

**South Carolina
Higher Education Tuition Grants Commission**

Columbia, South Carolina

State Auditor's Report

For the Fiscal Year Ended June 30, 2021

And

**Selected Procedures
For the Fiscal Year Ending June 30, 2022**



Independent Accountant's Report on Applying Agreed Upon Procedures

May 12, 2022

Katherine H. Harrison, Director
and
Members of the Commission
South Carolina Higher Education Tuition Grants 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 Higher Education Tuition Grants Commission (the Commission), for the fiscal years. 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. 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 South Carolina Higher Education Tuition Grants 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 Higher Education Tuition Grants Commission
(H06)**

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

Cash Disbursements/Non-Payroll Expenditures

1. Haphazardly select ten 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.
 - For scholarship disbursements:
 - Inspect enrollment report to determine that no student received more than \$3,600 annually.
 - Agree check report total to the total listed on the enrollment report.
 - Observe all selected certification forms are signed by a designated college office.
 - Agree voucher listing to South Carolina Enterprise Information System (SCEIS) General Ledger.

We found no exceptions as a result of the procedures.

Payroll

2. Haphazardly select four employee payments and:
 - Inspect the employee's payroll and/or personnel file for various forms, communications, etc., to determine that the person is a true employee of the Commission.
 - Agree gross pay to supporting documentation of gross salary for the fiscal year. Inspect any changes for proper approval.
3. Select all (three) bonus payments to determine:
 - The employee does not make more than \$100,000 annually.
 - The bonuses received during the year did not exceed \$3,000.
 - The payment amount agreed to supporting documentation and the bonus was given in accordance with Commission policy.
 - The bonus pay was approved by the appropriate supervisor.

We found no exceptions as a result of the procedures.

Journal Entries and Transfers

4. Haphazardly select three journal entries and two transfers 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 procedures.

Reporting Packages

5. Inspect the 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, SCEIS and/or Commission prepared records. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.
6. In addition to the procedure above, inspect the Subsequent Events Questionnaire by comparing responses and required supplemental information to the SCEIS general ledger and/or Commission prepared records.

We found no exceptions as a result of the procedures.

Assets and Personal Property

7. Through inquiry of management and inspection of supporting documentation, determine that an inventory of Commission property, excluding expendables, was completed during the fiscal year 2021 as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of the procedures.

Status of Prior Findings

8. Through inquiry of management and inspection of supporting documentation, determine if the Commission has taken appropriate corrective action on the finding reported during the prior engagement.

We determined that the Commission has taken adequate corrective action on the finding.

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

Lease Reporting

9. Obtain the Lease Reporting Package due on March 31, 2022, and agree Commission leased asset value to lease documentation. In addition, agree lease building principal and interest general ledger account balances in SCEIS as of February 28, 2022, to lease documentation.

We found no exceptions as a result of the procedures.

Commission Reconciliations

10. Obtain the August 2021 reconciliation for tuition grant disbursements and perform the following procedures:
 - Agree applicable amounts to the SCEIS general ledger and/or Commission prepared records.
 - Determine if reconciling differences were explained and resolved.
 - Determine if adjusting entries were made in the accounting records.
11. Haphazardly select the Commission's internal ledger spreadsheets for three months during fiscal year 2022 and perform the following procedures:
 - Agree applicable amounts to the SCEIS general ledger and/or Commission prepared records.
 - Determine if reconciling differences were explained and resolved.
 - Determine if adjusting entries were made in the accounting records.

We found no exceptions as a result of the procedures.