

**South Carolina
Human Affairs Commission**

Columbia, South Carolina

State Auditor's Report

**Selected Procedures
For the Fiscal Year Ended June 30, 2023**

and

For the Period of July 1, 2023 through March 31, 2024



Independent Accountant's Report on Applying Agreed Upon Procedures

May 15, 2024

Members of the South Carolina Human Affairs Commission
State of South Carolina
Columbia, South Carolina

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the Commission for the period July 1, 2023, through March 31, 2024, and the fiscal year ended June 30, 2023. 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 engagement periods. 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-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 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 Human Affairs Commission (L36)**

The following procedures were performed for the fiscal year ended June 30, 2023:

Reporting Packages

1. Inspect fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Compare responses on the Master Reporting Package Checklist to any required supplemental information, the South Carolina Enterprise Information System (SCEIS) and Commission prepared records.
2. In addition to the procedure above, perform the following:
 - Grants and Contributions Revenue Reporting Package

Haphazardly select five grants and agree the reported beginning and ending fund balances, receipts, qualified expenditures, fund, grant number, and Assistance Listing Number to the SCEIS general ledger and SCEIS Display Grant Master. In addition, recalculate the reported total receivables and deferred revenue.
 - Accounts Payable Reporting Package

Agree amounts to the SCEIS general ledger, SCEIS *Yearend Reporting - Prior Year Payables with Vendor* report and Commission prepared records. In addition, haphazardly select five payable transactions to determine if reported amounts were properly identified, classified, and reported on the reporting package.
 - 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.

Inventory

3. Inspect the inventory of personal property, excluding expendables, provided by the Commission 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 this procedure.

The following procedures were performed for the period July 1, 2023 to March 31, 2024:

Cash Receipts/Revenues

4. Haphazardly select ten cash receipts and inspect deposit slips, receipts, copies of checks, invoices and check logs to determine:
 - Receipts agree 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 2024 Appropriation Act.
 - Both revenue collections and amounts charged are properly authorized by SC Code of Laws 31-21-130(L) or Provisos 70.2 and 70.3.
 - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of this procedure.

Non-Payroll Disbursements

5. Haphazardly select five non-payroll disbursements and inspect invoices, SCEIS workflow, and email attachments to determine:
 - Disbursement's invoices agree to the general ledger as to vendor, amount, date, and account classification.
 - Disbursement approval was performed by an individual, with proper authority, other than the preparer.
 - Disbursement is a valid expenditure of the Commission.
 - Disbursement is recorded in the proper fiscal year.

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

- Disbursements were in accordance with the requirements and period of performance of the program and was properly reported on the SCEIS Business Warehouse Schedule of Federal Awards (SEFA) report as to fund source, reportability, federal sponsor, and assistance listing number.

We found no exceptions as a result of this procedure.

Purchasing Card Transactions

6. Select all four purchasing card transactions from the CG's listing of purchasing card transactions and inspect 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 Commission policies and procedures.
 - The purchase is a valid expenditure.
 - The monthly purchase summary was submitted along with applicable receipts and signed by the cardholder and appropriate reviewer.
 - The purchase did not exceed the single transaction limit or the individual credit limit and there was no indication of transaction splitting.
 - The purchase did not exceed the procurement code's small purchase, no competition limit set forth in Section 11-35-1550(2)(a).

Finding

The monthly purchase summaries for the four transactions inspected were not signed by the cardholder and appropriate reviewer.

Management's Response

The Commission agrees with this finding. We will start a practice to rectify this immediately. We were unaware that we could log into an electronic portal to print off and sign monthly purchase summaries. This is a practice we have implemented to do by the first Friday of each month after a purchase is made.

Payroll

7. Haphazardly select five employees who terminated employment to determine if they were removed from the payroll in accordance with the best practices established by the South Carolina Human Resources Division, and that their last paycheck, including any leave payout and comp time, was properly calculated.
8. Haphazardly select five employees hired to determine if they were added to the payroll in accordance with the best practices established by the South Carolina Human Resources Division and that their first paycheck was properly calculated.

We found no exceptions as a result of this procedure.

Transfers

9. Haphazardly select five transfers and inspect SCEIS Cash Transfer forms to determine that the transfers are valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of this procedure.

Status of Prior Findings

10. Through inquiry of management and inspection of **Cash Receipts/Revenues**, determine the Commission has taken adequate corrective action on the prior year finding.

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