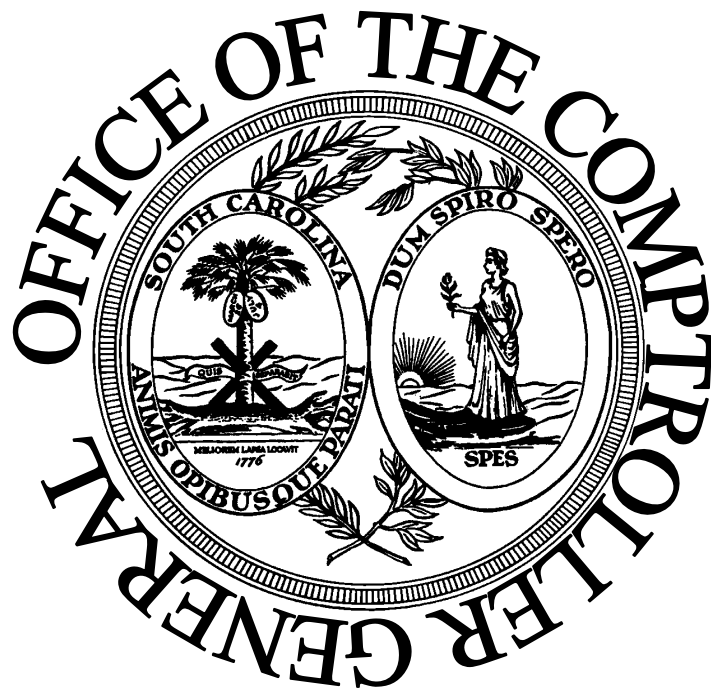


**ACCOUNTABILITY REPORT
STATE OF SOUTH CAROLINA**



Fiscal Year 2003-2004

LETTER OF TRANSMITTAL

Office of State Budget
Attention: Karen Rhinehart
1201 Main Street, Suite 950
Columbia, South Carolina 29201

Dear Ms. Rhinehart:

I am pleased to submit the Comptroller General's Office Annual Accountability Report for Fiscal Year 2003-2004.

The comptroller general is the state's chief fiscal officer. The Office provides fiscal controls over both receipt and disbursement of public funds; reports annually on the financial operations and condition of state government; assures that money due state and local governments is collected through lawful tax administration; and provides fiscal guidance to state agencies and local governments.

The comptroller general, chief of staff, and division directors comprise the agency's senior management team. Senior managers routinely review requirements by customers and stakeholders such as the General Assembly, bond rating service, Government Finance Officer's Association of the United States and Canada, and the Internal Revenue Service to determine their performance expectations.

The Comptroller General's Office is dedicated to providing fiscal accountability and informational assistance to the Governor, members of the General Assembly, other state and local government officials and the general public. If additional information regarding this report is needed, please contact Donald Thomas at 734-2609.

Respectfully Submitted,

Nathan Kaminski, Jr.
Chief of Staff

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SECTION I - EXECUTIVE SUMMARY

1. Mission and Values

The Comptroller General's Office mission is to:

- Provide centralized accounting and reporting of financial data in accordance with the statewide program budget structure mandated by the General Assembly and in accordance with Generally Accepted Accounting Principles (GAAP).
- Supervise the collection of all property taxes; assist county auditors, treasurers, and tax collectors; and reimburse counties for homestead exemption, merchants' inventory, property tax relief and manufacturing reimbursement programs.

The agency's core values are teamwork, integrity, innovation, and excellence.

2. Major Achievements for the Fiscal Year

- Expanded our external customer satisfaction survey to include a wider array of our customer and stakeholder base. Compared the results to the American Customer Satisfaction Index, a nationally recognized index that provides industry specific measures of customer satisfaction. See pages 29 and 30.
- Continued working toward our long-range goal of implementing a statewide enterprise information system that will provide a comprehensive statewide platform for managing the state's finances. See page 27.
- Met all payroll requirements. The statewide payroll was paid on the dates mandated by state law 100% of the time. Also, payroll withholdings were deposited within required time frames and accurate financial information was submitted on time to the Internal Revenue Service and other agencies 100% of the time. By meeting these requirements the agency avoided a minimum of \$8.7 million in federal tax deposit penalties. See page 35.
- Issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2003 that complies with the standards of the Government Finance Officers Association of the United States and Canada's Certificate of Achievement program. See page 39.
- Received "clean" audits in the areas of insurance, procurement and personnel.
- Received the Independent Accountant's Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2003. No exceptions were found as a result of the procedures.
- Received a "clean" opinion on the annual EDP audit.
- Promoted employee satisfaction by implementing business casual dress code and using flexible work schedules.

- Collaborated with S.C. Association of Auditors, Treasurers & Tax Collectors to issue a Treasurer's Manual to assist local government officials.
- Reduced Fiscal Year 2003-2004 operating expenses by 42%.

3. Key Strategic Goals for FY 2003-2004 and Future

- Issue a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004 that complies with the standards of GAAP and of the Government Finance Officers Association of the United States and Canada's Certificate of Achievement program.
- Continue development and implementation of the South Carolina Enterprise Information System (SCEIS). This system will provide a comprehensive platform for managing the state's finances. See page 27.
- Maintain the document management system at the current level until sufficient funds are available to include electronic document management and imaging through the SCEIS. See page 27.
- Perform 100% of the agency's mandated requirements accurately and within the specified time frames.

4. Opportunities and Barriers

a. Opportunities

- The South Carolina Enterprise Information System (SCEIS) provides a tremendous opportunity for the state to have an enterprise solution for managing the state's financial activities. The SCEIS will enhance efficiencies in the day-to-day administration of state government. See page 27.
- The Document Management System was implemented in February 2002 as the pilot of an electronic document management system. Because of funding limitations, we began with three agencies: the House of Representatives, the Senate, and the Department of Mental Health. The pilot phase of this project has been a tremendous success. This project, which takes advantage of digital imaging technology, has demonstrated the cost savings and efficiencies that can be realized with implementation of a statewide document management system.

b. Barriers

Because of the economic downturn that affected our economy and dramatically reduced tax revenues, it has been necessary to implement seven budget cuts during the last four fiscal years that have impacted all state agencies. For the Comptroller General's Office, agency appropriations have decreased 34% during this time frame. In order to continue to meet service delivery requirements, senior management has identified and implemented various cost savings measures. In this respect, this particular "barrier" is also an "opportunity" to find creative ways to save tax dollars.

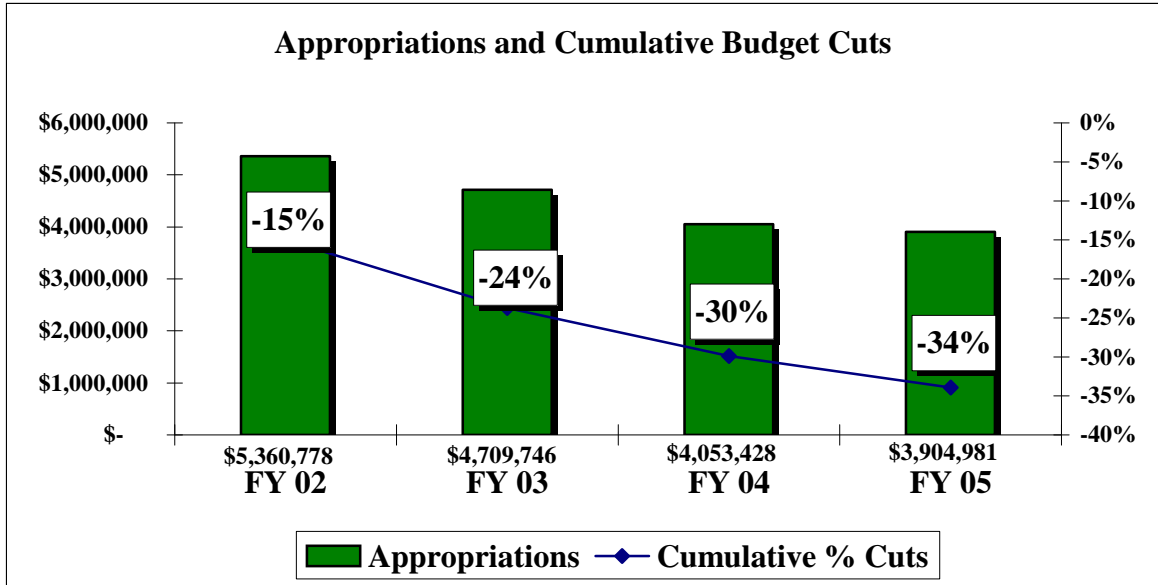


Figure I.4.a.

For instance, one significant cost saving measure implemented during the fiscal year was to reduce office space for the agency by 27%, or approximately 7,000 square feet. Downsizing office space has reduced the Comptroller General’s annual rent costs by \$81,210.

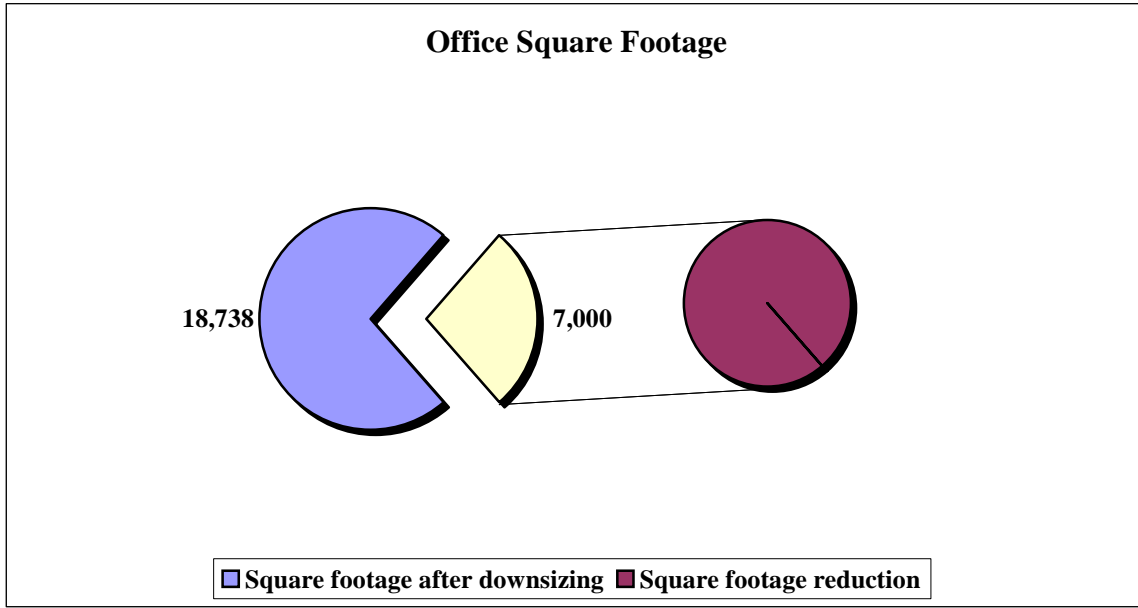


Figure I.4.b.

The agency also, as much as possible, began using e-mail instead of making long distance telephone calls; did not renew the leasing agreement for the agency's postage meter and began sharing mailing costs with the Budget and Control Board. The agency also began

e-mailing and faxing as many documents as possible rather than mailing them. As a result of these measures, telephone and paper costs decreased by 36% from Fiscal Year 2002-2003 to Fiscal Year 2003-2004.

Senior management also identified as an area of cost savings the expenses incurred annually for registration, travel, meals, and lodging for staff training, professional development, and training provided by our staff for local government officials. Since staff training is necessary in maintaining and improving job skills and development, the agency began active collaboration with other agencies with similar training needs and requirements, including the Department of Health and Human Services, the State Auditor's Office, and the Department of Revenue. Through this collaboration, the agencies have developed and presented in-house training at very reduced costs and shared the fixed cost with other agencies of employees attending audio conferences hosted at local sites sponsored by the National Association of State Auditors, Comptrollers and Treasurers. When the number of training hours provided did not meet the minimum number of continuing professional education credits required for those employees with professional designations (CPA's) or when staff members wished to attend commercially-offered training sessions, the Comptroller General's CPA staff paid for the additional training with personal funds. The training paid for by employees is not included in Figure 7.5. on page 31.

The Comptroller General's Local Government staff collaborated with the South Carolina Association of Auditors, Treasurers, and Tax Collectors (SCATT) and the Department of Revenue to participate, sometime at staff's own expense, in workshops around the state that are provided annually for county treasurers, auditors and tax collectors. The Comptroller General's Local Government staff, in conjunction with SCATT, assisted in formulating and issuing an extensive Treasurer's Manual that has been well received and acclaimed. Our agency staff, through careful planning and collaboration, provided the same level and quality of training to those local government officials that has been provided in the past with very reduced cost to the agency.

By using these collaborative approaches and cost-cutting measures, this agency was able to eliminate from its budget much of its staff training costs, including travel. This saved the agency approximately \$14,800 in Fiscal Year 2003-2004, when compared with training expenditures in Fiscal Year 2002-2003, and \$24,500 when compared with Fiscal Year 2001-2002. Senior management is aware that the cumulative knowledge gained through experience and education is critical to the successful operation of this agency and will continue to seek ways to provide relevant, low-cost training for all of its staff.

Since personal service funds constitute the largest percentage of the budget, senior management has left certain "less critical" positions vacant wherever possible. As a result, the number of filled positions has decreased by eight percent over the past two fiscal years and 24 percent over the past ten years.

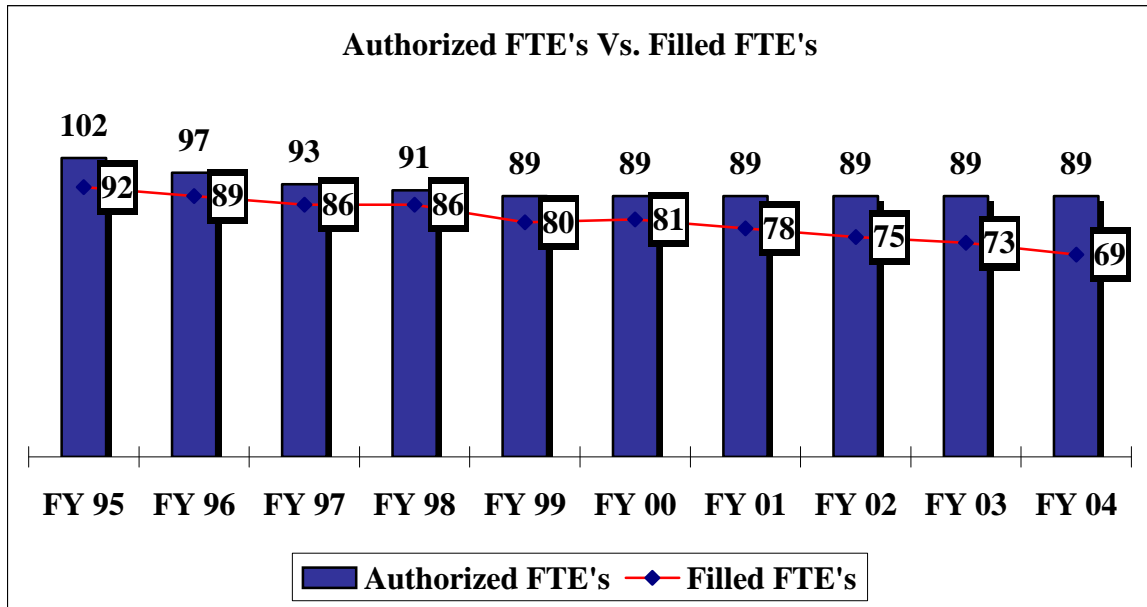


Figure I.4.c.

Human capital is the agency's most valuable asset, and the knowledge required to accomplish the agency's mission is dispersed among its employees. Knowledge and experience, coupled with planning and better productivity, have enabled the agency to maintain a high external customer satisfaction level (see page 29, Figure 7.2.), as well as meet its service delivery requirements.

However, as shown in Figure I.4.d. the increase in transaction volume per FTE has adversely impacted the turnaround time of certain processes. The Central State Audit Division pre-audits payment requests from agencies to certify their validity, authenticity, and legality. For each request determined to be valid, we issue an electronic warrant to the State Treasurer authorizing payment. Over the years as FTE's decreased and volume increased our average turnaround time slowed to an average of 4.99 days during Fiscal Year 1999-2000. Our turnaround time improved in subsequent fiscal years only after modifying some quality control procedures. During Fiscal Year 2003-2004, the division's FTE's decreased by two, including one highly productive employee. This reduction in FTE's combined with increasing transaction volume slowed our average turnaround time from 2.87 days in Fiscal Year 2002-2003 to 4.53 days in Fiscal Year 2003-2004.

The agency's goal is to review disbursement requests within four (4) business days. In coming years it is probable that transaction volume will continue to increase while FTE's will remain stable or decrease. For this reason and because the increased turnaround time does not appear to have adversely affected our customer satisfaction level (See Figure 7.2. on page 29) senior management is considering the reasonable trade-off of revising our turnaround goal.

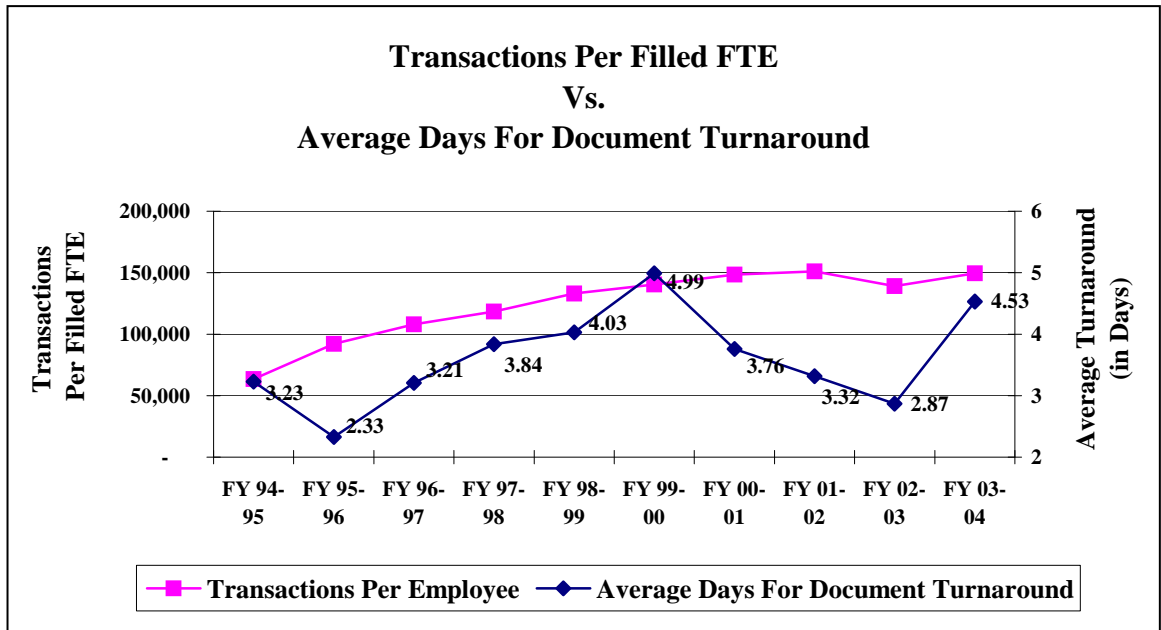


Figure I.4.d.

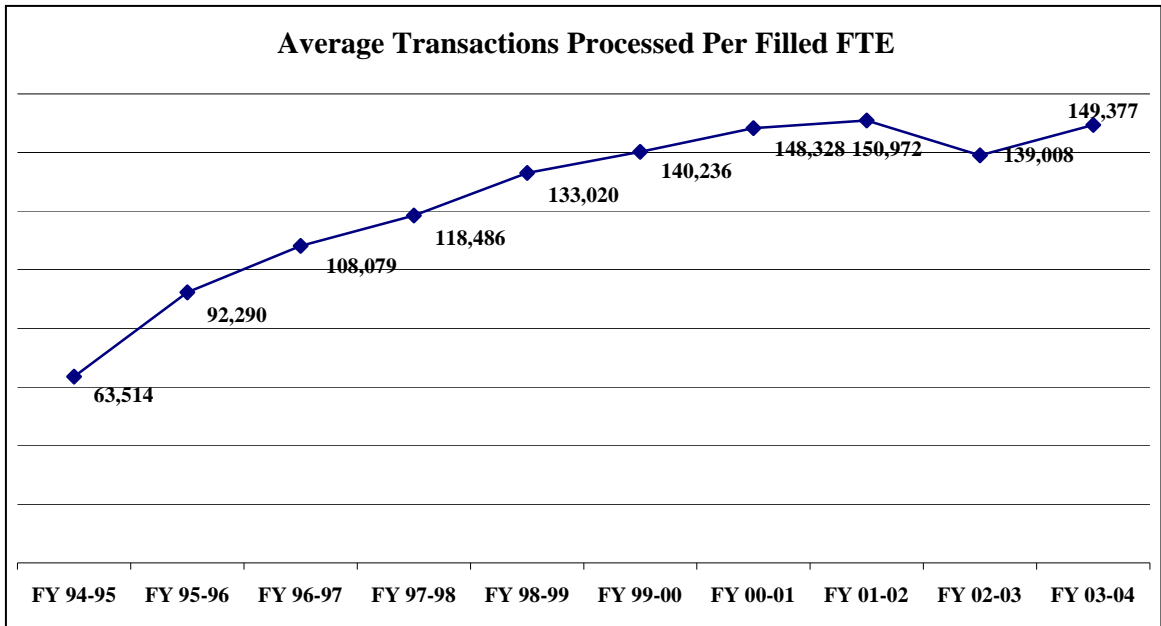


Figure I.4.e.

A major consideration and potential "barrier" is that this agency is beginning to and will continue to lose a significant portion of its experienced employees over the next few years. For example, the CPA in charge of our Financial Reporting Division, with more than 28 years of experience in state government accounting, retired in June 2004. Also, our Local Government Section regularly receives calls from local officials seeking technical and legal assistance to aid them in the performance of their duties (See page 34 for the number of calls handled). Some of the calls may require several hours of work for a response, while others are dispatched in just a few minutes. Although the Local

Government Section is now operating with less staff, senior management is not aware of any complaints from local government officials concerning the quality or timeliness of the responses. See page 29, Figure 7.3. for Local Government's customer satisfaction level. This level of customer satisfaction is attributable to a key staff person's experience and knowledge. However, because this key staff person in this section will retire in the next two years, a similarly experienced staff person will have to be hired to assure the Office's ability to continue to support local government officials at this same level and sustain customer satisfaction.

Moreover, 18 of the agency's 69 employees (26%) are now participating in the TERI program. These 18 employees have 529 cumulative years of experience for an average of 29 years per person. Since total salaries for these TERI employees are \$1,064,685, the agency possibly will be able to reduce operating costs by freezing positions or replacing these employees with persons at lower salaries. But the loss of this much experience in this short period of time will be extremely challenging. The agency must be successful in managing this loss of knowledge over the next few years by succession planning and training, identifying and implementing more efficient practices, and using the most current technology, such as the planned state-wide accounting system, the Enterprise Information System, to its greatest advantage.

The need for knowledgeable and well-trained staff is critical because of the agency's increasing service requirements. For example, the agency produces the state's Comprehensive Annual Financial Report (CAFR). The CAFR presents the state's financial activities in accordance with generally accepted accounting principles. The bond rater agencies use the CAFR as a component in determining the state's credit rating. The CAFR must be prepared in accordance with standards and interpretations issued by the Governmental Accounting Standards Board (GASB). The total number of GASB pronouncements has grown from 8 in fiscal year 1988 to 45 in fiscal year 2004. GASB is expected to issue additional pronouncements in the near future. While the number of GASB pronouncements to research and implement is steadily rising, the number of staff assigned to this process (most of whom must be CPA's) remains relatively constant.

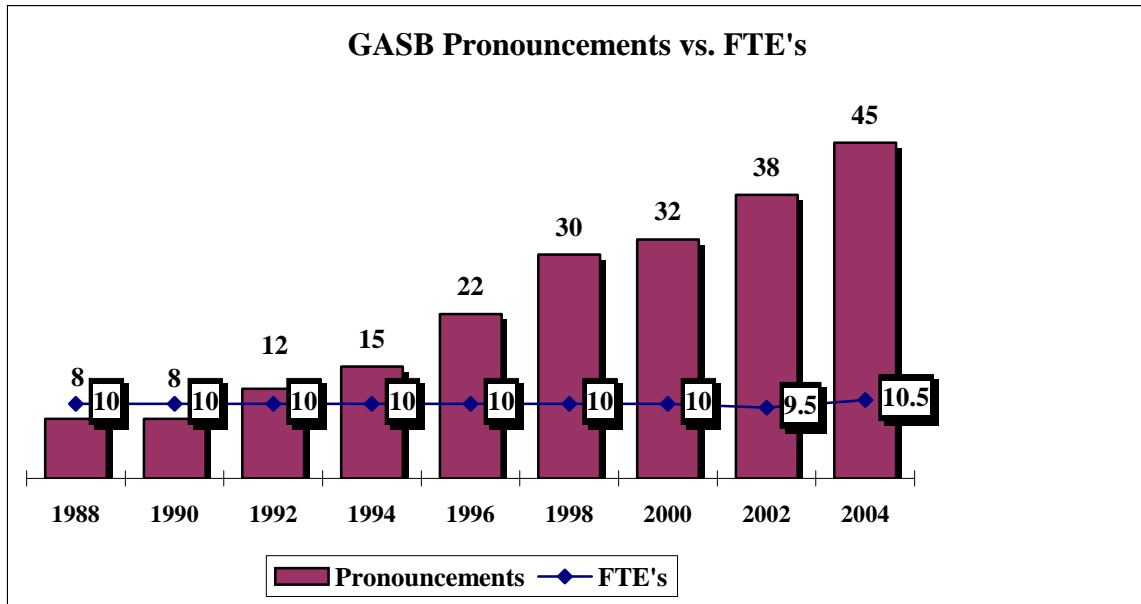


Figure I.4.e.

To meet the demands of issuing a statewide CAFR, personnel in the agency's Financial Reporting Division are required to work a substantial amount of overtime every year. The continuous increase in reporting requirements, together with more stringent accounting practices, increasingly challenge the agency's ability to successfully issue a CAFR, as well as receive the prestigious Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, a key performance measure for our agency. Again, experience, training, planning, productivity, and optimum technology are essential ingredients so that in years to come the State can issue a timely CAFR.

Similar examples can be found throughout the office. It is critical that our human resources be properly aligned with customer requirements and stakeholder needs.

5. How the Accountability Report is used to Improve Organizational Performance

The agency uses the Accountability Report to monitor, measure, and document the agency's progress in obtaining goals.

SECTION II - BUSINESS OVERVIEW

1. Number of Employees

At the end of fiscal year 2003-2004 the Comptroller General's Office had a total of 89 authorized FTE's. Sixty-nine of the 89 authorized FTE's were filled and 20 were vacant.

2. Operation Location

The Comptroller General's Office is located in the Wade Hampton Building in Columbia, South Carolina. There are no satellite offices.

3. Expenditures/Appropriations Chart

Base Budget Expenditures and Appropriations

	02-03 Actual Expenditures		03-04 Actual Expenditures		04-05 Appropriations Act	
Major Budget Categories	Total Funds	General Funds	Total Funds	General Funds	Total Funds*	General Funds*
Personal Service	\$3,822,210	\$3,822,210	\$3,565,665	\$3,565,665	\$3,209,554	\$2,923,554
Other Operating	\$190,148	\$68,749	\$326,944	\$111,468	\$206,329	\$6,329
Special Items	-	-	-	-	-	-
Permanent Improvements	-	-	-	-	-	-
Case Services	-	-	-	-	-	-
Distributions to Subdivisions	-	-	-	-	-	-
Fringe Benefits	\$967,573	\$967,573	\$917,556	\$917,556	\$975,008	\$975,008
Non-recurring	-	-	-	-	-	-
Total	\$4,979,930	\$4,858,532	\$4,810,164	\$4,594,688	\$4,390,891	\$3,904,891

*Note: In the table above, Fiscal Year 2004-2005 fund totals do not include \$401,022 of contingent "Maybank Money."

Other Expenditures (non-recurring funds not a part of our base budget)

Sources of Funds	02-03 Actual Expenditures	03-04 Actual Expenditures
Supplemental Bills	\$19,298 (a)	-
Capital Reserve Funds	\$128,045 (b)	-
Bonds	-	-

(a) Carryover funds received for GASB 34 project.

(b) Funds received for digital imaging technology project.

Mid-Year Budget Reductions

Total 02-03 Mid-Year Budget Reductions	Total 03-04 Mid-Year Budget Reductions
\$404,045	\$40,534

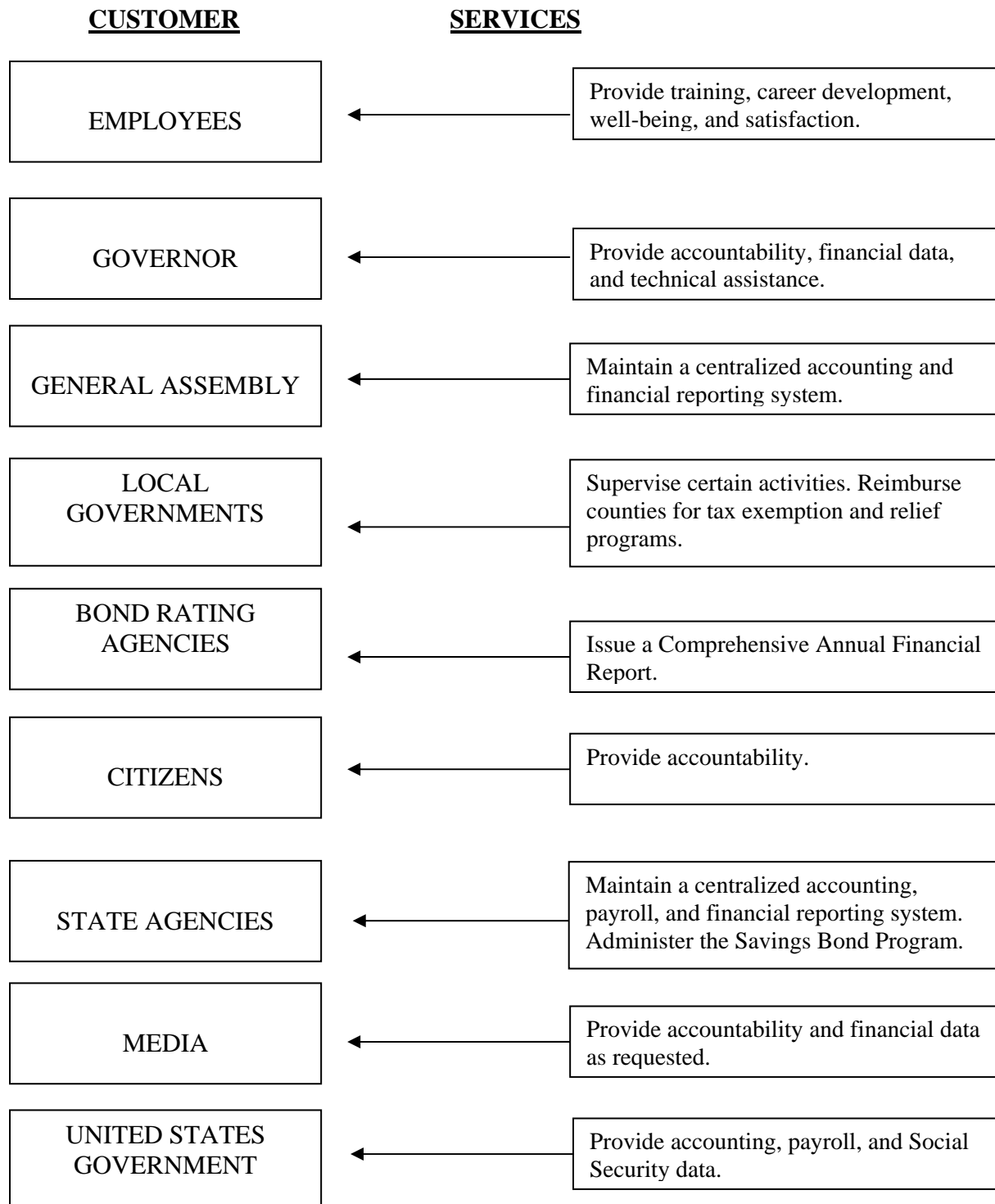
4. Major Program Areas Chart

Program Number And Title	Major Program Area Purpose (Brief)	FY 02-03 Budget Expenditures	FY 03-04 Budget Expenditures	Key Cross References for Financial Results*
I	Admin. & Local Govt. Provide executive leadership and administrative services to support the agency's functions. Supervise property tax collection process and reimbursement programs as mandated by the General Assembly.	State: \$ 1,015,368 Federal: - Other: <u>121,398</u> Total: <u>\$ 1,136,766</u> 23% of Total Budget:	State: \$ 894,855 Federal: - Other: <u>135,484</u> Total: <u>\$ 1,030,339</u> 21% of Total Budget:	Page 34, Figure 7.7.
II	Central State Audit Provide centralized payroll for state employees. Review requests for reimbursement from state agencies to ensure compliance with state law.	State: \$ 1,131,974 Federal: - Other: <u>-</u> Total: <u>\$ 1,131,974</u> 23% of Total Budget:	State: \$ 1,090,915 Federal: - Other: <u>18,899</u> Total: <u>\$ 1,109,814</u> 23% of Total Budget:	Page 36, Figure 7.8.
III	Financial Reporting Provide centralized reporting of the state's financial activities. Produce the state's Comprehensive Annual Financial Report.	State: \$ 547,953 Federal: - Other: <u>-</u> Total: <u>\$ 547,953</u> 11% of Total Budget:	State: \$ 598,883 Federal: - Other: <u>9,051</u> Total: <u>\$ 607,934</u> 13% of Total Budget:	Page 38, Figure 7.11
IV.	Data Processing Provide information technology application development, maintenance, production control, local area network and PC support. Applications include all statewide accounting and payroll functions.	State: \$ 845,211 Federal: - Other: <u>-</u> Total: <u>\$ 845,211</u> 17% of Total Budget:	State: \$ 725,662 Federal: - Other: <u>44,835</u> Total: <u>\$ 770,497</u> 16% of Total Budget:	Pages 41 and 42, Figures 7.13. - 7.16.
V.	Central State Accounting Provide centralized accounting of the state's financial activities. Monitor agencies financial activities to ensure compliance with the Annual Appropriation Act. Respond to FOIA requests.	State: \$ 350,453 Federal: - Other: <u>-</u> Total: <u>\$ 350,453</u> 7% of Total Budget:	State: \$ 366,817 Federal: - Other: <u>7,207</u> Total: <u>\$ 374,024</u> 8% of Total Budget:	Page 44, Figures 7.17. and 7.19.

Remainder of Expenditures:	State: \$ 967,573	State: \$ 917,556
Employer Contributions	Federal: -	Federal: -
	Other: <u>-</u>	Other: <u>-</u>
	Total: <u>\$ 967,573</u>	Total: <u>\$ 917,556</u>
	19% of Total Budget:	19% of Total Budget:

*Key Cross-References are a link to the Category 7-Business Results. These references provide a chart number that is included in the 7th section of this document.

5. Key Customers And The Key Services Provided



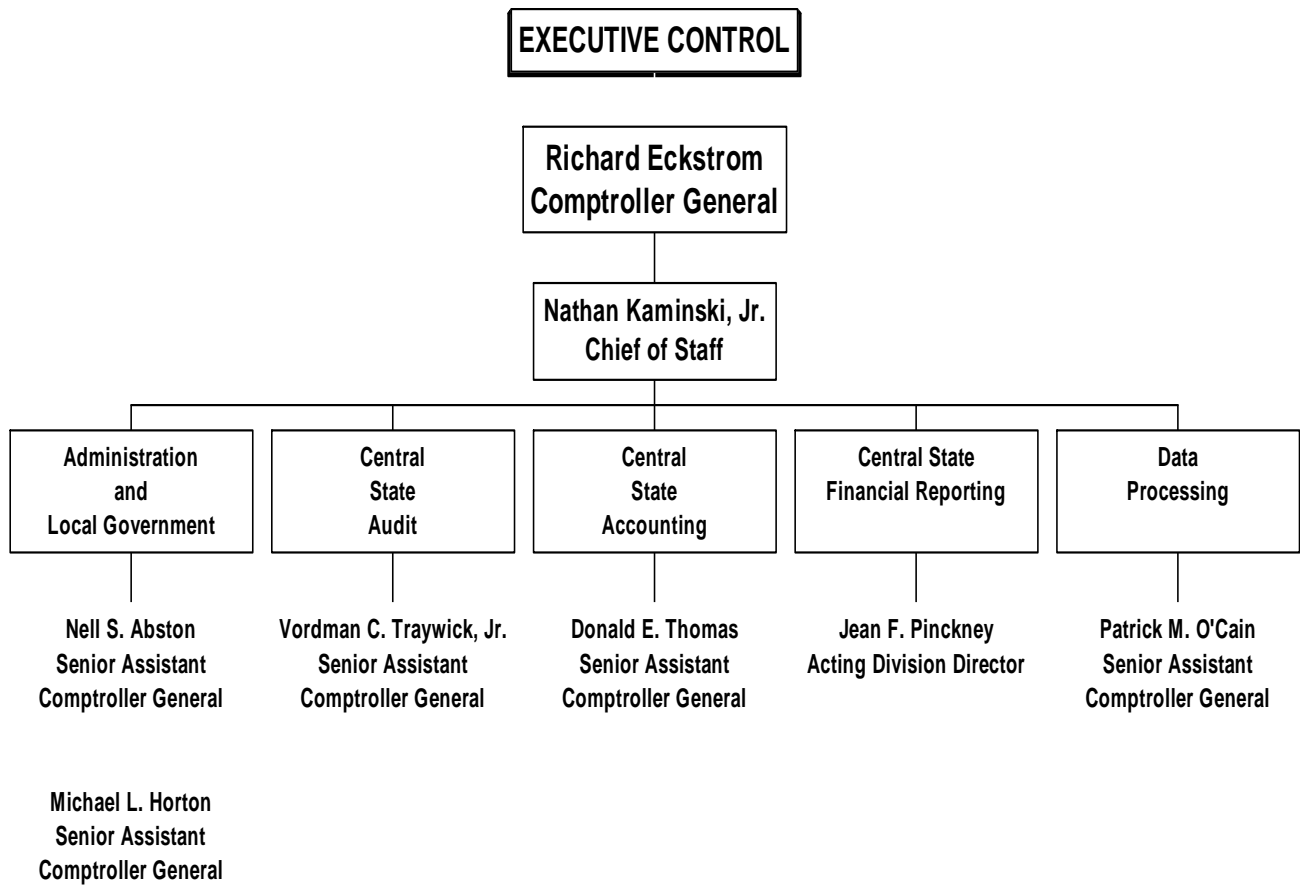
6. Key stakeholders

Our customers are also our stakeholders.

7. Key Suppliers

- State agencies (including universities)
- Local governments
- Independent auditors

COMPTROLLER GENERAL'S OFFICE
Organizational Structure
and
Managerial Staff



SECTION III - ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

CATEGORY 1 - LEADERSHIP

The Comptroller General is a statewide elected position. The Comptroller General, chief of staff, and division directors comprise the agency's senior management team. Senior management develops the strategic plan and sets the agency's vision. Senior managers routinely review requirements by customers and stakeholders such as the General Assembly, bond rating agencies, Government Finance Officer's Association of the United States and Canada, and the Internal Revenue Service to determine the performance expectations. These expectations significantly influence the agency's short and long-term direction.

1.1. *How do senior leaders set, deploy and ensure two-way communication for:*

- (a) short and long term direction, (b) performance expectations, (c) organizational values, (d) empowerment and innovation, (e) organizational and employee learning, and (f) ethical behavior?***

Senior management communicates direction, performance expectations, and organizational values through the strategic plan, Employee Performance Management System, correspondence, and staff meetings. Expected ethical behavior is communicated to employees through training sessions, employee evaluations, and staff meetings. Employees are encouraged to submit suggestions through the Employee Innovation System.

1.2. *How do senior leaders establish and promote a focus on customers and other stakeholders?*

Senior management recognizes the importance of employee and customer satisfaction. Senior leaders strive to foster an environment where employees are treated with respect and believe that their contributions are appreciated. Additionally, senior management emphasizes performance expectations to employees. Staff meetings, performance reviews, and informal discussions are the primary methods used to communicate the focus on customers and stakeholders.

1.3. *How do senior leaders maintain fiscal, legal, and regulatory accountability?*

The majority of the agency's service requirements are mandated by state legislation, federal regulations, bond rating agencies, and authoritative accounting organizations. Furthermore, many of the mandates require the delivery of a service or product within a specified time frame. Failure to produce the required service or product within the specified time frame would result in negative feedback from the customer or stakeholder. Additionally, the agency's processes are routinely reviewed by external parties (e.g. independent auditors).

1.4. *What key performance measures are regularly reviewed by your senior leaders?*

Senior management regularly reviews the agency's customer satisfaction level, response time, and document turnaround time. Senior management pays particular attention to ensuring that the agency's efforts and resources are focused on complying with all applicable mandates.

1.5. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?

Senior leaders discuss the results of reviews performed by external auditors and others to evaluate management effectiveness. Audits with "clean" opinions provide positive feedback needed to ensure that the agency's processes are effective. In instances where the need for improvement is noted, senior leaders evaluate the comments and take the action necessary for improvement.

Through Fiscal Year 2002-2003 senior management has conducted an *Employee Satisfaction Survey* annually. Beginning in Fiscal Year 2003-2004, the agency will conduct the survey biennially. The survey is designed to elicit qualitative and quantitative information. Employees respond to statements in the categories shown in the *Employee Satisfaction Model*.

EMPLOYEE SATISFACTION MODEL



For each statement, employees indicate the extent they agree or disagree. Employees also indicate their overall level of job satisfaction. Space is provided for employee comments.

The survey results are provided to each senior manager and distributed to employees. Senior managers meet with employees to discuss the survey. The managers meet to discuss the survey results and the factors that impact employee satisfaction. The survey results and comments are used as a basis to focus on employee morale. See Figure 7.1. on page 28.

1.6. How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

The agency's primary responsibility is to account for and report on the state's financial activities. Senior management communicates frequently with suppliers and stakeholders to discuss the agency's service requirements. The services required, scope of work, intended results, impact on stakeholders, and associated risks are discussed. Senior management and all applicable parties (e.g. customers, suppliers, stakeholders) work together to accomplish the desired outcome.

1.7. How does senior leadership set and communicate key organizational priorities for improvement?

The chief of staff and division directors meet weekly to review long and short term projects, and to discuss priorities and improvements that may be needed to accomplish organizational objectives, including financial, operational, customer, and employee measures and objectives. If it is determined that agency performance measures are not being met, the management team evaluates causes and develops an improvement plan that considers customer needs and expectations, financial constraints, available human resources and operational capabilities. The division directors are responsible for communicating both priorities and improvement plans to the staff through staff meetings, performance evaluations, informal discussions and written communications.

1.8. How does senior leadership and the agency actively support and strengthen the community? Include how you identify and determine areas of emphasis.

The agency supports the community through participation in the annual United Way Campaign and the Good Health Appeal. Also, many of our employees voluntarily participate in blood drives. Each employee determines his/her areas of community activity.

CATEGORY 2 - STRATEGIC PLANNING

- 1. What is your Strategic Planning process, including participants, and how does it account for: customer needs and expectations, financial, societal and other risks, human resource capabilities and needs, operational capabilities and needs, and supplier/contractor/partner capabilities and needs?***

The Comptroller General and senior management are responsible for formulating the agency's strategic direction. The strategic plan is aligned with the agency's mission, vision, and values. Each year, senior management reviews accounting and financial reporting requirements mandated by such stakeholders as the General Assembly, the Governor, the Government Finance Officers Association of the United States and Canada, the Governmental Accounting Standards Board (GASB), and the Federal Government. Senior management formulates strategies based on input from staff members, state agencies, and other customers. Senior management determines what needs to be done, the expected completion time, and the estimated people hours required.

Senior managers then prioritize tasks and establish work schedules. Senior management deploys the strategic plan to staff members. The tasks, priority, timelines, and completion dates are communicated to employees through staff meetings, performance evaluations, and written communication. Senior managers are responsible for ensuring that agency resources are used efficiently and that the functions performed are aligned with the strategic direction. Performance measures emphasized include customer satisfaction, cycle time, cost savings/cost avoidance, and goal attainment.

- 2. What are your key strategic objectives?***

See the Strategic Planning Chart on page 19.

We continue to develop performance measures and seek benchmarks that will enable us to assess our progress in achieving goals and demonstrate to our stakeholders what is being accomplished with dollars invested in this agency.

- 3. How do you develop and track action plans that address your key strategic objectives***

See answer to question 1 above.

- 4. What are your key action plan/initiatives?***

See the Strategic Planning Chart on page 19.

- 5. How do you communicate and deploy your strategic objectives, action plans and performance measures?***

See answer to question 1 above.

- 6. If the agency's strategic plan is available on the Internet provide an address.***

The agency's strategic plan is not available on the Internet.

Strategic Planning Chart

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 03-04 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures*
I-V Administration Central State Audit Central State Accounting Financial Reporting Data Processing	Perform service delivery requirements accurately and timely. Meet 100% of mandated requirements.	Maintain a 90% customer satisfaction level.	Figures 7.1. - 7.4. Pages 28-30.
II Central State Audit	Verify the validity, authenticity, and legality of requests for payments submitted by agencies.	Review disbursement requests submitted by agencies within four (4) business days.	Page 36, Figure 7.8.
III Financial Reporting	Produce the State of South Carolina's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2003-2004. Receive the Certificate of Achievement for Excellence in Financial Reporting.	Produce a CAFR that is in accordance with generally accepted accounting principles and includes all accounting standards required by the Governmental Accounting Standards Board.	Page 38, Figure 7.11
IV Data Processing	Provide efficient, cost effective information technology and personal computer support for the agency; and provide computer interface with other state agencies.	Perform all activities at a cost that compares favorably with the estimated cost of contracting with private industry or other state agencies.	Pages 41 and 42, Figures 7.13 - 7.16.
V Central State Accounting	Provide centralized accounting of the state's financial activities in accordance with the program structure mandated by the South Carolina General Assembly.	Establish 100% of the accounts required to account for the state's financial activities in accordance with the annual Appropriation Act. Respond to FOIA requests within an average of five (5) business days.	Page 44, Figures 7.17 and 7.19.

*Key Cross-References are a link to the Category 7- Business Results. These results provide a Chart number that included in the 7th section of this document.

CATEGORY 3 - CUSTOMER FOCUS

1. *How do you determine who your customers are and what their key requirements are?*

The agency's customers and stakeholders are identified through the annual planning process. The majority of our service requirements are mandated by state legislation, federal regulations, bond rating agencies, and authoritative accounting organizations. Senior management regularly reviews accounting and financial reporting requirements issued by these entities to determine their expectations, to identify services required to be performed by this agency, and to determine our customers. Additionally, through participation in professional organizations, senior leaders exchange information with and receive feedback from our suppliers, customers, and stakeholders. Our key customers and their requirements are listed on page 12.

2. *How do you keep your listening and learning methods current with changing customer/business needs?*

As a statewide elected official, the Comptroller General is frequently called on to address citizen groups. He also meets with members of the General Assembly, the media, and bond rating agencies. The Comptroller General uses these opportunities to communicate with our customers and stakeholders to make certain that the agency's service delivery is aligned with their needs.

Also, members of senior management annually participate in forums held by professional accounting organizations. In addition, approximately twice a year the agency conducts regional workshops for county auditors, treasurers and tax collectors. These forums and workshops afford us the opportunity to communicate with these customers and receive feedback. Furthermore, many of our employees have daily contact with our customers. Employees are encouraged to use this contact as a means of determining customer satisfaction. Feedback received from this communication is passed on to senior management. We evaluate the feedback received to assess the agency's effectiveness in service delivery and meeting customer expectations. When needed, we use advisory groups and/or professional advisors to ensure that service requirements and customer expectations are met.

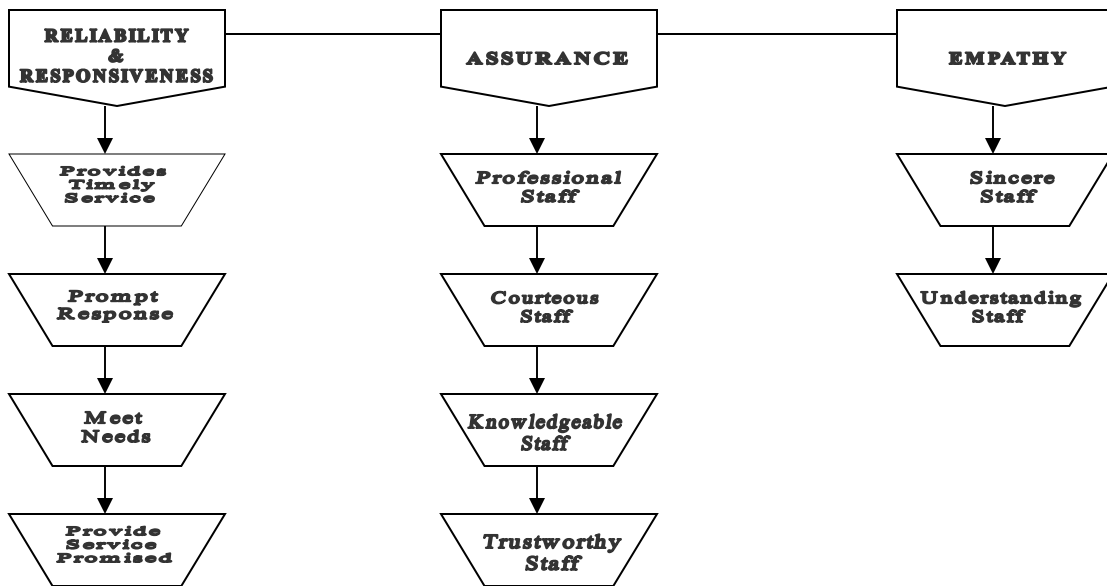
3. *How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?*

Information received from customers/stakeholders is discussed by senior management during the weekly directors meeting. Positive comments reinforce areas of strength. Constructive comments serve as areas of emphasis for improvement. Senior managers evaluate the constructive comments received and devise a plan for improvement. The plan for improvement is communicated to staff members through methods such as staff meetings or training.

4. *How do you measure customer/stakeholder satisfaction?*

The agency conducts a *Customer Satisfaction Survey* annually. The survey is designed to elicit qualitative and quantitative information. Customers respond to statements in the categories shown in the *External Customer Satisfaction Model* shown on page 21. For each statement customers indicate the extent they agree or disagree. Space is also provided for comments.

EXTERNAL CUSTOMER SATISFACTION MODEL



In prior years, we surveyed primarily state agencies. However, beginning this fiscal year, we have expanded our survey to include local governments and higher education institutions. The expanded survey provides better representation of our broad customer base. See the survey results on pages 29 and 30.

5. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

Senior management builds positive relationships with customers and stakeholders by participating in forums at professional organizations and conducting workshops. These forums and workshops provide managers the opportunity to communicate with and exchange ideas with our customers as well as receive feedback.

CATEGORY 4 - MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

1. *How do you decide which operations, processes and systems to measure for tracking financial and operational performance?*

Most of the agency's service delivery requirements are mandated by the South Carolina General Assembly, Governmental Accounting Standards Board, and Federal Government. Accordingly, our measures are driven by the needs of our customers and stakeholders. Some of these measures include: cycle time for reviewing disbursement requests submitted by state agencies and issuing a Comprehensive Annual Financial Report in accordance with generally accepted accounting principles within prescribed time frames. We also use other measures such as customer satisfaction level, cost savings or cost avoidance to evaluate the management team's performance.

2. *What are your key measures?*

The agency's key measures are customer satisfaction, cycle time, cost savings and cost avoidance.

3. *How do you ensure data integrity, timeliness, accuracy, security and availability for decision-making?*

The agency's processes are well documented and enhanced through detailed, written instructions to our employees and suppliers. Managers make certain that staff members and suppliers are knowledgeable of all requirements and that procedures are followed to ensure that the required data is produced within the specified time period. Data submitted to this office is reviewed prior to input into the Statewide Accounting and Reporting System (STARS). Additionally, our automated systems contain edits that will reject erroneous data from being posted to the system. Documents such as reports prepared by staff members are reviewed prior to distribution.

4. *How do you use data/information analysis to provide effective support for decision making?*

Data is made available and is used in decision making at every level in the organization. Data collection and analysis is the first step performed by senior leaders in the strategic planning process. All individuals responsible for decision-making are provided with the needed data or are provided support to assist them in data collection and analysis.

5. *How do you select and use comparative data and information?*

The type of comparative data and information is based on customer expectations, the desired outcome, and the availability of data. Emphasis is placed on ensuring that the agency's limited resources are being used to meet goals outlined in the strategic plan. For example, one of the agency's annual goals is to receive a Certificate of Achievement for Excellence in Financial Reporting that is issued by the Government Finance Officers Association of the United States and Canada (GFOA) - the premier association of public sector finance professionals. Accordingly senior leaders are constantly updated on the progress being made in issuing a Comprehensive Annual Financial report that meets GFOA's demanding standards.

6. *How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?*

Certain agency functions are documented in procedures manuals. These manuals serve as training tools for less experienced employees and reference guides for more experienced employees. The manuals also ensure consistency and uniformity in agency processes. Also, in some instances, employees are being cross-trained to learn the duties of experienced staff that will be retiring in a few years. In other instances, the duties of terminated employees are disbursed among current staff members. This sometimes is a learn-as-you-go process. Agency employee policies are published on the agency intranet and are available continuously for employee reference.

CATEGORY 5 - HUMAN RESOURCE FOCUS

1. *How do you and your managers/supervisors encourage and motivate employees (formally and/or informally) to develop and use their full potential?*

Senior management encourages and motivates employees to use their full potential in various ways. Effective communication is an important tool used by management. The agency uses a suggestion box, weekly staff meetings, surveys, and exit interviews to determine trends within the workforce and the general level of employee satisfaction. The Employee Innovation System Committee encourages employees to make suggestions for improvement within the agency and state government. Health screenings are offered at minimal cost to employees. The flexible work schedule implemented this fiscal year enables employees to balance their personal and professional lives. Social events such as quarterly luncheons provide opportunities for agency employees to interact informally.

2. *How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training?*

The training received by employees is determined by available resources. Emphasis is placed on ensuring that persons performing the functions given top priority in our strategic plan receive the necessary training. However, as shown in Figure 7.5. on page 31, employee training has been reduced significantly as budget resources have been curtailed.

3. *How does your employee performance management system, including feedback to and from employees, support high performance?*

The Employment Performance Management System (EPMS) serves as a formal vehicle to provide feedback to employees. Employees receive a formal performance review no less than annually. Employees in probationary status receive a review within six-months. During the performance review managers are expected to provide positive feedback, make constructive comments when applicable, and discuss future expectations. Also, managers are encouraged to have informal review sessions with staff members periodically.

4. *What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation?*

The agency uses an *Employee Satisfaction Survey* to measure employee satisfaction. Our employee satisfaction level was down from 91 percent in Fiscal Year 2002 to 83 percent in Fiscal Year 2003. Senior management believes that part of the decline in the employee satisfaction rating was because of timing. The survey was conducted in June 2003 shortly after employees were informed that their health insurance premiums will increase and some benefits will decrease; of additional budget cuts; and that the office downsized office space to cut operating costs. See Category 1, 1.5. on page 16 for more details about the employee survey and page 28 for the results.

The agency conducts *Employee Satisfaction Surveys* annually.

5. *How do you maintain a safe, secure, and healthy work environment?*

Senior managers are responsible for making certain that all safety requirements are met. Information on workplace safety is routinely distributed to employees and posted on the agency bulletin boards. Also, each division provides a first-aid kit that is easily accessible to employees. In case of fire or other emergencies, we have established a "buddy system" to ensure that employees with physical impairments get out of the building safely. To promote a healthy work environment, senior managers arrange for trained medical personnel to provide annual on-site flu shots and health screening to employees.

6. *What activities are employees involved in that make a positive contribution to the community?*

Employees contribute to the Excess Leave Pool to help their colleagues, as well as support charities such as the United Way, American Red Cross, Good Health Appeal, and Families Helping Families. Also, employees routinely participate in blood drives, the Walk for Cancer, and diabetes prevention. The agency does not have a formal method of tracking employee participation in community activities. It is quite possible that employees are involved in many more community activities than listed in this section.

CATEGORY 6 - PROCESS MANAGEMENT

1. *What are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?*

The agency's key processes are: maintaining a centralized accounting, payroll, and financial reporting system; issuing a Comprehensive Annual Financial Report; and supervising the collection of property taxes, administering the Homestead Exemption Program for senior citizens, the Property Tax Relief Program, and the Merchants' Inventory Exemption Program. These processes are mandated by our customers and are aligned with the agency's mission.

2. *How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, customer and supplier relationships and involvement, and product and service customization.*

The agency relies on the knowledge and experience of staff persons to meet changing customer requirements and identify ways to enhance processes through new technology. New processes are implemented based on employees recognizing a need to change, input from customers, or changes in stakeholder requirements. Where applicable, the agency will conduct workshops, provide written instructions, or take similar measures to ensure that suppliers are informed of the changes and are able to provide the required product. Also, as needed, the agency will participate in forums, provide written instructions, or take similar actions to inform customers of changes and receive feedback. Senior managers closely monitor changes in key processes to ensure that service requirements are being met.

3. *How does your day-to-day operation of key production/delivery processes ensure meeting key performance requirements?*

The division directors are responsible for communicating key performance requirements to staff members and must review the quality and timeliness of functions performed on an ongoing basis. Senior management meets weekly to discuss issues, progress being made, and problems encountered. It is the division directors' responsibility to report to the chief of staff and Comptroller General if there is a drop in performance so that corrective action can be identified and taken. When this oversight does not identify a problem in a timely fashion, as was the case during this last fiscal year with the drop in performance for the average days for document turnaround (see page 6, Figure I.4.d.), then the chief of staff, in conjunction with the division directors, is responsible for developing an improvement plan as quickly as possible to better monitor these key performance measures and allocate agency resources to address the problem. For example, a plan is now in place to review cycle time in the Audit division on a quarterly basis, rather than annually, and allocate more resources to that area as necessary.

4. *What are your key support processes, and how do you improve and update these processes to achieve better performance?*

The agency's key support processes include accounting, employee benefits, procurement, public and legislative relations, and information technology. The agency uses technology as much as possible to maximize efficiency and minimize operating costs. For example, the Data Processing Division meets weekly with staff persons from each division. These meetings provide

managers an opportunity to discuss ongoing projects, prioritize and allocate the agency's information technology resources, and plan for future projects. Emphasis is placed on staying current on technological trends and identifying ways to automate work processes. Some examples of our technology related processes are:

- **Document Management System**

The electronic document management system is in the pilot phase. The electronic document management system positions the Comptroller General's Office to take advantage of the efficiencies available in a "paperless" environment and to provide an electronic portal for other state agencies possessing the same capability. Because of funding limitations, we began with three state agencies: the House of Representatives, the Senate, and the Department of Mental Health. As additional funds become available we will expand the imaging process to include additional agencies.

- **South Carolina Enterprise Information System (SCEIS)**

The Comptroller General's Office has continued to actively promote the SCEIS project. The agency views this as a strategic opportunity to move the state toward a more comprehensive common system for managing the state's finances. As currently planned, this system will include most state agencies except for higher education institutions. Under the Comptroller General's oversight the next phase of a comprehensive enterprise project is set to begin in September 2004. The focus of this phase will be to review, reengineer and document the state's business processes and proposed configuration of the statewide system. Under the direction of the Comptroller General and the state Chief Information Officer, a central support staff is being assembled and trained to work with the prime contractor, BearingPoint, on this project. It is anticipated that this phase will last approximately 6-9 months. It will be followed immediately by the implementation phase for central state government including the Comptroller General's Office, the State Treasurer's Office and the central functions of the Budget and Control Board. Other agencies will then be added.

5. How do you manage and support your key supplier/contractor/partner interactions and processes to improve performance?

The agency manages and supports its key supplier processes and performance by providing formal training sessions, conducting informal one-on-one training as needed, providing technical assistance, conducting workshops, participating in focus groups, serving on working committees, participating in seminars, and soliciting feedback.

CATEGORY 7 - KEY BUSINESS RESULTS

Customer Focus Results:

Goal:

To maintain the highest possible customer satisfaction level by meeting customer expectations and by providing quality service delivery.

Objectives:

- To maintain a 90% employee (internal customer) overall satisfaction level.
- To maintain a 90% external customer satisfaction level.

Key Results:

- Obtained a 83% employee satisfaction level (employees that indicate they are somewhat satisfied or strongly satisfied on the survey) during Fiscal Year 2002-2003. ACSI benchmark is 68.3% - see figure 7.4. on page 30. The agency conducts employee satisfaction surveys biennially and will conduct another survey during Fiscal Year 2004-2005.
- Obtained a 98% external customer satisfaction level (customers that agree or strongly agree with the survey questions). ACSI benchmark is 68.3% - see figure 7.4. on page 30.

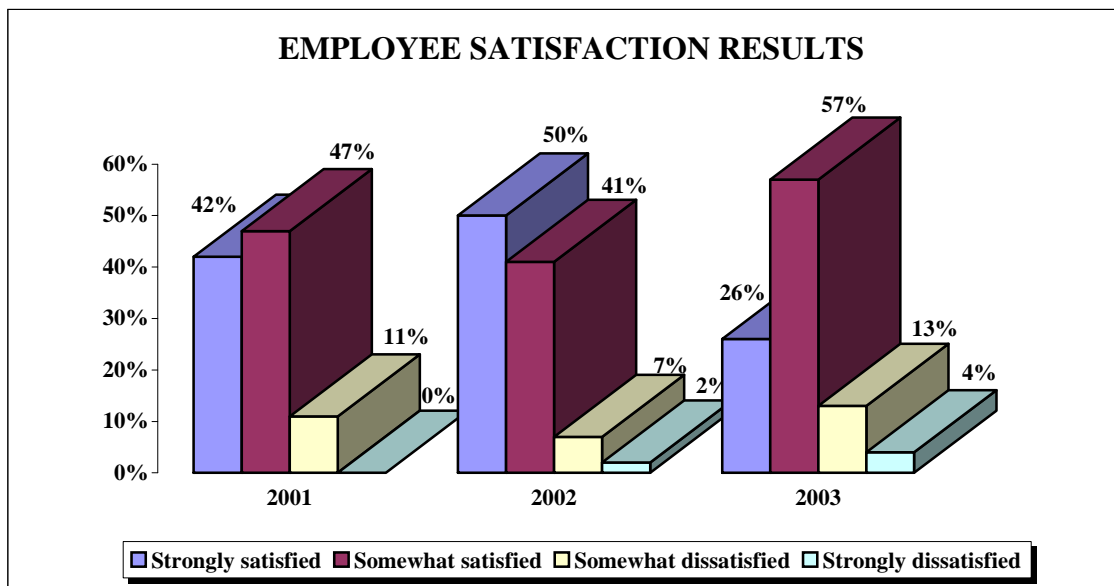


Figure 7.1.

Note: Next survey will be conducted in Fiscal Year 2004-2005 and biennially thereafter.

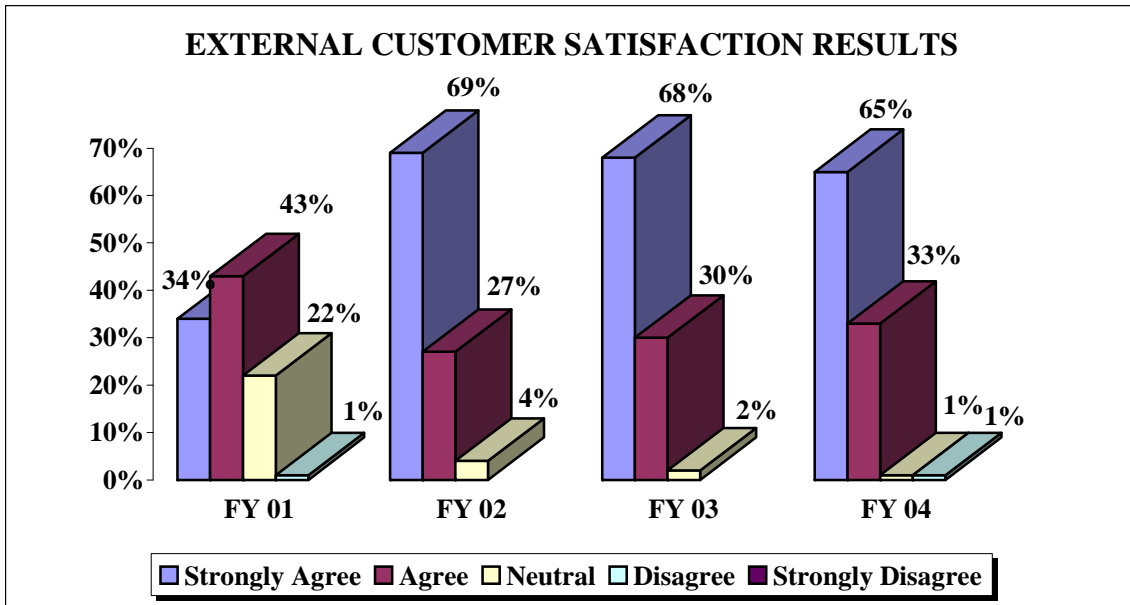


Figure 7.2.

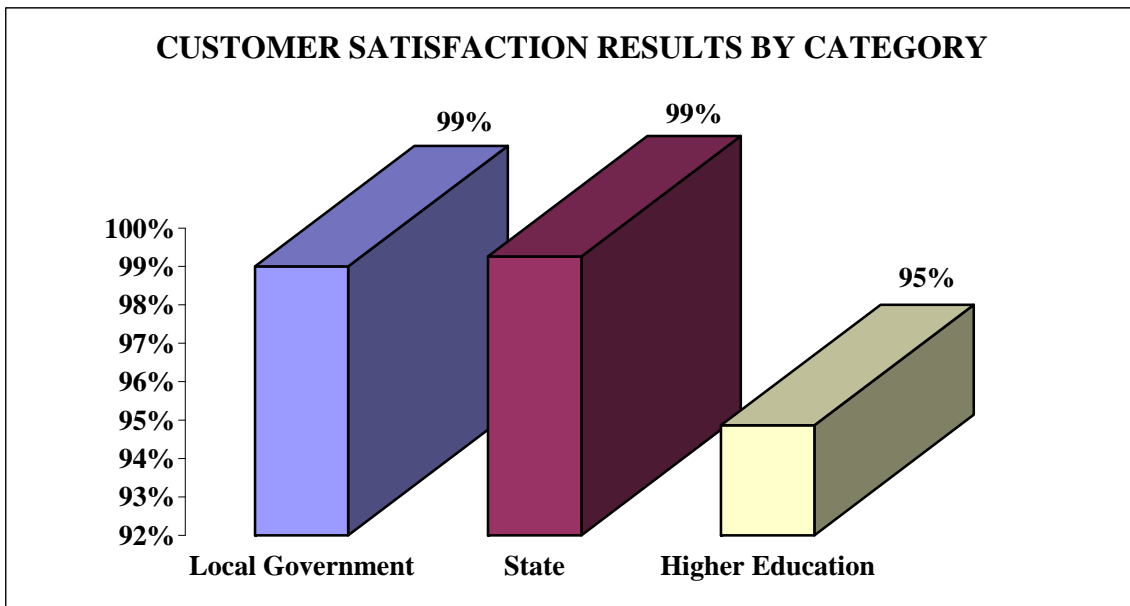


Figure 7.3.

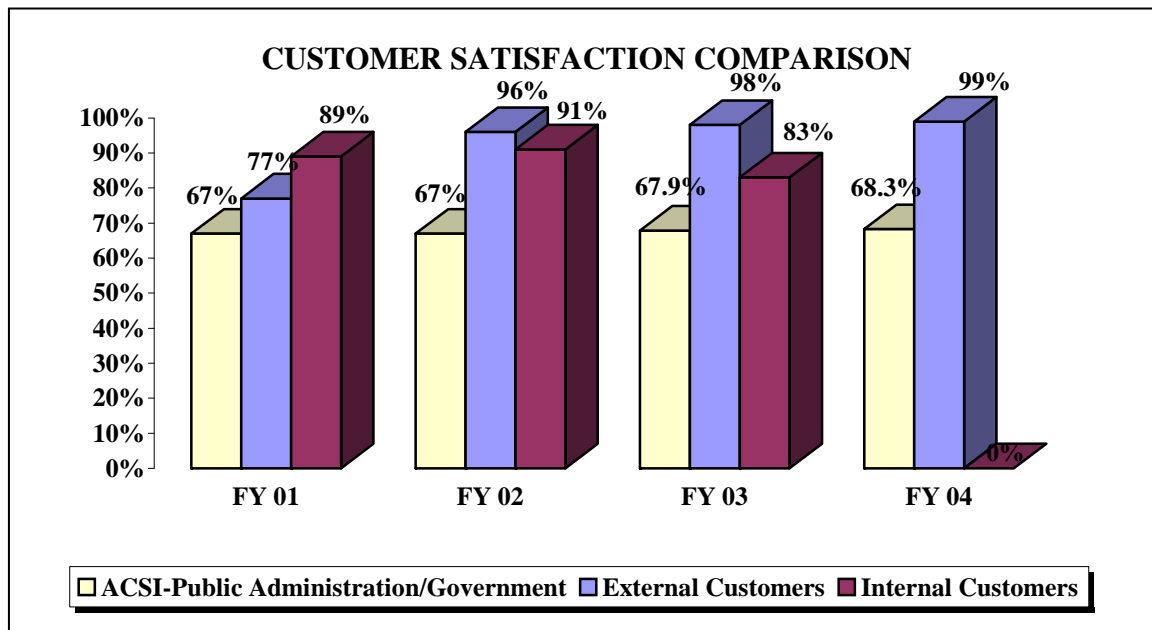


Figure 7.4.

Benchmark: The American Customer Satisfaction Index is produced annually by the American Society for Quality. The index is nationally recognized and provides industry-specific measures of customer satisfaction. The 68.3% ASCI score as of December 2003 is the most recent score available for the Public Administration/Government industry sector.

Note: Through Fiscal Year 2002-2003, the agency was conducting employee surveys annually. Agency managers decided during Fiscal Year 2003-2004 to conduct these surveys biennially. Accordingly, the agency will conduct its next employee survey during Fiscal Year 2004-2005.

Human Resource Focus Results:

Goal:

- Maintain a knowledgeable, well-trained workforce whose educational level and skills level are aligned with the agency's service delivery requirements.
- Ensure that human resources available and service delivery requirements are aligned.

Objectives:

- Provide the training needed to ensure that employees have the skills and knowledge required to perform the functions given top priority in our strategic plan.
- Ensure that available human resources are aligned with the resources necessary to provide quality service and to meet customer needs.

Key Results:

- Provided 206 hours of professional development training for employees.

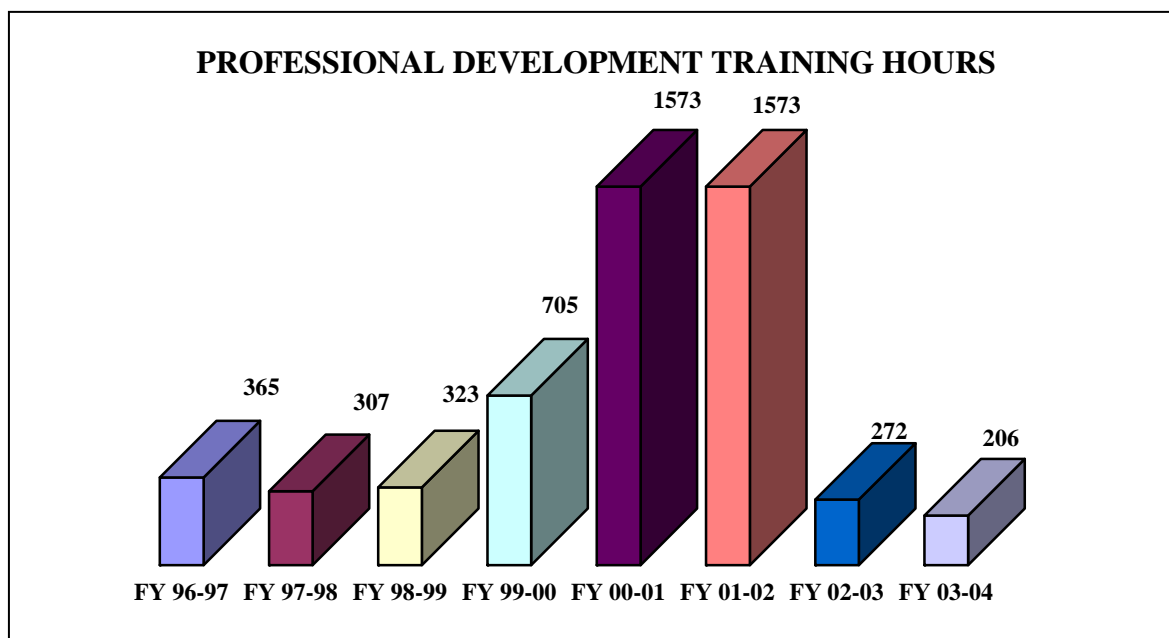


Figure 7.5.

- Met basic service delivery requirements, despite a reduction in filled FTE's.

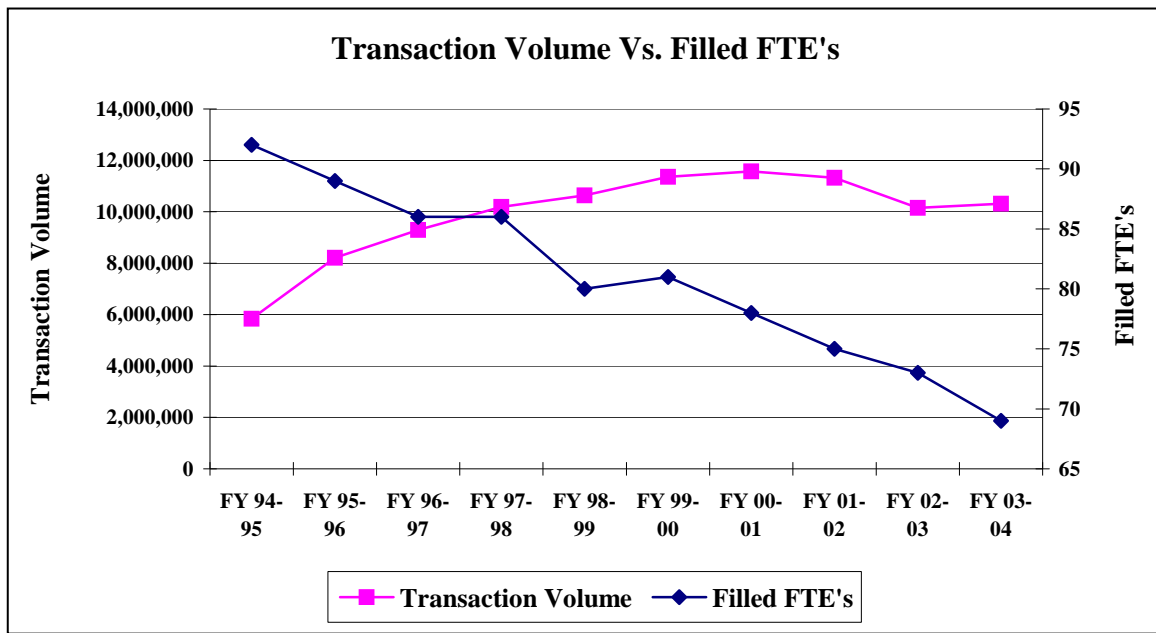


Figure 7.6.

See the Opportunities and Barriers section on page 2 for further discussion on the impact of the agency's increasing workload and decreasing resources.

PROGRAM I: Administration/Local Government Division

Goals:

- Provide administrative support functions to our agency in the areas of accounting, budgeting and finance, procurement, public and legislative relations, and employee benefits in compliance with all state and federal requirements.
- Maintain direct contact with the county auditors, treasurers and tax collectors and supervise the property tax collection process and reimbursement programs as mandated by the General Assembly.

Objectives:

- Provide 69 office employees and 92 county auditors and treasurers with an efficient, user-friendly payroll and employee benefits system. Coordinate staff development and training. In accordance with the Appropriation Act, disburse salary supplements to select county officials.
- Receive clean audits in the areas of insurance, procurement, personnel and finance.
- Administer the state's U.S. Savings Bond Program through a statewide-automated purchasing system.
- Audit requests and disburse funds to counties in accordance with the General Appropriation Act for the Homestead Exemption, Merchants' Inventory Exemption, Manufacturers' Depreciation, and State Residential Property Tax Programs.

Key Results:

- Maintained and provided payroll and insurance benefits records for 69 employees and 92 county auditors and treasurers (100 percent of requirements). Provided information for all EPMS reviews, reclassifications and performance increases for covered positions.
- Received clean audits in the areas of insurance, procurement and personnel.
- Received the Independent Accountant's Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2003. No exceptions were found as a result of the procedures.
- Maintained employee payroll deduction files and purchased 12,205 U. S. Savings Bonds totaling \$749,675 from the Federal Reserve Bank. One hundred percent of the bonds were purchased on time.
- Disbursed 100 percent of the required salary supplements to county officials.

Benchmark: Part 1A, Section 69A.1 of the FY 2003 Annual Appropriation Act requires the Comptroller General to distribute salary supplements to county officials.

- Received and responded to an average of 63 calls per month from local officials seeking technical and legal assistance to aid them in the performance of their duties.
- Audited 100 percent of requests received from counties and disbursed funds to counties for the Homestead Exemption, Merchants' Inventory Exemption, Manufacturers Depreciation, State Residential Property Tax and Motor Vehicle Tax Reduction Programs.

Benchmarks: Disbursements are made in accordance with the requirements of The South Carolina Code of Laws - Sections 12-37-251, Homestead exemption from property taxes; 12-37-450, Business Inventory Tax Exemption; Reimbursement of counties and municipalities; 12-37-270, Reimbursement for tax loss in counties allowing homestead exemptions; and 12-37-935, Maximum percentage depreciation; trust fund for tax relief.

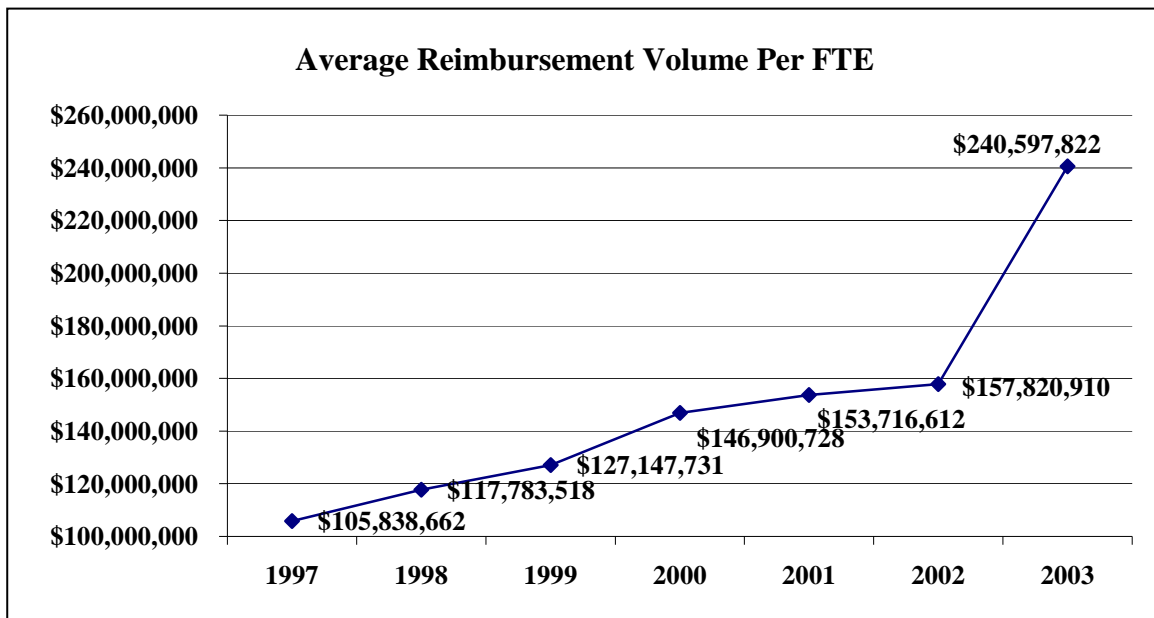


Figure 7.7.

Note: Years represent tax years. Calendar year 2003 is the most recently completed tax year. The significant increase in the reimbursement volume is because the FTE's assigned to perform this process decreased from three to two during the fiscal year.

PROGRAM II: Central State Audit Division

Goals:

- Conduct a review of all disbursements of South Carolina State Government to ensure that agencies comply with the annual Appropriation Act.
- Verify the validity, authenticity, and legality of each payment.

Objectives:

- Process the statewide payroll accurately and on time 100% of the time.
- Provide accurate financial information and reports to the various income tax authorities and retirement systems within the time frames required by law.
- Review disbursement requests submitted by agencies accurately within an average of four (4) business days.
- Encourage agencies to continue using the Visa Procurement card for small purchases, thereby, reducing transaction volume and increasing financial rebates to the state.

Key Results:

- Processed the statewide payroll accurately and on time 100% of the time.

Benchmark: Title 8, Chapter 11, Section 35 (A) of the South Carolina Code of Laws states in part: "...all appropriations for compensation of State Employees shall be paid in twice-monthly installments...The payroll period shall continue thereafter on a twice-monthly schedule as established by the Budget and Control Board..."

- Provided accurate financial information and reports as required on time 100% of the time. Failure to comply with applicable regulations would result in significant penalties assessed by the state and federal governments.

Benchmark: Section 11 of Internal Revenue Service Circular E, Employer's Tax Guide for tax year 2004 requires employee payroll withholdings to be deposited within specified time frames. Penalties between two and fifteen (15) percent are assessed for deposits not made on time. By meeting the Internal Revenue Service's payroll deposit requirements, we avoided a minimum of \$8.7 million in federal tax deposit penalties.

- Audited and accurately paid over 1.5 million Contingent Vouchers and Interdepartmental Transfers within an average of 4.53 business days. See the Barriers section on page 5 for a discussion on the average days document turnaround.

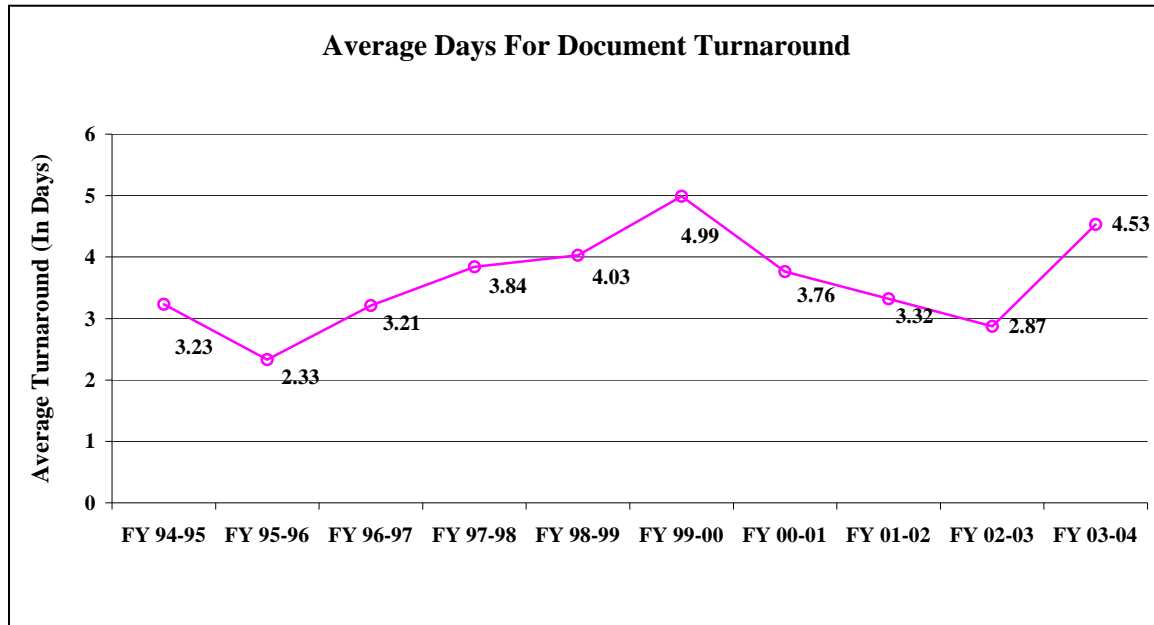


Figure 7.8.

Note: Document turnaround time is measured from agency batch date to STARS processing date. Agency batch date is the date the document was created by the agency. On average, receipt of the document in this office is one business day later. STARS processing date represents the date the document was paid.

- Continued to promote agencies' use of the procurement card which streamlines the procurement process. For example, during the fiscal year approximately 178,000 procurement card transactions resulted in a mere 564 vouchers being processed for monthly procurement card statements. See Figure 7.10. on page 37.

The contract for the Procurement Card, which includes state agencies, higher education, and local government entities, provides for a rebate to the state based on transaction volume and the number of cards issued. The rebate to the General Fund for Fiscal Year 2003-2004 was \$496,559. Rebates to the General Fund have increased by 728% since the inception of the program. See Figure 7.9. on page 37.

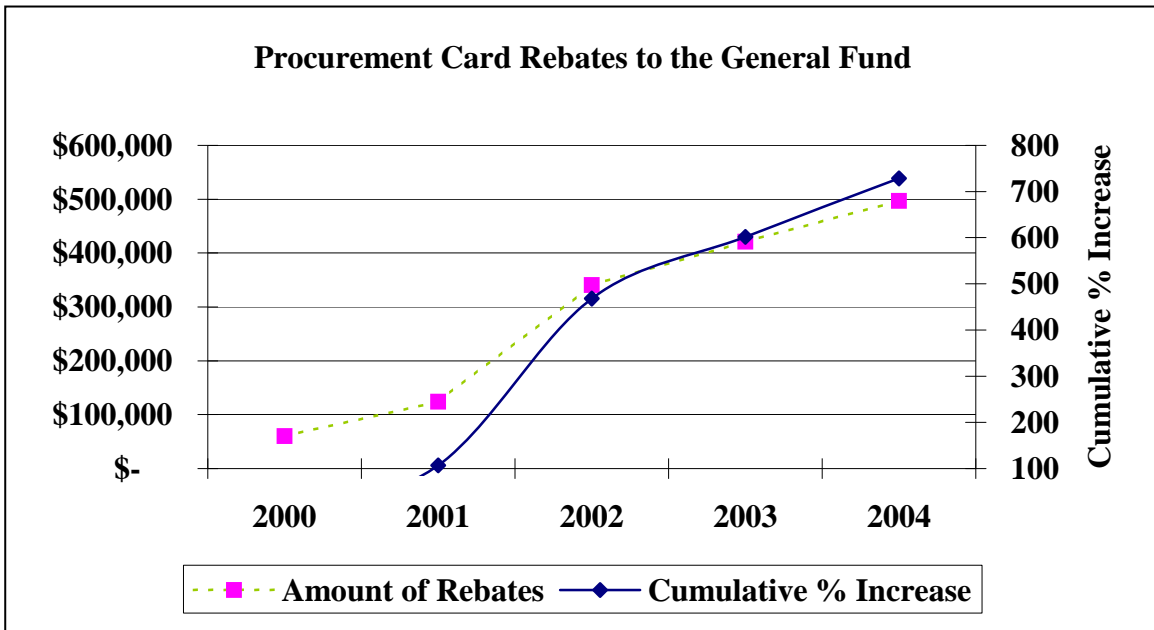


Figure 7.9.

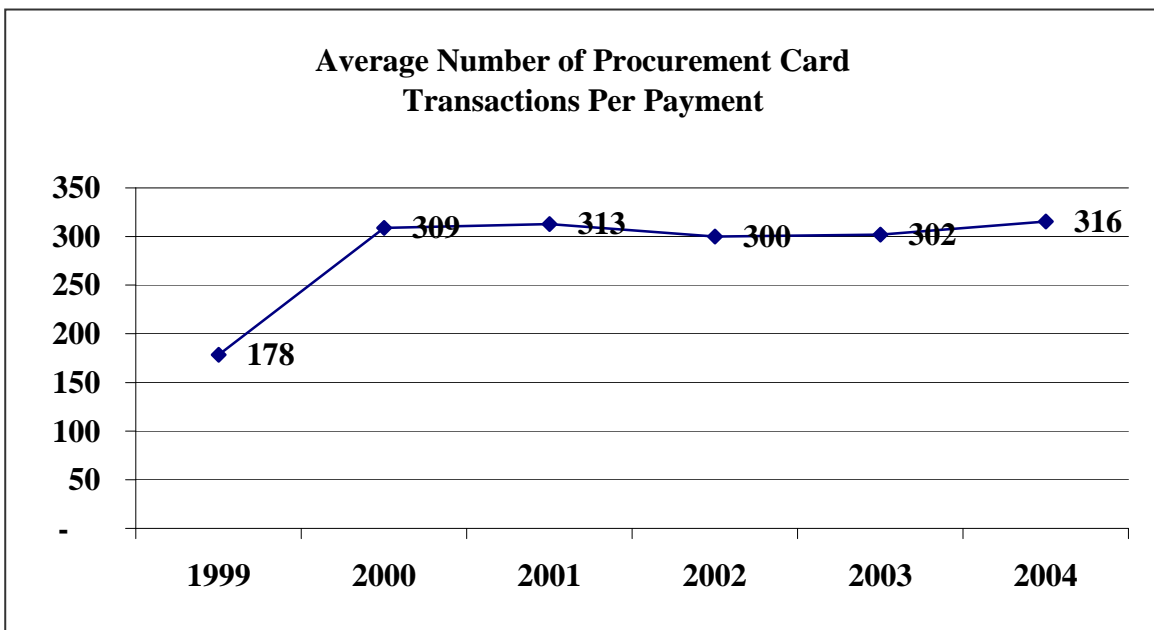


Figure 7.10.

PROGRAM III: Central State Financial Reporting Division

Goals:

- Provide centralized reporting of the state's financial accounting activities in accordance with the program structure mandated by the South Carolina General Assembly and generally accepted accounting principles.
- Provide timely, accurate statewide financial data needed by state government and by external parties such as national bond rating agencies, potential bond purchasers, other State creditors, citizen groups, and agencies of the Federal Government.

Objectives:

- Produce the State of South Carolina's Comprehensive Annual Financial Report (CAFR) in accordance with Generally Accepted Accounting Principles, implementing all new accounting standards required by the Governmental Accounting Standards Board.
- Receive the Certificate of Achievement for Excellence in Financial Reporting, earning grades of "Acceptable" in 100 percent of the financial reporting areas noted within Program's "Summary of Grading Results."

Key Results:

- Independent auditors awarded an unqualified ("clean") audit opinion to the State of South Carolina's CAFR for the sixteenth consecutive year.

Benchmark: Under the American Institute of Certified Public Accountants' *Code of Professional Ethics*, auditors may award an unqualified ("clean") audit opinion to a government unit's financial statements only if those statements, upon examination, are determined to be fairly presented in accordance with generally accepted accounting principles (GAAP). GAAP for governments are nationwide standards that apply to all state and local governments in the United States. The Governmental Accounting Standards Board and certain other national accounting standard-setting organizations define what constitutes GAAP.

TYPE AUDIT OPINIONS RECEIVED

Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean	Clean
FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03

Figure 7.11.

- The Government Finance Officers Association awarded its Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina's June 30, 2002 Comprehensive Annual Financial Report (CAFR) for the fifteenth consecutive year. Reviewer grades were "acceptable" in all seventeen grading categories. We have not been notified of the fiscal year 2003 results.

Benchmark: The Government Finance Officers Association of the United States and Canada (GFOA) is the premier association of public-sector finance professionals. GFOA's Certificate of Achievement for Excellence in Financial Reporting is awarded to a government unit for a one-year period if its CAFR meets the demanding standards of the GFOA's Certificate of Achievement program.

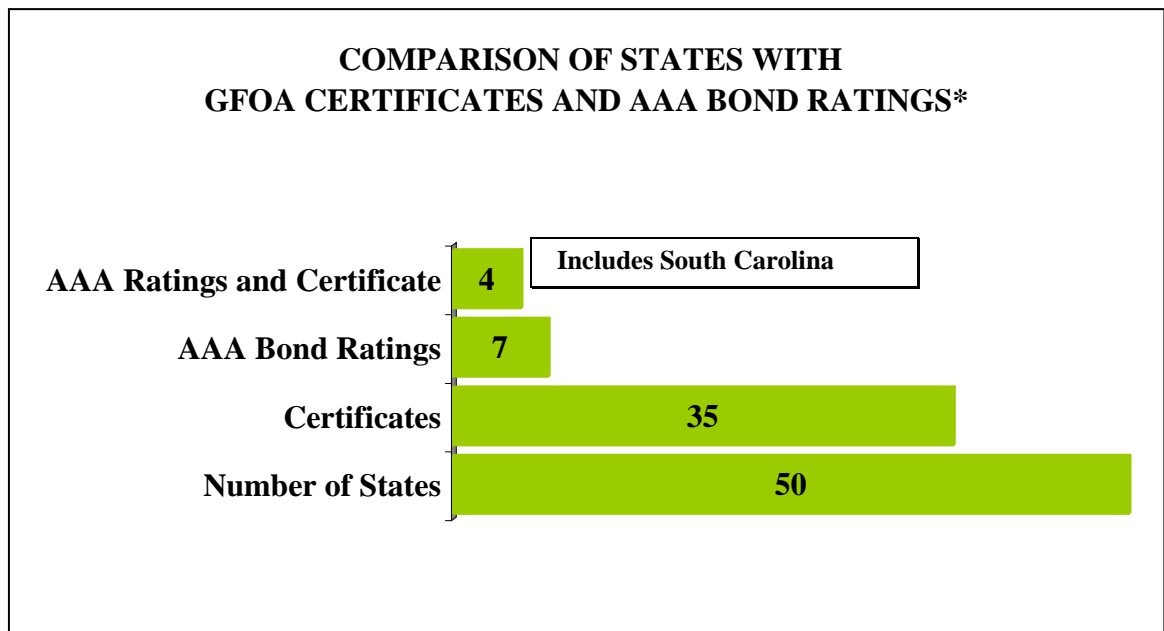


Figure 7.12.

- * States that were awarded AAA bond ratings by all three major rating agencies and/or received a GFOA Certificate of Achievement for Excellence in Financial Reporting. Statistics are the most recent available.

PROGRAM IV: Data Processing Division

Goals:

- To cost effectively provide quality information technology application development, maintenance and production control services for the Comptroller General's Office. This includes all statewide accounting and payroll functions, local government functions and internal administrative functions of the agency.
- To cost effectively administer the agency's local area network and personal computer assets. This includes all the maintenance and installation of new servers, workstations and peripherals.

Objectives:

- Ensure that all agency program needs for information technology services are met to management's satisfaction.
- Develop new applications and/or modify existing applications that are identified as necessary to meet the requirements of the agency's programs. Complete and distribute all production processing for the Comptroller General's Office as scheduled.
- Administer the agency's LAN and PC infrastructure in a cost effective manner with minimal down time. Maintain accurate records of all LAN and PC assets and infrastructure. Review, recommend and implement enhancements and upgrades to these assets.
- Receive a clean audit (no comments) as a result of the EDP audit performed as part of the statewide audit.
- Perform all activities at a cost that compares favorably with the estimated cost of contracting with private industry or other state agencies.

Key Results:

- Met with management of each program area within the agency on a weekly basis to discuss ongoing and potential new information technology needs. These meetings allowed for feedback from each program concerning technology issues. They provided a forum for discussing and prioritizing any new development or maintenance projects.
- All requested development and maintenance was completed and met the needs of the divisions.
- The division played a direct role in the pilot implementation of the South Carolina Enterprise Information System (SCEIS) at the Department of Mental Health. In cooperation with the Budget and Control Board Division of the State CIO, the division completed and published a Business Case Study for further roll out of SCEIS. This study and report focuses on the costs and benefits of an enterprise solution for managing the State's financial affairs.

- Continued support and enhancement of the pilot document imaging system for STARS. This pilot project lays the foundation to expand and coordinate using imaging technology with the State's financial transactions. Currently working toward integration of this project with the enterprise financial administration project SCEIS.
- The agency's LAN and PC area has continued to expand to service all agency employees. The agency WEB site has also been enhanced to allow for more interactive use by agencies communicating with the Comptroller General's Office.
- A clean audit (no comments) was received as a result of the annual EDP audit performed as part of the statewide audit.
- The costs for all activities compared favorably to the estimated cost of contracting for these services from both the Budget and Control Board - Office of Information Resources and through private services available on the state's contract for IT personnel. The Comptroller General costs include all Personnel Services and Operating expenses for the Comptroller General's Data Processing Division as well as the associated fringe benefit costs. The estimate of the OIR costs are based on rates as published by OIR. The State IT Contract costs are based on rates published for the Contract for Temporary IT Personnel Contract.

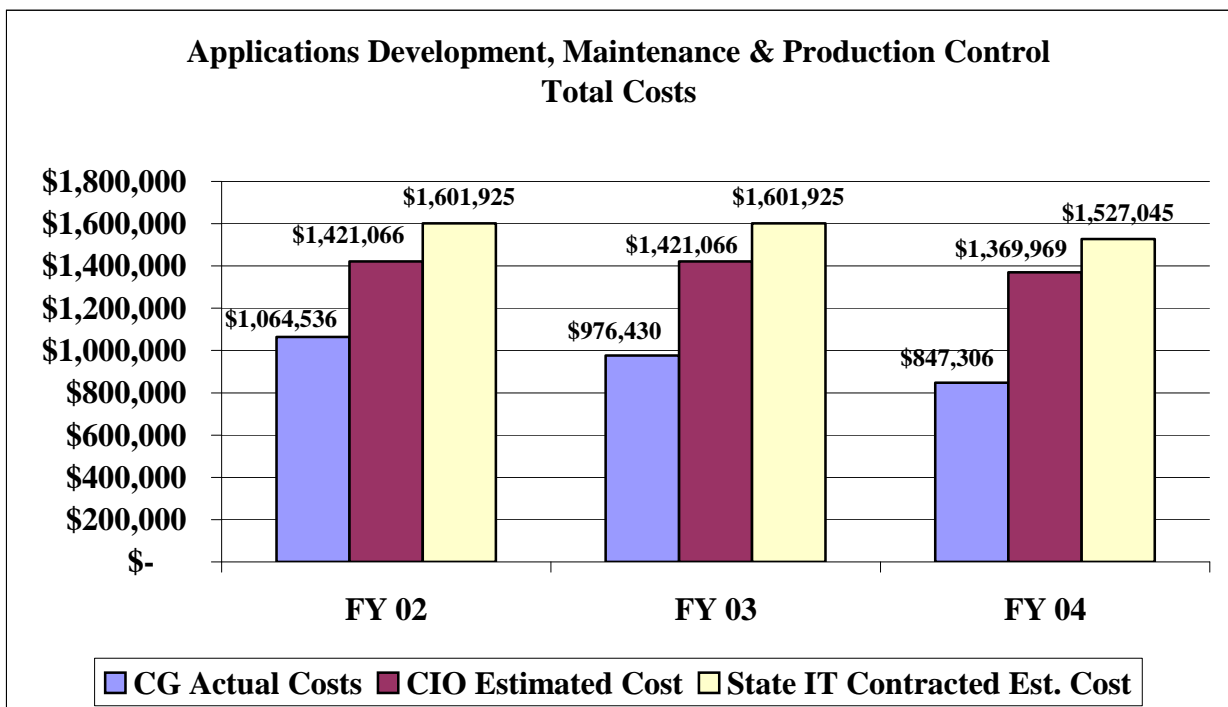


Figure 7.13.

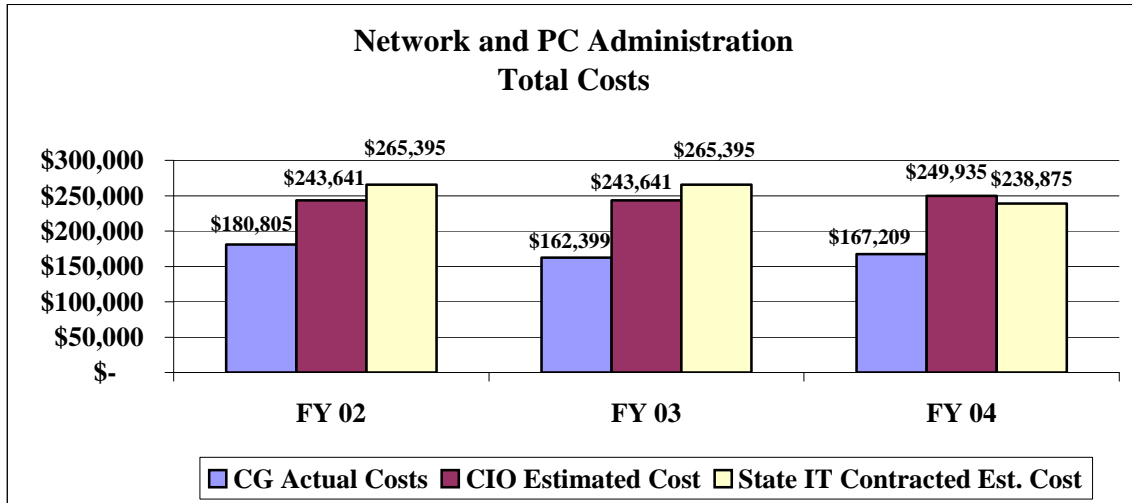


Figure 7.14.

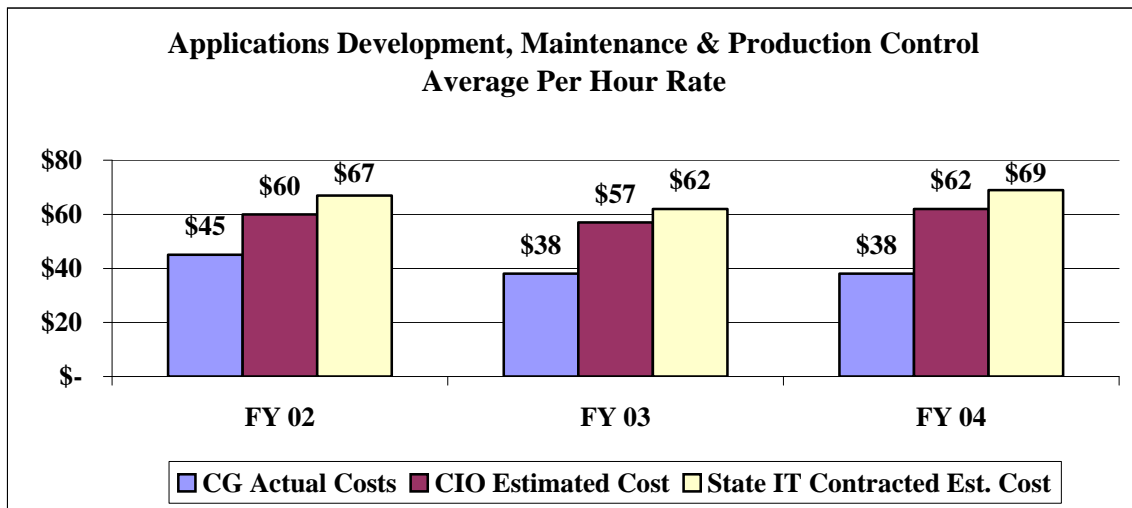


Figure 7.15.

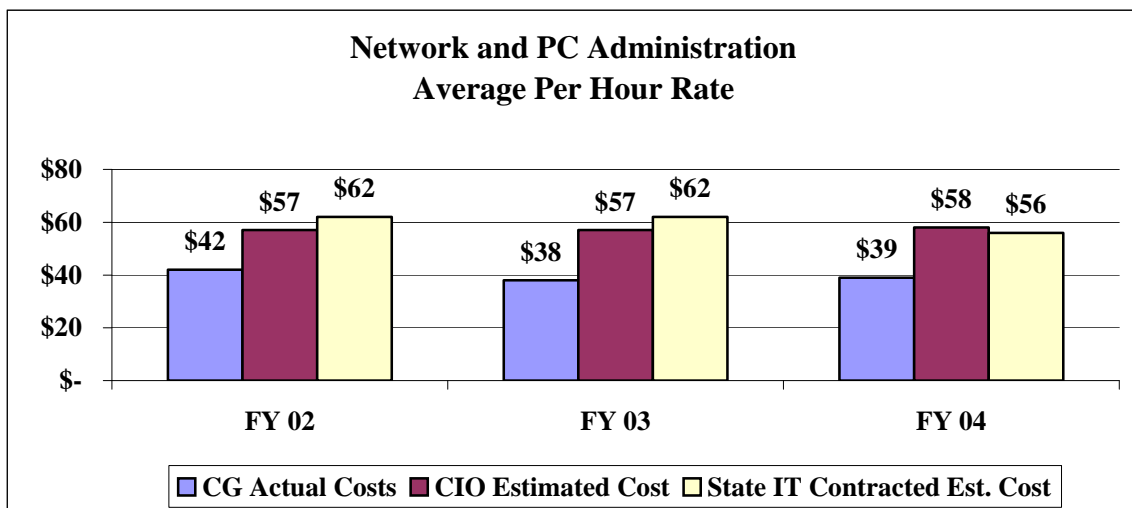


Figure 7.16.

PROGRAM V: Central State Accounting Division

Goal:

Provide centralized accounting of the state's financial activities in accordance with the program structure mandated by the South Carolina General Assembly.

Objectives:

- Create a Chart of Accounts, prior to the beginning of the fiscal year, that includes all appropriated and supplemental appropriation accounts; estimated sources of revenue for general, earmarked, restricted and federal funds; and for agencies implementing a Capital Improvement Bond Program.
- Respond to requests for information from this office through the Freedom of Information Act within an average of 5 working days.

Key Results:

- Established a Chart of Accounts, prior to July 1, 2004, that included 100 percent of appropriated and supplemental appropriation accounts; estimated sources of revenue for general, earmarked, restricted and federal funds; and for agencies implementing a Capital Improvement Bond Program.

Goal: Establish 100 percent of the accounts required to account for the state's financial activities in accordance with the annual Appropriation Act passed by the South Carolina General Assembly. Each account consists of an agency number, subfund detail, object code, and mini code.

Benchmark: The South Carolina Code of Laws, Title 11, Section 11-3-50 requires the Comptroller General's Office to account for all appropriations by the South Carolina General Assembly.

- Responded to 73 Freedom of Information Requests within an average of 4.22 working days.

Goal: Respond to requests for information under the Freedom of Information Act within five (5) working days.

Benchmark: The South Carolina Code of Laws, Title 30-4-30 (c) states: "Each public body, upon written request for records made under this chapter, shall within fifteen days (excepting Saturdays, Sundays, and legal public holidays) of the receipt of any such request notify the person making such request of its determination and the reasons therefore".

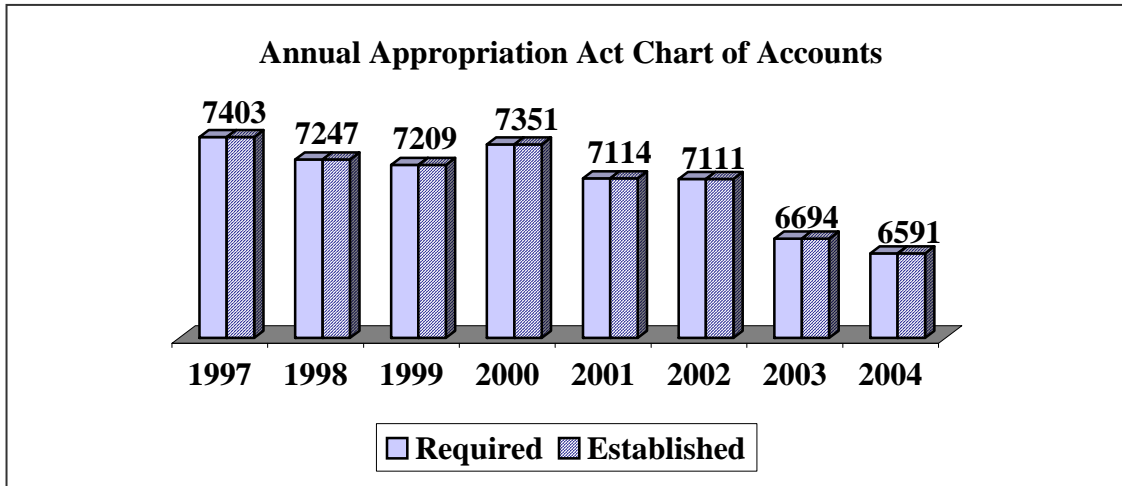


Figure 7.17.

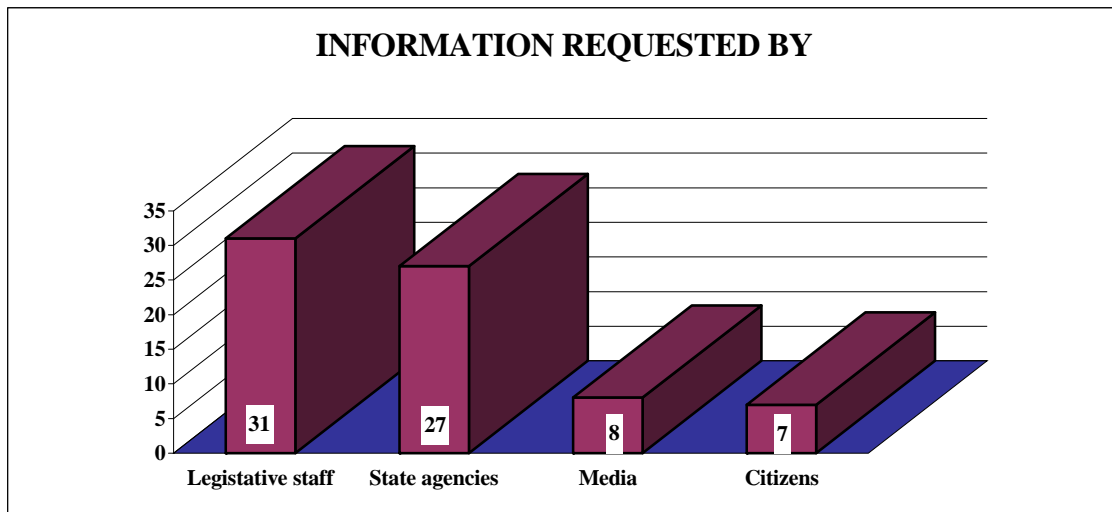


Figure 7.18.

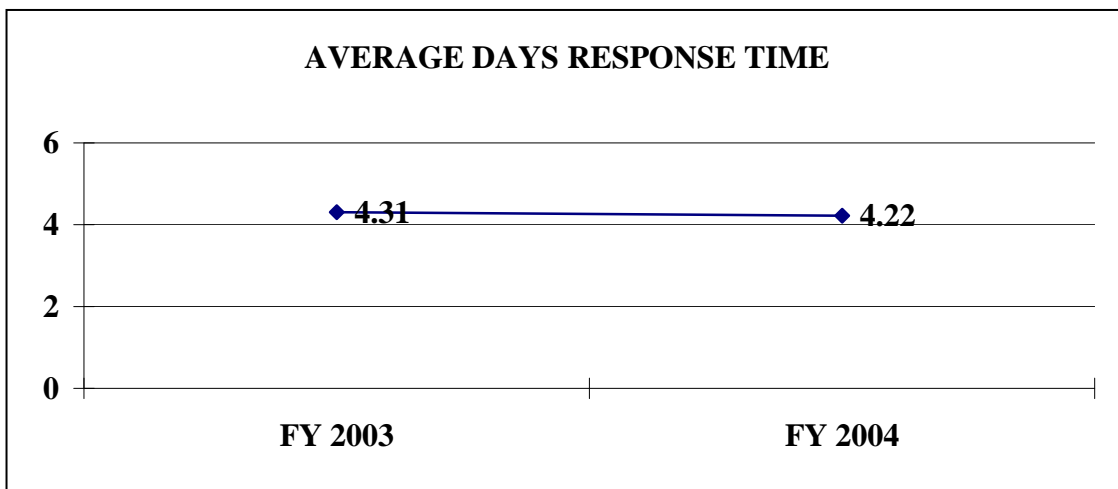


Figure 7.19.