



State of South Carolina
Office of Comptroller General

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RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

WILLIAM E. GUNN
CHIEF OF STAFF

September 8, 2015

The Honorable Weston J. Newton
228 Solomon Blatt Building
Columbia, S.C. 29201

Dear Representative Newton,

During a recent meeting with our Legislative Oversight Subcommittee, you asked about state entities that have been delinquent in providing information needed at year end for my staff to timely complete the state's Comprehensive Annual Financial Report (CAFR). Accompanying this letter is a list of state entities that during the preceding three fiscal years have been significantly late in submitting their required financial statements to us. Some of these entities have been delinquent going back even further.

By way of background, state entities that are not on the state's central accounting system (SCEIS) must nonetheless be included in the CAFR. From these "non-SCEIS" entities we get the financial information about them needed for the CAFR from financial statements they prepare, which must be audited by their external auditors before submitting the statements to us. Also, certain state entities that are on SCEIS are required to have separate stand-alone audits performed, and to avoid unnecessary cost and duplication the State Auditor's Office excludes them from the larger statewide audit of the CAFR. From these separately-audited "SCEIS" entities we also get the financial information about them needed for the CAFR from audited financial statements they provide us. For the entities described in this paragraph, the General Assembly sets crucial deadlines for the entities to deliver their audited financial statements to my staff, which then extracts from those audited financial statements the entity-specific information needed for the CAFR.

Most entities comply with the financial statement submission deadlines. Yet for the past few years we have had problems because some entities have failed to comply with their deadlines, slowing the CAFR's completion and thereby delaying our ability to provide essential information on the state's financial condition to the General Assembly, credit rating agencies, and other interested parties.

At your convenience I would like to meet with you to seek your help in encouraging state entities to comply with the General Assembly's longstanding financial statement submission deadlines.

Yours very truly,

Signature Redacted

Richard Eckstrom
Comptroller General

Attachment

State of South Carolina
 Audited Financial Statements Schedule
 Fiscal Years 2012 through 2014

Audited Entity	Days Late			3-Year	
	FY12	FY13	FY14	Days Late	Avg Days Late
S.C. State University	40	46	108	65	
Palmetto Railways (Department of Commerce)	80	86	12	59	
PEBA (Long-Term Disability Insurance Trust Fund)**	15	21	97	44	
PEBA (insurance benefits)**	15	21	97	44	
PEBA (Retiree Health Insurance Trust Fund)**	15	21	97	44	
Lander University	28	51	21	33	
First Steps	N/A*	21	37	29	
PEBA (retirement benefits)	43	1	40	28	
Denmark Technical College	26	49	9	28	
Department of Employment and Workforce (unemployment compensation fund)	16	28	37	27	
Housing Authority	21	36	2	20	
Department of Transportation	3	37	16	19	
Local Government Investment Pool (State Treasurer's Office)	2	9	43	18	
State Accident Fund	2	21	28	17	

*First Steps was part of the Department of Education in fiscal 2012

**Delayed in FY14 by issues related to Securities Lending Settlement