

**South Carolina
Department of Public Safety**

Blythewood, South Carolina

State Auditor's Report

For the Fiscal Year Ended June 30, 2023



Independent Accountant's Report on Applying Agreed Upon Procedures

April 23, 2024

Mr. Robert G. Woods, IV, Director
South Carolina Department of Public Safety
10311 Wilson Boulevard, Building D-1
Blythewood, South Carolina 29016

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 July 30, 2023. 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 period. 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-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 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 General Assembly and of the governing body and 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.

George L. Kennedy, III, CPA
State Auditor

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

Cash Receipts/Revenues

1. Haphazardly selected ten cash receipts and inspected invoices and deposit receipts to determine:
 - Receipts agreed 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 Appropriation Act.
 - Both revenue collections and amounts charged were properly authorized by SC Code of Law 1-11-220, 17-13-140, 23-6-50, 23-6-90, 23-6-140, 23-6-193, 44-53-530, and Proviso 62.16 and Proviso 62.16.
 - Receipts were recorded in the proper fiscal year.

We found no exceptions as a result of this procedure.

Non-Payroll Disbursements

2. Haphazardly selected fifteen non-payroll disbursements and inspected invoices and approval documents to determine:
 - Disbursement's invoice agreed 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 was a valid expenditure of the Department.
 - Disbursement was recorded in the proper fiscal year.

For federally funded cash disbursements/non-payroll expenditures, inspected invoices to determine:

- Disbursements complied with the requirements and period of performance of the program and was properly reported on the South Carolina Enterprise Information System (SCEIS) Business Warehouse Schedule of Federal Awards (SEFA) report as to fund source, reportability, federal sponsor, and assistance listing number.

For procurements over \$10,000, inspected invoices and approvals to determine compliance with South Carolina Code of Laws (11-35-1510).

We found no exceptions as a result of this procedure.

Purchasing Card Transactions

3. Haphazardly selected five purchasing card transactions from the Office of Comptroller General (CG) listing of purchasing card transactions and inspected monthly purchase summaries and applicable receipts to determine:
 - The cardholder was an authorized user and individual credit limits have been properly approved in accordance with Department policies and procedures.
 - The purchase was 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 this procedure.

Payroll

4. Haphazardly selected ten 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/or comp time, was properly calculated.
5. Haphazardly selected ten 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 first paycheck was properly calculated. If staff attorneys are listed as new hires, confirm compliance with SC Code of Laws Section 1-7-160.
6. Haphazardly selected five bonus payments to determine:
 - The bonuses received during the year did not exceed \$3,000.
 - The bonus agreed to budget justification form and was given in accordance with Department policy.
 - The bonus was approved by the appropriate supervisor.

We found no exceptions as a result of these procedures.

Journal Entries and Transfers

7. Haphazardly selected six journal entries and four transfers and inspected journal entry forms and SCEIS workflows to determine that the journal entries and transfers were valid and approved by someone with proper authority and different from the preparer.

We found no exceptions as a result of this procedure.

Reporting Packages

8. Inspected fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Compared responses on the Master Reporting Package Checklist and any required supplemental information to SCEIS and Department prepared records.
9. In addition to the procedure above, performed the following:

- Accounts Payable Reporting Package

Agreed amounts to the general ledger, SCEIS *Yearend Reporting – Prior Year Payables with Vendor* report and Department prepared records. In addition, haphazardly selected five payables from the Accounts Payable Summary Form and determined if reported amounts were properly classified and calculated.

- Prepaid Expenses Reporting Package

Agreed amounts to the SCEIS *Yearend Reporting – Prepaid Expenses* report and Departments prepared records. Haphazardly selected five prepaid expenses and determined if the amounts were properly classified, calculated, and reported.

- Subsequent Events Questionnaire

Compare responses and any required supplemental information to the general ledger and Department prepared records. In addition, haphazardly selected five payables from the Subsequent Events Accounts Payable Worksheet and determined if 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 these procedures.

Lease Reporting

10. Obtained the lease calculator and the lease agreement for the Department's office spaces acquired in fiscal 2023 to determine:
 - The leased asset's payment schedule from the lease calculator agreed to information from the lease agreement provided by the Department.
 - The principal amount from the lease calculator agreed to the asset's value on the *SCEIS Asset History Sheet*.
 - The lease principal and interest general ledger account balances in SCEIS agreed to the payment schedule from the lease calculator for payments made during the fiscal year.

We found no exceptions as a result of this procedure.

Assets and Personal Property

11. Selected ten capital asset acquisitions and inspected leases and communications 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.
12. Selected ten capital asset retirements and inspected leases and communications 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.
13. Inspected the inventory of personal property, excluding expendables, provided by the Office 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 these procedures.

Composite Reservoir Accounts

14. Obtained a listing of Department composite reservoir accounts and inquired of Department management that listing was complete.
15. Determined that the Department 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 fiscal year 2023 Appropriation Act.
16. Obtained fiscal year monthly reconciliations for each composite reservoir account, haphazardly selected two reconciliations, and performed the following procedures:
 - Recalculated selected reconciliations and determined that they were timely performed, reviewed, and properly documented in accordance with Department procedures.
 - Agreed month end balances from reconciliations to the general ledger.
 - Agreed month end balances from reconciliations to the State Treasurer's Office monthly reports.
 - Determined if reconciling differences were explained and resolved.
 - Determined if adjusting entries were made in the accounting records.
17. Haphazardly selected and inspected three 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.
18. Haphazardly selected and inspected three 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/or services were procured in accordance with Department procedures.

We found no exceptions as a result of these procedures.

Status of Prior Findings

19. Through inquiry of management and inspection of invoices and approvals, we determined the Department took appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We found no exceptions as a result of this procedure.