

**SOUTH CAROLINA GOVERNOR'S SCHOOL
FOR THE ARTS AND HUMANITIES**

GREENVILLE, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2020



Independent Accountant's Report on Applying Agreed-Upon Procedures

July 23, 2021

Dr. Cedric Adderley, President
and
Members of the Board of Directors
South Carolina Governor's School
for the Arts and Humanities
Greenville, 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 Governor's School for the Arts and Humanities (the School) for the fiscal year ended June 30, 2020. The School's management is responsible for the systems, processes and behaviors related to financial activity.

The School'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 School 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 School 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 School's management. Management of the School 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.

We are required to be independent of the School 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 Board and management of the School, 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 Governor’s School for the Arts and
Humanities (H63)**

Cash Receipts/Revenues

1. Haphazardly select five non-federal cash receipts transactions and inspect supporting documentation to determine:
 - Transactions agree 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 2020 Appropriations Act.
 - Both revenue collections and amounts charged are properly authorized by law and that any fee increases are in accordance with Proviso 117.7 of the fiscal year 2020 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

2. Haphazardly select eight purchasing card transactions from the Office of the State Comptroller General’s 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 School 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.

We found no exceptions as a result of the procedure.

Payroll

3. Haphazardly select five employees who terminated employment during the fiscal year to determine if they were removed from the payroll and that the employee's last paycheck, including any leave payout, was properly calculated.

We found no exceptions as a result of the procedure.

Journal Entries and Transfers

4. Haphazardly select four journal entries and one transfer for the fiscal year and:
 - Trace postings to the general ledger and supporting documentation.
 - Determine transaction is properly approved.
 - Inspect supporting documentation to determine the purpose of the transaction.

We found no exceptions as a result of the procedure.

Assets and Personal Property

5. Through inquiry of management and inspection of supporting documentation, determine that an inventory of School 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 the procedure.

Fiscal Monitoring of Schools

6. Obtain a trial balance for the School for the current and prior fiscal year. Haphazardly select two balances from the current year trial balance and inspect supporting documentation to determine that the balance is properly recorded, described, and classified on the trial balance.
7. Inspect budget allocations for the current year and the prior year to determine consistent budgeting to support the School.
8. Compare School total revenues to total expenditures for the current fiscal year and obtain an explanation from management if school expenditures exceeded revenues and appropriations.
9. Through inquiry of management, determine and document the School's reserves/funding to maintain School operations if an emergency or budget shortfall should occur. Additionally, inquire with management about the School's response to the COVID-19 global pandemic. Inspect two haphazardly selected refunds of the payment of fees for residential summer programs that were cancelled due to COVID-19.

We found no exceptions as a result of these procedures.

The Governor's School for the Arts Foundation (the Foundation)

10. Haphazardly select five transactions that occurred between the School and the Foundation to ensure the transactions were properly recorded in compliance with the agreement between the School and the Foundation.

We found no exceptions as a result of these procedures.

Non-Recurring Revenue Proviso 118.16

11. Through inquiry of management and inspection of supporting documentation, determine that the School complied with Proviso 118.16 of the fiscal year 2020 Appropriations Act regarding non-recurring revenue received during the fiscal year.

We found no exceptions as a result of the procedure.

Appropriation Act / School-Specific Provisos

12. Determine compliance with School-specific state provisos 1.28 - Governor's School for the Arts and Humanities Carry Forward, 1.30 - Governor's Schools' Fees, and 117.45 - Facility Rental Fee by inquiring with management and observing supporting documentation.

We found no exceptions as a result of the procedure.