

**South Carolina
Department of Public Safety**

Blythewood, South Carolina

State Auditor's Report

For the Fiscal Year Ended June 30, 2024



Independent Accountant's Report on Applying Agreed Upon Procedures

May 16, 2025

Mr. Robert G. Woods, IV, Director
South Carolina Department of Public Safety
Blythewood, 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 Public Safety (the Department) for the fiscal year ended June 30, 2024. 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 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 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 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 Public Safety, 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.

Vickie C. Funk, CPA
Senior Audit Manager

**South Carolina Office of the State Auditor
Agreed - Upon Procedures Related to the South Carolina Department of Public Safety (K050)**

Cash Receipts/Revenues

1. Haphazardly select ten cash receipts from the General, Earmarked, or Restricted Fund and inspect receipts, check registers, and deposit slips to observe that:
 - 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 South Carolina Code of Law Sections 23-6-50, 23-6-90, 30-4-30(B), 56-5-4160, 56-7-30, and Proviso 117.44.
 - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

Non-Payroll Disbursements

2. Haphazardly select ten non-payroll disbursements from the General, Earmarked, or Restricted Fund and inspect invoices, request for payment forms, reimbursement claims, and travel request forms to observe that:
 - Disbursement's invoice agrees 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 Department.
 - Disbursement is recorded in the proper fiscal year.

For transactions over \$10,000, inspect request for payment forms, grant awards, one-time appropriation forms, and request for contribution distribution forms to observe that:

- Disbursement is in compliance with fiscal year 2023 Proviso 118.19 (Non-Recurring Revenue), fiscal year 2024 Proviso 118.19 (Non-Recurring Revenue), or fiscal year 2024 Proviso 63.9 (School Safety Program).

We found no exceptions as a result of the procedure.

Lodging Card Transactions

3. Haphazardly select five lodging card transactions from the Office of the Comptroller General (CG) listing of lodging card transactions and inspect detailed folios, travel authorization forms, monthly purchase summaries, and the U.S. General Services Administration rates to observe that:
 - Lodging cost did not exceed the current maximum lodging rates as established by the U.S. General Services Administration without written approval of the agency head prior to incurring the expenditure.
 - Lodging expenditures charged to the card were not for State employees whose headquarters or place of residence is within 50 miles of the lodging facility.
 - Lodging expenditures were for lodging, taxes, any required charges such as parking and were not used to pay for conferences, charges related to conferences, or any other events.
 - A detailed folio was submitted along with the monthly statement when payment was requested.
 - Travel advances were not allowed for lodging expenditures placed on this card.

We found no exceptions as a result of the procedure.

Payroll

4. Haphazardly select ten employees who terminated employment during the fiscal year and were paid from the General, Earmarked, or Restricted Fund to observe that 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 or comp time, was properly calculated.
5. Haphazardly select ten employees who were hired during the fiscal year and were paid from the General, Earmarked, or Restricted Fund to observe that 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.
6. Haphazardly select five bonus payments to observe that:
 - The bonuses received during the year did not exceed \$3,000.
 - The payment amount agreed to the bonus justification form and the bonus was given in accordance with Department policy.
 - The bonus pay was approved by the appropriate supervisor.

Finding:

For one of ten terminations inspected, the final paycheck was improperly calculated. Per the final paycheck viewed through the SCEIS Remuneration Statement, the employee was paid out for a full pay period in the amount of \$2,000.09; however, the final paycheck did not include their terminal leave payout of 65 hours, leaving the final paycheck understated by approximately \$1,175.

Management's Response:

The Department acknowledges and agrees with the error for a separated employee's final paycheck, which did not include the annual leave payout for 57 hours (valued at \$1,029.99) and the holiday compensatory payout for 8 hours (valued at \$144.56). Accordingly, the total of \$1,174.55 owed to the former employee has been satisfied with an off-cycle paycheck request processed through the Comptroller General's Office on 5/5/2025.

The system did not process the annual leave and holiday compensatory payout because the separation action was keyed retroactively and the payroll status was 99 instead of SM. The standard operating procedure is for divisions to send email notification for separations to the Office of Human Resources (OHR) upon receipt and prior to payroll processing. This did not occur and as a result negatively impacted our established procedures. In an effort to mitigate the risk of reoccurrence, the OHR will take the following additional steps:

- Reinforce the importance of timely communication with employee separation
- Update the separation checklist to address retroactive separations
- Communicate with the Comptroller General's Office to validate the accuracy of payroll when a separation action is keyed retroactively

Journal Entries and Transfers

7. Haphazardly select six journal entries and four transfers and inspect Journal Entry forms and South Carolina Enterprise Information System (SCEIS) workflow approvals to observe that the journal entries and transfers are valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of the procedure.

Composite Reservoir Accounts

8. Obtain a listing of Department composite reservoir accounts and inquire of Department management that the listing is complete.

Composite Reservoir Accounts (Continued)

9. Obtain monthly reconciliations for each composite reservoir account, select two reconciliations and perform the following procedures:
 - Recalculate selected reconciliations and observe that they were timely performed, reviewed, and properly documented in accordance with Department procedures.
 - Agree month end balances from reconciliations to the general ledger.
 - Agree month end balances from reconciliations to the State Treasurer's Office monthly reports.
 - Observe that reconciling differences were explained and resolved.
 - Observe if adjusting entries were made in the accounting records.
10. Haphazardly select five composite reservoir account receipts to observe that they were properly described and classified in the accounting records, consistent with the purpose of the account, and recorded in the proper fiscal year.
11. Haphazardly select five composite reservoir account disbursements to observe that they were properly classified in the accounting records, were valid disbursements consistent with the purpose of the account.

We found no exceptions as a result of the procedures.

Assets and Personal Property

12. Select five capital asset acquisitions and inspect invoices to observe that each asset was properly capitalized and posted to the general ledger in accordance with the CG's *Reporting Policies and Procedures Manual*.
13. Select five capital asset retirements and inspect invoices and South Carolina State Surplus Property Forms to observe that each asset was approved for removal and removed from the general ledger in accordance with the CG's *Reporting Policies and Procedures Manual*.
14. Inspect the inventory of personal property, excluding expendables, provided by the Department to observe 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.

Reporting Packages

15. Inspect fiscal year end reporting packages submitted to the CG. Compare responses on the Master Reporting Package Checklist and any required supplemental information to the SCEIS or Department prepared records.
16. In addition to the procedure above, perform the following:
 - Other Receivables Reporting Package

Agree reported amounts to the SCEIS general ledger, the SCEIS *Yearend Reporting - Accounts Receivable Current with Customer* report or Department prepared records. Haphazardly select five other receivables and observe that the amounts were properly classified, calculated, and reported.
 - Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger or Department prepared records. In addition, haphazardly select five payables from the Subsequent Events Accounts Payable Worksheet and observe that 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 the procedures.

Subscription-Based Information Technology Arrangement (SBITA) Reporting

17. Obtain the SBITA Lease Reporting Package to observe that:

- The payment schedule for each leased asset agrees to the lease provided by the Department.
- The principal amount for each leased asset agrees to the asset's value on the SCEIS *Asset History* Sheet.
- The lease principal and interest general ledger account balances in SCEIS agrees to the payment schedule on the package for payments made during the fiscal year.

We found no exceptions as a result of the procedure.

Department-Specific Provisos

18. Observe compliance with Department-specific state provisos (63.2 – Retention of Private Detective Fees, 63.5 – SC Law Enforcement Hall of Fame Scholarships/Donations, 63.8 – In-Car Camera Funding, and 63.10 - Governor's Law Enforcement Officer of the Year Award) by inquiring with management and tracing information to the general ledger, where applicable.

We found no exceptions as a result of the procedure.

Non-Recurring Revenue Proviso 118.19

19. Through inquiry of management and inspection of the SCEIS trial balance and Request for Contribution Distribution forms, observe that the Department complied with Proviso 118.19 of the fiscal year 2024 Appropriation Act regarding nonrecurring revenue received during the fiscal year.

We found no exceptions as a result of the procedure.