

**SOUTH CAROLINA
CRIMINAL JUSTICE ACADEMY**

COLUMBIA, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2019



Independent Accountant's Report on Applying Agreed-Upon Procedures

March 12, 2020

Mr. Lewis J. Swindler, Director
and
Members of the Law Enforcement Training Council
South Carolina Criminal Justice Academy
Columbia, South Carolina

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Criminal Justice Academy (the Academy), on the systems, processes and behaviors related to financial activity of the Academy for the fiscal year ended June 30, 2019. The Academy's management is responsible for the systems, processes and behaviors related to financial activity. 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 in Attachment 1 either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Academy. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the specified parties. Management of the Academy has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

This report is intended solely for the information and use of the governing body and management of the South Carolina Criminal Justice Academy and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA
State Auditor

**South Carolina Office of the State Auditor
Agreed-Upon Procedures Related to the South Carolina Criminal Justice Academy (N20)**

Cash Receipts/Revenues

1. Compare current year revenues at the fund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain from management an understanding of variations in G/L Account 4890060000 (General Fund Appropriation Revenue Transfer) in the Earmarked Fund.

We found no exceptions as a result of this procedure.

Cash Disbursements/Non-Payroll Expenditures

2. Compare current year non-payroll expenditures at the fund and account level to those of the prior year. Obtain from management an understanding of variations in G/L Account Series 503- (Supplies & Materials) in the General Fund.
3. Haphazardly select fifteen non-payroll disbursements and inspect supporting documentation to determine:
 - The transaction is properly completed as required by Academy procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
 - All supporting documents and approvals required by Academy procedures are present and agree with the invoice.
 - The transaction is a bona fide expenditure of the Academy.
 - The transaction is properly classified in the general ledger.
 - Disbursement complied with applicable State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
 - Disbursements are recorded in the proper fiscal year.
 - Clerical accuracy / confirm proper sales/use tax.

For federally funded cash disbursements/non-payroll expenditures, inspect supporting documentation to determine:

- Charges are necessary and reasonable for the proper administration of the program, incurred during the approved grant period, given consistent accounting treatment and applied uniformly to both federally assisted and other activities of the recipient.
4. Haphazardly select ten purchasing card transactions from the Comptroller General's listing of purchasing card transactions and inspect supporting documentation to determine:
 - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with Academy policies.
 - The purchase is authorized based on the cardholder's job title/position.
 - The monthly purchase summary was submitted along with applicable receipts and signed by both the supervisor and cardholder.
 - The purchase did not exceed the single transaction limit or the individual credit limit and there was no indication of transaction splitting.

We found no exceptions as a result of these procedures.

Payroll

5. Compute the percentage distribution of fringe benefit expenditures by fund source and compare to the actual distribution of recorded personal service expenditures by fund source. Obtain an explanation of variations greater than 10%.
6. Compare the percentage change in personal service expenditures between the current year and prior year to the percentage change in employer contributions expenditures between the current year and prior year.
7. Haphazardly select three employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Academy's policies and procedures, that the employee's last pay check was properly calculated, and that the employee's leave payout was properly calculated in accordance with applicable State law.

We found no exceptions as a result of these procedures.

Journal Entries and Transfers

8. Haphazardly select ten journal entries and transfers for the fiscal year to:
 - Trace postings to the general ledger, confirming amounts agree with supporting documentation.
 - Confirm transaction is properly approved.
 - Inspect supporting documentation to confirm the purpose of the transaction.

We found no exceptions as a result of these procedures.

Reporting Packages

9. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Inspect the Master Reporting Package Checklist to determine the appropriate reporting packages were prepared and submitted by the due date established by the CG's Reporting Policies and Procedures Manual.
10. In addition to the procedure above, perform the following:
 - Other Receivables Reporting Package

Determine if reported amounts are accurate based on inspection of the South Carolina Enterprise Information System (SCEIS) general ledger, the SCEIS Yearend Rptg - Accounts Receivable Current with Customer report and/or Academy prepared records. In addition, haphazardly select five receivables to determine they were properly classified, calculated and reported.
 - Operating Leases Reporting Package

Determine if amounts agree to the SCEIS general ledger, the SCEIS Yearend Rptg Operating Lease Expense with Vendor report and/or Academy prepared records. In addition, based on inspection of invoices and lease agreements, determine if rental payments were properly classified, coded and calculated by inspecting and recalculating the following reported amounts: (1) Five haphazardly selected contingent rental payments; (2) five haphazardly selected payments for Month to Month Rentals and Other Rental Charges. In addition, confirm that the Academy submitted copies of all leases in accordance with the CG's reporting package instructions.

Reporting Packages (Continued)

- Accounts Payable

Determine if responses and reported amounts are reasonable/accurate based on the inspection of the SCEIS general ledger, SCEIS Yearend Rptg - Prior Year Payables with Vendor and/or Academy prepared records. In addition, haphazardly select three payables to determine they were properly classified, calculated and reported.

- Subsequent Events Questionnaire

Determine if responses are reasonable/accurate and any required supplemental information was properly prepared and submitted based on inspection of the SCEIS general ledger and/or Academy prepared records.

We found no exceptions as a result of these procedures.

Assets and Personal Property

11. Haphazardly select two capital asset acquisitions and inspect supporting documentation, the SCEIS general ledger and the SCEIS Asset History Sheet to determine that each asset was properly capitalized and posted to the general ledger as to amount and account and assigned the proper useful life in accordance with the CG's Reporting Policies and Procedures Manual.
12. Confirm that an inventory of personal physical property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Law 10-1-140.
13. For the Academy's asset under construction (AUC), inquire with management and determine:
 - The asset under construction was for a project that was properly approved by the Joint Bond Review Committee/State Fiscal Accountability Authority.
 - The project related to the asset under construction was accurately included and reported on the South Carolina Comprehensive Permanent Improvement Plan.
 - The progress and status of the asset under construction at the end of the fiscal year end and whether the project was ongoing or substantially complete.
 - The financial activity for the asset under construction was properly tracked and recorded in SCEIS.
14. Inspect the Academy's portion of the Summary of Permanent Improvement Projects from the South Carolina 2018 Comprehensive Permanent Improvement Plan for the Plan Years 2019-2023. Through inquiry, document the status of each project to determine if the plan is an accurate representation of the Academy's activities.

We found no exceptions as a result of these procedures.

Legal Services

15. Haphazardly select four transactions from the SCEIS Yearend Reporting - Litigation Expense report coded to the Legal Services G/L Account (5021010000) to determine proper account coding and to confirm the transactions did not relate to attorney payments.

Legal Services (Continued)

Finding

Two transactions relating to attorney payments were improperly coded to G/L Account 5021010000 (Legal Services). Additionally, request forms for the use of these attorneys were not properly submitted to the Attorney General's Office for approval.

Management Response

The Academy's General Counsel was unaware that an approved request form was required from the Attorney General's Office prior to his attending a meeting in which this was discussed. Once informed, the Academy ceased using an outside attorney. If it becomes necessary to engage an outside attorney in the future, the Academy will ensure that all of the proper forms are completed prior to the engagement and will utilize G/L Account 5021020000 (Attorney Fees) instead of Legal Services.

Appropriation Act

16. Confirm that the Academy submitted to the State Human Affairs Commission employment and filled vacancy data by race and sex by October thirty-first of the fiscal year in accordance with Proviso 117.13 of the fiscal year 2019 Appropriation Act.

We found no exceptions as a result of this procedure.

Status of Prior Finding

17. Through inquiry and inspection, determine if the Academy has taken appropriate corrective action on the finding reported during the engagement for the prior fiscal year.

We found no exceptions as a result of this procedure.