

South Carolina Museum Commission

Columbia, South Carolina

State Auditor's Report

June 30, 2020



Independent Accountant's Report on Applying Agreed-Upon Procedures

August 31, 2021

Amy Bartow-Melia, Executive Director
and Members of the Commission
Columbia, South Carolina

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the South Carolina Museum Commission (the Commission) for the fiscal year ended June 30, 2020. The Commission's management is responsible for the systems, processes and behaviors related to financial activity.

The Commission's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the systems, processes and behaviors related to financial activity. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Commission for the year ended June 30, 2020. Accordingly, we do not express such 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 Commission's management. 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.

We are required to be independent of the Commission and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the governing body and management of the Commission, 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 Museum Commission (H95)**

Cash Receipts/Revenues

1. Haphazardly select five cash receipts transactions and inspect supporting documentation to determine:
 - Transaction agrees with the general ledger as to amount, date, payor, and account classification.
 - Receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2020 Appropriations Act.
 - Both revenue collections and amounts charged are properly authorized by law.
 - Receipts are recorded in the proper fiscal year.

Finding

One receipt of \$16,533 was not deposited in a timely manner.

Management Response

The Commission agrees with the finding. Now that administration is close to being fully staffed, we will begin cross-training to ensure deposits can be processed when staff is out. All deposits will be made within the required time frame.

Cash Disbursements/Non-Payroll Expenditures

2. Haphazardly select seven non-payroll disbursements and inspect supporting documentation to determine:
 - The transaction is properly completed as required by Commission procedures and invoice(s) agree(s) with general ledger as to vendor, amount, and date.
 - All supporting documents and approvals are present and agree with the invoice.
 - The transaction is an actual expenditure of the Commission.
 - The transaction is properly classified in the general ledger.
 - Disbursement is recorded in the proper fiscal year.
 - Clerical accuracy.
3. Haphazardly select five purchasing card transactions from the Office of the State Comptroller General's (CG) listing of purchasing card transactions for fiscal year 2020 and inspect supporting documentation to determine:
 - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with Commission 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.

Finding

For all five of the purchasing card transactions inspected, the monthly purchase statement was not signed by both the cardholder and supervisor.

Management Response

The Commission agrees with the finding. We will update our procedures to require that the monthly purchase statements are signed by the cardholder and supervisor.

Payroll

4. Haphazardly select five 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, and that their last paycheck, including any leave payout, was properly calculated in accordance with applicable State law.
5. Haphazardly select five 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 paycheck was properly calculated in accordance with applicable State law.
6. Determine that any supplemental salaries paid to Commission employees had proper approval and were reported to the Department of Administration as defined by Proviso 93.14 of the fiscal year 2020 Appropriations Act.

We found no exceptions as a result of these procedures.

Journal Entries

7. Haphazardly select five journal entries and inspect supporting documentation to determine:
 - Postings in the general ledger agree to supporting documentation.
 - The transaction is properly approved.
 - The purpose of the transaction.

We found no exceptions as a result of this procedure.

Reporting Packages

8. Inspect fiscal year end reporting packages submitted to the CG. Compare responses in the Master Reporting Package Checklist and any required supplemental information to year end reporting packages submitted to the CG, the South Carolina Enterprise Information System (SCEIS), and Commission prepared records. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.
9. In addition to the procedure above, perform the following:
 - Inventory Reporting Package

Agree amounts to the *SCEIS Yearend Reporting - Inventory* report. In addition, agree the Commission's reconciliation of physical inventory to the SCEIS general ledger and Commission prepared records.
 - Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger and Commission prepared records.

We found no exceptions as a result of these procedures.

Assets and Personal Property

10. Select all four capital asset acquisitions and inspect supporting documentation to determine that each asset was properly capitalized and posted to the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
11. Through inquiry of management and inspection of supporting documentation, determine that an inventory of Commission property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of these procedures.

Inspection of Artifacts

12. Haphazardly select five items from the listing of artifacts not currently displayed and confirm their location on the property.
13. Haphazardly select five exhibited artifacts and confirm that the items are included on the listing of artifacts.

We found no exceptions as a result of these procedures.

State Museum Foundation (the Foundation)

14. Inspect the Foundation's financials, three haphazardly selected Foundation cash receipts transactions, and three haphazardly selected Foundation non-payroll disbursements transactions to confirm items are in accordance with their stated mission.

We found no exceptions as a result of this procedure.

Non-Recurring Revenue Proviso 118.16

15. Through inquiry of management and inspection of supporting documentation, determine that the Commission complied with Proviso 118.16 of the fiscal year 2020 Appropriations Act regarding nonrecurring revenue received during the fiscal year.

We found no exceptions as a result of this procedure.

Status of Prior Findings

16. Through inquiry of management and inspection of supporting documentation, determine the Commission has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We determined that the Commission has taken adequate corrective action on the findings reported during the engagement for the prior fiscal year.