

**SOUTH CAROLINA
CONFEDERATE RELIC ROOM
AND MILITARY MUSEUM
COLUMBIA, SOUTH CAROLINA**

STATE AUDITOR'S REPORT

JUNE 30, 2018



Independent Accountant's Report on Applying Agreed-Upon Procedures

June 26, 2019

Mr. W. Allen Roberson, Executive Director
and
Members of the Commission
South Carolina Confederate Relic Room and Military Museum
Columbia, South Carolina

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Confederate Relic Room and Military Museum (the Museum), on the systems, processes and behaviors related to financial activity of the Museum for the fiscal year ended June 30, 2018. The Museum'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 Museum. 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 Museum 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 Commission and management of the South Carolina Confederate Relic Room and Military Museum 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 Confederate Relic Room and Military Museum (H96)

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 for the following general ledger accounts: Earmarked Fund: G/L Account 4380010000 (Admission – Parking Fee).
2. Haphazardly select ten 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 these 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 for the following general ledger accounts: General Funds: 503- Supplies and Materials.
4. Randomly select twenty non-payroll disbursements and inspect supporting documentation to determine:
 - Transaction is properly completed as required by Museum procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
 - All supporting documents and approvals required by Museum procedures are present and agree with the invoice.
 - The transaction is a bona fide expenditure of the Museum.
 - 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.
5. Haphazardly select one month during the fiscal year and determine if the procurement card monthly purchase summary was submitted along with applicable receipts, signed by both the cardholder and supervisor, and that purchases were authorized based on the cardholder's job title/position.

We found no exceptions as a result of these procedures.

Payroll

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. Obtain an explanation of changes greater than 10%.
7. Select all (five) employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Museum'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.
8. Select the one employee hired during the fiscal year to determine if the employee was added to the payroll in accordance with the Museum's policies and procedures and that the employee's first pay check was properly calculated in accordance with applicable State law.

We found no exceptions as a result of these procedures.

Journal Entries and Transfers

9. Haphazardly select five 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 this procedure.

Reporting Packages

10. 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.
11. In addition to the procedure above, perform the following:
 - Inventory Reporting Package

Determine if reported amounts agree to the South Carolina Enterprise Information System (SCEIS) Yearend Rptg - Inventory report. In addition, determine if the Museum's reconciliation of physical inventory to SCEIS was properly completed by agreeing amounts to the SCEIS general ledger and/or Museum prepared records.
 - 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 Museum prepared records.

We found no exceptions as a result of these procedures.

Appropriation Act

12. Inspect the Appropriation Act work program, provided to and completed by management, confirming areas of noncompliance, if any.

We found no exceptions as a result of this procedure.

Observe Collection Items

13. Haphazardly select five items from the inventoried list of collection items provided by the Museum and confirm their existence. Haphazardly select five exhibited collection items and confirm that the items are included on the list.

We found no exceptions as a result of this procedure.

Status of Prior Findings

14. Through inquiry and inspection, determine if the Museum has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year. For instances where correction was not implemented prior to year-end, document the current status of the Museum's corrective action.

Observations

Per discussion with Museum personnel and through inspection and observation, we determined one prior year finding was corrected: Improper Journal Entries. We identified that the following prior year findings still existed: (1) Untimely Deposit and (2) Untimely Payment. These issues were not corrected prior to year-end because the timing of the prior year engagement did not allow adequate time for correction. We observed that the Museum has implemented corrective measures for each of these findings.