

**South Carolina
Criminal Justice Academy
Columbia, South Carolina**

State Auditor's Report

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

and

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



Independent Accountant's Report on Applying Agreed Upon Procedures

May 13, 2024

Mr. Lewis Swindler, Executive Director
South Carolina Criminal Justice Academy
5400 Broad River Road
Columbia, South Carolina 29212

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the South Carolina Criminal Justice Academy (the Academy) for the period July 1, 2023, through March 31, 2024, and the fiscal year ended June 30, 2023. The Academy's management is responsible for the systems, processes and behaviors related to financial activity.

The Academy'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 Academy 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 Academy 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 Academy's management. Management of the Academy 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 Academy 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 Academy, 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 Criminal Justice Academy (N20)**

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

Non-Payroll Disbursements

1. Haphazardly select ten non-payroll disbursements and inspect invoices, South Carolina Enterprise Information System (SCEIS) workflow, and email attachments to determine:
 - Disbursement agrees to the general ledger as to vendor, amount, date, and account classification.
 - Disbursement approval was performed by an individual, with property authority, other than the preparer.
 - Disbursement is a valid expenditure of the Academy.
 - Disbursement is recorded in the proper fiscal year.

For federally funded non-payroll disbursements, inspect invoices, SCEIS Display Grant Master, and the *Yearend Reporting – Schedule of Expenditures of Federal Awards* (SEFA) report to determine:

- Disbursements comply with the requirements and period of performance of the program and were properly reported on the SCEIS Business Warehouse SEFA report as to fund source, reportability, federal sponsor, and assistance listing number.

Purchasing Card Transactions

2. Haphazardly select ten purchasing card transactions from the Office of Comptroller General (CG) 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 the Academy Procurement Policy and Procedure Manual.
 - 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).

We found no exceptions as a result of the procedures.

Payroll

3. 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.
4. Haphazardly select five employees who were 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 the procedures.

Journal Entries and Transfers

5. Haphazardly select seven journal entries and three transfers and inspect invoices, receipts, and emails to determine 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 procedures.

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

Reporting Packages

6. Inspect fiscal year end reporting packages submitted to the CG. Compare responses on the Master Reporting Package Checklist and any required supplemental information to SCEIS and Academy prepared records.

- Prepaid Expenses Reporting Package

Agree amounts to the SCEIS *Yearend Reporting - Prepaid Expenses* report. Haphazardly select five prepaid expenses and determine if the amounts were properly classified, calculated, and reported.

- Accounts Payable Reporting Package

Agree amounts to the SCEIS general ledger, SCEIS *Yearend Reporting - Prior Year Payables with Vendor* report and Academy prepared records. Additionally, haphazardly select five payables to determine if the amounts were properly classified, calculated, and reported on the Accounts Payable Reporting Package.

- Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger and Academy prepared records.

Finding

We observed that a transaction totaling \$52,114 was reported incorrectly. The transaction was incorrectly reported in the Academy's general fund rather than its federal fund. This is similar to the finding reported in the most recent engagement for the fiscal year ended June 30, 2022.

Management Response

When the error in fiscal year 2022 was identified, policy changes were implemented to ensure we checked for journal entries moving forward and notes were made in the closing package file to ensure this item was reported properly in fiscal year 2023. Unfortunately, the notes switched the funds, and we again reported the same prepaid expense to the incorrect fund. We have prefilled a fiscal year 2024 prepaid closing package and corrected our notes to avoid a repetition of this error.

Assets and Personal Property

7. Haphazardly select five capital asset acquisitions and inspect invoices to determine that each asset was properly capitalized and posted to the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
8. Haphazardly select five capital asset retirements and inspect invoices and method of disposal forms to determine that each asset was approved for removal and removed from the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.

Assets and Personal Property (Continued)

9. Inspect the inventory of personal property, excluding expendables, provided by the Academy to determine that it was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

Finding

For one of four asset retirements, the Academy did not remove the asset from the general ledger in the proper fiscal year. The asset was turned into surplus during fiscal year 2021; however, the asset remained on the Academy books until fiscal year 2023.

Management Response

During a routine check of assets in fiscal year 2023, it was noticed that this asset should have been retired but it was missed. We immediately retired the asset. Our policies have been changed to require the asset retirement to be completed at the same time as the property turn in document for surplus. This document is to be signed by Academy personnel and the asset document retirement number written on the top. When surplus collects the asset and signs the property turn in document, a copy is to be attached to the asset retirement document in SCEIS.

Status of Prior Finding

10. Through inquiry of management and inspection of the Prepaid Expenses Reporting Package, determine the Academy has taken appropriate corrective action on the finding reported during the engagement for the fiscal year ended June 30, 2022.

We determined that the Academy has not taken adequate corrective action for the Prepaid Expenses Reporting Package as addressed in the Reporting Package section of the report.