

**SOUTH CAROLINA COMMISSION  
ON PROSECUTION COORDINATION**

**COLUMBIA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2018**



Independent Accountant's Report on Applying Agreed-Upon Procedures

February 8, 2019

Members of the Commission  
South Carolina Commission on Prosecution Coordination  
Columbia, South Carolina

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Commission on Prosecution Coordination (the Commission), on the systems, processes and behaviors related to financial activity of the Commission for the fiscal year ended June 30, 2018. The Commission'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 Commission. 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 Commission 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 Commission on Prosecution Coordination 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 - South Carolina Commission on Prosecution Coordination (E21)**

**Cash Receipts/Revenues**

1. Compare current year revenues at the subfund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain from management an understanding of variations over \$48,000 – Earmarked Fund, \$3,700 – Federal Fund and 10%.
2. Randomly select sixteen cash receipts transactions and inspect supporting documentation to:
  - Agree transaction amount, date, payor, document number, and account classification to the general ledger.
  - Determine that revenues/receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the Appropriation Act.
  - Ensure that both revenue collections and amounts charged are properly authorized by law.
  - 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**

3. Compare current year non-payroll expenditures at the subfund and account level to those of the prior year. Obtain from management an understanding of variations over \$160,000 – General Fund, \$48,000 – Earmarked Fund, \$3,700 – Federal Fund and 10%.
4. Randomly select twenty-five non-payroll disbursements and inspect supporting documentation to determine:
  - Transaction is properly completed as required by Commission procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
  - All supporting documents and approvals required by Commission procedures are present and agree with the invoice.
  - The transaction is a bona fide expenditure of the Commission.
  - 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.
  - Determine that disbursements are recorded in the proper fiscal year.
  - Clerical accuracy / confirm proper sales/use tax.

For federally funded cash disbursements/non-payroll expenditures selected, 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.
5. Inspect the Commission's distributions to the Judicial Circuit Solicitors' Offices to determine if the distributions were performed in accordance with applicable State laws and Commission policies and procedures.

We found no exceptions as a result of the procedures except as described in the applicable finding of the Journal Entries section.

## Payroll

6. Compare current year payroll expenditures at the subfund and account level to those of the prior year. Obtain from management an understanding of variations over \$160,000 – General Fund, \$3,700 – Federal Fund and 10%.
7. 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%.
8. 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. Obtain an explanation of variations greater than 10%.
9. Select five employee payments (randomly select the employee, haphazardly select the payment) 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 Commission.
  - Agree gross pay to supporting documentation confirming all changes to gross salary for the year. Determine that all changes have been properly approved.
10. Select all four employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Commission’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.
11. Select all three employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Commission’s policies and procedures and that their first pay check was properly calculated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

## Journal Entries

12. Haphazardly select five journal entries made during 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.

## Finding

One of the five journal entries inspected was one in a series of journal entries identified in procedure 3. The posting of this series of journal entries resulted in the inadvertent reclassification of approximately \$200,000 of State Aid expenditures to the category of Allocations expenditures in the general ledger.

## Management’s Response

The South Carolina Commission on Prosecution Coordination (“Commission”) staff agrees with the Office of the State Auditor’s finding as to procedure 12. The coding classification of the journal entry referenced has been corrected and the Commission will make every effort to ensure future inadvertent data entry errors are avoided. The Commission notes that while the classification code was inadvertently entered incorrectly in general ledger entry noted, no error was made in the distribution of the associated funding.

## Reporting Packages

13. 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.
14. In addition to the procedure above, perform the following:
  - Capital Assets Reporting Package

Determine if responses and reported amounts are reasonable/accurate based on inspection of the South Carolina Enterprise Information System (SCEIS) general ledger, the SCEIS Asset History Sheet and/or Commission prepared records.
  - Operating Leases Reporting Package

Determine if amounts agree to the SCEIS general ledger, the SCEIS Yearend Reporting Operating Lease Expense with Vendor report and/or Commission prepared records. In addition, haphazardly select three transactions from the SCEIS Yearend Reporting Operating Lease Expense with Vendor Report and based on the inspection of invoices and lease agreements, determine if the rental payments were properly classified, coded, and calculated.
  - 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 Commission prepared records.

## Finding

The Commission submitted two reporting packages one and two days after their respective due dates.

## Management's Response

Commission staff acknowledges the Office of the State Auditor's finding as to procedure 13 and will make every effort to submit future reporting packages by the due date established by the Comptroller General's Reporting Policies and Procedures Manual. As to the referenced reporting package submitted two days after the due date, the Commission notes that an extension was granted on the due date by the Office of the State Comptroller General executive administration. The report was submitted two business days thereafter and was not considered a late submission by the Office of the Comptroller General.

## Minutes

15. Inspect the Commission's approved minutes beginning with the end date of prior year fieldwork through the end of our fieldwork.

We found no other matters as a result of the procedures.

## Governance, Risk and Compliance (GRC) SCEIS Module

16. Select all controls (four) identified through the SCEIS GRC system that were implemented in the process and inspect mitigating control documentation. Confirm with management the controls are operating as designed.

We found no exceptions as a result of the procedures.

## **Appropriation Act**

17. Inspect the Appropriation Act work program, provided to and completed by management, confirming areas of noncompliance, if any.
18. Confirm compliance with Commission-specific state provisos by inquiring with management and observing supporting documentation, where applicable.

## **Finding**

The reports associated with Provisos 60.7 and 60.9 were not submitted by the Commission within the time frame required by the provisos. The proviso requirement is no later than sixty days after the conclusion of the fiscal year.

## **Management's Response**

Commission staff acknowledges the General Assembly's direction to collect and report information and data pursuant to Provisos 60.7 and 60.9 (FY 2018-19) and will continue to work diligently to submit said reports to the legislature by the required due date. Commission staff notes, however, that the collection and remittance of the required data by the due date established by the proviso will remain a challenge with the resources currently available to the Commission and the statewide Offices of Solicitor. The required data is not available until the close of the fiscal year on June 30 and must be manually gathered and submitted by each Circuit Solicitor. Data is received by Commission staff at different times and in a variety of formats. The data received must then be manually entered by commission staff into a comprehensive report. Functioning integrated prosecution case management systems would support real-time collection and reporting of this data and beyond. Funding to support this initiative was requested but not provided for FY 2018-19 and has been requested again for the upcoming FY 2019-20. Without the funding necessary to support this initiative, the Commission offers as an alternative and less-appealing solution that the General Assembly consider amending Provisos 60.7 and 60.9 as to the due dates directed to read, "no later than one hundred fifty days after the conclusion of the fiscal year."