITC Refundable State Tax Credits	$0.00	$0.00	$0.00	$0.00
15. Non-Recurrent Short Term Benefits	$0.00	$0.00	$0.00	$0.00
16. Supportive Services	$219,820.00	$0.00	$0.00	$0.00
17. Services for Children and Youth	$0.00	$0.00	$0.00	$0.00
18. Prevention of Out-of-Wedlock Pregnancies	$0.00	$0.00	$0.00	$0.00
19. Fatherhood and Two-Parent Family Formation and Maintenance Programs	$1,333,333.00	$0.00	$0.00	$0.00

20. Child Welfare Services	$4,821,906.00	$1,691,077.00	$0.00	$0.00
20.a. Family Support/Family Preservation /Reunification Services	$1,410,971.00	$0.00	$0.00	$0.00
20.b. Adoption Services	$1,024,866.00	$606,955.00	$0.00	$0.00
20.c. Additional Child Welfare Services	$2,386,069.00	$1,084,122.00	$0.00	$0.00
21. Home Visiting Programs	$0.00	$0.00	$0.00	$0.00
22. Program Management	$28,230,433.00	$4,208,065.00	$0.00	$0.00
22.a. Administrative Costs	$4,027,662.00	$1,196,335.00	$0.00	$0.00
22.b. Assessment/Service Provision	$22,726,207.00	$2,614,450.00	$0.00	$0.00
22.c. Systems	$1,476,564.00	$397,280.00	$0.00	$0.00
23. Other	$0.00	$0.00	$0.00	$0.00
24. Total Expenditures	$41,446,119.00	$7,941,777.00	$0.00	$4,998,390.00
25. Transitional Services for Employed	$0.00	$0.00	$0.00	$0.00
26. Job Access	$0.00	$0.00	$0.00	$0.00
27. Federal Unliquidated Obligations	$0.00			$0.00
28. Unobligated Balance	$8,372,847.00			$4,998,390.00
29. State Replacement Funds		$0.00		
Quarterly Estimate	**Estimate of TANF Funds Requested**			
30. Estimate of TANF Funds Requested for the Following Quarter	$0.00			

THIS IS TO CERTIFY THAT THE INFORMATION REPORTED ON ALL PARTS OF THIS FORM IS ACCURATE AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature, Approving State Official	**State Official Name**	**State Official Title**	**State Official Agency**
E-sign	Hiba Khalaf	Grant Accounting and Reporting Manager	SOUTH CAROLINA

Signature Date: 05/12/2026

Date Submitted: 05/12/2026