

**SOUTH CAROLINA
CRIMINAL JUSTICE ACADEMY
COLUMBIA, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2016



George L. Kennedy, III, CPA
State Auditor

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

August 3, 2017

Members of the Law Enforcement Training Council
South Carolina Criminal Justice Academy
State of South Carolina
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), solely to assist you in evaluating the systems, processes and behaviors of the Academy for the fiscal year ended June 30, 2016. 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 for the purpose of 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 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:

- Clerical errors of less than \$1,000 related to processing cash receipts and cash disbursements transactions unless the errors occur in ten percent or more of the transaction class inspected.
- Clerical errors of less than \$1,000 related to reporting packages.
- Errors in applying account coding definitions to accounting transactions unless it is determined that ten percent or more of the accounting transactions inspected were found to be in error.
- Reporting packages which are submitted less than three business days after the due date unless it is determined that more than two of the reporting packages were submitted late.

Members of the Law Enforcement Training Council
South Carolina Criminal Justice Academy
August 3, 2017

This report is intended solely for the information and use of the governing body and management 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 Criminal Justice Academy (N20)**

Cash Receipts/Revenues

1. Compare current year revenues and operating transfers at the subfund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain and document an understanding of variations over \$100,000 and 10%.
2. Randomly select twenty-five cash receipts transactions and inspect supporting documentation to:
 - Agree transaction amount, date, payor, document number, and account coding to the general ledger.
 - Determine that revenues/receipts were deposited in a timely manner.
 - Ensure that both revenue collections and amounts charged are properly authorized by law.
3. Randomly select twenty-three cash receipts and inspect supporting documentation to determine that receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedures.

Cash Disbursements/Non-Payroll Expenditures

4. Compare current year non-payroll expenditures and operating transfers at the subfund and account level to those of the prior year. Obtain and document an understanding of variations over \$100,000 for General and Earmarked Funds and \$10,000 for Federal Funds and 10%.
5. Randomly select twenty-five non-payroll disbursements and inspect supporting documentation to determine:
 - Transaction is properly completed as required by agency procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
 - All supporting documents and approvals required by agency procedures and good business practice are present and agree with the invoice.
 - The transaction is a bona fide expenditure of the agency, properly coded to the general ledger.
 - Disbursement complied with all State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
 - Clerical accuracy / verify proper sales/use tax.

For federally funded cash disbursements/non-payroll expenditures we will 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.
6. Randomly select twenty-five non-payroll disbursements and inspect supporting documentation to determine that disbursements are recorded in the proper fiscal year.

We found no exceptions as a result of the procedures.

Payroll

7. Compare current year payroll expenditures at the subfund and account level to those of the prior year. Obtain an understanding of variations over \$100,000 and 10%.
8. Randomly select fourteen salaried employees and inspect supporting documentation during the fiscal year to:
 - Obtain and inspect the employee's payroll and/or personnel file for various forms, communications, etc., to confirm that the person is a bona fide employee of the agency.
 - Agree gross pay to supporting documentation noting all changes to gross salary for the year. Determine that all changes have been properly approved.
9. Randomly select five bonus pay disbursements to determine:
 - Employee does not make more than \$100,000 annually.
 - Bonuses received during the year did not exceed \$3,000.
 - Transaction was appropriately documented and approved.
10. Randomly select ten bonus pay disbursements authorized by the 2015-2016 Supplemental Appropriations to determine:
 - Employee is a permanent state employee in a full-time equivalent position who has been in continuous state service for at least six months prior to July 1, 2015
 - Employee does not make more than \$100,000 annually
 - Bonus pay was split between funds according to the ratio of the employee's base salary
11. Randomly select five employees hired during the fiscal year to determine if they were added to the payroll in accordance with the agency's policies and procedures and that their first pay check was properly calculated in accordance with applicable State law.
12. Randomly select five employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the agency'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.
13. Compare the percentage change in personal service expenditures to the percentage change in employer contributions expenditures. Obtain an explanation of changes of +/- 10%.
14. 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 changes of +/- 10%.

We found no exceptions as a result of the procedures.

Journal Entries and Transfers

15. Randomly select nine non-recurring journal entries and eight 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 the procedures.

Appropriation Act

16. Inspect the Appropriation Act work program, provided to and completed by management, noting areas of noncompliance, if any.
17. Confirm compliance with agency-specific state provisos by inquiring with management and observing supporting documentation.

Finding

The Academy did not obtain proper approval from the Comptroller General's Office for foreign travel taken during the fiscal year.

Management's Response

The Agency was unaware of the requirement to obtain prior approval from the Comptroller General's Office since there has never been a previous opportunity for any of the Agency's employees to travel outside the United States. This will be properly handled for any future trips.

Reporting Packages

18. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Inspect the Master Reporting 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.
19. In addition to the above procedure, we will perform the following:
 - Capital Assets Reporting Package:
 - Determine if responses are reasonable/accurate based on inspection of the SCEIS general ledger and the SCEIS Asset History Sheet report.
 - Grants and Contributions Revenue Reporting Package
 - Determine if the beginning fund balance, grant receipts and qualified expenditures agree to the SCEIS general ledger for each grant and that the CFDA number for each grant was properly reported.
 - Inventory Reporting Package
 - Determine if reported inventory amount agrees to the SCEIS Yearend Inventory Report and Academy records.
 - Operating Leases Reporting Package:
 - Determine if amounts agree to the SCEIS general ledger, the SCEIS Operating Leases Expense w/ Vendor report, and/or Academy prepared reports/spreadsheets. In addition, based on inspection of invoices and lease agreements, determine if rental payments were properly classified, coded, and calculated by inspecting the following reported amounts: (1) Five haphazardly selected contingent rental payments; (2) One haphazardly selected payment for each vendor included in the remaining rental payment classifications (One Time Rental Payments, Payments for supplies and other billing charges).
 - Other Payroll Liabilities Reporting Package:
 - Determine if amounts agree to agency prepared reports/spreadsheets and the SCEIS Compensated Absences Report.

We found no exceptions as a result of the procedures.

Reporting Packages (Continued)

Status of Prior Findings

20. Inquire about the status of findings reported in the Accountant's Comments section of the engagement for the prior fiscal year to determine if the Academy has taken appropriate corrective action.

We found no exceptions as a result of the procedures.

Minutes

21. We will inspect the Council's approved minutes beginning with the end date of prior year fieldwork through the end of our fieldwork.

We found no other matters related to our agreed-upon procedures.