

**South Carolina
Museum Commission**

Columbia, South Carolina

State Auditor's Report

For the Fiscal Year Ended June 30, 2022

And

Selected Procedures

For the Fiscal Year Ended June 30, 2021



Independent Accountant's Report on Applying Agreed Upon Procedures

August 17, 2022

Ms. Amy Bartow-Melia, Executive Director
Members of the Museum 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 years 2021 and 2022. 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 fiscal years 2021 and 2022. 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)**

The following procedures were performed for the fiscal year ended June 30, 2021:

Reporting Packages

1. Inspect fiscal year end reporting packages submitted to the Office of the State Comptroller General (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.
2. In addition to the procedure above, perform the following:
 - Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger and Commission prepared records. In addition, haphazardly select three payables from the subsequent events accounts payable worksheet and determine if the amounts were properly classified, calculated, reported, and excluded from the original accounts payable reporting package submission.

We found no exceptions as a result of these procedures.

State Museum Foundation (the Foundation)

3. Inspect the Foundation's financials, three haphazardly selected Foundation cash receipts, three haphazardly selected Foundation non-payroll disbursements, and inquire with the Commission staff to confirm transactions are in accordance with their stated mission and if there were any significant changes from prior year.

We found no exceptions as a result of the procedure.

The following procedures were performed for the fiscal year ended June 30, 2022:

Cash Receipts/Revenues

4. Haphazardly select twelve cash receipts and inspect supporting documentation to determine:
 - Transaction agrees with the general ledger as to amount, date, payor, and account classification.
 - Revenues/receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2022 Appropriations Act.
 - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

Cash Disbursements/Non-Payroll Expenditures

5. Haphazardly select twelve 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.

6. Haphazardly select fifteen purchasing card transactions from the CG's listing of purchasing card transactions for fiscal year 2022 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

Similar to the finding reported in the prior year, we observed two monthly purchase summaries were not signed by a reviewer.

Management's Response

In April 2022, we revamped our purchase card program in consultation with state shared services. Cardholders are held accountable for their receipts and monthly bank statements, submitting scanned monthly statements signed by cardholder and supervisor into the system along with scanned receipts. Previously the agency head did not have a reviewer signing her monthly statements. Moving forward, our chief operations officer, who oversees finance for the agency, will be reviewing and signing off on those statements to ensure that all statements are reviewed by a party besides the primary card holder.

Shuttered Venue Operators Grant

7. Haphazardly select and inspect five expenditures from fiscal year 2022 shuttered venue operators grant to ensure expenditures are in accordance with the grant agreement.

We found no exceptions as a result of the procedure.

Payroll

8. 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.

9. 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.

We found no exceptions as a result of these procedures.

Journal Entries

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

We found no exceptions as a result of the procedure.

Assets and Personal Property

11. 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.
12. Through inquiry of management and inspection of supporting documentation, determine that an inventory of Commission property, excluding expendables, was completed during fiscal year 2022 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

13. Haphazardly select five items from the listing of artifacts not currently displayed and confirm their location on the property.
14. 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.

Appropriation Act / Commission-Specific Provisos

15. Determine compliance with Commission-specific state proviso 29.6 (Remittance to General Services) by inquiring with management and observing supporting documentation.

We found no exceptions as a result of the 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, except as described in the **Cash Disbursements/Non-Payroll Expenditures** section above.