

**SOUTH CAROLINA
COMMISSION FOR THE BLIND
COLUMBIA, SOUTH CAROLINA
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
JUNE 30, 2012**

State of South Carolina



Office of the State Auditor

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DEPUTY STATE AUDITOR

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June 24, 2013

The Honorable Nikki R. Haley, Governor
and
Commission Members
South Carolina Commission for the Blind
Columbia, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain internal controls and accounting records of the South Carolina Commission for the Blind for the fiscal year ended June 30, 2012, was issued by Rogers Laban, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/cwc

**SOUTH CAROLINA COMMISSION FOR THE BLIND
COLUMBIA, SOUTH CAROLINA**

**TABLE OF CONTENTS
JUNE 30, 2012**

	Page
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1 - 3
ACCOUNTANT'S COMMENTS	4 - 9
STATUS OF PRIOR FINDINGS	10
MANAGEMENT'S RESPONSE	Attachment A

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Richard H. Gilbert, Jr., CPA,
Deputy State Auditor
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the governing body and management of the South Carolina Commission for the Blind ("the Commission") and South Carolina Office of the State Auditor solely to assist you in evaluating the performance of the Commission for the fiscal year ended June 30, 2012, in the areas addressed. The Commission's management is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Cash Receipts and Revenues

- We inspected selected recorded receipts to determine if these receipts were properly described and classified in the accounting records in accordance with the agency's policies and procedures and State regulations.
- We inspected selected recorded receipts to determine if these receipts were recorded in the proper fiscal year.
- We made inquiries and performed substantive procedures to determine if revenue collection and retention or remittance were supported by law.
- We compared current year recorded revenues at the subfund and account level from sources other than State General Fund appropriations to those of the prior year. We investigated changes in the general, earmarked, and federal funds to ensure that revenue was classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$26 – general fund, \$5,176 – earmarked fund, and \$70,116 – federal fund) and +/- 10 percent.
- We made inquiries of management pertaining to the agency's policies for accountability and security over permits, licenses, and other documents issued for money. We observed agency personnel performing their duties to determine if they understood and followed the described policies.

The individual transactions selected were chosen randomly. Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

2. Non-Payroll Disbursements and Expenditures

- We inspected selected recorded non-payroll disbursements to determine if these disbursements were properly described and classified in the accounting records in accordance with the agency's policies and procedures and State regulations, were bona fide disbursements of the Commission, and were paid in conformity with State laws and regulations; if the acquired goods and/or services were procured in accordance with applicable laws and regulations.
- We inspected selected recorded non-payroll disbursements to determine if these disbursements were recorded in the proper fiscal year.
- We compared current year expenditures at the subfund and account level to those of the prior year. We investigated changes in the general, earmarked, and federal funds to ensure that expenditures were classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$29,416 – general fund, \$3,760 – earmarked fund, and \$70,882 – federal fund) and +/- 10 percent.

The individual transactions selected were chosen randomly. Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

3. Payroll Disbursements and Expenditures

- We inspected selected recorded payroll disbursements to determine if the selected payroll transactions were properly described, classified, and distributed in the accounting records; persons on the payroll were bona fide employees; payroll transactions were properly authorized and were in accordance with existing legal requirements and processed in accordance with the agency's policies and procedures and State regulations.
- We inspected payroll transactions for selected new employees and those who terminated employment to determine if the employees were added and/or removed from the payroll in accordance with the agency's policies and procedures, that the employee's first and/or last pay check was properly calculated and that the employee's leave payout was properly calculated in accordance with applicable State law.
- We compared current year payroll expenditures at the subfund and account level to those of the prior year. We investigated changes in the general, earmarked, and federal funds to ensure that expenditures were classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$29,416 – general fund, \$3,760 – earmarked fund, and \$70,882 – federal fund) and +/- 10 percent.
- We compared the percentage change in recorded personal service expenditures to the percentage change in employer contributions; and computed the percentage distribution of recorded fringe benefit expenditures by fund source and compared the computed distribution to the actual distribution of recorded payroll expenditures by fund source. We investigated changes of +/- 10 percent to ensure that payroll expenditures were classified properly in the agency's accounting records.

The individual transactions selected were chosen randomly. Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

4. Journal Entries, Operating Transfers and Appropriation Transfers

- We inspected selected recorded journal entries, operating transfers, and appropriation transfers to determine if these transactions were properly described and classified in the accounting records; they agreed with the supporting documentation, the purpose of the transactions was documented and explained, the transactions were properly approved, and were mathematically correct; and the transactions were processed in accordance with the agency's policies and procedures and State regulations.

The individual transactions selected were chosen randomly. Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

5. Appropriation Act

- We inspected agency documents, observed processes, and/or made inquiries of agency personnel to determine the Commission's compliance with Appropriation Act general and agency specific provisos.

We found no exceptions as a result of the procedures.

6. Reporting Packages

- We obtained copies of all reporting packages as of and for the year ended June 30, 2012, prepared by the Commission and submitted to the State Comptroller General. We inspected them to determine if they were prepared in accordance with the Comptroller General's Reporting Policies and Procedures Manual requirements and if the amounts reported in the reporting packages agreed with the supporting workpapers and accounting records.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

7. Schedule of Federal Financial Assistance

- We obtained a copy of the schedule of federal financial assistance for the year ended June 30, 2012 prepared by the Commission and submitted to the State Auditor. We inspected it to determine that it was prepared in accordance with the State Auditor's letter of instructions; if the amounts agreed with the supporting workpapers and accounting records.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

8. Status of Prior Findings

- We inquired about the status of the findings reported in the Accountant's Comments section of the State Auditor's report on the Commission resulting from the engagement for the fiscal year ended June 30, 2010 to determine if the Commission had taken corrective action. We applied no procedures to the Commission's accounting records and internal controls for the year ended June 30, 2011.

Our findings as a result of these procedures are presented in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, the governing body and management of the South Carolina Commission for the Blind, and the South Carolina Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Roger Laker, PA

Columbia, South Carolina
June 21, 2013

**SOUTH CAROLINA COMMISSION FOR THE BLIND
COLUMBIA, SOUTH CAROLINA**

**ACCOUNTANT'S COMMENTS
JUNE 30, 2012**

SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of each State agency is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the agency require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred. The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

REPORTING PACKAGES

Section 1.7 of the Comptroller General's Reporting Policies and Procedures Manual (Summary of Agency Responsibilities) states, "Each agency's executive director and finance director are responsible for submitting to the Comptroller General's Office reporting packages and/or financial statements that are: Accurate and prepared in accordance with instructions, complete, and timely." We tested the Commission's reporting packages to determine if the reporting packages were complete, accurate, submitted timely, and prepared in accordance with instructions. Based on our procedures we noted the following:

Other Payroll Liabilities Reporting Package

The reviewer's checklist was dated as being completed on July 31, 2012 but the approval date on the summary forms was July 30, 2012. Also, the reporting package listed 95 full-time equivalent employees earning leave as of June 30, 2012 and there were actually 99 employees earning leave. The same finding regarding the number of employees was reported in the report for the year ended June 30, 2010.

Accounts Payable Reporting Package

Per the Office of Comptroller General, the reporting package was submitted on September 17, 2012 but was due on September 14, 2012.

The original reporting package did not report any payables for the general fund or federal fund but a revised closing package submitted in October reflected payables for these funds.

Prepaid Expense Reporting Package

Prepaid expenses of \$13,750 for a subscription were omitted from the prepaid expense analysis form.

Per the Office of Comptroller General, the reporting package was submitted on September 14, 2012 but was due on August 31, 2012. Also, the reviewer's checklist was dated September 14, 2012.

Capital Assets Reporting Package

The Commission indicated on the questionnaire that a complete inventory had been completed on June 28, 2012, but discussion with Commission personnel indicated that the last inventory had been completed in fiscal year 2011. The Commission also indicated on the questionnaire that they had identified adjustments that needed to be made to the beginning balances, but did not provide the required explanation on the questionnaire.

The Commission maintains an internal tracking of capital assets in addition to the amounts documented in the Statewide accounting system. The Commission's internal system documented some low value assets (items costing more than \$1,000) and some items over \$5,000 that were either acquired during the year or disposed of during the year that are not shown in the Statewide accounting system.

Operating Leases Reporting Package

Our review of the operating lease reporting package disclosed the following:

1. Commission personnel could not locate the lease agreements for the leases reported on the future minimum lease payment schedule in order for us to be able to determine if the proper amounts were reported.
2. One lease with a remaining term of less than one year was included on the future minimum lease payment schedule in error.
3. The amount reported on the schedule for fiscal year 2016 for one lease did not agree with the amount shown on the lease register.
4. The amount reported on the operating lease summary form under the current rent schedule was not completed properly and amounts shown for contingent rental payments did not agree with the statewide accounting system.
5. The future minimum lease payment schedule was not signed or dated by the preparer.
6. The summary form was marked to indicate that there were no leases with contingent rents but the statewide accounting system reported contingent rental expense.

Grants and Contribution Revenue Reporting Package

The Commission answered yes to the question on the reviewer's checklist about the beginning balance for each grant on the worksheet equaling the prior year's ending balance for the same grant, but we found one 2012 beginning balance that did not agree with the 2011 ending balance. The same finding was cited in the report for the year ended June 30, 2010. Also, \$41,162 in accounts payable as shown on the accounts payable reporting package for federal grants were not included on the grants activity form causing the misstatement of the ending fund balances.

Cash and Investments Reporting Package

The Commission did not retain a reviewer's checklist as required. This same finding was also cited in the report for the year ended June 30, 2010. In addition, per the Office of Comptroller General, the reporting package was submitted on August 3, 2012 but was due on July 31, 2012.

Loan Receivables Reporting Package

Our review of the loan receivables reporting package disclosed the following deficiencies:

1. Per the Office of Comptroller General, the reporting package was submitted on August 3, 2012 but was due on July 31, 2012.
2. Out of ten new loans issued during the year totaling \$4,548, three of the loans were paid for by the vendor and should not have been reported and five of the loans did not agree with the amount shown on the supporting documentation.
3. Out of five adjustments reported for inventory overages, two amounts did not agree with the supporting documentation and we discovered two additional amounts totaling approximately \$2,900 that the Commission did not include on the summary form.
4. The amount reported for merchandise shortage was understated by \$2,023 because the shortage from one stand was omitted from the listing.
5. There was no documentation to support the calculation of the allowance for uncollectible balances reported of \$3,240.
6. The detail schedule did not add correctly to the total shown by \$444.

Fund Balance and Net Assets Reporting Package

Our review of the fund balance and net assets reporting package disclosed the following deficiencies:

1. The reviewer's checklist was completed on September 24, 2012, but the approval date shown on the summary form was September 18, 2012.
2. Per the Office of Comptroller General, the reporting package was submitted on September 24, 2012 but was due on September 20, 2012.
3. The amount reported as the ending fund balance for seven funds did not agree with the Statewide accounting system records.
4. Four funds shown in the Statewide accounting system were not listed on the schedule.
5. Based on the review of the completed fund use and reporting fund types form (form 3.20.2), it does not appear that the Commission properly answered the questions used to classify fund balance on the fund balance and net asset summary form (form 3.20.1).

Litigation Reporting Package

The reviewer's checklist had a date completed of July 31, 2012, but the approval date by the reviewer on the summary forms was July 30, 2012. In addition, per the Office of Comptroller General, the package was submitted on August 6, 2012 but was due on July 31, 2012.

Subsequent Events Reporting Package

The reporting package was due on November 9, 2012, but was not received by the Comptroller General's office until November 26, 2012. In addition, the questionnaire was not signed by the preparer or reviewer and question 5 regarding the reporting of receivables from federal or private grants or contracts was answered incorrectly.

The cause for the errors in the reporting packages appeared to be that the preparer was not being reviewing the instructions and ensuring that the packages were properly completed and the reviewer was not performing an adequate review. Failure to accurately prepare the closing packages could cause the Statewide audit reported to be misstated due to errors on the packages.

We recommend that the Commission develop and implement procedures to ensure that all reporting packages are completed in accordance with the Reporting Policies and Procedures Manual instructions and submitted timely. All amounts reported on the reporting package should be supported by workpapers and agree to the Commission's accounting records. Furthermore, we recommend that the Commission make appropriate adjustments to future reporting packages to correct the errors identified above if necessary.

RECEIPTS

Our testing of 16 receipts disclosed that one was not deposited timely as required. The funds were received on July 19, 2011 and not deposited until July 27, 2011.

Section 89.1 of the 2011-2012 State Appropriations Act requires funds to be remitted at least weekly.

We could not determine why the receipt was not deposited timely. The effect of the late deposit is a violation of State law.

We recommend that the Commission implement procedures to ensure that funds are deposited in a timely manner.

SECTION B – OTHER WEAKNESSES

The conditions described in this section have been identified while performing the agreed-upon procedures but they are not considered violations of State Laws, Rules or Regulations.

RECEIPTS

Our testing of 16 receipts disclosed the following:

1. For 2 receipts which were refunds of expenditures, the receipt was not posted to the same fund or grant as the original expenditure.
2. For 3 receipts which were for contributions, the receipt was posted as a restricted contribution even though the paperwork from the donor gave no indication as to any restriction on the contribution.
3. The supporting documentation for one of the receipts totaled \$1,050.08 but the actual receipt amount was \$1,114.88.
4. For 2 receipts, the document numbers shown for the deposit document number or clearing document number were incorrect.
5. One receipt listed the incorrect name as to whom the funds were received from.
6. Numerous documents were date stamped with the year 2010 instead of 2011.

We also noted a lack of segregation of duties over the receipts function as the same individual prepares the listing of funds received, restrictively stamps the reverse side of the check, prepares the deposit and posts the transaction to the accounting system.

Findings 1 and 2 listed above and the lack of segregation of duties were also cited in the report for the year ended June 30, 2010.

The cause of these findings appears to be that the Commission is not being careful in the preparation of the receipts. Because of this, various receipts are being posted to the incorrect fund or grant which could affect the future expenditures of these funds.

Good internal controls provide for the posting of receipts to the correct accounts and the retention of required supporting documentation that are properly prepared. Also good internal controls require the segregation of duties so no one person has the ability to initiate, process and record a transaction.

We recommend that the Commission implement a system to ensure that all receipts are properly posted and required documentation retained. The Commission should also determine if some of the receipt functions could be performed by different personnel.

DISBURSEMENTS

Our testing of 25 disbursement and interdepartmental transfers (IDT's) disclosed the following:

1. The workflow documentation in the State accounting system for four of the disbursements did not reflect that the voucher package was reviewed and approved as required by the Commission's policies.
2. The Commission's policies require that a purchase requisition be completed if a lodging bill is to be paid directly to the hotel. One of the disbursements was for lodging and did not follow this policy.
3. One disbursement was charged to the Aiken cost center and should have been charged to Columbia.
4. Twelve of the 25 disbursements were process as direct payments and should not have been based on the Commission's written procedures as follows:
 - a. Seven of the payments were for medical payments.
 - b. Three of the payments were for routine payments for meals and maintenance.

- c. One payment was where a purchase order had been issued but direct pay was used since the invoice exceeded the purchase order. The policy manual only requires a change order to be issued if there is more than a 10% variance in costs. This was not the case for this disbursement.
 - d. One of the disbursements was for a stipend to one of the clients. The current policy does not address whether this type of payment could be done as a direct payment.
5. One disbursement from an out of state vendor did not have sales taxes charged and the Commission did not pay use tax on the purchase.

The Commission is not following all of its policies regarding disbursements and is not paying sales or use tax on all required items.

The cause of these deficiencies could not be determined. Failure to follow the Commission's policies leads to a lack of internal control over disbursements.

We recommend that the Commission ensure that all of its policies are followed before an invoice is paid and that sales or use tax are paid on all purchases as required.

PAYROLL

Our testing of 25 payroll disbursements disclosed that the Commission did not have documentation to support the source of funding charged for one employee's salary. The employee was being charged to the same funding source as the employee that he replaced.

In addition, our comparison of current year payroll expenditures by fund compared to the employer contributions by fund with those of the prior year disclosed a variance that Commission staff could not adequately explain. Payroll expenses for the general fund were 35% of total payroll expenditures while employer contributions were 30% of total employer contribution expenditures. Payroll expenditures for the federal funds were 64% of total payroll expenditures while employer contributions were 69% of total employer contribution expenditures. There were significant variances in the general fund and federal funds between the various components of employer contributions. We also compared payroll and employer contributions between fiscal years 2012 and 2011 and noted significant variances in the components of employer contributions in the general fund and federal funds by year. A similar finding was cited in our report for the year ended June 30, 2010.

Good internal controls provide for the retention of required supporting documentation. Employer contributions should be charged to the same fund as the related payroll expense.

The Commission does not appear to be reviewing the allocation of employer contribution funding when reallocating payroll between funds. This causes expenditures to be misstated between the general fund and federal funds and could result in the Commission filing incorrect reports with the federal funding sources.

We recommend that the Commission implement a system to ensure that adequate documentation exist to support the funding source for each employee. The Commission should also ensure that all payroll and employer contribution expenses are correctly allocated by fund.

OPERATING AND APPROPRIATION TRANSFERS

Commission personnel could not provide supporting documentation for 25 operating and appropriation transfers tested. The individual that posted the transactions is currently unavailable to explain the omission of supporting documentation because of health issues and available personnel could not provide the documentation to support the transfers.

In addition, one budget adjustment entry was not posted to a cost center and one budget adjustment entry posted to addition and deduction to the same account resulting in no change.

Good accounting documentation requires that documentation be maintained to support all entries and that entries be posted correctly to the accounting system.

The Commission is not requiring the supporting documentation be retained. Because of this deficiency, it is not possible to determine whether all operating and appropriation transfers were properly made.

We recommend that the Commission implement procedures to ensure that all required documentation is maintained and that entries be correctly posted.

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Our review of the schedule of federal assistance disclosed the following:

1. The schedule was prepared on August 20, 2012 and reviewed on August 21, 2012. The schedule was supposed to be submitted to the State Auditor no later than August 15, 2012.
2. The beginning balance for one of the grants did not agree with the ending balance shown on the prior year's schedule.
3. There were numerous amounts listed on the schedule for receipts, expenditures, other additions, other deductions and ending fund balances that did not agree with the statewide accounting system reports.
4. There were three grants shown in the statewide accounting system reports that were not listed on the schedule.
5. The Commission could not locate the grant awards documents for one grant and therefore, we were not able to verify the grant title and grant number.
6. The program titles on the schedule for three of the grants did not agree with the name shown in the Catalog of Federal Domestic Assistance.

Items 1, 2, 3 and 6 above were also cited in the report for the year ended June 30, 2010.

The person preparing the schedule did not follow the instruction in completing the schedule. This causes the amounts to be misreported on the schedule and could result in the State-wide single audit reporting containing incorrect information.

The Schedule of Federal Financial Assistance was not prepared in accordance with the instructions provided by the Office of the State Auditor and did not agree with the underlying accounting records.

We recommend that the Schedule of Federal Financial Assistance be prepared as required and agree with the Commission's accounting records. Adjusting entries should be made in the accounting records if required to accurately reflect the federal grants activity.

**SOUTH CAROLINA COMMISSION FOR THE BLIND
COLUMBIA, SOUTH CAROLINA**

**STATUS OF PRIOR FINDINGS
JUNE 30, 2012**

During the current engagement, we reviewed the status of corrective action plan taken on each of the findings reported in the Accountant's Comments section of the State Auditor's Report for the fiscal year ended June 30, 2010 dated June 9, 2011. No procedures were performed for the year ended June 30, 2011. We noted continuing deficiencies regarding disbursements, receipts, payroll, reporting packages and the Schedule of Federal Financial Assistance as detailed in this year's Accountant's Comments section of this report.

MANAGEMENT'S RESPONSE

ATTACHMENT A



South Carolina Commission for the Blind

1430 CONFEDERATE AVENUE * PO Box 2467 COLUMBIA, SC 29202
PHONE (803) 898-8822 * FAX (803) 898-8854

Commissioner
James M. Kirby

July 3, 2013

Mr. Richard H. Gilbert, Jr. CPA
State Auditor
1401 Main Street Suite 1200
Columbia, SC 29201

Re: Agreed Upon Procedures Audit
June 30, 2012

Dear Mr. Gilbert:

The Commission for the Blind appreciates the professional attitude and conduct of the audit staff of Rogers and Laban during the agency's AUP Audit and will ensure corrective actions are taken regarding all findings.

SECTION A Responses:

Reporting Packages

Reporting packages will be properly reviewed prior to submission to the Comptroller General. The agency will ensure that reviewer's checklist for all closing packages are completed in a timely manner in accordance with state laws, rules and regulations.

Other Payroll Liabilities Reporting Packages

SCCB will ensure that all employees earning leave are included in reporting.

The checklist and package were inadvertently dated incorrectly. Closer attention will be given to dating of documents.

Accounts Payable Reporting Package

AP Reporting Package will be submitted on or before the due date. A revised reporting package was submitted after a prior year payable was overlooked initially. Closer attention will be paid.

Prepaid Expense Reporting Package

A prepaid expense for a subscription was inadvertently omitted. Closer attention will be paid in the future. PE Reporting Package will be submitted on or before the due date.

Capital Assets Reporting Package

A fixed asset inventory will be completed in a timely manner with the necessary identified adjustments being completed in a timely manner. Staff will be reminded to ensure that correct object codes are used for asset reporting purposes.

Operating Leases Reporting Package

We have copies of the referenced leases on file. Staff will participate in training to ensure operating leases are reported properly.

Grants and Contributions Revenue Reporting Package

Agency will ensure the Accounts Payable Closing Packages is cross checked so that any identified adjustments are made on all relevant closing packages.

Cash and Investments Reporting Package

Staff will submit closing package on or before the due date. A copy of the reviewer’s checklist cited in the finding has been located.

Loans Receivables Reporting Package

The staff responsible for completing this closing package will be thoroughly retrained.

Fund Balance and Net Assets Reporting Package

Due dates will be entered on a control list to ensure that all closing packages are submitted timely. As part of the process of reporting fund balances, we will prepare a reconciliation of the closing package with Statewide accounting system records.

Litigation Reporting Package

Litigation Reporting Package will be submitted on or before the due date and staff will be reminded about procedures for the reviewer’s checklist.

Subsequent Events Reporting Package

Staff will be retrained and periodic reviews will be made in accordance with policy and procedure.

RECEIPTS

All deposits will be made within a timely manner. Staff will be cross trained to make deposits when needed due to the absence of the staff member who normally does this.

SECTION B Responses:

RECEIPTS

Job duties for the receipt function were realigned after the last AUP audit due to a segregation of duties finding. Internal Audit will review the receipt function and any further needed realignment will be made to ensure an adequate segregation of duties.

The coding and other errors noted in the audit will be reviewed with staff and supervisory review implemented to help prevent errors from reoccurring.

DISBURSEMENTS

The Commission will update its agency policies and procedures since there have been various business process changes since going live on SCEIS. The agency will review payment of sales and use tax.

PAYROLL

Human Resources will review the allocations of employer contribution funding when reallocating payroll between funds. A system will be implemented to ensure that adequate documentation is maintained.

OPERATING AND APPROPRIATION TRANSFERS

SCCB will implement procedures to ensure all required documentation is maintained and that entries are correctly posted. Journal Entries will be reviewed by another Finance staff member and the Budget Coordinator will be responsible for maintaining a current and accessible file of records.

Schedule of Federal Financial Assistance

The grants manager responsible for completing the reports will receive additional training in accurate reporting.

Sincerely,



Juan Sims
Controller