

<b>AGENCY NAME:</b>	Office of the State Auditor		
<b>AGENCY CODE:</b>	F270	<b>SECTION:</b>	105

**Fiscal Year 2018–2019  
Accountability Report**

**SUBMISSION FORM**

<b>AGENCY MISSION</b>	To promote trust and confidence in South Carolina state government.
-----------------------	---

<b>AGENCY VISION</b>	Making a positive impact by working with state entities to ensure transparency and accountability, and enabling them to achieve meaningful impact.
----------------------	--

Does the agency have any major or minor recommendations (internal or external) that would allow the agency to operate more effectively and efficiently?

	Yes	No
<b>RESTRUCTURING RECOMMENDATIONS:</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Is the agency in compliance with S.C. Code Ann. § 2-1-230, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? See also S.C. Code Ann. § 60-2-30.

	Yes	No
<b>REPORT SUBMISSION COMPLIANCE:</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

<b>RECORDS MANAGEMENT COMPLIANCE:</b>	<b>Yes</b>	<b>No</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>


Is the agency in compliance with S.C. Code Ann. § 1-23-120(J), which requires an agency to conduct a formal review of its regulations every five years?

<b>REGULATION REVIEW:</b>	<b>Yes</b>	<b>No</b>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	George L. Kennedy, III, CPA	803-832-8929	gkennedy@osa.sc.gov
<b>SECONDARY CONTACT:</b>	Cindy Hoogenboom	803-832-8294	choogenboom@osa.sc.gov

I have reviewed and approved the enclosed FY 2018–2019 Accountability Report, which is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR (SIGN AND DATE):</b>	
<b>(TYPE/PRINT NAME):</b>	George L. Kennedy, III, CPA

<b>BOARD/CMSN CHAIR (SIGN AND DATE):</b>	
<b>(TYPE/PRINT NAME):</b>	

<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

## **AGENCY’S DISCUSSION AND ANALYSIS**

### **Purpose, Organization and Major Responsibilities**

The Office of the State Auditor (OSA) serves as the independent audit function for the State of South Carolina. The OSA is organized into three service delivery divisions, State Agency, Medicaid and Internal Audit Services, supported by an Administration division.

**State Agency Division** - Composed of approximately 28 audit professionals, this division has 4 core responsibilities:

1. Annual audit of the State’s Comprehensive Annual Financial Report (CAFR) as prepared by the Office of the Comptroller General.
2. Annual audit of the Schedule of Expenditures of Federal Awards (Single Audit).
3. Attestation engagements of each state agency not separately audited, which are focused on internal controls.
4. Attestation engagements of county and municipal treasurers, county clerks of court, magistrates, and municipal clerks of court to ensure that the imposition, collection and remittance of court fines, fees and assessments are in accordance with applicable state laws.

**Medicaid Division** - Composed of approximately 19 audit professionals, this division performs attestation engagements of financial and statistical reports filed by providers of Medicaid services, primarily nursing facilities. These engagements, performed under contract with the South Carolina Department of Health and Human Services (DHHS), determine if the reimbursement rate based on costs claimed for reimbursement by the provider are free from material misstatements based on South Carolina’s State Plan for Medical Assistance, the applicable contract between DHHS and the Medicaid provider and all applicable state and federal laws and regulations. The contract agreement with DHHS requires that an engagement be performed on each provider facility at least once every 4 consecutive cost reporting periods.

**Internal Audit Services Division** – Composed of approximately 7 audit professionals, this division focuses on providing services to the SC Department of Transportation (SCDOT) and performs independent and objective assurance and consulting activities designed to add value or improve SCDOT’s operations. The division assists in accomplishing strategic objectives and mission by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

**Administration Division** – Composed of approximately 6 administrative professionals who provide accounting, budgeting, human resource, purchasing, technology, word processing and other administrative support for the agency.

### **Analysis of the Agency**

OSA continues to focus on implementing initiatives designed to improve efficiency and service delivery or to recruit, develop and retain staff.

### **Major Accomplishments**

The following accomplishments relate to the agency’s core mission:

<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

- The audit of the CAFR for fiscal year June 30, 2018, performed jointly with CliftonLarsonAllen, LLP (CLA), a national public accounting firm, was completed November 15, 2018, the date mutually agreed to with the Office of the Comptroller General. The total cost for CLA’s services was \$345,200, which was reimbursed by state agencies.
- The audit of the State’s schedule of expenditures of federal awards (single audit), also performed jointly with CLA, was issued March 8, 2019. Covering compliance with laws and regulations for nearly \$8.4 billion in federal award expenditures, the single audit engagement required over 13,000 hours to complete in addition to the assistance provided by various state agencies. Total cost for CLA’s services was \$632,000, which was reimbursed by state agencies.
- Completion of 76 agreed-upon procedures engagements for state agencies covering fiscal years 2017 and 2018.
- Completion of 44 agreed-upon procedures engagements covering 26 healthcare providers receiving Medicaid reimbursement. Medicaid receivables of \$3.1 million to date have been established based on these engagement findings.
- Through contract with three certified public accounting firms, completion of 31 agreed-upon procedures engagements of county and municipal courts.
- Completion of 6 internal audit reports related to SCDOT.
- Engaged a peer review team through the National State Auditors Association (NSAA) to review our system of quality control. We received a grade of “pass”, the highest grade given.

Other significant accomplishments and initiatives:

- Invested heavily in training and development of staff at all experience levels with a focus on both technical and soft skills. Over 2,800 hours of training were received by approximately 44 audit professionals either on-site or through training events sponsored by nationally recognized leaders in training for accounting and auditing professionals such as AICPA, NASACT and GFOA.
- Continued planning to eliminate the joint auditor for the State’s audit of expenditure of federal awards (Single Audit) beginning with fiscal year 2020. By performing the audit using only OSA staff, \$632,000 of audit fees currently paid by state agencies will be eliminated.
- Began the planning process for soliciting proposals from public accounting firms to perform the joint audit of the State financial statements beginning with fiscal year 2020. The request for proposal will reflect OSA’s increased capacity to contribute more leadership, responsibility and control to the joint audit process than it has had in at least two decades.
- Over the last 4 fiscal years, eliminated the use of contract certified public accounting firms on 30 state agency engagements.
- Continue to realize value in Medicaid audit services provided to DHHS. Over the last 5 fiscal years, our Medicaid Division has identified amounts for recovery equal to over 3.5 times the cost of the audit services provided.
- Completed a strategic plan for the Internal Audit Services division which was a collaborative effort between team members and the division director.
- Issued the first of a series of internal audit reports assessing SCDOT’s current state compared to SCDIS-200 control standards issued by the SC Division of Information Security. These assessments will guide SCDOT leadership in prioritizing gaps identified using a risk-based approach.
- Formed a task force to explore how OSA can leverage current and emerging audit technology to increase our efficiency and effectiveness. Scope is primarily focused on data analytics applications but also includes consideration of robotic process automation.

<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

- Began an initiative to identify cloud-based software solutions to reduce or eliminate the need for an in-house application manager. This move is expected to be cost neutral but will significantly reduce staff time spent with software issues, allowing that time to be redirected to more productive work.
- Through our initiative to move more to the cloud, we are alpha-testing a cloud-based version of our audit documentation software application, enabling us to provide feedback during the development stage to influence the final product design.
- Reengineered the agency’s Quality Control Manual and Engagement Manual to eliminate unnecessary and duplicative information and to increase ease of use.
- Further refined our performance management system by add criteria to the planning stage EPMS which will guide staff in better understanding successful performance and exceptional performance.
- Recognized high performing staff through a redesigned EPMS process by awarding a bonus or base pay increase to staff who earned an overall exceptional performance rating.
- Managed turnover to approximately 10%. While this is an increase from the prior fiscal year, turnover remains in a healthy range, providing career advancement opportunities for younger staff.
- Continued to push “everyday flexibility”, allowing team members to work the hours the work requires and take time off as needed.
- Improved recruiting practices continue to benefit the agency, with 59 of 60 authorized FTE positions being filled at fiscal year-end. Productive hours worked among 42 staff positions increased 4% by reducing the time positions are vacant.
- Continued to identify inefficiencies in our processes, including helping staff understand that even small changes can add up to huge time savings over the course of an engagement.

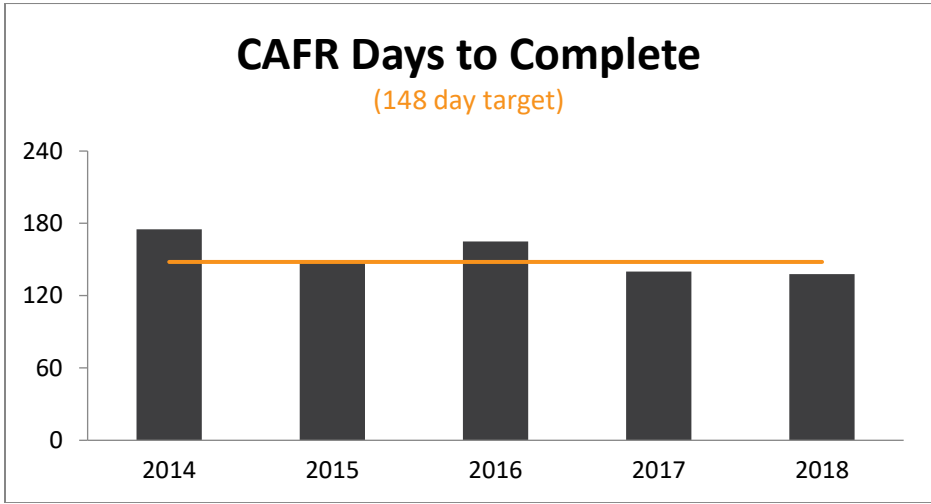
<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

**Performance Comparison to Prior Years**

**Audit of the State’s CAFR**

The State’s CAFR for fiscal year 2018 was issued 138 days after fiscal year end, meeting the goal issue date agreed to with the Comptroller General’s Office. As illustrated in Figure 1, better planning, efficiencies and closer coordination with the Office of the Comptroller General staff have led to the report being issued within a reasonable expectation. The goal for fiscal year 2019 is to issue the CAFR within 137 days of fiscal year end.

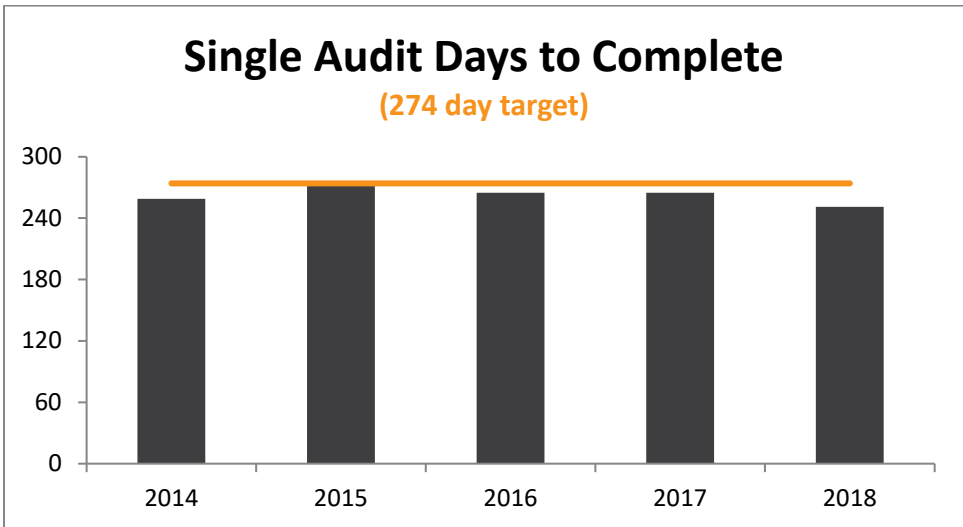
**Figure 1**  
**CAFR Days to Complete (compared to target)**



**Audit of Expenditures of Federal Awards (Single Audit)**

The Single Audit for fiscal year 2018 was completed in 251 days, ahead of the 274 day (March 31) deadline imposed by the US Office of Management and Budget. OSA has set an internal goal for the fiscal year 2019 report to have the Single Audit issued within 250 days, three weeks before the official March 31 deadline.

**Figure 2**  
**Single Audit Days to Complete (compared to target)**

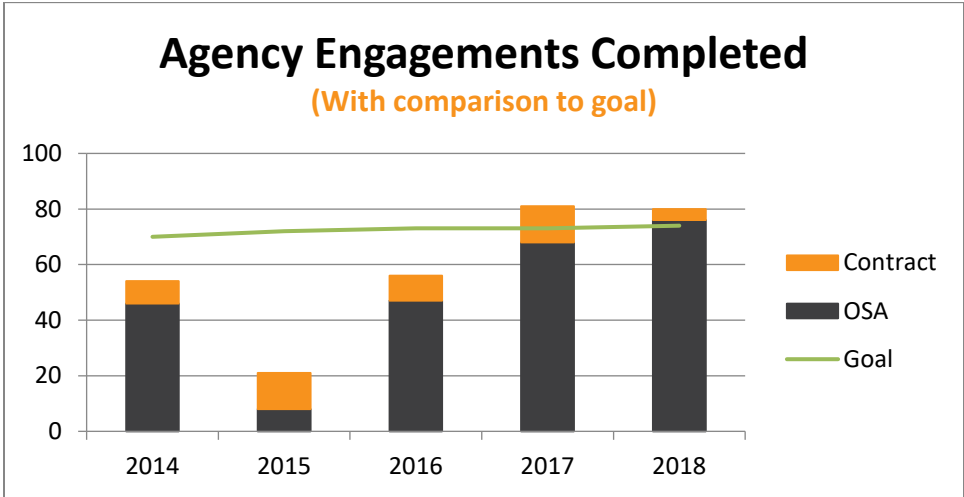


<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

**Agency Engagements Completed**

An attest engagement should be completed for each agency annually. These engagements are primarily performed between March and September for the prior fiscal year (e.g. FYE 6/30/18 engagements are performed during March to September 2019). Figure 3 illustrates all engagements completed during the fiscal year.

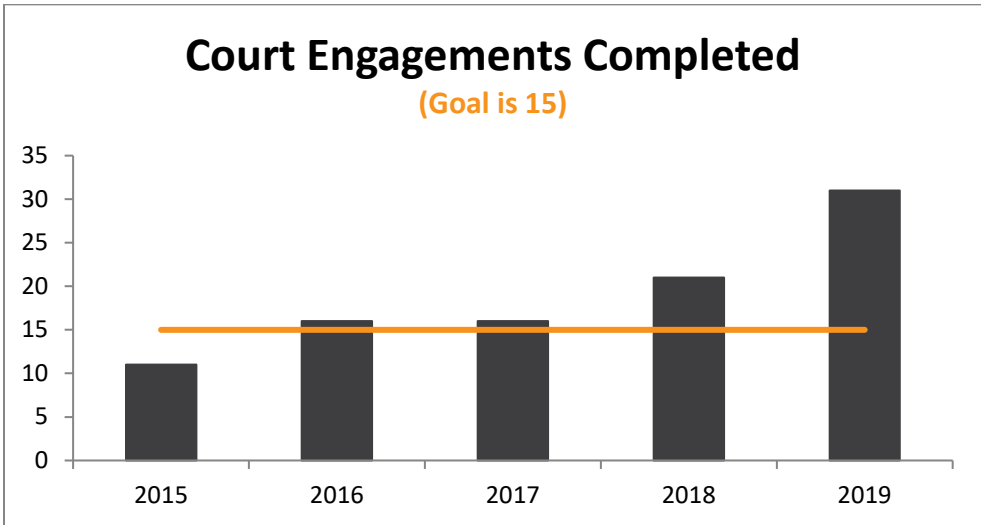
**Figure 3**  
**Agency Engagements Completed (With comparison to goal)**



**Court Engagements**

For fiscal year 2019, 31 court engagements were issued, exceeding our goal of 15.

**Figure 4**  
**Court Engagements Completed (Goal = 15)**

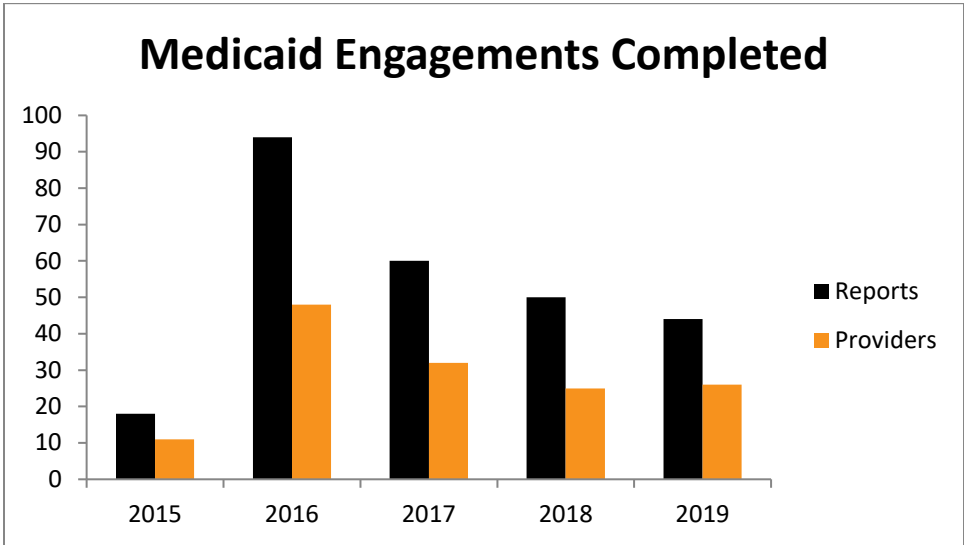


<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

**Medicaid Engagements Completed**

For fiscal year 2019, reports for 44 Medicaid engagements were issued, covering 26 healthcare providers. Our contract with the DHHS requires that an engagement be conducted for each nursing home provider at least once every four consecutive reporting periods. Report issuance numbers can vary greatly between fiscal years due in large part to work related to large chain operations and length of engagements.

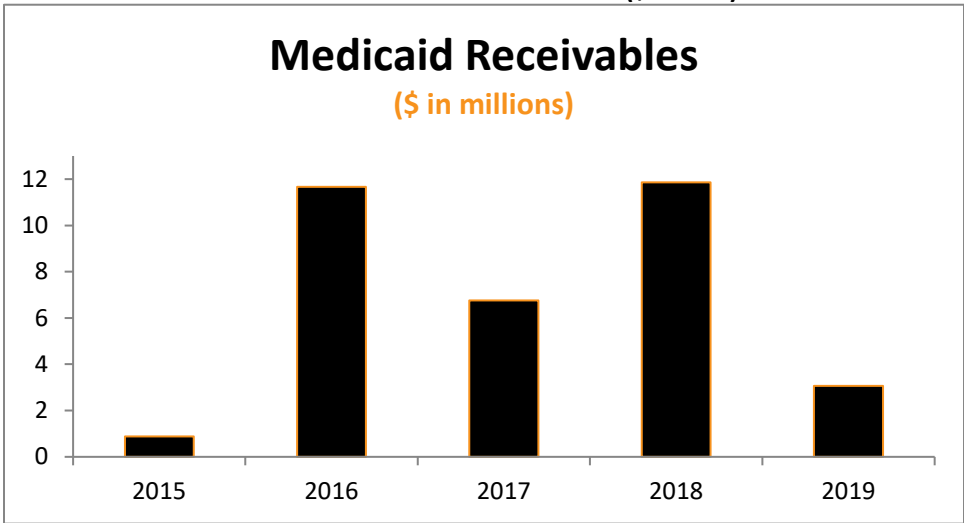
**Figure 5  
Medicaid Engagements Completed**



**Medicaid Receivables Identified**

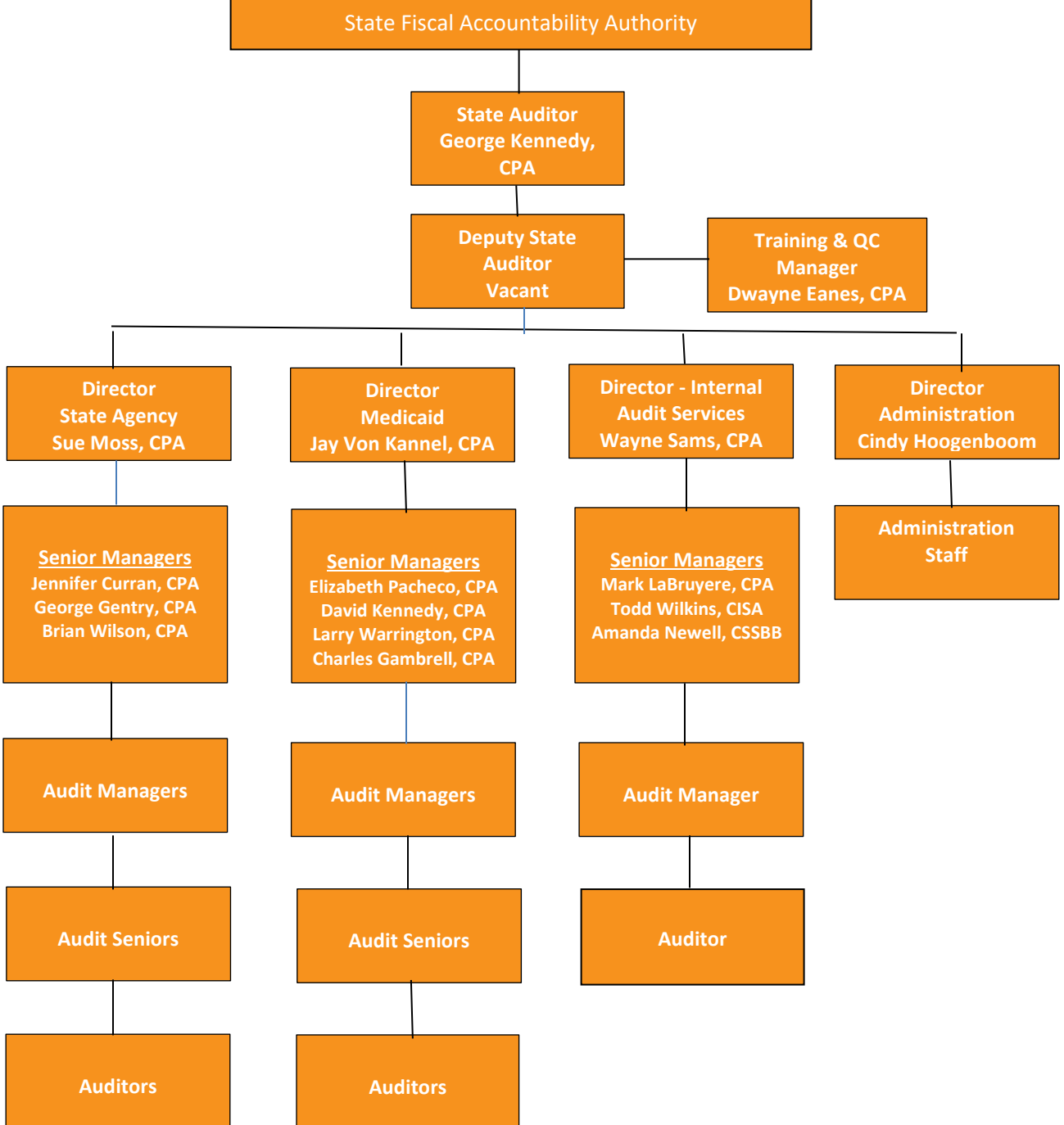
For fiscal year 2019, Medicaid receivables in the amount of \$3.1 million to date have been established by DHHS, based on our findings in reports issued. As illustrated in Figure 6, Medicaid receivables can vary significantly from one year to the next. These receivables are not predictive and have no direct correlation to the number of reports issued. The degree of provider compliance with program rules and regulations when reporting cost claimed for reimbursement will always be the determining factor in the amounts established.

**Figure 6  
Medicaid Receivables Identified (\$ in 000)**





**Organization Chart – as of 8/31/2019**



<b>AGENCY NAME:</b>	<b>Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F270</b>	<b>SECTION:</b>	<b>105</b>

**Risk and Mitigation Strategies**

Our independent audit services provide stakeholders with assurance that the information reported in the State’s annual financial report is accurate and reliable. These stakeholders include taxpayers, citizens, elected officials, bondholders and others in the financial community. Should OSA fail to complete the audit of the State’s annual financial report, independently audited financial information would be unavailable, impeding financial transparency to the public and creating a lack of confidence in the financial community which might potentially impact the State’s ability to issue new debt. Existing debt might also be called by bond-holders due to noncompliance with financial reporting requirements. Similarly, a failure to complete the statewide Single Audit and file the report timely with the federal government might interrupt the flow of nearly \$8.4 billion of federal awards received annually by various state agencies due to noncompliance with annual reporting requirements for federal awards.

If either or both scenarios occurred, the State could mitigate the consequences by hiring a Certified Public Accounting firm to perform the independent audit work normally performed by OSA. Doing so, however, would likely come with a substantial cost and a protracted lead time to issue final reports due to the substantial man-hours required to complete both audit engagements.

**Restructuring Recommendations**

There are no restructuring recommendations.

F270

Section:

105

## Strategic Planning and Performance Measurement Template

Type	Item #			Description	2018-19			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
	Goal	Strategy	Measure		Base	Target	Actual				
<b>G</b>	<b>1</b>	<b>Deliver services which strengthen accountability and transparency</b>									
<b>S</b>	<b>1.1</b>	<b>Assure our deliverables are timely and meaningful to users</b>									
M		1.1.1	Audit of the State's CAFR completed by target date - number of days past due	0	0	0	Fiscal year	Internal records	Days completed beyond date agreed upon at beginning of audit	Ability to complete audit within agreed timeframe	
M		1.1.2	Audit of the State's Schedule of Expenditures of Federal Awards (single audit) by target date - number of days past due	0	0	0	Fiscal year	Internal records	Days completed beyond date agreed upon at beginning of audit	Ability to complete audit within agreed timeframe	
M		1.1.3	Attest engagements of state agencies (including those contracted) completed by 6/30 of following year	69%	100%	67%	Fiscal year	Internal records	Number completed to total which should be completed	Ability to complete agency engagements within one-year after fiscal year end	
<b>S</b>	<b>1.2</b>	<b>Maintain our reputation for independence, integrity and objectivity</b>									
M		1.2.1	Engagements selected for internal quality inspection	31%	40%	30%	Fiscal year	Internal records	Number of engagements inspected	Depth on internal quality control process	
<b>S</b>	<b>1.3</b>	<b>Provide effective internal audit services for SCDOT</b>									
M		1.3.1	Reports issued during fiscal year	4	7	6	Fiscal year	Internal records	Reports issued	Accountability for productivity	
M		1.3.2	Develop and maintain a tracking system for external audit findings	NA	9/30/2018	9/30/2018	Fiscal year	Internal records	Goal for completion	Accountability for productivity	
M		1.3.3	Implement a risk-based approach for following up on management action plans associated with internal audit report observations	NA	9/30/2018	9/30/2018	Fiscal year	Internal records	Goal for completion	Accountability for productivity	
M		1.3.4	Perform an IT risk assessment and develop a risk-based IT audit plan for SCDOT	NA	12/31/2018	11/27/2018	Fiscal year	Internal records	Goal for completion	Addressing agency risks	
<b>G</b>	<b>2</b>	<b>Develop and maintain a professional, high-performing and engaged workforce</b>									
<b>S</b>	<b>2.1</b>	<b>Increase employee knowledge, skills and engagement</b>									
M		2.1.1	Develop onboarding program which extends beyond employees first 90 days	NA	4/30/2019	In progress	Fiscal year	Internal records	Goal for completion	Accountability for completing training	
M		2.1.2	Percent of staff with professional certification	28%	50%	44%	Fiscal year	Internal records	Staff with professional certification compared to total service delivery staff	Certification needed to continue career path within agency	
M		2.1.3	Number of staff who have completed Professional Managers Program	3	10	5	Fiscal year	Internal records	Number of CPM's on staff	Leadership development	
<b>S</b>	<b>2.2</b>	<b>Monitor productivity and performance</b>									
M		2.2.1	Average hours per agency attestation engagement issued	389	300	256	Fiscal year	Internal records	Total hours/engagements	Measure of efficiency	
M		2.2.2	Average hours per Medicaid attestation engagement issued	286	375	377	Fiscal year	Internal records	Total hours/engagements	Measure of efficiency	
<b>S</b>	<b>2.3</b>	<b>Develop a stronger campus recruiting strategy</b>									
M		2.3.1	Average open positions during the year	3.5	1	1.69	Fiscal year	SCEIS	Average of beginning and ending open positions	Ability to recruit quickly to fill open positions	
M		2.3.2	On-campus recruiting events attended during the year	12	12	7	Fiscal year	Internal records	Number of events	Effort expended in developing campus relationships	
<b>S</b>	<b>2.4</b>	<b>Create an environment that is recognized as a workplace of choice</b>									
M		2.4.1	Percent of new hires who are other than white males	63%	75%	75%	Fiscal year	SCEIS	As compared to all new hires during period	Measure of workforce diversity	
<b>S</b>	<b>2.5</b>	<b>Manage the agency's workforce effectively</b>									

F270

Section:

105

## Strategic Planning and Performance Measurement Template

Type	Item #			Description	2018-19			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
	Goal	Strategy	Measure		Base	Target	Actual				
M			2.5.1	% of employees with 3 or more documented coaching sessions	20%	100%	98%	Fiscal year	Internal records	Internal documentation	Effectiveness of coaching as a development tool
M			2.5.2	Number of employees at supervisor level	2%	10%	11%	Fiscal year	SCEIS	Organization chart	Ability to promote from within for critical role
<b>G</b>	<b>3</b>	<b>Manage agency resources effectively, prudently and with accountability</b>									
<b>S</b>	<b>3.1</b>	<b>Assure an agile business operation</b>									
M			3.1.1	Manage agency spending to within 90% of budget	86%	90%	90%	Fiscal year	SCEIS	Agency financial records	Stewardship of agency resources
M			3.1.2	Number of agency attestation engagements contracted to CPA firms	13	2	4	Fiscal year	Internal records	Number contracted during period	Ability to reduce reliance on contractors
<b>S</b>	<b>3.2</b>	<b>Respond to change by maintaining a strategic focus</b>									
M			3.2.1	Increase workforce utilization	74%	78%	75.16%	Fiscal year	SCEIS	SCEIS time system report	Ability to increase or maintain productivity without an increase in FTE's

F270

Section:

105

## Strategic Planning and Performance Measurement Template

Type	Item #			Description	2019-20			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
	Goal	Strategy	Measure		Base	Target	Actual				
<b>G</b>	<b>1</b>	<b>Deliver services which strengthen accountability and accountability</b>									
<b>S</b>	<b>1.1</b>	<b>Assure our deliverables are timely and meaningful to users</b>									
M		1.1.1	Audit of the State's CAFR completed by target date - number of days past due	0	0		Fiscal year	Internal records	Days completed beyond days agreed to at beginning of audit	Ability to complete audit within agreed timeframe	
M		1.1.2	Audit of the State's Schedule of Expenditures of Federal Awards (single audit) by target date - number of days past due	0	0		Fiscal year	Internal records	Days completed beyond days agreed to at beginning of audit	Ability to complete audit within agreed timeframe	
M		1.1.3	Attest engagements of state agencies (including those contracted) completed by 6/30 of following year	67%	85%		Fiscal year	Internal records	Number completed to total which should be completed	Ability to complete agency engagement within one-year after fiscal year end	
<b>S</b>	<b>1.2</b>	<b>Maintain our reputation for independence, integrity and objectivity</b>									
M		1.2.1	Number of engagements selected for internal quality inspection	2	9		Fiscal year	Internal records	Number of engagements inspected	Depth of internal inspection coverage	
<b>S</b>	<b>1.3</b>	<b>Provide effective internal audit services for SCDOT</b>									
M		1.3.1	Reports issued during the fiscal year	6	18		Fiscal year	Internal records	Reports issued	Accountability for productivity	
M		1.3.2	Presentations to the Audit Committee	NA	4		Fiscal year	Audit Cmtee Minutes	Presentation count	Audit results communication	
M		1.3.3	Evaluation of internal audit division by the Audit Committee	NA	80%		Fiscal year	Audit Cmtee Minutes	Average score	Measure of effectiveness	
M		1.3.4	Evaluation of internal audit division by SCDOT management	NA	75%		Fiscal year	Customer surveys	Average score	Measure of effectiveness	
M		1.3.5	Verify that audit report management action plans (MAPs) were implemented	NA	100%		Fiscal year	Internal records	MAPs verified/MAPs	Measures Internal Audit value	
<b>G</b>	<b>2</b>	<b>Develop and maintain a professional, high-performing and engaged workforce</b>									
<b>S</b>	<b>2.1</b>	<b>Increase employee knowledge, skills and engagement</b>									
M		2.1.1	Develop an onboarding program which extends beyond employees first 90 days	In progress	4/30/2020		Fiscal year	Internal records	Goal for completion	Accountability for equipping new employees for success	
M		2.1.2	Percent of staff with professional certification	44%	50%		Fiscal year	Internal records	Staff with professional certification to total audit staff	Certification needed to advance to Manager and beyond	
M		2.1.3	Number of staff who have completed Certified Professional Managers program	5	6		Fiscal year	Internal records	Number of CPM's on staff	Measure of leadership development effort	
<b>S</b>	<b>2.2</b>	<b>Monitor productivity and performance</b>									
M		2.2.1	Average hours per agency attestation engagements completed	256	250		Fiscal year	Internal records	Hours for all engagements completed divided by number of engagements completed	Indicator of efficiency	
M		2.2.2	Average hours per Medicaid attestation engagements completed	377	425		Fiscal year	Internal records	Hours for all engagements completed divided by number of engagements completed	Indicator of efficiency	
<b>S</b>	<b>2.3</b>	<b>Maintain a strong campus recruiting strategy</b>									

F270

Section:

105

## Strategic Planning and Performance Measurement Template

Type	Item #			Description	2018-19			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
	Goal	Strategy	Measure		Base	Target	Actual				
M		2.3.1		Average open positions during the year	1.69	1		Fiscal year	SCEIS	Average of beginning and ending FTE positions filled to authorized FTE's	Indicator of ability to quickly fill open positions
M		2.3.2		On-campus recruiting events attended during the year	7	7		Fiscal year	Internal records	Number of events attended	Effort expended in maintaining campus relationships
<b>S</b>		<b>2.4</b>		<b>Create an environment that is recognized as a workplace of choice</b>							
M		2.4.1		Percent of employees that are other than white males	62.7%	70.0%		Fiscal year	Internal records	As compared to all employees during period	Measure of diversity
M		2.4.2		Employee turnover	10.1%	7.0%		Fiscal year	Internal records	Separated employees to total employees	Indicator of job satisfaction
<b>S</b>		<b>2.5</b>		<b>Manage agency's workforce effectively</b>							
M		2.5.1		% of employees with 3 or more documented coaching sessions	97%	100%		Fiscal year	Internal records	Number contracted during year	Reduction in reliance on contractors
M		2.5.2		Number of employees in Manager position	11.0%	15.0%		Fiscal year	SCEIS	SCEIS time system report	Ability to increase production without increasing FTE's
<b>G</b>		<b>3</b>		<b>Manage agency's workforce effectively, prudently and with accountability</b>							
<b>S</b>		<b>3.1</b>		<b>Assure an agile business operation</b>							
M		3.1.1		Manage agency spending to within 90% of budget	90%	90%		Fiscal year	SCEIS	Agency financial records	Stewardship of agency resources
M		3.1.2		Number of agency attestation engagements contracted to CPA firms	4	4		Fiscal year	Internal records	Number contracted during year	Reduction in reliance on contractors
M		3.1.3		Increase workforce utilization	75.16%	77%		Fiscal year	SCEIS	Agency financial records	Staff utilization
<b>S</b>		<b>3.2</b>		<b>Respond to change by maintaining a strategic focus</b>							
M		3.2.1		Adopt plan for utilizing new or emerging technology in engagements	NA	1/31/2020		Fiscal year	Internal records	Date plan completed	Target for plan completion

Agency Name: STATE AUDITOR'S OFFICE

Fiscal Year 2018-2019  
Accountability Report

Agency Code: F270 Section: 105

Program Template

Program/Title	Purpose	FY 2018-19 Expenditures (Actual)				FY 2019-20 Expenditures (Projected)				Associated Measure(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Administration	Administrative support for audit programs, including accounting, budgeting, procurement, information technology, human resources, and other general administrative functions.	\$ 315,295	\$ -	\$ -	\$ 315,295	\$ 375,107	\$ -	\$ -	\$ 375,107	1.2.1, 3.1.1, 3.1.2, 2.3.1, 2.3.2
II. Audits	Performance of the audits of the State's CAFR and Schedule of Expenditures of Federal Awards; attestation engagements of State Agencies; attestation engagements of county and municipal court fines; fees and assessments; attestation engagements of Medicaid service providers.	\$ 2,650,513	\$ 2,086,322	\$ -	\$ 4,736,834	\$ 2,466,340	\$ 2,310,029	\$ -	\$ 4,776,369	1.1.1, 1.1.2, 1.1.3, 1.3.1, 1.3.2, 1.3.3, 2.1.1, 2.1.2, 2.1.3, 2.2.1, 2.2.2, 3.1.2, 3.2.1
III. Internal Audit Services	Provide internal audit services for the SC Department of Transportation	\$ 587,204	\$ -	\$ -	\$ 587,204	\$ 589,342	\$ -	\$ -	\$ 589,342	1.3.1, 1.3.2, 1.3.3, 1.3.4
IV. Employee Benefits	Employee benefits for employees of the Office of the State Auditor	\$ 1,064,896	\$ 270,827	\$ -	\$ 1,335,723	\$ 1,196,792	\$ 269,610	\$ -	\$ 1,466,402	

Agency Name: STATE AUDITOR'S OFFICE

Fiscal Year 2018-2019  
Accountability Report

Agency Code: F270 Section: 105

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who your agency must or may serve? (Y/N)	Does the law specify a product or service your agency must or may provide?	If yes, what type of service or product?	If other service or product, please specify what service or product.
1	1-11-20	State	Statute	Transfer to State Fiscal Accountability Authority	No	No		
2	8-11-94	State	Statute	Access to confidential information - payroll deducted contributions	No	No		
3	9-4-40	State	Statute	Fiduciary audit of the Public Employee Benefit Administration	Yes	Yes	Report our agency must/may provide	
4	9-16-380	State	Statute	Fiduciary audit of the Retirement System Investment Commission	Yes	Yes	Report our agency must/may provide	
5	11-7-10	State	Statute	Selection of assistants	No	No		
6	11-7-20	State	Statute	Annual audits of state agencies	Yes	Yes	Report our agency must/may provide	
7	11-7-25	State	Statute	Periodic audits - courts	Yes	Yes	Report our agency must/may provide	
8	11-7-30	State	Statute	Audit reports	Yes	Yes	Report our agency must/may provide	
9	11-7-35	State	Statute	Access to records	No	No		
10	11-7-40	State	Statute	Medicaid engagements under contract with DHHS	Yes	Yes	Report our agency must/may provide	
11	11-7-45	State	Statute	Guarantee of independence	No	No		
12	11-7-50	State	Statute	Service on board or commission	No	No		
13	11-7-55	State	Statute	Use of certified public accountants	Yes	Yes	Other service or product our agency must/may provide	Use of CPA firms to provide audit services
14	11-7-60	State	Statute	Reimbursed audit costs	Yes	Yes	Other service or product our agency must/may provide	Reimbursement of cost of CPA firm services
15	11-27-70	State	Statute	Sources of revenue per State Constitution	No	No		
16	11-35-1250	State	Statute	Authority to contract for auditing services	No	No		
17	11-37-240	State	Statute	Annual audit - Rural Infrastructure Authority	Yes	Yes	Report our agency must/may provide	
18	11-51-110	State	Statute	Authorization of general obligation debt	Yes	Yes	Report our agency must/may provide	
19	11-9-110	State	Statute	Audit of contributed funds	Yes	Yes	Report our agency must/may provide	
20	12-28-2725	State	Statute	Annual audit - regional transportation authorities	Yes	Yes	Report our agency must/may provide	
21	12-54-240	State	Statute	Prohibition of disclosure	No	No		
22	13-1-50	State	Statute	Annual audit - Department of Commerce	Yes	Yes	Report our agency must/may provide	
23	14-1-210	State	Statute	Periodic audits - courts	Yes	Yes	Report our agency must/may provide	
24	23-6-50	State	Statute	Annual audit - DPS	Yes	Yes	Report our agency must/may provide	
25	38-79-470	State	Statute	Annual audit - Medical Malpractice Fund	Yes	Yes	Report our agency must/may provide	
26	41-43-260	State	Statute	Annual audit - Jobs - Economic Development Fund Act	Yes	Yes	Report our agency must/may provide	
27	44-53-450	State	Statute	State Treasurer may direct audit of courts	Yes	Yes	Report our agency must/may provide	
28	44-96-165	State	Statute	Independent audit of trust funds - DHEC	Yes	Yes	Report our agency must/may provide	
29	50-5-2720	State	Statute	Periodic examination of the Compact Commission	Yes	Yes	Report our agency must/may provide	
30	57-1-360	State	Statute	Chief internal auditor for SC Department of Transportation	Yes	Yes	Other service or product our agency must/may provide	Internal audit services for SCDOT
31	59-20-95	State	Statute	Fiscal practices for state agencies acting as a local education authority	Yes	Yes	Report our agency must/may provide	
32	59-115-180	State	Statute	Annual audit - Education Assistance Authority	Yes	Yes	Report our agency must/may provide	
33	105.1	State	Proviso	Annual audit of federal programs	Yes	Yes	Report our agency must/may provide	
34	105.2	State	Proviso	Carryover Medicaid funds	Yes	Yes	Report our agency must/may provide	
35	105.3	State	Proviso	Fraud identified referred to Inspector General	Yes	Yes	Report our agency must/may provide	
36	105.4	State	Proviso	Annual audit of court fees and fines	Yes	Yes	Report our agency must/may provide	



Agency Name: STATE AUDITOR'S OFFICE

Fiscal Year 2018-2019  
Accountability Report

Agency Code and Section: F270 105

Customer Template

Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) <u>Industry</u> : Name; (2) <u>Professional Organization</u> : Name; (3) <u>Public</u> : Demographics.	Divisions or Major Programs	Description
Assurance and attestation services	Executive Branch/State Agencies		State Agency Division	Assurance and attestation engagements statewide and agency specific
Attestation services	Executive Branch/State Agencies		State Agency Division	Attestation engagements of court fines, fees and assessments
Attestation services	Executive Branch/State Agencies		Medicaid Division	Attestation engagements of financial and statistical reports
Internal audit services	Executive Branch/State Agencies		Internal Audit Division	Internal audit services

**Agency Name:**

**STATE AUDITOR'S OFFICE**

**Fiscal Year 2018-2019  
Accountability Report**

**Agency Code and Section:**

**F270**

**105**

**Partner Template**

<b>Name of Partner Entity</b>	<b>Type of Partner Entity</b>	<b>Description of Partnership</b>	<b>Associated Goal(s)</b>
Various CPA firms	Private Business Organization	Contract assurance services	State Audit Division
Law firm specializing in Medicaid	Private Business Organization	Legal services	Medicaid Audit Division
SC DHHS	State Government	Program documentation and technical support	Medicaid Audit Division

Agency Name: STATE AUDITOR'S OFFICE

Fiscal Year 2018-2019  
Accountability Report

Agency Code: F270 Section: 105

Report and External Review Template

Item	Is this a Report, Review, or both?	Report or Review Name	Name of Entity Requesting the Report or Conducting Review	Type of Entity	Reporting Frequency	Current Fiscal Year: Submission Date or Review Timeline (MM/DD/YYYY)	Summary of Information Requested in the Report or Reviewed	Method to Access the Report or Information from the Review
1	External Review and Report	Peer Review	National State Auditors Association (NSAA)	Outside Organization	Other	June 28, 2019	Review of System of Quality Control	osa.sc.gov