

**South Carolina
Governor's School for Science and Mathematics**

Hartsville, South Carolina

State Auditor's Report

For the Period of July 1, 2024, through March 31, 2025

and

**Selected Procedures
For the Fiscal Year Ended June 30, 2024**



Independent Accountant's Report on Applying Agreed Upon Procedures

April 25, 2025

Mr. Daniel Dorsel, President
South Carolina Governor's School for Science and Mathematics
Hartsville, 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 Science and Mathematics (the School) for the period July 1, 2024, through March 31, 2025, and the fiscal year ended June 30, 2024. 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 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 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-Up Upon Procedures:

- Errors of less than \$1,000 related to reporting packages.

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 governing body 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.

Brian A. Wilson, CPA
Senior Audit Manager

South Carolina Office of the State Auditor

Agreed-Upon Procedures Related to the South Carolina Governor's School for Science and Mathematics (H650)

The following procedures were performed for the period July 1, 2024, through March 31, 2025:

Cash Receipts/Revenues

1. Haphazardly select five cash receipts and inspect supporting documentation to determine 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 2025 Appropriations Act.
 - Both revenue collections and amounts charged are properly authorized by State law.
 - 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 and inspect supporting documentation to determine that:
 - Disbursement's supporting documentation agrees to the general ledger as to vendor, amount, date, and account classification.
 - Disbursement approval was performed by an individual other than the preparer, with proper authority.
 - Disbursement is a valid expenditure of the School.
 - Disbursement is recorded in the proper fiscal year.

For procurements over \$10,000, inspect supporting documentation to observe that:

- Disbursement is in compliance with South Carolina Code of Laws Sections 11-35-1528, 11-35-1570, the applicable Memorandum of Understanding, or the applicable contract.

We found no exceptions as a result of the procedure.

Purchasing Card Transactions

3. Haphazardly select one purchasing card transaction, from each approved cardholder, from the Office of Comptroller General's (CG) listing of purchasing card transactions and inspect monthly purchase summaries and applicable receipts to determine that:
 - The cardholder is an authorized user (Full-Time Employee) and individual credit limits have been properly approved by the Vice President of Finance and Operations in accordance with School policies and procedures.
 - The purchase is a valid expenditure and was not for a non-allowable item in accordance with the School policies.
 - 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 SC Code of Laws Section 11-35-1550(2)(a).

We found no exceptions as a result of the procedure.

Lodging Card Transactions

4. Haphazardly select four lodging card transactions from the CG's listing of lodging card transactions and inspect supporting documentation to determine that:
 - Lodging costs do not exceed the current maximum lodging rates as established by the U.S General Services Administration without written approval of the School 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.
 - The employee submitted a travel authorization form and the lodging was pre-approved by the appropriate Department Head, Leadership Team Member, and the Vice President of Finance and Operations in accordance with School policies.
 - Travel advances were not allowed for lodging expenditures placed on this card.

Finding: For one of the four selected transactions, lodging expenditures were incurred for a stay within 50 miles of the employee's headquarters.

School Response: This transaction was preauthorized by both the South Carolina Department of Administration and the Comptroller General's Office following disbursement regulations that stated, "No reimbursement for overnight accommodations will be made within fifty (50) miles of the employee's official headquarters or place of official residence". When the School followed up on the finding initially, the Department of Administration (DOA) reaffirmed approval of the transaction, which is documented in the supporting documentation. The School now understands that the law has been updated to require both parameters, and we have updated our travel policies and procedures to reflect this change. The School would like to note, however, that we did not receive specific notification of this change and were therefore unaware of it until the audit findings were released. As such, documentation of the preapproval for this transaction is on file. While we believe the expenditure was appropriate given the circumstances, we will ensure compliance in the future.

Payroll

5. Haphazardly select five employees who terminated employment to determine 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.
6. Haphazardly select five employees hired to determine 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. In addition, if the new hire received moving expenses, they were disbursed in accordance with School policies and procedures.

We found no exceptions as a result of the procedures.

Journal Entries

7. Haphazardly select five journal entries and inspect supporting documentation to determine that the journal entries 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 monthly reconciliations for the composite reservoir account, and haphazardly select two reconciliations to perform the following procedures:
 - Recalculate selected reconciliations and observe that they were timely performed, reviewed, and properly documented in accordance with School 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.
9. Haphazardly select five receipt transactions from the composite reservoir account to determine that they were properly described, consistent with the purpose of the account, and recorded in the proper fiscal year.
10. Haphazardly select five disbursement transactions from the composite reservoir account to determine that they were properly described, were valid disbursements consistent with the purpose of the account, and that goods and/or services were procured in accordance with School procedures.

We found no exceptions as a result of the procedures.

Assets and Personal Property

11. Haphazardly select ten assets from the South Carolina Enterprise Information System (SCEIS) *Asset History Sheet* and observe their existence and agree them to the school's fiscal year asset inventory.

Vehicle Insurance

12. Haphazardly selected eight vehicle assets from the SCEIS *Asset History Sheet* and confirm that insurance is properly documented and maintained for each.

Finding: For asset number 140000046509, we found that one Vehicle Identification Number (VIN) for a bus was duplicated for two different asset numbers (also asset number 140000046507) on the *Asset History Sheet*. In addition, asset number 140000046508 was for a bus that was totaled but the asset was still on the *Asset History Sheet*. This is a repeat finding.

School Response: We acknowledge the duplication in asset records related to the VIN for this bus. Upon internal review, it was determined that a clerical error occurred during data entry when the agency transitioned from the Department of Education to the Department of Administration, resulting in the assignment of the same VIN to two asset numbers. The asset records have since been corrected in SCEIS to reflect accurate information, and the duplicate entry has been removed. Regarding asset 140000046508, the vehicle was totaled in 2016 and reported to the Insurance Reserve Fund, but the asset was not timely removed from the Asset History Report. We have now updated the report to reflect the asset's removal. Additionally, we have reviewed all current vehicle assets to ensure their statuses are accurate. To prevent recurrence, we have implemented an additional verification step within our asset management process to ensure unique VINs are properly tracked and recorded. In FY2024-2025, the agency transitioned to a digital workflow to improve its asset management techniques.

The Governor's School of Science and Mathematics Foundation (the Foundation)

13. Obtain and inspect agreements between the School and the Foundation as well as any applicable background information to determine if there are any areas of noncompliance.
14. 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 the procedures.

The following procedures were performed for the fiscal year ended June 30, 2024:

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 submitted to the CG, SCEIS or School prepared records.
16. In addition to the procedure above, perform the following:
 - Prepaid Expenses Reporting Package

Agree amounts to the SCEIS *Yearend Reporting - Prepaid Expenses* report or School prepared records. Haphazardly select one prepaid expense and determine that the amount was 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 or School prepared records. Haphazardly select five payables and determine that the amounts were properly classified, calculated, reported, and excluded from the Subsequent Events Reporting Package Submission.
 - Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger or School prepared records. In addition, haphazardly select four 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.

Inventory

17. Inspect the inventory of personal property, excluding expendables, provided by the School 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 procedure.

Fiscal Monitoring of Schools

18. Inquire of management regarding any investigation, audit or review associated with the School's school district which was ongoing or completed during the fiscal year. Inspect reports of any completed investigation, audit or review associated with the School's school district to determine the impact on our agreed upon procedures.
19. Obtain a trial balance for the School's school district for the current and prior fiscal year. Haphazardly select five balances from the trial balances and inspect supporting documentation to determine that the balance is properly recorded and classified on the trial balance.
20. Inspect budget allocations for the current year and the prior year to observe consistent budgeting to support the School's school district.
21. Compare school district total revenues to total expenditures for the current fiscal year and obtain an explanation from management if school district expenditures exceeded revenues and appropriations.
22. Through inquiry of management, determine and document the School's reserves/funding to maintain school district operations if an emergency or budget shortfall should occur.

We found no exceptions as a result of the procedures.

Non-Recurring Revenue Proviso 118.19

23. Through inquiry of management and inspection of supporting documentation, observe that the School complied with Proviso 118.19 of the fiscal year 2024 Appropriations Act regarding nonrecurring revenue received during the fiscal year.

We found no exceptions as a result of the procedure.

Status of Prior Findings

24. Through inquiry of management and inspection of supporting documentation, observe that the School has taken appropriate corrective action on the findings reported during the prior engagement.

The School had duplicate and missing assets on the *Asset History Sheet* including the missing asset from the prior engagement. We determined that the School did not take adequate corrective action on the prior engagement finding, resulting in a repeat finding related to **Assets**.