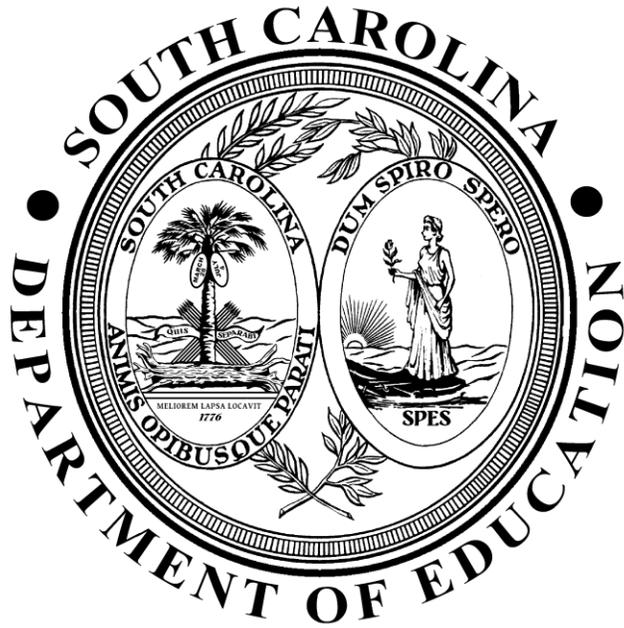


**STATE OF SOUTH CAROLINA  
DEPARTMENT OF EDUCATION**

**MOLLY M. SPEARMAN**  
*STATE SUPERINTENDENT OF EDUCATION*



**Child Early Reading Development and Education Program**

**Annual Allocation Audit Report to the SC General Assembly**

**Proviso 1.58**

**December 1, 2017**

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## Child Early Reading Development and Education Program (CERDEP) Allocation

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Pursuant to Proviso 1.58, annually, the South Carolina Department of Education (SCDE) is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December first.

During FY17, the SCDE revised its CERDEP allocation process to ensure compliance with the applicable CERDEP provisos and statute. We provided funding on a pro rata basis for classrooms based upon the entrance and exit dates of students enrolled in CERDEP up to the maximum number of twenty students in each approved classroom. We funded classrooms based upon the proper coding of students in PowerSchool, the state's student information system. We pulled this enrollment data from PowerSchool at the 45th day, the 90th day, the 135th day, and the 180th day of school to ensure compliance. Funding was adjusted each time the new student counts were pulled from the system. We have communicated to districts the importance of properly coding students in PowerSchool to ensure accurate allocation of funding.

Due to the improper coding of students in PowerSchool above the maximum number of students in approved classrooms, one district was overpaid \$87,543. We have adjusted the FY18 CERDEP payments for that one district to correct the overpayment.

During calendar year 2017 we contracted with Greene, Finney, & Horton (GFH) to review our state allocations to ensure accuracy and compliance with applicable state provisos and statutes. We shared the overpayment with GFH. The attestation engagement performed by GFH for CERDEP confirmed the \$87,543 overpayment and did not reveal any additional findings or recommendations based upon the procedures performed (See Appendix A).

## Appendix A



**Greene, Finney & Horton, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

South Carolina Department of Education  
1429 Senate Street  
Columbia, South Carolina 29201

We have performed the procedures enumerated below, which were agreed to by the South Carolina Department of Education (the "Department") on the allocation and disbursement of Child Early Reading Development and Education Program ("CERDEP") funds for the year ended June 30, 2017. The Department's management is responsible for the allocation and disbursement of CERDEP funds. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the allocation and disbursement of CERDEP funds are as follows:

- Procedure:** Review state statutes and budget provisos, as applicable, to determine the specified method for allocating CERDEP funds.
- Finding:** We reviewed state statutes and budget provisos, as applicable, to determine the specified method for allocating CERDEP funds.
- Procedure:** Obtain an understanding of the Department's process for allocating CERDEP funds, including identifying the internal controls in place, by performing a walkthrough of the process.
- Finding:** We obtained the Department's process for allocating funds and reviewed the process to obtain an understanding of the allocation methods, including identifying controls in place, and performed a walkthrough of the process. No findings or recommendations for improvement were noted.
- Procedure:** Obtain the calculation of funding allocations from the Department and perform the following:
- a. Review the method of allocating funds for consistency with the applicable guidance.
  - b. Confirm the validity of the data used (such as student counts) based on system-generated reports.
  - c. Verify the accuracy of the calculation.
  - d. Compare the calculated allocations to the actual amounts distributed to the school districts during the year ended June 30, 2017.
- Finding:** We obtained the Department's calculations of the allocations to the Department, reviewed the method of allocating funds for consistency with the applicable guidance, confirmed the validity of the data used (such as student counts) based on system-generated reports, verified the accuracy of the calculation, and compared the calculated allocations to the actual amounts distributed to the school districts during the year ended June 30, 2017. No findings or recommendations for improvement were noted.

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This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the allocation and disbursement of CERDEP funds for the year ended June 30, 2017. 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.

This report is intended solely for the information and use of management of the South Carolina Department of Education, and is not intended to be, and should not be, used by anyone other than the specified parties.



Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
November 28, 2017