



2023 Annual Accountability Report

**Office of the State Auditor
Agency Code: F270**

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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, and is supported by an Administration division.

State Agency Division - Composed of approximately 14 permanently assigned audit professionals, this division has 4 core responsibilities:

1. Annual audit of the State's Annual Comprehensive Financial Report (ACFR) 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 14 permanently assigned 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 South Carolina 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.

In addition to the permanently assigned staff in the State and Medicaid divisions, 16 staff float between divisions to provide teams with the flexibility to scale team size to fit the needs of the engagement. Three additional positions are agency-wide resources not assigned to a division.

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Analysis of the Agency

OSA continues to focus on implementing initiatives designed to improve productivity and utilization, increase our value, develop and retain staff and maintain a strategic focus.

Major Accomplishments

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

- The audit of the ACFR for fiscal year June 30, 2022, performed jointly with CliftonLarsonAllen, LLP (CLA), a national public accounting firm, was completed on November 29, 2022, the date mutually agreed to with the Office of the Comptroller General. The total cost for CLA's services was approximately \$355,000, which was reimbursed by state agencies.
- The audit of the State's Schedule of Expenditures of Federal Awards (Single Audit) for the fiscal year ended June 30, 2022, was completed on March 24, 2023. Covering compliance with laws and regulations for nearly \$13 billion in federal award expenditures, the single audit engagement required nearly 14,000 hours to complete in addition to the assistance provided by various state agencies.
- Completion of 50 agreed-upon procedures engagements for state agencies covering fiscal years 2021, 2022, and 2023.
- Completion of 59 reports covering 29 healthcare providers receiving Medicaid reimbursement. Medicaid receivables of \$4.1 million have been established based on these engagement findings.
- Through contracts with three certified public accounting firms, completion of 29 agreed-upon procedures engagements of county and municipal courts.
- Completion of 8 internal audit reports related to SCDOT.

Other Significant Accomplishments and Initiatives

Productivity and Utilization

- During the fiscal year 2023, we continued to be challenged by shifting attitudes in the workplace and high employment levels in our state and across the nation. Eleven staff separated during the year, equating to a 21.6% turnover rate. Our goal is to manage turnover to approximately 10%.
- Recruited 9 new employees, including 1 experienced hire.
- Staff utilization remained stable at 71%. Our goal average utilization is 75%.
- Despite workforce challenges, we continue to build internal resources that allow us to insource work that was previously contracted.
- Of two summer interns in 2022, one was hired full-time in Fall 2022 and the other continues to work part-time as they complete studies at USC.
- Viewing interns as a short-term response to a challenging hiring market, we will continue to employ a summer 2023 intern on a part-time basis after they return to their college studies in the fall.

Assuring Value for Those We Serve

- Attempt to seek feedback from stakeholders on how we can better add value to the work we perform. Where practical and in line with our mission, we make adjustments to respond.
- Through planning meetings with agency staff, continue to encourage them to use OSA as a resource to help them identify and address agency risk.

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- Continue to realize value in Medicaid audit services provided to DHHS. Cumulatively over the last 5 fiscal years, our Medicaid Division has identified amounts for recovery equal to nearly 1.4 times the cost of the attest services provided.
- Recognizing that the historic nature of our agreed-upon procedures engagements does not allow agency management to timely react to findings, we are shifting focus to procedures performed on more current, rather than historical, data. This allows us to assist agencies in identifying and correcting issues more timely.
- Continue to build a trusted advisor role between our internal audit team and SCDOT leadership.
- Working to increase awareness of internal audit services to State agencies on a shared service, cost reimbursement basis. Our focus is on smaller agencies that cannot support a full-time internal audit function.
- Completed and issued the Special Study of Long-Term Debt as directed by Proviso 105.5, working closely with the staff of 26 higher education institutions to obtain and report complete and accurate data.
- Issued a special report on state agency compliance with Proviso 117.21 (2022) summarizing the observations we made during our review of compliance with requirements for disbursing contributions outlined in Proviso 118.18 (2022). The report covered 210 contributions made by 23 state agencies.
- As a result of the recommendations of the study committee organized by OSA and as directed by Proviso 105.6 (2021), changes to municipality financial reporting requirements were made by the legislature. These changes were primarily designed to provide relief to smaller municipalities by the requirements of a full-scope audit process.
- Per Proviso 1.3, worked with the Department of Education to develop and maintain a list of auditing firms approved to perform audits of South Carolina school districts and charter schools.

Developing and Managing A Professional Workforce

- Continue to reinforce teamwork, accountability, and feedback as core elements of our culture.
- Continue to encourage staff to challenge legacy thinking through process improvement.
- Use volunteer service such as delivering meals for Meals on Wheels, working at Harvest Hope, and serving meals at Transitions Homeless Center to build comradery among our teams while serving our community.
- Developed Core Concepts I, a multi-day in-house training program for entry-level employees designed to help them better understand the State, OSA, and the work we perform.
- Executive Leadership Team members are actively involved in state and national associations for audit and finance professionals.

Responding to Change by Maintaining a Strategic Focus

- As a result of a strategic planning process completed in early fiscal 2022, we continue to focus on: strengthening our recruiting and retention strategies; adding to our existing talent by recruiting experienced CPAs from outside of state government; creating enhanced incentives for staff to become certified; providing opportunities for staff growth by offering internal audit services on a shared service, cost reimbursement basis; seeking opportunities to move software applications to the cloud; identifying potential retirements over the next 5 years and planning how best to fill those positions.

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- Created two new director-level positions to strengthen OSA’s executive leadership team: Director of Audit Operations and Director of Agency Relations.

Managing Agency Resources Effectively

- Continuing to be a good steward of the OSA’s resources by investing in the tools that assist us in working more efficiently and effectively.
- Managed OSA’s budget conservatively and with accountability.
- Collected a portion of the cost of the statewide single audit from the agencies involved in the audit. These funds are used for technology, training, and retention efforts.
- Proactively seeking opportunities to make OSA more efficient with minimal disruption to workflow.

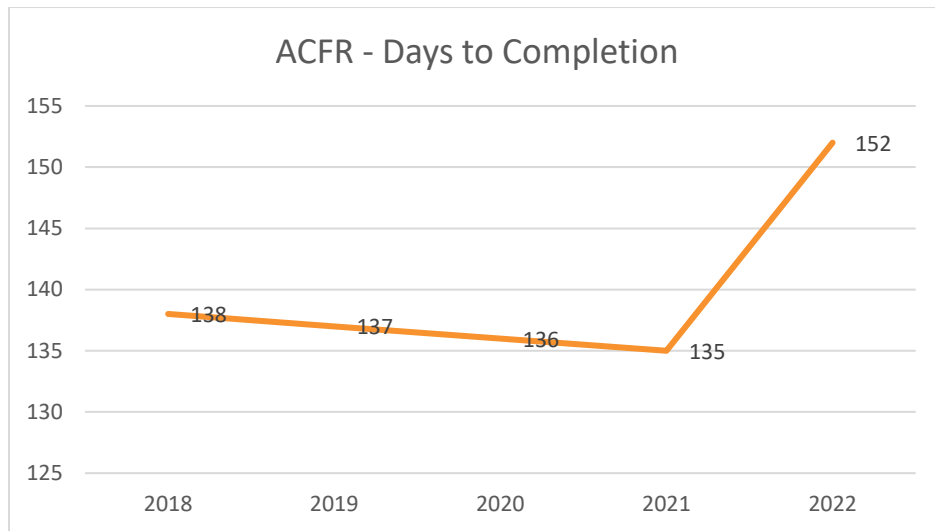
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Performance Comparison to Prior Years

Audit of the State’s ACFR

The State’s ACFR for the fiscal year 2022 was issued 152 days after fiscal year-end, meeting the revised goal issue date agreed to with the Office of the Comptroller General. The additional days over prior years provided time to address disclosure issues and for more robust quality control over the report. The goal for fiscal year 2023 is to complete the ACFR audit within 168 days of fiscal year-end.

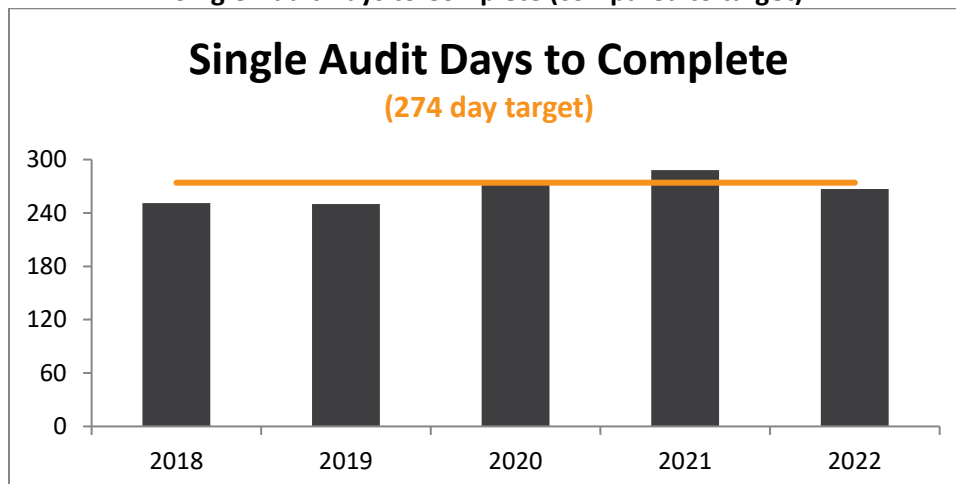
Figure 1
ACFR Days to Complete



Audit of Expenditures of Federal Awards (Single Audit)

The Single Audit for the fiscal year 2022 was completed in 267 days, exceeding the 274-day (March 31) goal for issuance. The size of this engagement has grown by just over 40% due to pandemic-related federal stimulus programs, making it challenging to complete by the target date. OSA pushes to complete this report by March 31 to minimize the impact on work already scheduled for the remainder of the year.

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

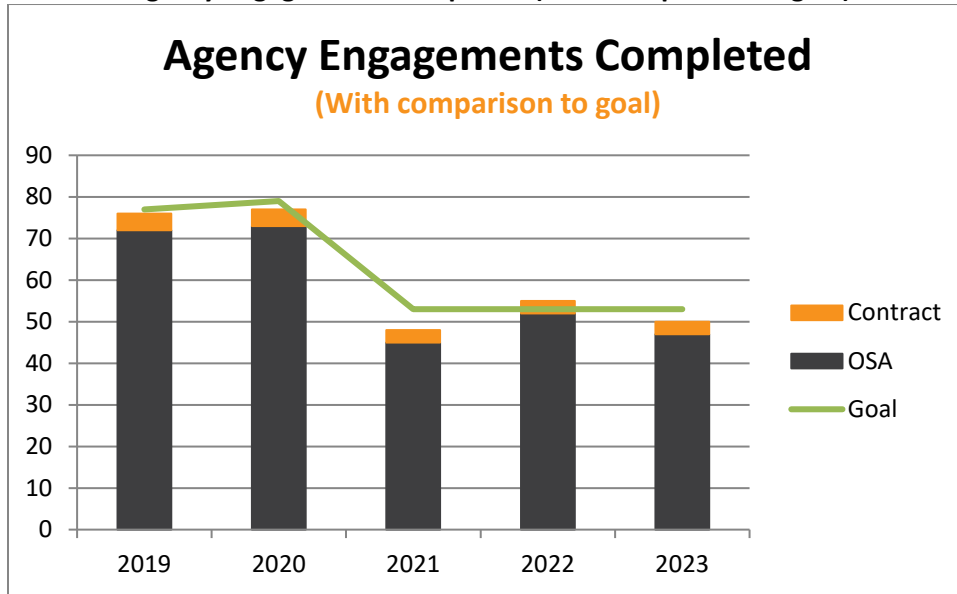


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Agency Engagements Completed

An attest engagement should be completed for each agency annually. These engagements are primarily performed between March and September. Figure 3 illustrates all engagements completed during the fiscal year.

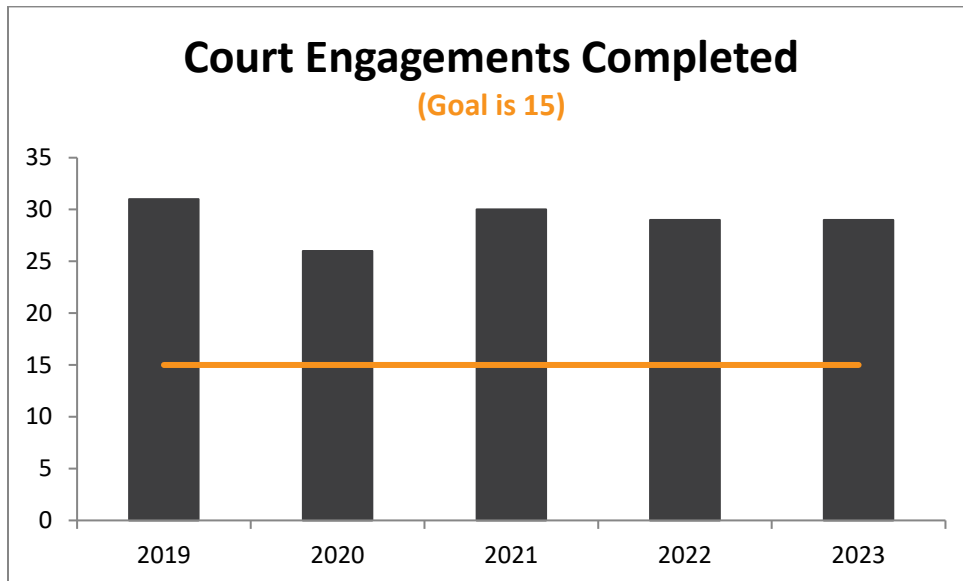
Figure 3
Agency Engagements Completed (With comparison to goal)



Court Engagements

For the fiscal year 2023, 29 court engagements were issued, exceeding our goal of 15.

Figure 4
Court Engagements Completed (Goal = 15)

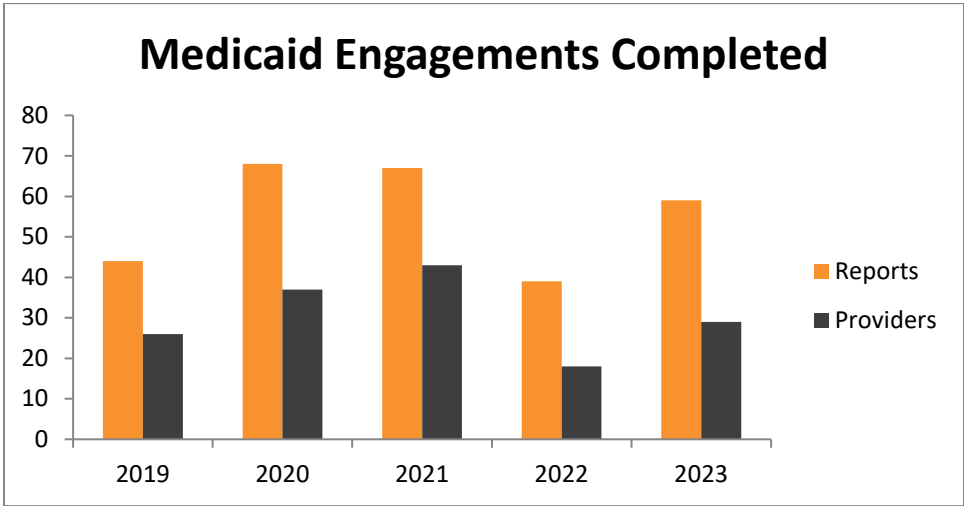


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Medicaid Engagements Completed

For the fiscal year 2023, reports for 59 Medicaid engagements were issued, covering 29 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.

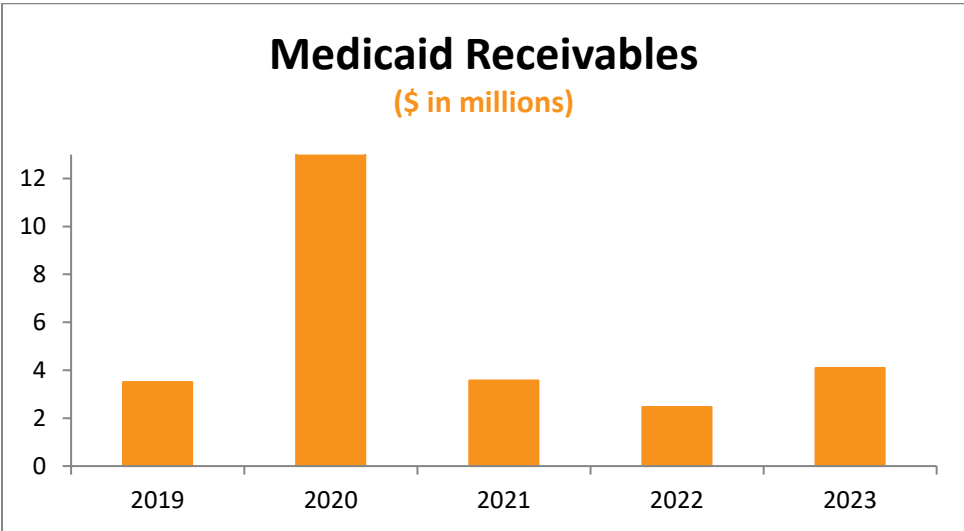
**Figure 5
Medicaid Engagements Completed**



Medicaid Receivables Established

For the fiscal year 2023, Medicaid receivables of \$4.1 million to date have been established by DHHS, based on the findings in reports we 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 Established (\$ in millions)**



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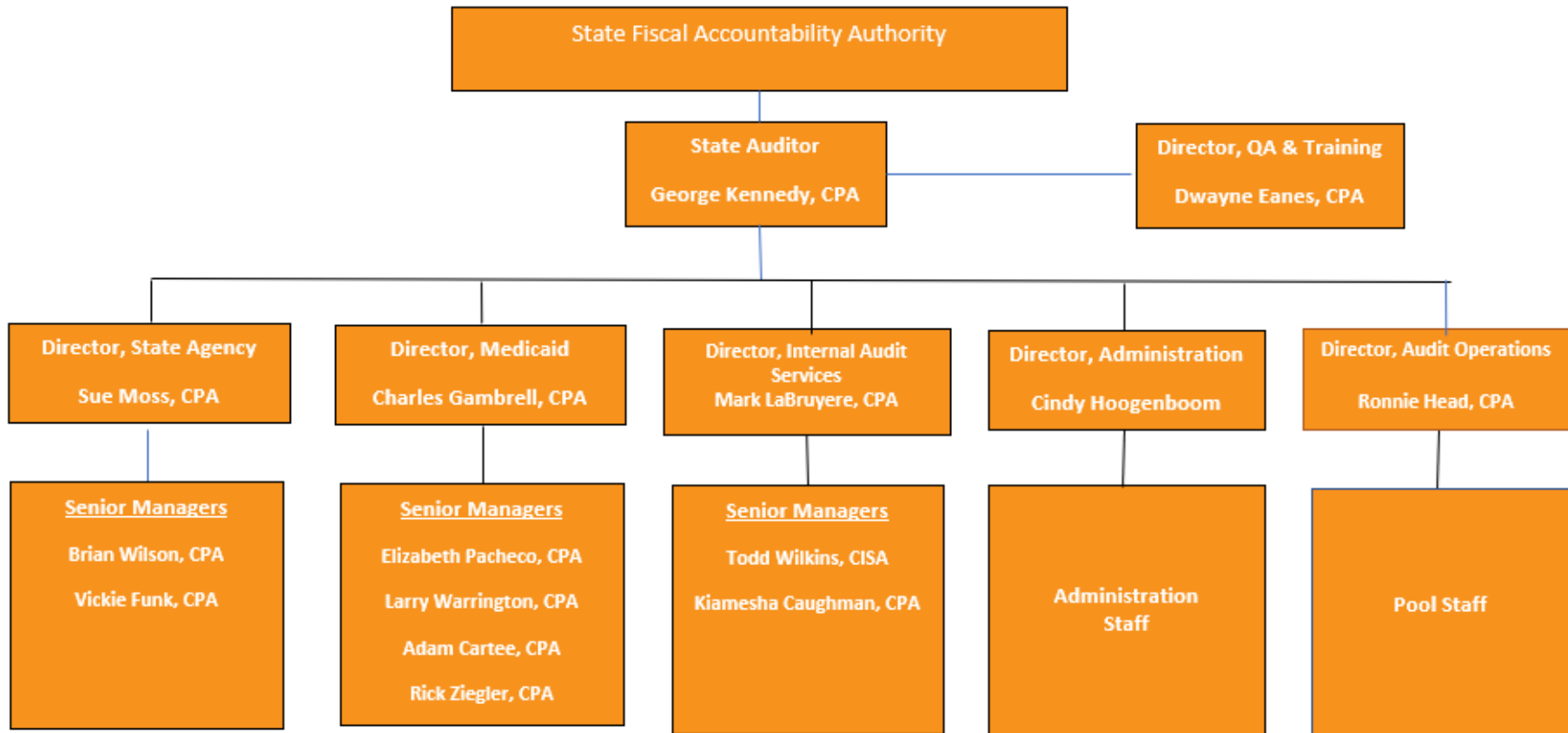
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AGENCY ORGANIZATIONAL CHART



2023

Reorganization and Compliance

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Primary Contact

First Name	Last Name	Role/Title	Email Address	Phone
George	Kennedy	State Auditor/Executive Director	gkennedy@osa.sc.gov	803-832-8929

Secondary Contact

First Name	Last Name	Role/Title	Email Address	Phone
Cindy	Hoogenboom	Director of Administration	choogenboom@osa.sc.gov	803-253-4160

Agency Mission	Adopted in:
To promote trust and confidence in South Carolina state government.	2016

Agency Vision	Adopted in:
Making a positive impact by working with State entities to ensure transparency and accountability, and enabling them to achieve meaningful impact.	2016

Recommendations for reorganization requiring legislative change:
None

Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year:
None

Significant events related to the agency that occurred in FY2023				
Description of Event	Start	End	Agency Measures Impacted	Other Impacts
No significant events occurred that impacted performance measures.				

Is the agency in compliance with S.C. Code Ann. § 2-1-220, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? (See also S.C. Code Ann. § 60-2-20).	Yes
	Yes

Reason agency is out of compliance: (if applicable)

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. § 20-1-10 through 20-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).	Yes
	Yes

Does the law allow the agency to promulgate regulations?	No
	No

Law number(s) which gives the agency the authority to promulgate regulations:

Has the agency promulgated any regulations?	No
	No

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?	Yes
	Yes

(End of Reorganization and Compliance Section)

FY2023

Strategic Plan Results

as submitted for the Accountability Report by:

F270 - State Auditor's Office

- Goal 1 Deliver services which strengthen transparency and accountability
- Goal 2 Develop and maintain a professional, high-performing and engaged workforce
- Goal 3 Manage agency's resources effectively, prudently and with accountability

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Assure our deliverables are timely and meaningful to users.														
State Objective: Government and Citizens														
1.1.1	Audit of the State's CAFR completed by target date - number of days past target.	0	0	0	Count	Maintain range	State Fiscal Year	Days issued beyond target.	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, debt markets, debt rating services, citizens	0500.00000.000	
1.1.2	Audit of the State's Schedule of Expenditures of Federal Awards by target date - number of days past due.	14	0	0	Count	Maintain range	State Fiscal Year	Days issued beyond target.	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, federal granting agencies, citizens	0500.00000.000	
1.1.3	Attest engagements of state agencies (including those contracted) completed by 6/30 of the following year.	72%	70%	65%	Percent	Equal to or greater than	State Fiscal Year	Total completed/Total available to be completed	Internal records	osa.sc.gov/reports	Timely and reliable information regarding agency operating controls.	State agency management, citizens	0500.00000.000	
1.2 Maintain our reputation of independence, integrity and objectivity.														
State Objective: Government and Citizens														
1.2.1	Number of engagements selected for internal quality inspection.	9	9	9	Count	Equal to or greater than	State Fiscal Year	Number inspected.	Internal records	QA Director records	Confidence that OSA's system of quality assurance is effective.	OSA management	0500.00000.000	
1.3 Provide effective internal audit services for SCDOT.														
State Objective: Government and Citizens														
1.3.1	Reports issued during the fiscal year.	6	5	8	Count	Equal to or greater than	State Fiscal Year	Number issued.	Report date	osa.sc.gov/reports	Accountability for internal audit productivity	SCDOT Audit Committee, SCDOT management, citizens	1015.00000.000	
1.3.2	Presentations to the audit committee.	4	4	3	Count	Equal to or greater than	State Fiscal Year	Presentations made	Audit committee minutes	www.scdot.org/inside	Accountability for internal audit communication	SCDOT Audit Committee, SCDOT management, citizens	1015.00000.000	One of 4 audit committee meetings was moved to July, therefore FY 2024 will have 5 meetings/opportunities to present to the audit committee.
1.3.3	Evaluation of internal audit by the Audit Committee.	N/A	N/A	N/A	Rank	Equal to or greater than	State Fiscal Year	Survey average - 4 point scale	Audit committee minutes	www.scdot.org/inside	Effectiveness of internal audit function	SCDOT Audit Committee, SCDOT management, citizens	1015.00000.000	Audit committee determined this is not a priority, therefore survey was not conducted.
1.3.4	Evaluation of internal audit division by SCDOT management.	3.75	3.75	3.61	Rank	Equal to or greater than	State Fiscal Year	Survey average - 4 point scale	Audit committee minutes	www.scdot.org/inside	Effectiveness of internal audit function	SCDOT Audit Committee, SCDOT management, citizens	1015.00000.000	
1.3.5	Verify that audit report management action plans (MAPs) were implemented.	100%	100%	100%	Percent complete	Complete	State Fiscal Year	MAPS verified/Total MAPs	Internal records	Quarterly records provided to management located on internal server	Management accountability for Management Action Plans	SCDOT Audit Committee, SCDOT management, citizens	1015.00000.000	

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.3.6	Internal audit staff job satisfaction (average score).	4.6	4	4.25	Rank	Equal to or greater than	State Fiscal Year	Survey average - 5 point scale	Survey results	Results of job satisfaction surveys located on internal server	Recruiting, retention, value delivery	OSA management	1015.00000.000	
2.1 Increase employee knowledge, skills and engagement		State Objective: Education, Training, and Human Development												
2.1.1	Percent of staff with professional certification	46.50%	50%	38.10%	Percent	Equal to or greater than	State Fiscal Year	Certified staff/Total staff in service delivery divisions	Internal records	Certification records maintained on internal servers	Certified staff are needed for succession to leadership positions	OSA management	0500.00000.000	The separation of several CPAs during the year and challenges recruiting CPAs negatively impacted this ratio.
2.1.2	Number of staff who have completed leadership training.	N/A	15	10	Count	Equal to or greater than	State Fiscal Year	Staff with leadership training/Total staff	Internal records	Records maintained on internal servers	Agency leadership with strong leadership skills	OSA management	0500.00000.000	While not meeting in coverage target (15), several staff participated in more than one leadership training opportunity.
2.2 Monitor productivity and performance		State Objective: Education, Training, and Human Development												
2.2.1	Average hours per agency attestation engagement completed	215	225	181	Ratio	Equal to or less than	State Fiscal Year	Total hours/Engagements completed	SCEIS	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
2.2.2	Average hours per Medicaid engagement completed	432	400	348	Ratio	Equal to or less than	State Fiscal Year	Total hours/Engagements completed	SCEIS	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
2.3 Maintain a strong campus recruiting strategy		State Objective: Education, Training, and Human Development												
2.3.1	Average open positions during the year	9	5	10	Count	Equal to or less than	State Fiscal Year	Average open positions	SCEIS	Records maintained on internal servers	Measure of ability to maintain a stable workforce	OSA management	0500.00000.000	A competitive hiring environment during FY23 led to more open positions than desired.
2.3.2	On-campus recruiting events attended during the year	7	5	7	Count	Equal to or greater than	State Fiscal Year	Number of events attended	Internal records	Records maintained on internal servers	Measure of effort in recruiting from college campuses	OSA management	0500.00000.000	
2.4 Create an environment that is recognized as a workplace of choice		State Objective: Education, Training, and Human Development												
2.4.1	Percent of employees who are other than white males	66.60%	70%	65%	Percent	Equal to or greater than	State Fiscal Year	As percentage of filled positions at fiscal year end	SCEIS	Records maintained on internal servers	Measure of diversity	OSA management	0500.00000.000	
2.4.2	Employee turnover	18.70%	10%	22%	Percent	Equal to or less than	State Fiscal Year	Total separations/Average filled positions during the year	SCEIS	Records maintained on internal servers	Measure of ability to retain employees and/or hire new ones	OSA management	0500.00000.000	A competitive hiring market during the fiscal year negatively impacted the agency's ability to retain and recruit qualified staff.
2.5 Manage agency's workforce effectively		State Objective: Education, Training, and Human Development												
2.5.1	Percent of staff with 3 or more documented coaching sessions	100%	100%	100%	Percent	Equal to or greater than	State Fiscal Year	As a percent of all employees in coaching program	Internal records	Records maintained on internal servers	Timeliness of performance feedback	OSA management	0500.00000.000	
2.5.2	Percent of auditors in management positions	16.27%	15%	30%	Percent	Equal to or greater than	State Fiscal Year	Managers/Total auditors	SCEIS	Records maintained on internal servers	Measure of staff who have achieved a high level of performance success	OSA management	0500.00000.000	Promotions to manager near year end elevated this ratio.
3.1 Assure an agile business operation		State Objective: Government and Citizens												

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
3.1.1	Manage agency spending to within 90% of budget	86%	90%	84%	Percent	Equal to or less than	State Fiscal Year	General fund spending actual/budget	SCEIS	Records maintained on internal servers	Accountability for resources	OSA management	0100.00000.000		
3.1.2	Increase workforce utilization	71%	75%	71%	Percent	Equal to or greater than	State Fiscal Year	Chargable hours/Total hours	SCEIS	Records maintained on internal servers	Accountability for utilization	OSA management	0500.00000.000		
3.2	Respond to change by maintaining a strategic focus							State Objective: Government and Citizens							
3.2.1	Develop in-house training courses to reduce overall training costs	3	3	4	Count	Equal to or greater than	State Fiscal Year	Number completed	Internal records	Records maintained on internal servers	Measure of tailored training delivered	OSA management	0500.00000.000		

FY2024

Strategic Plan Development

as submitted for the Accountability Report by:

F270 - State Auditor's Office

- Goal 1 Deliver services which strengthen transparency and accountability.
- Goal 2 Develop and maintain a professional, high-performing and engaged workforce.
- Goal 3 Manage agency's resources effectively, prudently, and with accountability.

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Assure our deliverables are timely and meaningful to users. State Objective: Government and Citizens													
1.1.1	Number of days past target issuance date.	0	0	Count	Maintain range	State Fiscal Year	Days issued beyond target	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, debt markets, debt rating agencies, citizens	0500.00000.000	
1.1.2	Number of days past target issuance date.	0	0	Count	Maintain range	State Fiscal Year	Days issued beyond target	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, federal granting agencies, citizens	0500.00000.000	
1.1.3	Percent completed during the fiscal year.	65%	70%	Percent	Equal to or greater than	State Fiscal Year	Total completed/Total available to be completed	Internal records	osa.sc.gov/reports	Timely and reliable information regarding agency operating controls.	State agency management, citizens	0500.00000.000	
1.2 Maintain our reputation of independence, integrity, and objectivity. State Objective: Government and Citizens													
1.2.1	Number inspected during the fiscal year.	9	9	Count	Equal to or greater than	State Fiscal Year	Number inspected	Internal records	QA director records	Confidence that OSA's system of quality assurance is effective.	OSA management	0500.00000.000	
1.3 Provide effective internal audit services for SCDOT. State Objective: Government and Citizens													
1.3.1	Number issued.	8	5	Count	Equal to or greater than	State Fiscal Year	Number issued	Report date	osa.sc.gov/reports	Accountability for internal audit productivity.	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
1.3.2	Presentations made.	4	4	Count	Equal to or greater than	State Fiscal Year	Presentations made	Audit committee meeting minutes	www.scdot.org/inside	Accountability for internal audit communication	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
1.3.3	Salary average - 4 point scale.	0	4	Rank	Equal to or greater than	State Fiscal Year	Salary average - 4 point scale	Audit committee meeting minutes	www.scdot.org/inside	Effectiveness of internal audit function	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
1.3.4	Salary average - 4 point scale.	0	3	Rank	Equal to or greater than	State Fiscal Year	Salary average - 4 point scale	Audit committee meeting minutes	www.scdot.org/inside	Effectiveness of internal audit function	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
1.3.5	MAPs verified/Total MAPs	100%	100%	Percent	Complete	State Fiscal Year	MAPs verified/Total MAPs	Internal records	Quarterly records provided to management located on internal server.	Management accountability for Management Action Plans	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
1.3.6	Survey average - 6 point scale	0	4	Rank	Equal to or greater than	State Fiscal Year	Survey average - 5 point scale	Survey results	Quarterly records provided to management located on internal server.	Recruiting, retention, value delivery	OSA management	1015.00000.000	
2.1 Increase employee knowledge, skills, and engagement. State Objective: Education, Training, and Human Development													

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
2.1.1	Staff who have earned CPA, CIA or CISA certification.	38.10%	50%	Percent	Equal to or greater than	State Fiscal Year	Certified staff/Total staff in services delivery divisions	Internal records	Certification records maintained on internal servers	Certified staff are needed for succession to leadership positions.	OSA management	0500.00000.000	
2.1.2	Staff who have attended leadership training.	10	15	Count	Equal to or greater than	State Fiscal Year	Staff who have received leadership training	Internal records	Records maintained on internal servers	Agency leadership with strong skills.	OSA management	0500.00000.000	
2.2	Monitor productivity and performance.											State Objective: Education, Training, and Human Development	
2.2.1	Average hours per State attestation engagement.	181	225	Ratio	Equal to or less than	State Fiscal Year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
2.2.2	Average hours per Medicaid engagement.	348	400	Ratio	Equal to or less than	State Fiscal Year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
2.3	Maintain a strong campus recruiting strategy.											State Objective: Education, Training, and Human Development	
2.3.1	Average open positions.	10	5	Count	Equal to or less than	State Fiscal Year	Average open positions over the fiscal year	SCEIS	Records maintained on internal servers	Ability to maintain a stable workforce	OSA management	0500.00000.000	
2.3.2	Campus recruiting events attended.	7	5	Count	Equal to or greater than	State Fiscal Year	Number attended	Internal records	Records maintained on internal servers	Measure of effort in recruiting from college campuses	OSA management	0500.00000.000	
2.4	Create an environment that is recognized as a workplace of choice.											State Objective: Education, Training, and Human Development	
2.4.1	Percent of employees who are other than white males.	63%	70%	Percent	Equal to or greater than	State Fiscal Year	As a percent of positions filled at year end	SCEIS	Records maintained on internal servers	Measure of diversity	OSA management	0500.00000.000	
2.4.2	Turnover for the fiscal year.	22%	10%	Percent	Equal to or less than	State Fiscal Year	Total separations/Average filled positions for the year	SCEIS	Records maintained on internal servers	Measure of ability to retain employees or hire new ones	OSA management	0500.00000.000	
2.5	Manage agency's workforce effectively.											State Objective: Education, Training, and Human Development	
2.5.1	Percent of staff with 3 or more documented check-ins/coaching sessions during the fiscal year.	100%	100%	Percent complete	Maintain range	State Fiscal Year	Number documented	Internal records	Records maintained on internal servers	Timeliness of performance feedback	OSA management	0500.00000.000	
2.5.2	Percent of auditors in management positions.	30%	15%	Percent	Equal to or greater than	State Fiscal Year	Managers/Total auditors	SCEIS	Records maintained on internal servers	Measure of staff who have achieved a high level of performance success	OSA management	0500.00000.000	
3.1	Assure an agile business operation.											State Objective: Government and Citizens	
3.1.1	Percent of budget spent.	84%	90%	Percent	Equal to or less than	State Fiscal Year	General fund spending actual compared to budget	SCEIS	Records maintained on internal servers	Accountability for resources	OSA management	0500.00000.000	
3.1.2	Average staff utilization.	71%	75%	Percent	Equal to or greater than	State Fiscal Year	Chargeable hours/Total hours	SCEIS	Records maintained on internal servers	Accountability for utilization	OSA management	0500.00000.000	
3.2	Respond to change by maintaining a strategic focus.											State Objective: Government and Citizens	
3.2.1	Number of in-house training courses provided.	4	3	Count	Equal to or greater than	State Fiscal Year	Number completed	Internal records	Records maintained on internal servers	Measure of tailored training delivered	OSA management	0500.00000.000	

2023

Budget Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

State Funded Program No.	State Funded Program Title	Description of State Funded Program	(Actual) General	(Actual) Other	(Actual) Federal	(Actual) Total	(Projected) General2	(Projected) Other	(Projected) Federal4	(Projected) Total
0100.000000.000	Administration	Accounting, budgeting, human resource, purchasing, technology and other administrative support	\$ 463,178.38	\$ -	\$ -	\$ 463,178.38	\$ 491,782.00	\$ -	\$ -	\$ 491,782.00
0500.000000.000	Audits	Audit services to include statewide and agency-specific engagements as well as services provided to SCDHHS	\$ 2,897,106.31	\$ 1,539,917.97	\$ -	\$ 4,437,024.28	\$ 3,134,764.00	\$ 2,169,639.00	\$ -	\$ 5,304,403.00
1015.000000.000	Internal Audit Services	Internal audit services for SCDOT	\$ 651,597.74	\$ -	\$ -	\$ 651,597.74	\$ 714,401.00	\$ -	\$ -	\$ 714,401.00
9500.050000.000	State Employer Contributions	Fringe benefit employer contributions	\$ 1,275,725.21	\$ 124,555.68	\$ -	\$ 1,600,280.89	\$ 1,825,458.00	\$ 410,000.00	\$ -	\$ 2,235,458.00

2023

Legal Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
105.1	State	Proviso	Annual audit of federal programs	Report our agency must/may provide		No Change
105.2	State	Proviso	Carryover Medicaid funds	Not related to agency deliverable		No Change
105.3	State	Proviso	Fraud identified referred to Inspector General	Report our agency must/may provide		No Change
105.4	State	Proviso	Annual audit of court fees and fines	Report our agency must/may provide		No Change
117.93	State	Proviso	Submission of schedule of federal program expenditures to OSA	Not related to agency deliverable	Schedules are used in statewide single audit	No Change
105.5	State	Proviso	Special study of long-term obligations	Report our agency must/may provide		No Change
105.6	State	Proviso	Authorization to provide internal audit services on a cost reimbursement basis.	Requires a manner of delivery		Amended Proviso Number Only
11-7-30	State	Statute	Audit reports	Report our agency must/may provide		No Change
11-7-35	State	Statute	Access to records	Not related to agency deliverable		No Change
9-4-40	State	Statute	Fiduciary audit of the Public Employee Benefit Administration	Report our agency must/may provide		Suspended

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
11-7-40	State	Statute	Medicaid engagements under contract with DHHS	Report our agency must/may provide		No Change
11-7-45	State	Statute	Guarantee of independence	Not related to agency deliverable		No Change
11-7-50	State	Statute	Service on board or commission	Not related to agency deliverable		No Change
11-7-55	State	Statute	Use of certified public accountants	Requires a service	Use of CPA firms to provide audit services	No Change
11-7-60	State	Statute	Reimbursed audit costs	Requires a service	Reimbursement of cost of CPA firm services	No Change
11-27-70	State	Statute	Sources of revenue per State Constitution	Not related to agency deliverable		No Change
8-11-94	State	Statute	Access to confidential information - payroll deducted contributions	Not related to agency deliverable		No Change
11-7-10	State	Statute	Selection of assistants	Not related to agency deliverable		No Change
1-11-20	State	Statute	Transfer to State Fiscal Accountability Authority	Not related to agency deliverable		No Change
11-7-20	State	Statute	Annual audits of state agencies	Report our agency must/may provide		No Change
11-7-25	State	Statute	Periodic audits - courts	Report our agency must/may provide		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
12-28-2725	State	Statute	Annual audit - regional transportation authorities	Report our agency must/may provide		No Change
11-35-1250	State	Statute	Authority to contract for auditing services	Not related to agency deliverable		No Change
11-37-240	State	Statute	Annual audit - Rural Infrastructure Authority	Report our agency must/may provide		No Change
11-51-110	State	Statute	Authorization of general obligation debt	Report our agency must/may provide		No Change
11-9-110	State	Statute	Audit of contributed funds	Report our agency must/may provide		No Change
12-54-240	State	Statute	Prohibition of disclosure	Not related to agency deliverable		No Change
13-1-50	State	Statute	Annual audit - Department of Commerce	Report our agency must/may provide		No Change
14-1-210	State	Statute	Periodic audits - courts	Report our agency must/may provide		No Change
23-6-50	State	Statute	Annual audit - DPS	Report our agency must/may provide		No Change
38-79-470	State	Statute	Annual audit - Medical Malpractice Fund	Report our agency must/may provide		No Change
41-43-260	State	Statute	Annual audit - Jobs - Economic Development Fund Act	Report our agency must/may provide		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
44-53-450	State	Statute	State Treasurer may direct audit of courts	Report our agency must/may provide		No Change
44-96-165	State	Statute	Independent audit of trust funds - DHEC	Report our agency must/may provide		No Change
50-5-2720	State	Statute	Periodic examination of the Compact Commission	Report our agency must/may provide		No Change
57-1-360	State	Statute	Chief internal auditor for SC Department of Transportation	Requires a service	Internal audit services for SCDOT	No Change
59-115-180	State	Statute	Annual audit - Education Assistance Authority	Report our agency must/may provide		No Change
59-20-95	State	Statute	Fiscal practices for state agencies acting as a local education authority	Report our agency must/may provide		No Change

2023

Services Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY 2023	Summary of changes to services
Assurance and attestation services	Government of the State of SC	Government of the State of SC	Debt markets, Federal government, citizens	State	Assurance and attestation engagements statewide and agency specific	Access to debt and to federal funding sources could be reduced	No Change	
Attestation services	Government of the State of SC	Government of the State of SC	SC local governments	State	Attestation engagements of court fines, fees and assessments	Unidentified errors in collection of fines, fees and assessments	No Change	
Attestation services	SC Department of Health and Human Services	SC Department of Health and Human Services	Federal Department of Health and Human Services	Medicaid	Attestation engagements of financial and statistical reports	Unidentified errors in Medicaid cost reimbursements	No Change	
Internal audit services	SC Department of Transportation	SC Department of Transportation	Citizens	Internal Audit	Internal audit services	Reduced confidence in SCDOT	No Change	
Internal audit services	Core state agencies	Various	Citizens	Internal audit				

2023

Partnerships Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Type of Partner Entity	Name of Partner Entity	Description of Partnership	Change to the partnership during the past fiscal year
Private Business Organization	Law firm specializing in Medicaid	Legal services	No Change
State Government	SC DHHS	Program documentation and technical support	No Change
Private Business Organization	Various CPA firms	Contract assurance services	No Change

2023

Reports Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Report Name	Law Number (if applicable)	Summary of information requested in the report	Date of most recent submission DURING the past fiscal year	Reporting Frequency	Type of entity/entities	Method to access the report	Direct access hyperlink or agency contact (if not provided to LSA for posting online)	Changes to this report during the past fiscal year	Explanation why a report wasn't submitted
NO REPORT DATA									

AGENCY NAME:	Office of the State Auditor		
AGENCY CODE:	F270	SECTION:	105

**2023
Accountability Report**

SUBMISSION FORM

I have reviewed and approved the data submitted by the agency in the following templates:

- Data Template
 - Reorganization and Compliance
 - FY2023 Strategic Plan Results
 - FY2024 Strategic Plan Development
 - Legal
 - Services
 - Partnerships
 - Report or Review
 - Budget
- Discussion Template
- Organizational Template

I have reviewed and approved the financial report summarizing the agency’s budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR <i>(SIGN AND DATE):</i>	SIGNATURE ON FILE	Signature Received: 9/14/2023 9:27 AM
<i>(TYPE/PRINT NAME):</i>	George L. Kennedy, III CPA	

BOARD/CMSN CHAIR <i>(SIGN AND DATE):</i>	N/A	
<i>(TYPE/PRINT NAME):</i>		