

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

State Auditor's Report

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

and

For the Period July 1, 2022, through April 30, 2023



Independent Accountant's Report on Applying Agreed Upon Procedures

August 2, 2023

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 fiscal year ended June 30, 2022, and for the period July 1, 2022, through April 30, 2023. 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-Upon Procedures:

- Errors of less than \$1,000 related to non-payroll procedures.

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 Board 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.

George L. Kennedy, III, CPA
State Auditor

**South Carolina Office of the State Auditor
Schedule of Agreed Upon - Procedures Related to the South Carolina Governor's School for
Science and Mathematics (H650).**

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

Personal Property

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

Fiscal Monitoring of Schools

2. Inquire of management regarding any investigation, audit or review associated with the School which was ongoing or completed during the fiscal year. Inspect reports of any completed investigation, audit or review associated with the School.
3. Obtain a trial balance for the School for FY22 and FY21. Haphazardly select two balances from the trial balances and inspect supporting documentation to determine that the balance is properly recorded and classified on the trial balance.
4. Inspect budget allocations for the current year and the prior year to determine consistent budgeting to support the School.
5. Compare School total revenues to total expenditures for FY22 and obtain an explanation from management if expenditures exceeded revenues and appropriations.
6. Through inquiry of management, determine and document the School's reserves/funding to maintain operations if an emergency or budget shortfall should occur.

We found no exceptions as a result of the procedures.

The following procedures were performed for the period July 1, 2022, through April 30, 2023:

Cash Receipts/Revenues

7. Haphazardly select eight cash receipts and inspect invoices and cash receipt transmittal forms to determine:
 - 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 2023 Appropriations Act.
 - Both revenue collections and amounts charged are properly authorized by Provisos 10.3, 117.44, and the Memorandum of Understanding with the SC Governor's School of Science and Mathematics Foundation.
 - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

Cash Disbursements/Non-Payroll Expenditures

8. Haphazardly select ten non-payroll disbursements and inspect invoices to determine:
 - Invoice agrees with general ledger as to vendor, amount, and date.
 - Disbursement approval was performed by an individual, with proper authority, other than the preparer.
 - Disbursement is a valid expenditure of the School.
 - Disbursement is properly classified in the general ledger.
 - Disbursement is recorded in the proper fiscal year.

9. Haphazardly select eight 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 School policies and procedures.
 - 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 South Carolina Code of Laws Section 11-35-1550(2)(a).

10. Determine that the agency has implemented procedures, in accordance with Proviso 3.1 of the 2023 Appropriations Act, to monitor the expenditure of lottery funds to ensure that lottery funds are expended in accordance with state laws, rules, and regulations.

We found no exceptions as a result of the procedures.

Payroll

11. 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, was properly calculated.

12. Haphazardly select five employees 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 paycheck was properly calculated.

Finding

Two of the five terminated employees were not removed from the payroll system in a timely manner.

Management Response

The School agrees with the finding. To prevent similar issues related to payroll, the School will amend its hiring practices such that as-needed bus drivers and camp counselors will be retained on a contractual basis rather than being hired as part-time employees.

Journal Entries and Transfers

13. Haphazardly select three journal entries and one transfer and inspect the Journal Entry Justifications Forms and Cash Transfer Forms 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 procedure.

Composite Reservoir Accounts

14. Determine that the School submitted the required Bank Account Transparency and Accountability Report to the State Fiscal Accountability Authority by October first of the fiscal year in accordance with Proviso 117.79 of the fiscal year 2023 Appropriations Act.
15. Obtain the monthly reconciliations for the composite reservoir account, haphazardly select two reconciliations, and perform the following procedures:
 - Recalculate selected reconciliations and determine 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 Treasurers Office monthly reports.
 - Determine if reconciling differences were explained and resolved.
 - Determine if adjusting entries were made in the accounting records.
16. Haphazardly select and inspect five composite reservoir account receipts to determine 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.
17. Haphazardly select and inspect five composite reservoir account disbursements to determine that they were properly classified in the accounting records, were valid disbursements consistent with the purpose of the account, and that goods and services were procured in accordance with School procedures.

We found no exceptions as a result of the procedures.

Assets

18. Select four asset acquisitions and inspect related invoices to determine that each asset was properly capitalized and posted to the general ledger in accordance with the Office of the State Comptroller General's Reporting Policies and Procedures Manual.
19. Haphazardly select ten assets from the School's asset inventory and observe their existence at the School.
20. Haphazardly select five vehicle assets from the School's asset inventory and confirm that insurance is properly documented and maintained for each.

Finding

The School was unable to locate a microscope selected for observation from the asset inventory.

Assets (Continued)

Management Response

The School agrees with the finding. The School will procure asset management software in order to prevent future issues related to asset management. The software platform will include built-in barcode scanning technology, which will streamline device check-in and check-out for enhanced tracking.

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

21. Haphazardly select five transactions that occurred between the School and the Foundation to ensure the transactions in compliance with the Memorandum of Understanding between the School and the Foundation.

We found no exceptions as a result of the procedure.

Status of Prior Findings

22. Through inquiry of management and inspection of cash receipts/revenues, composite reservoir account transactions, and comparison of trial balances, determine the School has taken appropriate corrective action on the findings reported during the fiscal year 2020 engagement.

We determined that the School has taken adequate corrective action on the prior findings.