

South Carolina Criminal Justice Academy

Columbia, South Carolina

State Auditor's Report

For the Fiscal Year Ended June 30, 2022



Independent Accountant's Report on Applying Agreed Upon Procedures

April 4, 2023

Mr. Lewis J. Swindler, Executive Director
and
Members of the Law Enforcement Training Council
South Carolina Criminal Justice Academy
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 fiscal year ended June 30, 2022. 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 fiscal year ended June 30, 2022. 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-Upon 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 governing body of the South Carolina Criminal Justice 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)**

Cash Disbursements/Non-Payroll Expenditures

1. Haphazardly select fifteen non-payroll disbursements and inspect invoices and approvals to determine:
 - The transaction is properly completed as required by Academy procedures and the name of the vendor, amount, and date on the invoice agree with the general ledger.
 - The transaction is a valid expenditure of the Academy.
 - The transaction is properly classified in the general ledger.
 - The transaction is recorded in the proper fiscal year.

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

- Disbursements are in accordance with the requirements of the program, incurred during the approved grant period and applied uniformly to both federally assisted and other activities of the recipient.
2. Haphazardly select fifteen purchasing card transactions from the Comptroller General's (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 accordance with Academy policies.
 - The purchase is a valid expenditure of the Academy.
 - 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 in accordance with the Academy's policies and procedures, and that their last paycheck, including any leave payout, was properly calculated.

We found no exceptions as a result of the procedure.

Journal Entries

4. Haphazardly select three journal entries and inspect the Academy's Journal Entry form to determine that the journal entries are valid and approved by someone with proper authority and different than the preparer.

We found no exceptions as a result of the procedure.

Reporting Packages

5. Inspect fiscal year end reporting packages submitted to the CG. Compare responses in the Master Reporting Package Checklist and any required supplemental information to year end reporting packages submitted to the CG, the South Carolina Enterprise Information System (SCEIS) and Academy prepared records. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.

Reporting Packages (Continued)

6. In addition to the procedure above, perform the following:

- Inventory Reporting Package

Agree amounts to the SCEIS Yearend Reporting - Inventory report. In addition, agree the Academy's reconciliation of physical inventory to the SCEIS general ledger.

- Prepaid Expenses Reporting Package

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

- Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger. In addition, select the sole payable reported on the Subsequent Events Accounts Payable Worksheet and determine if the amounts were properly classified, calculated, reported, and excluded from the original Accounts Payable Reporting Package submission.

Finding

While inspecting the Prepaid Expenses Reporting Package, it was discovered that a transaction totaling \$52,114 was reported incorrectly. A transaction was incorrectly reported in the Academy's general fund rather than its federal fund.

Management's Response

Due to a prepaid expense being moved via journal entry from general funds to federal funds, the prepaid expense was incorrectly reported to the general fund in the Academy's reporting package. Staff will add a procedure to check for journal entries made in SCEIS during the reporting package process to ensure accurate reporting of information.

Lease Reporting

7. Obtain the Lease Reporting Package and for three haphazardly selected assets determine:

- The payment schedule agrees to the lease.
- The principal amount 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 Lease Reporting Package.

We found no exceptions as a result of the procedure.

Assets and Personal Property

8. Select four capital asset acquisitions and inspect related invoices or lease calculators to determine that each asset was properly capitalized and recorded in the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.

9. Inspect the inventory of personal property, excluding expendables, 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 the procedures.

Status of Prior Year Finding

10. Through inquiry of management, determine the Academy has taken appropriate corrective action on the finding reported during the engagement for the prior fiscal year.

We have determined that the Academy has taken adequate corrective action on the prior year finding.