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## State Auditor's report for the Fiscal Year ended June 30, 2022

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**South Carolina  
Department of Children's Advocacy**

**Columbia, South Carolina**

**State Auditor's Report**

**For the Fiscal Year Ended June 30, 2022**



## Independent Accountant's Report on Applying Agreed Upon Procedures

April 7, 2023

Amanda F. Whittle, Executive Director  
South Carolina Department of Children's Advocacy  
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 Department of Children's Advocacy (the Department) for the fiscal year ended 2022. The Department's management is responsible for the systems, processes and behaviors related to financial activity.

The Department'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 Department 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 Department for the fiscal year ended June 30, 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 Department's management. Management of the Department has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Up on 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 Department 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 management of the South Carolina Department of Children's Advocacy, 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 Department of Children's Advocacy (L08)**

**Cash Receipts/Revenues**

1. Haphazardly select five receipts, inspect interdepartmental transfer invoices, reimbursement request forms, and schedule of actual expenses to determine:
  - Receipt agrees with the general ledger as to amount, date, payor, and account classification.
  - The selected receipt was deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2022 Appropriation Act.
  - For the selected receipt, both revenue collections and amounts charged are properly authorized by Proviso 35.1 of the fiscal year 2022 Appropriation Act.
  - The selected receipt is recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

**Cash Disbursements/Non-Payroll Expenditures**

2. Haphazardly select ten non-payroll disbursements and inspect invoices and approvals to determine:
  - The disbursement is properly completed and approved as required by Department procedures and the name of the vendor, amount, and date on the invoices agree with the general ledger.
  - The disbursement is a valid expenditure of the Department.
  - The disbursement is properly classified in the general ledger.
  - Disbursement is recorded in the proper fiscal year.

For federally funded cash disbursements/non-payroll expenditures, inspect invoices and approvals to determine:

- Charges are in accordance with the requirements of the program, incurred during the approved grant period, and applied uniformly to both federally assisted and other activities of the recipient.
3. Haphazardly select ten purchasing card transactions from reports of the banking institution and inspect the monthly purchase summaries and applicable receipts to determine:
    - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with Department policies and procedures.
    - The purchase is a valid expenditure.
    - 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.

We found no exceptions as a result of the procedures.

**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 Department's policies and procedures and that their last paycheck, including any leave payout, was properly calculated.
5. Haphazardly select five employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Department's policies and procedures and that their first paycheck was properly calculated.

We found no exceptions as a result of the procedures.

## **Journal Entries**

6. Haphazardly select five journal entries and inspect journal entry form, original document number, and invoices to determine that the journal entries are valid and approved by someone with proper authority and different than the preparer.

We found no exceptions as a result of the procedure.

## **Lease Reporting**

7. Obtain the lease reporting package and for five haphazardly selected leases on the package, agree the leased asset value, lease principal, and interest expense in the South Carolina Enterprise Information System (SCEIS) to the Department's Governmental Accounting Standards Board (GASB) 87 Lease Calculator and lease agreement.

## **Finding**

One haphazardly selected lease should not have been included on the lease reporting package due to not meeting the lease term requirements set forth by GASB 87. Additionally, the lease was capitalized in error and monthly lease payments were incorrectly reported in the accounting system.

## **Management's Response**

We agree with the finding. The Department will retire the lease asset and remove from future reporting based on confirmation with the Comptroller General's Office. Leases less than 12 months, regardless of value, will be recorded as short-term rent.

## **Assets and Personal Property**

8. Select two capital asset retirements and inspect asset retirement approval emails and the SCEIS Asset History Sheet to determine that each asset was approved for removal and removed from the general ledger in accordance with the Office of the Comptroller General's Reporting Policies and Procedures Manual.
9. Inspect the inventory of personal property, excluding expendables, provided by the Department to determine that it 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 the procedures.

## **Department-Specific Proviso**

10. Determine compliance with Department-specific state proviso 41.2 (Guardian Ad Litem Program) by inquiring with management and observing the general ledger.

We found no exceptions as a result of the procedure.