Office of the Comptroller General

Fiscal Year 2008-2009
Accountability Report

State of South Carolina

Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-2064
E-Mail: cgoffice.cg.sc.gov

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

JAMES M. HOLLY
CHIEF OF STAFF

September 15, 2009

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 2008-2009.

The Comptroller General is the state's chief fiscal and accounting officer. The Office provides fiscal controls over receipt and disbursement of public funds; reports annually on the financial operations and condition of state government and provides fiscal guidance to state agencies.

The Comptroller General, Chief of Staff, Deputy Comptroller General, and division directors comprise the agency's senior management team. Senior managers routinely review requirements by customers and stakeholders including the General Assembly, credit rating services, Government Finance Officers 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 Clarissa Adams at 734-2522.

Respectfully Submitted,

James M. Holly
Chief of Staff

TABLE OF CONTENTS

1. MISSION, VISION, AND VALUES

The Comptroller General's Office mission is to:

- Serve the citizens of South Carolina by providing 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).

The Comptroller General's Office vision is:

- To be recognized as the leading source for useful financial information that promotes government transparency.

The agency's core values are teamwork, integrity, innovation, and effort that goes "above and beyond".

2. MAJOR ACHIEVEMENTS FOR FY 2008-2009

- Received high customer satisfaction ratings from our external customer survey. Compared the results to the American Customer Satisfaction Index, a nationally recognized index that provides industry specific measures of customer satisfaction. See page 27.

- Issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008 that earned a "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada (GFOA). Received national recognition for being one of the four most timely states to prepare and issue its FY08 CAFR. Since 2002, South Carolina is the only state to improve every year the number of days it takes to compile and release its CAFR.

- Issued a Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2008. The Popular Report was submitted to the GFOA for review, and received the GFOA's "Award for Outstanding Achievement".

- Continued to support the Budget and Control Board's statewide enterprise information system (SCEIS) project that will provide a comprehensive statewide platform for managing the state's financial and human resources. The SCEIS project, mandated by the SC Legislature (Act 151 of 2005), is designed to move the state toward a more comprehensive common system for managing the state. Assisted the SCEIS project team with converting 30 agencies to the SCEIS system; 35 additional agencies will convert to SCEIS in November 2009. Conversion for each agency includes implementing a document management or "imaging" system.

- Replaced the 30 year old "STARS" with SCEIS as the official "book of record" beginning July 1, 2009, enabling all transactions to post in the format of the new system regardless of an agency's accounting system. The Comptroller General's Office support included making available nine members of its technical and program staff.

- Provided and funded an independent verification and validity service (IV&V) for the SCEIS Executive Oversight Committee that provided updates on various SAP software implementations, blueprints, and go-live activities. Provided funding for a Business Case Study at the direction of the SC Legislature (Proviso 80A. 56 of the 2008-2009 Appropriations Act). The study updated projected SCEIS savings for agencies.

- Increased government transparency by allowing citizens to use the Internet to see how state agencies spend public money. Maintained a website that includes both annual summary and monthly data detailing individual agency expenditures for travel, office supplies, and contractual services.

- On March 20, 2009 the Governor issued an Executive Order establishing the SC Stimulus Oversight and Accountability and Coordination Task Force. He appointed the Comptroller to chair the Stimulus Task Force designed to oversee and account for the expenditure of stimulus funds. The Legislature subsequently appointed the State Treasurer as co-chair of the Task Force.

- Developed the SC Stimulus website to keep South Carolinians informed on the American Recovery and Reinvestment Act (ARRA) enacted by Congress in February 2009.

- Processed statewide payroll on the dates mandated by state law 100% of the time. Also, deposited payroll withholdings within required time frames, and submitted accurate financial information on time to the Internal Revenue Service and other agencies 100% of the time.

- Received no exceptions in audits of procurement, personnel, and IT.

- Received Independent Accountant's Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2008. No exceptions were noted.

- Maintained a high usage level of the Bank of America Visa Procurement Card, thereby reducing the volume of individual disbursement requests and increasing financial rebates to the State. See page 34.

- Initiated successful campaign to encourage local governments to voluntarily post their disbursement registers on the Internet. Hosts a Local Government Spending Transparency webpage to encourage participation in the transparency initiative.

- Chaired the South Carolina Military Base Task Force and effectively supported the initiatives of the State's military communities. Efforts in the areas of encroachment mitigation around military installations and improving military quality of life continue to provide significant positive impacts on South Carolina's military-friendly environment which has been recognized by the Department of Defense. Continues to work closely with the Department of Commerce and local economic development leaders to enhance defense-related economic development in the State. In addition, the Task Force has successfully executed the Governor's initiative to interface with the State's military commanders through annual meetings and ongoing dialogue throughout the year.

3. KEY STRATEGIC GOALS FOR FY 2009-2010 AND FUTURE

- Continue to support the Budget and Control Board's South Carolina Enterprise Information System (SCEIS) project until 69 agencies are using the new system. In addition to the 30 agencies now using the new SAP software, 35 additional agencies will be added between this fall and the end of the fiscal year. Additionally, the implementation plan calls for conversion of our existing 40 year old statewide payroll system to SCIES on December 1, 2009.

- Continue to make the State's audited financial information available as soon as possible by finding ways to further reduce the time required to prepare and issue the State's CAFR.

4. STRATEGIC CHALLENGES

The agency faces a unique challenge maintaining trained staff to operate the existing Statewide Accounting and Reporting System (STARS) while, at the same time, implementing the new South Carolina Enterprise Information System (SCEIS). This challenge however, has also provided a unique opportunity given the Comptroller General's Office current work force. The agency has retained several long-time employees with institutional knowledge to assist in operating the old finance, payroll, and budget systems. This is playing a critical role in helping State agencies transition to the new system. The agency is also actively recruiting new employees with professional and management credentials who can immediately contribute to the SCEIS implementation and the long term operations of the new system.

5. HOW THE ACCOUNTABILITY REPORT IS USED TO IMPROVE ORGANIZATIONAL PERFORMANCE
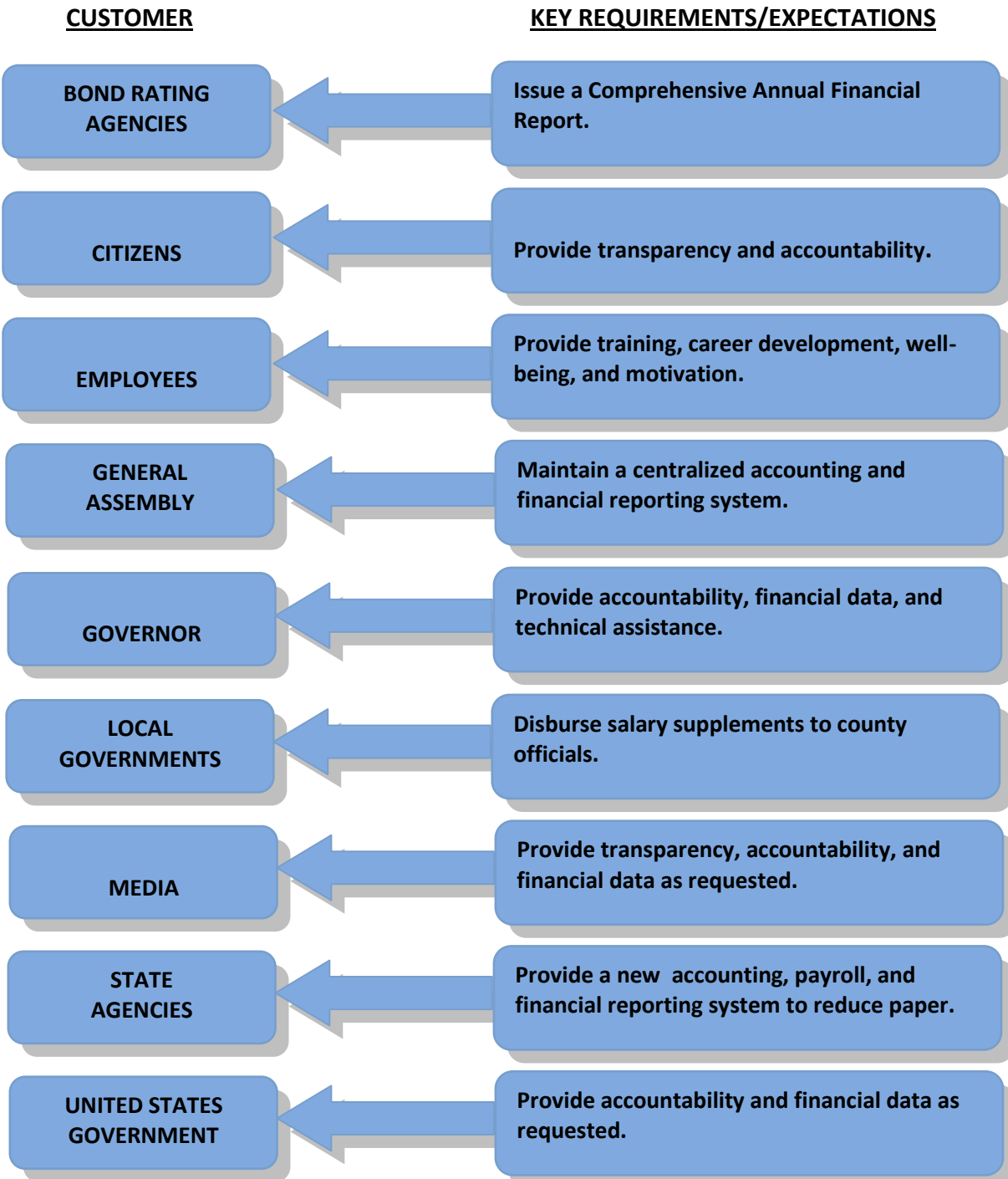
The agency uses the Accountability Report to monitor, measure, and document the agency's progress in obtaining goals. The customer satisfaction survey and various benchmarking measures provide pertinent information to the agency. Division directors are aware of agency goals and use these goals as targets throughout the year.

1. MAIN PRODUCTS AND SERVICES AND THE PRIMARY DELIVERY METHOD

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).

2. KEY CUSTOMER GROUPS AND THEIR KEY REQUIREMENTS/EXPECTATIONS

CUSTOMER	KEY REQUIREMENTS/EXPECTATIONS
BOND RATING AGENCIES	Issue a Comprehensive Annual Financial Report.
CITIZENS	Provide transparency and accountability.
EMPLOYEES	Provide training, career development, well-being, and motivation.
GENERAL ASSEMBLY	Maintain a centralized accounting and financial reporting system.
GOVERNOR	Provide accountability, financial data, and technical assistance.
LOCAL GOVERNMENTS	Disburse salary supplements to county officials.
MEDIA	Provide transparency, accountability, and financial data as requested.
STATE AGENCIES	Provide a new accounting, payroll, and financial reporting system to reduce paper.
UNITED STATES GOVERNMENT	Provide accountability and financial data as requested.

3. KEY STAKEHOLDER GROUPS

Our customers are our stakeholders.

4. KEY SUPPLIERS AND PARTNERS

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

5. OPERATION LOCATIONS

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

6. NUMBER OF EMPLOYEES SEGMENTED BY EMPLOYEE CATEGORY

At the end of fiscal year 2008-2009 the Comptroller General's Office had a total of 67 authorized FTEs. Of the 47 filled FTEs, two are unclassified positions and forty-five are classified. In addition, our agency has personnel in ten temporary full time and part-time positions.   The agency is actively recruiting candidates to fill vacant FTE's to accommodate operating both STARS and SCEIS during this fiscal year of conversion.
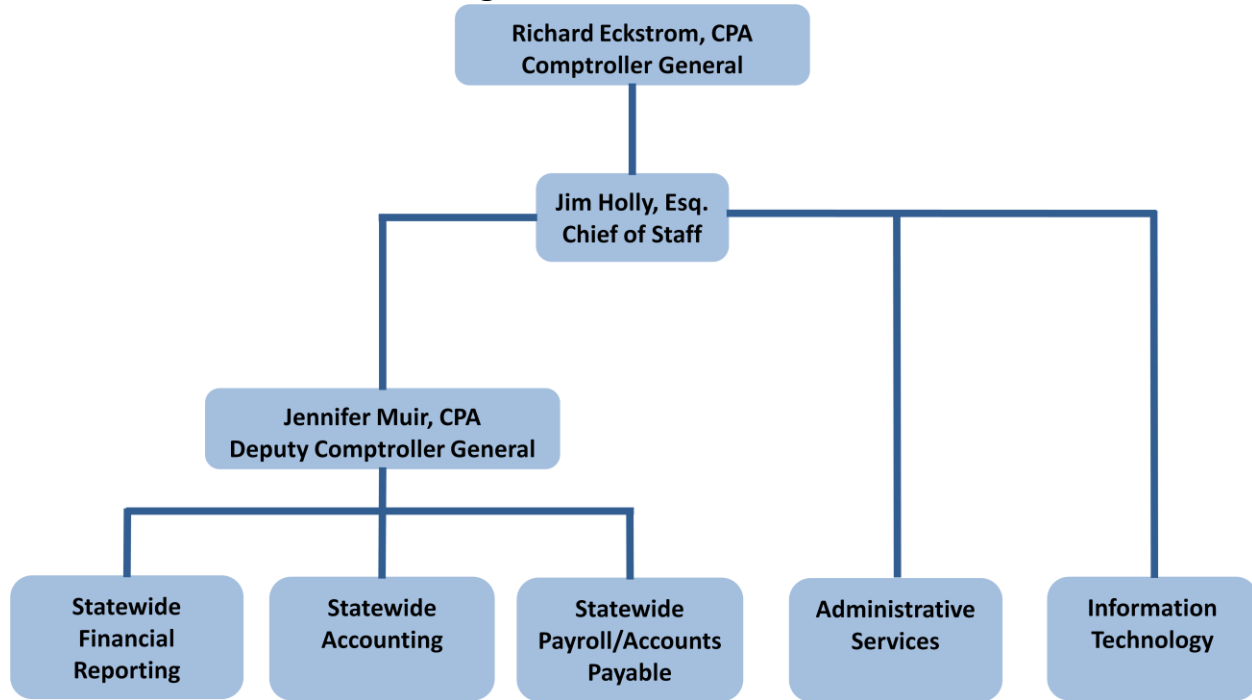
7. REGULATORY OPERATING ENVIRONMENT

The regulatory environment the agency operates under includes the General Assembly, bond rating agencies, Government Finance Officers Association of the United States and Canada (GFOA), Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), and the Internal Revenue Service.

8. PERFORMANCE IMPROVEMENT SYSTEM(S)

Senior management develops the strategic plan and sets the agency's vision. Since senior managers are involved in the day-to-day workflow, they are able to monitor progress and identify problems quickly. The Chief of Staff, the Deputy Comptroller General, and the 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.

COMPTROLLER GENERAL'S OFFICE
Organizational Structure

Richard Eckstrom, CPA
Comptroller General

Jim Holly, Esq.
Chief of Staff

Jennifer Muir, CPA
Deputy Comptroller General

| Statewide Financial Reporting | Statewide Accounting | Statewide Payroll/Accounts Payable | Administrative Services | Information Technology |

10. EXPENDITURES/APPROPRIATIONS CHART

Base Budget Expenditures and Appropriations

Major Budget Categories	07-08 Actual Expenditures		08-09 Actual Expenditures		09-10 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$3,208,950	$3,208,950	$3,191,275	$2,258,898	$2,426,224	$2,120,764
Other Operating	$ 1,020,973	$ 657,268	$ 935,168	$ 206,617	$ 209,939	$ 14,819
Special Items	-	-	-	-	-	-
Permanent Improvements	-	-	-	-	-	-
Case Services	-	-	-	-	-	-
Distributions to Subdivisions	-	-	-	-	-	-
Fringe Benefits	$ 868,628	$ 868,628	$ 839,234	$ 653,015	$ 562,500	$ 483,080
Non-recurring	-	-	-	-	-	-
Total	$5,098,551	$4,734,846	$4,965,677	$3,118,530	$3,198,663	$2,618,663

Other Expenditures

Sources of Funds	07-08 Actual Expenditures	08-09 Actual Expenditures
Supplemental Bills	-	-
Capital Reserve Funds	-	-
Bonds	-	-

11. MAJOR PROGRAM AREAS CHART

Program Number and Title	Major Program Area Purpose (Brief)	FY 07-08 Budget Expenditures	FY08-09 Budget Expenditures	Key Cross References for Financial Results*
II	**Statewide Payroll Accounts Payable** Provide centralized payroll for state employees. Review requests for reimbursement from state agencies to ensure compliance with state law.	State: $1,205,802 Federal: - Other: - Total: $1,205,802 24% of Total Budget	State: $ 899,555 Federal: - Other: 271,742 Total: $1,171,297 24% of Total Budget	Pages 31-34
IV	**Information Technology** Provide information technology application development, maintenance, production control, local area network and PC support. Application include all statewide accounting and payroll functions	State: $ 978,322 Federal: - Other: 346,226 Total: $ 1,324,548 26% of Total Budget	State: $ 331,489 Federal: - Other: 990,876 Total: $1,322,365 27% of Total Budget	Pages 35-37
III	**Statewide Financial Reporting** Provide centralized reporting of the state's financial activities. Produce the state's Comprehensive Annual Financial Report.	State: $ 463,114 Federal: - Other: - Total: $ 463,114 9% of Total Budget	State: $ 362,647 Federal: - Other: 70,816 Total: $ 433,463 8% of Total Budget	Pages 38-41
V	**Statewide Accounting Services** 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: $ 426,131 Federal: - Other: - Total: $ 426,131 8% of Total Budget	State: $ 391,155 Federal: - Other: 53,479 Total: $ 444,634 9% of Total Budget	Pages 42-44
I	**Administrative Services** Provide executive leadership and administrative services to support the agency's functions.	State: $ 792,850 Federal: - Other: 17,479 Total: $ 810,329 16% of Total Budget	State: $ 480,669 Federal: - Other: 274,015 Total: $ 754,684 15% of Total Budget	Pages 45-47
	Remainder of Expenditures: Employer Contributions	State: $ 868,628 Federal: - Other: - Total: $ 868,628 17% of Total Budget	State: $ 653,014 Federal: - Other: 186,219 Total: $ 839,234 17% of Total Budget	

*Key Cross-References are a link to Category 7- Key Results.

CATEGORY 1 - SENIOR LEADERSHIP, GOVERNANCE, AND SOCIAL RESPONSIBILITY

The Comptroller General is a statewide elected position. The Comptroller General, Chief of Staff, Deputy Comptroller General, and division directors comprise the agency's senior management team. Senior management develops the strategic plan and determines the agency's vision. Senior managers routinely review requirements by customers and stakeholders such as the General Assembly, bond rating agencies, GFOA, and the Internal Revenue Service to determine the performance expectations. These expectations significantly influence the agency's short and long-term direction. See Strategic Planning Chart on page 13.

1.1. How do senior leaders set, deploy and ensure two-way communication for: (a) short and long term direction and organizational priorities, (b) performance expectations, (c) organizational values, and (d) ethical behavior?

Senior management communicates direction, performance expectations, and organizational values through the Employee Performance Management System (EPMS), correspondence, and staff meetings. Expected ethical behavior is communicated to employees through employee evaluations, one-on-one communications, and staff meetings.

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. Customer satisfaction surveys are conducted annually and the results are made available to staff.

1.3. How does the organization address the current and potential impact on the public of its 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.

1.4. 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. The agency's processes are routinely reviewed both internally and by external parties (e.g. independent auditors) to ensure timely results.

1.5. What performance measures do senior leaders regularly review to inform them on needed actions?

Senior management regularly reviews the agency's customer satisfaction level, response time, and document turnaround time. The time needed to produce the Comprehensive Annual Financial Report is reviewed annually. Senior management pays particular attention to ensuring that the agency's efforts and resources are focused on complying with all applicable mandates.

1.6. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization, and the governance board/policy making body? How do their personal actions reflect a commitment to organizational values?

Senior leaders discuss the results of reviews performed by external auditors and others to evaluate management effectiveness. Audits, with no exceptions, provide the positive feedback needed to ensure that the agency's processes are effective. The Comptroller General's Office also uses staff meetings, customer satisfaction surveys, and employee performance reviews to evaluate management effectiveness. In instances where the need for improvement is noted, senior leaders evaluate the comments and take the action necessary for improvement. Senior leaders set appropriate examples through their work ethic and commitment to a high level of performance.

1.7. How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Senior management recognizes the need for succession planning in order to successfully manage the anticipated loss of experienced staff and job knowledge in the next few years and is actively recruiting new employees with training and experience who can make immediate contributions. In light of the anticipated turnover, senior management identified areas where additional cross training could aid in the development of future organizational leaders. Senior managers also strive to identify and implement more efficient practices. It is anticipated that the planned statewide accounting system (SCEIS) will be an integral part of streamlining practices.

1.8. How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

Senior managers are involved in the day-to-day workflow processes. This enables them to monitor progress and identify problems quickly. 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.

1.9. How do senior leaders create an environment for organizational and workforce learning?

SCEIS has provided an opportunity for the agency to have an "enterprise solution" for managing the state's financial and human resources. Senior management has used the system as a tool to create learning opportunities with the legacy system (STARS) as well as the new SCEIS for all divisions of the agency. Staff has been cross trained in an effort to expand their knowledge base and enhance efficiencies in the day-to-day operations.

1.10. How do senior leaders communicate with, engage, empower, and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

The size of the Comptroller General's Office allows the senior management to quickly evaluate the needs of the agency. Regular staff meetings and employee performance reviews serve as effective communication tools to recognize and reward performance within the agency.

1.11. How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and the organization contribute to improving these communities.

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 and participate in various civic activities. Each employee determines his/her areas of community activity.

2.1   What is your Strategic Planning process, including key participants, and how does it address: (a) your organization's strengths, weaknesses, opportunities, and threats; (b)financial, regulatory, societal, and other potential risks;(c) shifts in technology, and customer preferences; (d) workforce capabilities and need;(e)organizational continuity in emergencies; (f) your ability to execute the strategic plan?

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 (GFOA), 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 staff hours required.

2.2.   How do your strategic objectives address the strategic challenges you identified in your Executive Summary?

The number of filled positions at June 30, 2009 is low due to normal attrition and TERI. To ensure the strategic objectives are being met, senior managers review and monitor benchmarks to determine appropriate staffing levels. Succession planning includes replacing several key positions. The agency is actively recruiting new employees with training and experience who can make immediate contributions.

2.3.   How do you develop and track action plans that address your key strategic objectives, and how do you allocate resources to ensure the accomplishment of these plans?

Senior managers prioritize tasks and establish work schedules. 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, and cost savings/cost avoidance.

2.4.   How do you communicate and deploy your strategic objectives, action plans, and related performance measures?

See answer to question 2.3 above.

2.5.   How do you measure progress on your action plans?

See answer to question 2.3 above.

2.6. How do you evaluate and improve your strategic planning process?

The agency continues 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. See the Strategic Planning Chart on page 13.

2.7. If the agency's strategic plan is available to the public through the agency's internet homepage, please provide a website address for that plan.

The agency's strategic plan is not available in one document on the Internet. However, several documents that relate to the strategic plan, include the Comprehensive Annual Financial Report, the Citizen-Centric Report, and the STARS manual are available at www.cg.sc.gov.

Strategic Planning Chart

Program Number And Title	Supported Agency Strategic Planning Goal/Objective	Related FY 08-09 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures*
II **Statewide Payroll/Accounts Payable**	Verify the validity, authenticity, and legality of requests for payments submitted by agencies.	Process disbursement requests submitted by agencies within four business days.	Pages 31-34
IV **Information Technology**	Provide efficient, cost effective information technology support for the agency; and provide computer interface with other state agencies.	Perform activities at a cost that compares favorably with the estimated cost of contracting with other state agencies.	Pages 35-37
III **Statewide Financial Reporting**	Produce the State of South Carolina's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2008-2009. 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 38-41
V **Statewide Accounting Services**	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 business days.	Page 42-44
I through V I. **Administrative Services** II. **Statewide Payroll / AP** V. **Statewide Acct. Services** III. **Statewide Fin. Reporting** IV. **Information Technology**	Deliver services accurately and timely. Meet 100% of mandated requirements.	Maintain the highest possible customer satisfaction level.	Page 26-30

* Key Cross-References are a link to Category 7- Key Results.

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

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, 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 4.

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

As a statewide elected official, the Comptroller General is frequently asked to address citizen groups. He also meets with members of the General Assembly, the Budget and Control Board, 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 and expectations.
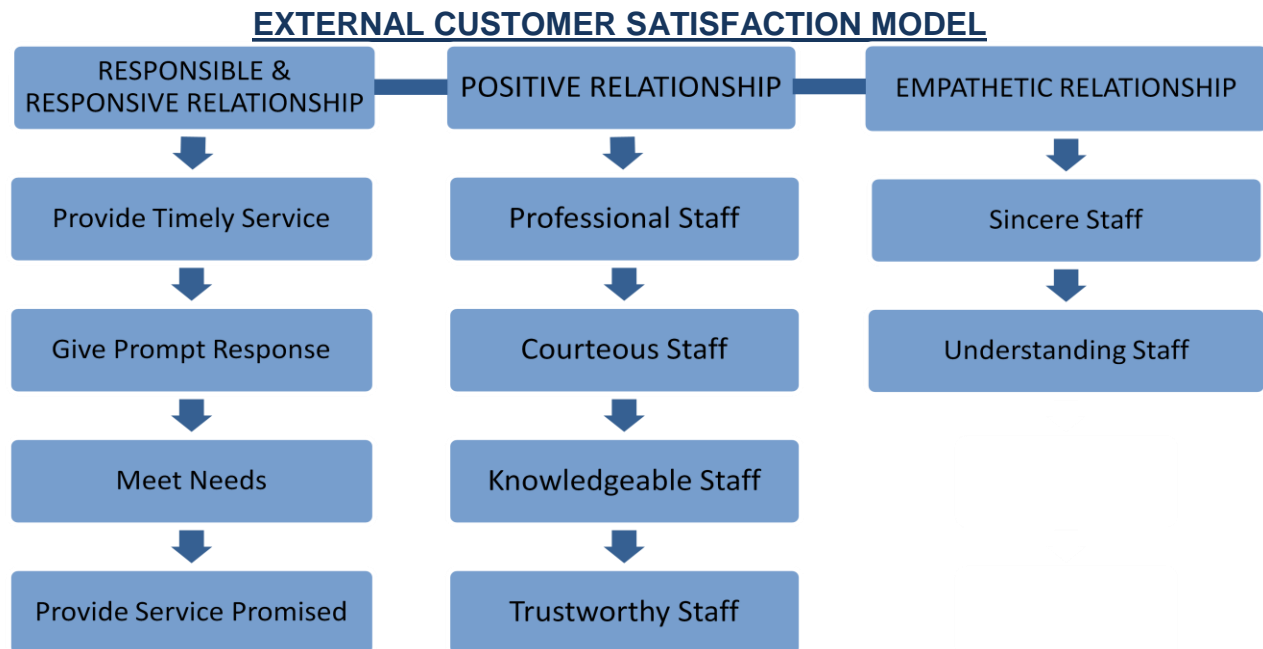
Also, members of senior management annually participate in forums held by professional accounting and legal organizations. In addition, many of our employees have daily contact with our customers. Employees are encouraged to use this contact as a means of determining customer satisfaction. Feedback received from this communication is passed on to senior management. The feedback is evaluated to assess the agency's effectiveness in service delivery and meeting customer expectations. When needed, advisory groups, ad hoc task forces, and/or professional advisors are used to ensure that service requirements and customer expectations are met. Furthermore, the agency conducted a customer satisfaction survey that included all state agencies, local governments, and higher education institutions.

3.3. What are your key customer access mechanisms, and how do these access mechanisms enable customers to seek information, conduct business, and make complaints?

The agency regularly receives and responds to telephone calls, letters, and Emails from media, government officials and citizens. The agency's website and survey serve as mechanisms to obtain information as well as receive feedback. The newly developed SC Stimulus Tracking and Local Government Spending Transparency websites expand the information available to government officials and citizens as well as increase transparency and accountability. Stimulus task force minutes and public notification are also readily available to our customers.

3.4. How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

Customer satisfaction and or dissatisfaction are measured using surveys, meetings and feedback from customers, and complaint resolution efforts. Ongoing communication provides feedback on how customers' requirements and expectations can best be filled.

EXTERNAL CUSTOMER SATISFACTION MODEL

RESPONSIBLE & RESPONSIVE RELATIONSHIP	POSITIVE RELATIONSHIP	EMPATHETIC RELATIONSHIP
Provide Timely Service	Professional Staff	Sincere Staff
Give Prompt Response	Courteous Staff	Understanding Staff
Meet Needs	Knowledgeable Staff	
Provide Service Promised	Trustworthy Staff	

The electronic survey includes all state agencies, local governments, and higher education institutions. The pool was expanded last year to provide better representation of our broad customer base. The overall response was positive. See the survey results on page 27.

3.5. How do you use information and feedback 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 to emphasize areas 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 a variety of methods including staff meetings.

3.6. How do you build positive relationships with customers and stakeholders to meet and exceed their expectations? Indicate any key distinctions between different customer and stakeholder groups?

Senior management builds positive relationships with customers and stakeholders in various ways. One avenue is through interaction with customers and stakeholders at conferences and

training sessions conducted throughout the year. Another method is by working with our customers and stakeholders to achieve a common objective. For example, the Comptroller General's Office has continued to support the Budget and Control Board's State Information Technology (SIT) implementation of the South Carolina Enterprise Information System (SCEIS). The Comptroller General also worked with the Governor's Office, the State Treasurer, and state agencies to establish the stimulus spending transparency website. The Stimulus Task Force under the initial direction of the Comptroller General established four functional working groups comprised of various agencies throughout the state.   The office gives priority to public information requests and agency requests for advice and assistance.

4.1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

The agency's key measures are driven by mandated service requirements and our desire to be responsive and accountable to the state's citizens. Most of the agency's service delivery requirements are mandated by the General Assembly, Governmental Accounting Standards Board, and Federal Government. Accordingly, our measures are driven by the needs of our customers and stakeholders. Senior management establishes measures that analyze the effectiveness of the manner in which the agency provides required services. Some of the criteria for measurement include: cycle time for reviewing disbursement requests submitted by state agencies, payroll requirements and deadlines, and issuing a Comprehensive Annual Financial Report in accordance with generally accepted accounting principles within prescribed time frames. Other measures include customer satisfaction level, and cost savings or cost avoidance to evaluate the management team's performance.

4.2. How do you select, collect, align, and integrate data/information for analysis to provide effective support for decision making and innovation throughout your organization?

Senior management receives various types of reports and other information that are generated internally or externally on a daily, weekly, and monthly basis. This information is used to keep managers abreast of matters that impact the agency and its service requirements. Additionally, senior management meets weekly to discuss agency issues. During these meetings each senior manager provides progress reports on key projects, problems encountered, and upcoming matters of importance. Each senior manager is provided with reports, statistical data, or any other information needed to assist in the decision-making process. The information is also used to track the agency's performance in meeting established goals and objectives. Applicable information is shared with support staff to assist them in analysis and decision-making related to their assigned functions.

4.3. What are your key measures, how do you review them, and how do you keep them current with organizational service needs and directions?

The agency's key measures are customer satisfaction, cycle time, cost savings, and cost avoidance. See also 4.2

4.4. How do you select and use key comparative data and information to support operational and strategic decision-making and innovation?

The type of comparative data and information used by the agency is based on our mission, stakeholder and 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. Much of our comparative data is obtained through participation in professional

organizations such as the National Association of State Auditors, Comptrollers, and Treasurers (NASACT). Through NASACT, for example, we identify "best practices" by querying other states to see how they perform certain functions. We also exchange ideas with other states and, in some instances, work with other states to establish common procedures.

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

The agency's internal processes are documented, usually in the form of procedure manuals. The procedure manuals are used for training new employees and are readily available for staff members to use as reference guides. Detailed instructions are also provided to our suppliers in formats such as the STARS Policies and Procedures Manual and the GAAP Closing Package Manual. These manuals are updated at least annually. When necessary, the agency provides written instructions to suppliers informing them of new requirements or changes in existing procedures and any applicable time requirements. Also, our web site contains information such as procedures, key accounting dates, forms, and summary accounting information.

Staff members review all documents submitted to this office for processing prior to input into the Statewide Accounting and Reporting System (STARS). Also, our automated systems contain edits that reject erroneous data from being posted to the system. Documents such as reports prepared by staff members are reviewed prior to distribution. Senior management assures that staff members and suppliers are knowledgeable of all requirements and that procedures are followed to ensure that required data is produced within the specified time period.

4.6.   How do you translate organizational performance review findings into priorities for continuous improvement?

Organizational performance is discussed by senior management during the weekly directors meeting. Senior managers evaluate potential deficiencies and devise a plan for improvement. Improvements are also implemented based on employees recognizing a need to change certain procedures, input from customers, or changes in stakeholder requirements. The plan for improvement is then communicated to staff members through methods such as staff meetings or training.

4.7. How do you collect, transfer, and maintain organizational and employee workforce knowledge (knowledge assets)? How do you identify and share implement best practices, as appropriate?

Certain agency functions are documented in procedures manuals. These manuals serve as training tools for less experienced employees and reference guides for those with more experience. 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 other instances, the duties of employees leaving the agency 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.

5.1. How does management organize and measure work to enable your workforce to:
1) develop to their full potential, aligned with the organization's objectives, strategies, and action plans; and 2) promote cooperation, initiative, empowerment, teamwork, innovation, and your organizational culture?

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. However, senior management recognizes the value and importance of its staff providing quality service. Because staffing levels have been affected by normal attrition and retirement, senior management used this as an opportunity to review certain service requirements and "realign" staffing needs whenever possible. Innovative options such as temporary employment and part-time employment has allowed the agency to maintain quality service and meet employees changing needs.

5.2. How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs, and locations? Give examples.

The agency uses weekly staff meetings as the best method for effective communication and knowledge sharing across departments and jobs. Ad hoc staff meetings are used frequently as required. Cross training within and between division staff is encouraged.

5.3. How does management recruit, hire, place, and retain new employees? Describe any barriers that you may encounter.

The number of filled positions **at** June 30, 2009 is low due to normal attrition and TERI. In light of anticipated turnover, management used this as an opportunity to review service requirements and "realign" staffing needs whenever possible. The review identified areas requiring additional cross training that may potentially develop future organizational leaders. The agency is actively recruiting new employees with professional credentials and experience who can immediately contribute with high levels of job performance. Innovative options, such as temporary employment and part-time employment have also enabled the agency to retain employees as well as meet the agency and employees' changing needs.

5.4. How do you access your workforce capability and capacity needs, including skills, competencies, and staffing levels?

See 5.3

5.5. How does your workforce performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?

The Employment Performance Management System (EPMS) serves as a formal vehicle to provide feedback to employees. Employees receive a formal performance review 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 periodically hold informal review sessions with staff members.

5.6. How does your development and learning system for leaders address the following:
    a. development of personal leadership attributes;
    b. development of organizational knowledge;
    c. ethical practices;
    d. your core competencies, strategic challenges, and accomplishment of action plans?

Cross training has served as an effective development tool for both organizational knowledge, as well as development of leadership attributes. Expected ethical practices are communicated to employees through employee evaluations, one-on-one communications, and staff meetings. Senior management ensures that agency resources are used efficiently and that the functions performed are aligned with the challenges and action plans.

5.7 How do you identify and address key developmental training needs for your workforce, 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 functions that are top priority receive the necessary training. Because of cost-cutting measures taken over the last five fiscal years, the agency's training budget has been reduced significantly. The agency has sought ways to provide low-cost, relevant training. To accomplish this objective, the agency began collaborating with other state agencies with similar training needs. Through this collaboration, the agencies developed and presented in-house training and shared the cost of attending audio conferences hosted at local sites. The collaboration resulted in a significant savings and continues to be a successful annual program. The agency provided 463 hours of professional development training for employees. A significant portion of the training hours are related to developing and implementing SCEIS.

5.8. How do you encourage on the job use of new knowledge and skills?

Since personal service funds constitute the largest percentage of the budget, senior management has left certain "less critical" positions vacant wherever possible. In light of the anticipated turnover, senior management has identified key areas requiring additional cross training. The acquired knowledge and skills will aid in the potential development of future

organizational leaders. Innovative options, such as temporary employment and part-time employment have allowed the agency to maintain quality service.

5.9. How does employee training contribute to the achievement of your action plans?

The training received by employees is determined by available resources. Emphasis is placed on ensuring that persons performing the functions that are given top priority receive the necessary training. Last year, a largest percentage of employee training was dedicated to SCEIS. SCEIS provides an opportunity for the state to have an "enterprise solution" for managing the state's financial and human resources. The SCEIS will enhance efficiencies in the day-to-day administration of state government. As future positions are filled, it is anticipated the new system will prove beneficial to the new workforce and may allow for agencies on the system to reduce the staff size over time and reassign some of their existing "back office" resources to more productive agency program areas.

5.10. How do you evaluate the effectiveness of your workforce and leader training and development systems?

Senior management evaluates these areas through customer feedback, Employee Performance Management System (EPMS), staff meetings to closely monitor the quality of the agency's work products.

5.11. How do you motivate your employees to develop and utilize their full potential?

Effective communication is an important tool used by management. The agency uses weekly staff meetings, surveys, and exit interviews to determine trends within the workforce and the general level of employee satisfaction.   Health screenings are offered at minimal cost to employees. The use of flexible work schedules enables employees to balance their personal and professional lives. Social events such as quarterly luncheons provide opportunities for agency employees to interact informally.

5.12. What formal and/or informal assessment methods and measures do you use to obtain information on workforce well-being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you use this information?

The agency uses performance evaluations, staff meetings, and exit interviews to measure employee satisfaction and determine trends in employee satisfaction. The agency also objectively measures employee satisfaction by monitoring staff turnover, grievances, and absenteeism.

5.13. How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

A major consideration is that our agency will lose several of its experienced employees to retirements. Currently, 9 of the agency's 47 full time employees (19%) are now participating in the TERI program. These 9 employees have 249 cumulative years of experience for an average of 27.6 years per person. The loss of this level of experience over the next several years will be extremely challenging to manage. The agency has implemented succession planning and cross-training, identifying and implementing more efficient practices, and using the most current technology to its greatest advantage. As turnover occurs, the agency is actively recruiting new employees with the requisite professional credentials and experience. Employing skilled staff will provide stability to the organization and will enable continued high levels of job performance. The agency recognizes it is critical that our human resources be properly aligned with customer requirements and stakeholder needs.

5.14. How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters)

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. The agency, located in the Wade Hampton Building, participates in the Budget and Control Board's emergency preparedness and disaster recovery plan. Also, each division provides a first-aid kit that is easily accessible to employees. In case of fire or other emergencies, the agency established a "buddy system" to ensure that employees with physical impairments exit 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.

6.1. How do you determine, and what are your organization's core competencies, and how do they relate to your mission, competitive environment, and action plans?

The majority of the agencies 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, identify services required to be performed by this agency, and to determine our customers.

 6.2. How do you determine, and what are your key work processes that produce, create or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure that these processes are used?

The agency's key processes are: maintaining a centralized accounting, payroll, and financial reporting system in accordance with the program structure mandated by the General Assembly; and, issuing a Comprehensive Annual Financial Report in accordance with Generally Accepted Accounting Principles (GAAP), including all accounting standards required by the Governmental Accounting Standards Board (GASB).

6.3   How do you incorporate organizational knowledge, new technology, cost controls, and other efficiency and effectiveness factors, such as cycle time, into process design and delivery?

The agency relies on the knowledge and experience of staff 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. Senior management is responsible for insuring that the agency's day-to-day operations are as efficient as possible and that staff adhere to internal cost controls.

6.4. How does your day-to-day operation of these 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

determined and taken. If this oversight fails to identify a problem in a timely fashion, then the Chief of Staff, in conjunction with the Deputy Comptroller General and division directors, are 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.

6.5. How do you systematically evaluate and improve your key product and service related processes?

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.

6.6. What are your key support processes, and how do you evaluate, 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.

6.7. How does your organization determine the resources needed to meet current and projected budget and financial obligations?

The agency reviews personnel and operational needs based on our mission, stakeholder and customer expectations, and desired outcome. Weekly staff meetings as well as budget reviews ensure that the agency's limited resources are being used to meet goals set by agency senior management.

Goals:

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

- Ensure that human resources available and service delivery requirements are aligned.

- To maintain office operations as efficiently as possible.

Objectives:

- To maintain the highest possible external customer satisfaction level.

- Ensure that available human resources are aligned with the resources necessary to provide quality service and to meet customer needs.

- To maintain office operations as efficiently as possible and still meet service delivery requirements.

Key Results:

- Obtained a 92% external customer satisfaction level (measurement of the agency's effectiveness in providing quality service and meeting customer expectations), a noteworthy achievement given the plunging financial support the Office has been provided to deliver services.

  Benchmark: The American Customer Satisfaction Index (ASCI) is produced annually by the University of Michigan in conjunction with the American Society for Quality. The index is nationally recognized and provides industry-specific measures of customer satisfaction. The 69% ACSI-benchmark score was obtained from the December 16, 2008 Special Report on Governmental Services.

Customer Satisfaction Comparison

	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
ACSI- Benchmark	67%	67%	68%	68%	66%	67%	70%	68%	69%
Customers	77%	96%	98%	98%	96%	97%	95%	97%	95%
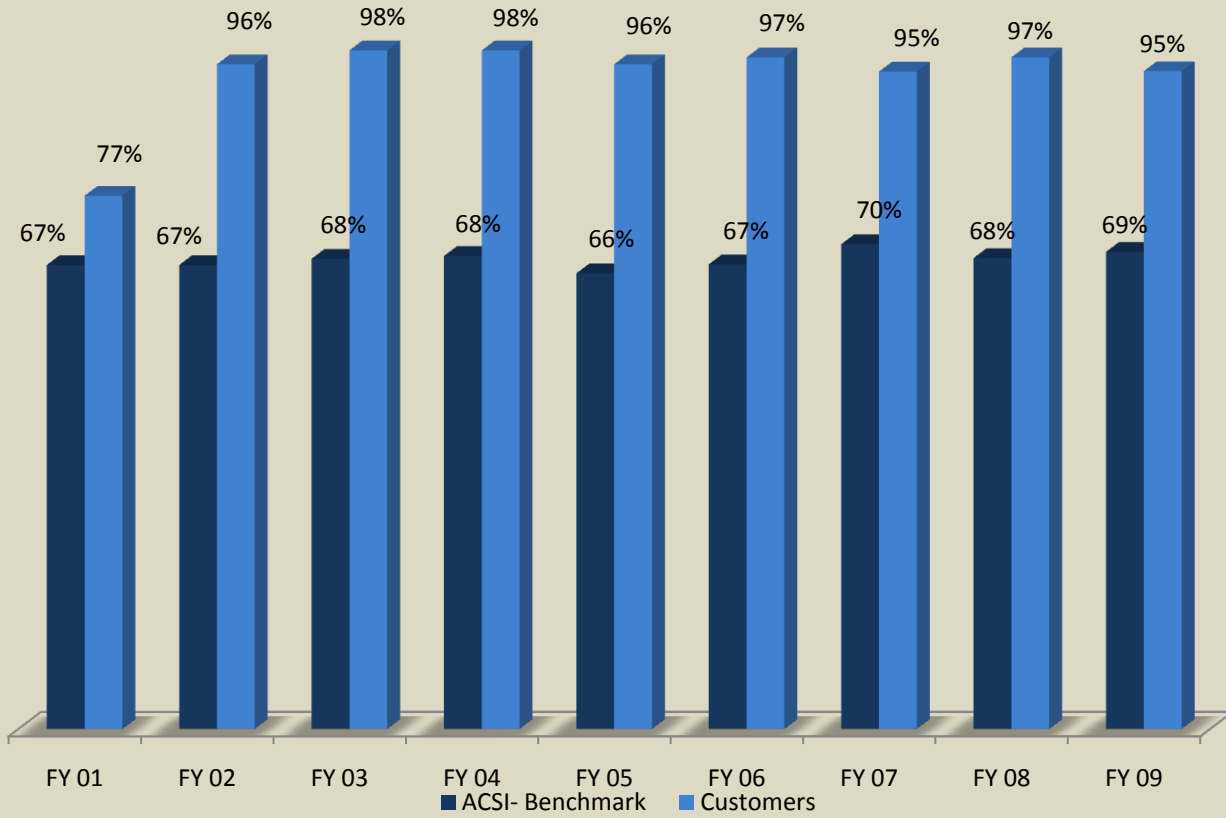
External Customer Satisfaction Results

	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Favorable	77%	96%	98%	98%	96%	97%	95%	96%	92%
Unfavorable	23%	4%	2%	2%	4%	3%	5%	4%	8%
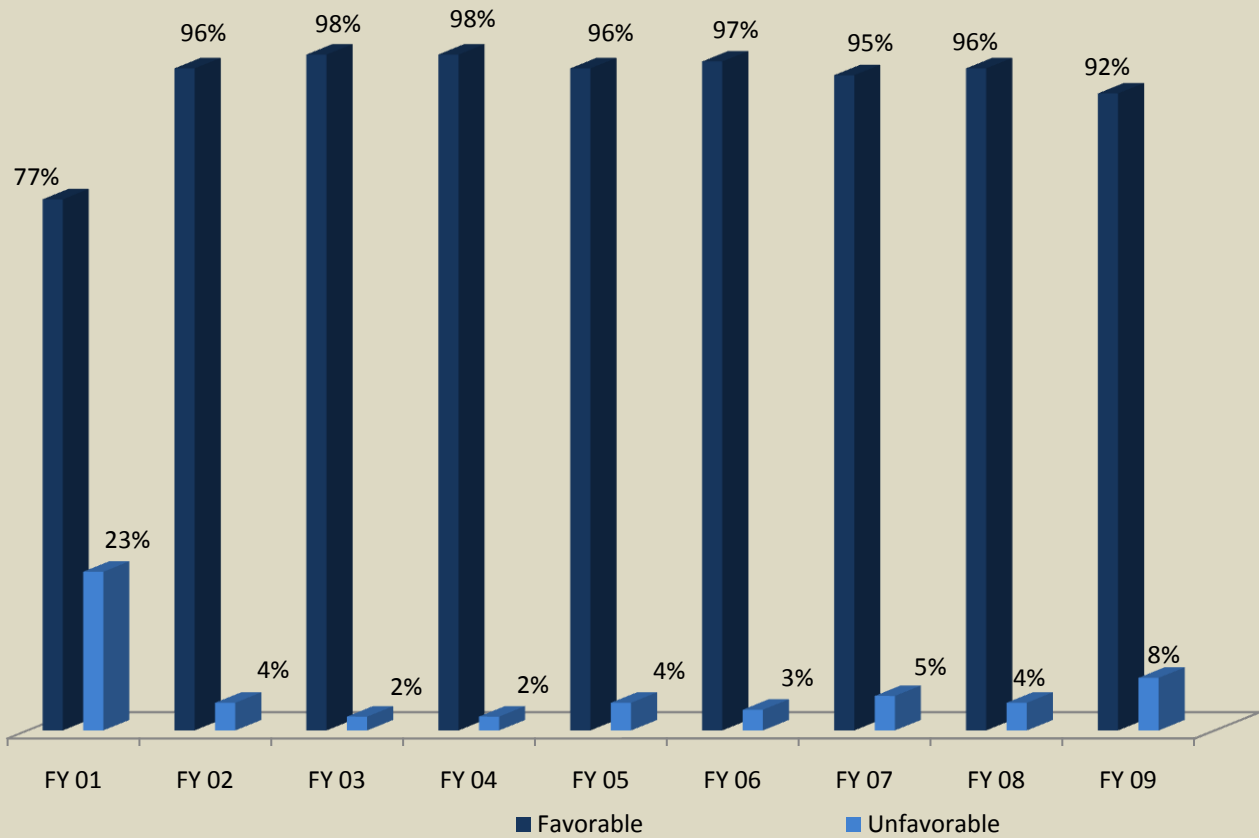
- Met basic service delivery requirements, despite a reduction in filled FTEs. Knowledge and experience, coupled with planning and better productivity, have enabled the agency to maintain acceptable levels of external customer satisfaction (see page 27) and meet its service delivery requirements.

Total Transaction Volume vs. Filled FTEs
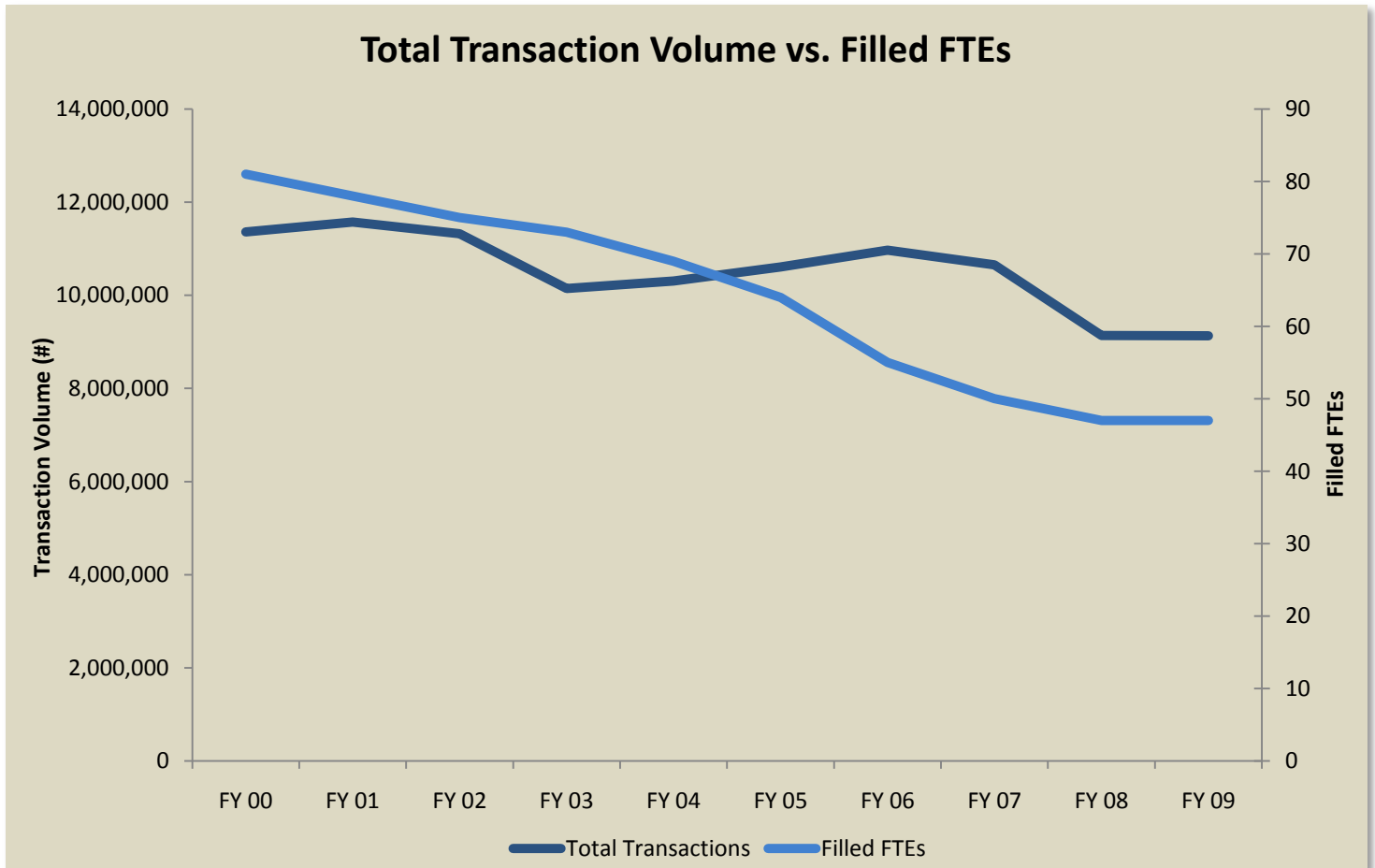
Note: The total volume of all agency transactions for the fiscal year was 9,132,033. The volume of transactions includes all STARS transactions, such as disbursement and journal vouchers, IDT's, cash transfers, payroll transactions, payroll reporting and control records.

- Cost savings is one of the agency's key performance measurers. Agency management continuously strives to identify opportunities to reduce operating costs and make efficient use of taxpayer dollars. By taking various cost-cutting measures, the agency has reduced expenditures by 19% from Fiscal Year 2001-02 to Fiscal Year 2008-2009. Expenditures in FY 08 and FY 09 include the agency contributing $970,000 of its budget on behalf of the SCEIS project.

  Examples of cost saving measures include: substituting e-mail whenever possible instead of making long distance telephone calls or mailing documents; ending the lease agreement for the agency's underused mail equipment, and sharing these costs with the Budget and Control Board; eliminating unnecessary phone lines; reducing training expenses by partnering with other agencies; reducing the purchase of unnecessary office supplies; eliminating all office supplied cell phones; and reducing printing costs for official documents such as the CAFR, by using less expensive printing services from the Department of Corrections.

Agency Expenditures

FY	Expenditures	Percent Change
FY 02	$6,109,460	
FY 03	$5,127,273	-16%
FY 04	$4,810,164	-21%
FY 05	$4,500,194	-26%
FY 06	$4,537,983	-26%
FY 07	$4,303,261	-30%
FY 08	$5,098,550	-17%
FY 09	$4,965,677	-19%
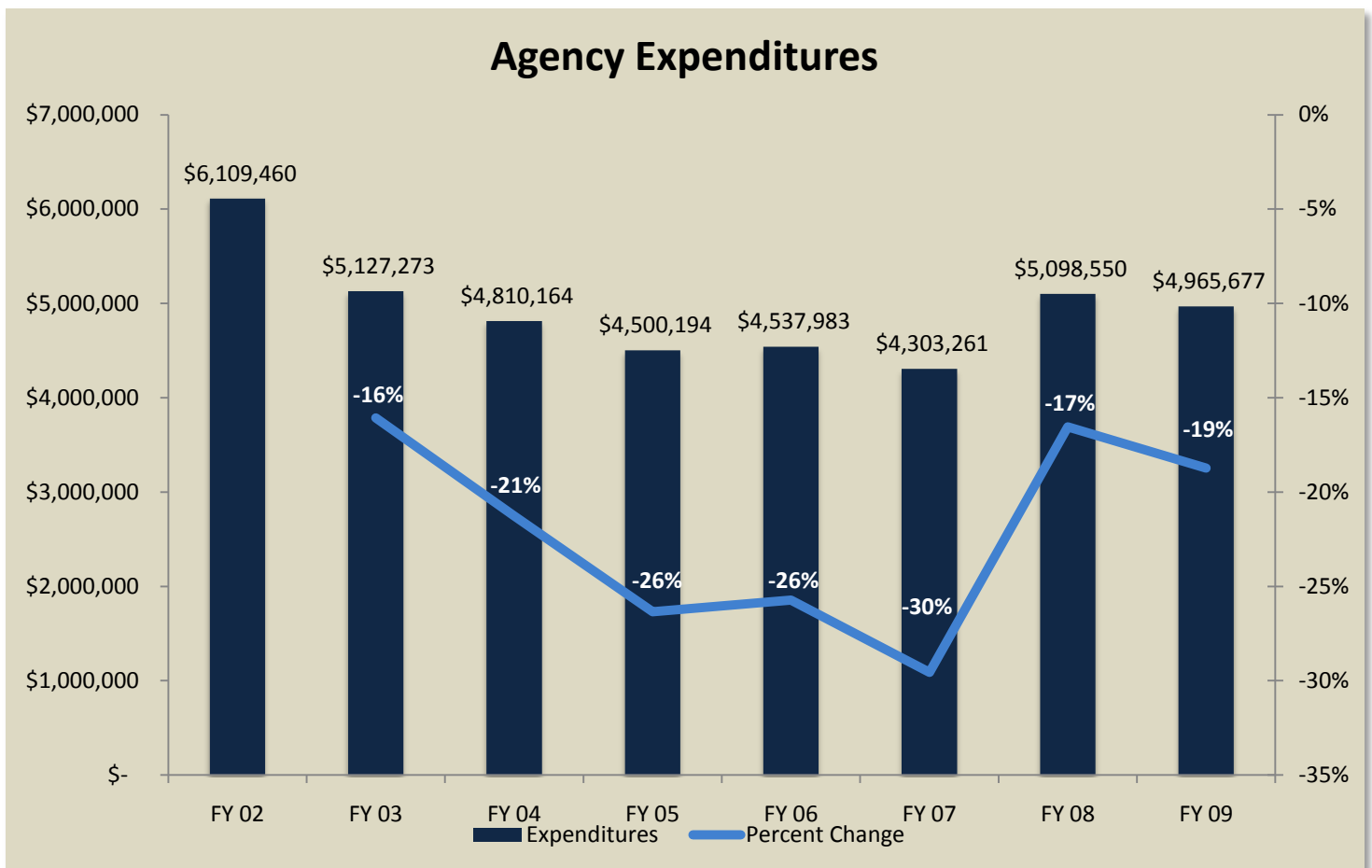
(1) FY 08 and FY 09 include $970,000 the agency contributed to the SCEIS project from its own budget.

- Targeted ways to operate with less general fund appropriations. Agency general fund appropriations have decreased 28% since FY02 and our expected base budget for FY 10 will represent a 51% decrease. In order to continue to meet service delivery requirements, senior management has identified and implemented various cost savings measures, including significant staff size reductions through attrition.

**General Fund
Appropriations and Cumulative Budget Cuts**

FY	GF Appropriations	Cumulative % Cuts
FY 02	$5,360,778	
FY 03	$4,709,746	-12%
FY 04	$4,053,428	-24%
FY 05	$3,904,981	-27%
FY 06	$3,947,531	-26%
FY 07	$4,109,352	-23%
FY 08	$4,234,573	-21%
FY 09	$3,848,822	-28%
FY 10	$2,618,663	-51%

Legend: GF Appropriations · Cumulative % Cuts
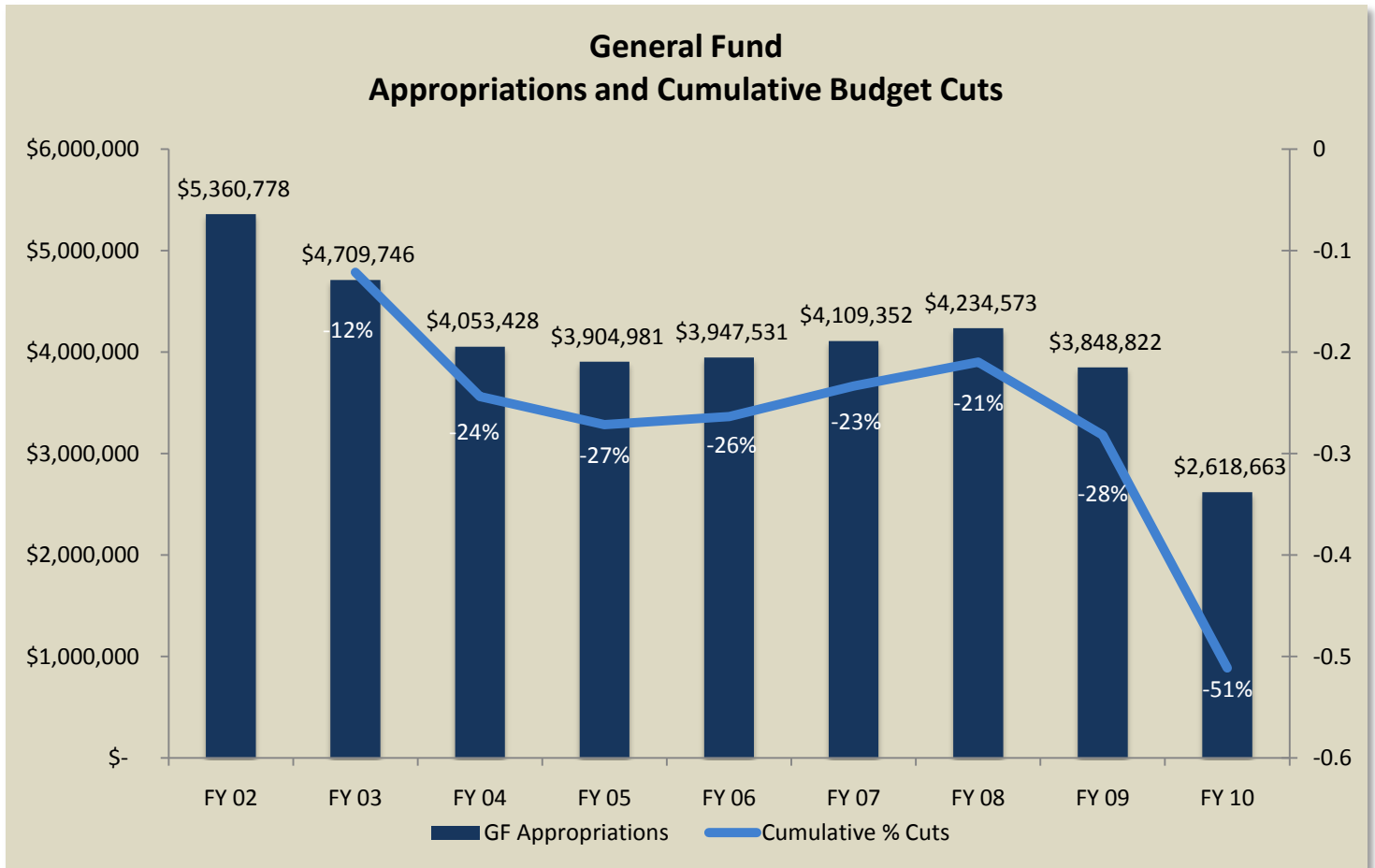
Statewide Payroll/Accounts Payable Division

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 and authenticity 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 business days. The Statewide Payroll and Accounts Payable Division processes payment requests from agencies. For each request determined to be valid, the agency issues an electronic warrant to the State Treasurer authorizing payment.

- Encourage agencies to increase use of the Visa Procurement Card (PCard) for small purchases, thereby, reducing transaction volume and increasing financial rebates to the state.

- Administer the state's U.S. Savings Bond Program through a statewide-automated purchasing system.

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 2008 requires employee payroll withholdings to be deposited within specified time frames. Penalties between two and fifteen percent are assessed for deposits not made on

time. By meeting the Internal Revenue Service's payroll deposit requirements, we avoided a minimum of $7.9 million in federal tax deposit penalties.

- Maintained employee payroll deduction files and processed 963,693 payroll transactions. Purchased 7,103 U.S. Savings Bonds totaling $457,275 from the Federal Reserve Bank.

- Processed approximately 1.25 million Contingent Vouchers and Interdepartmental Transfers within an average of 2.6 business days.
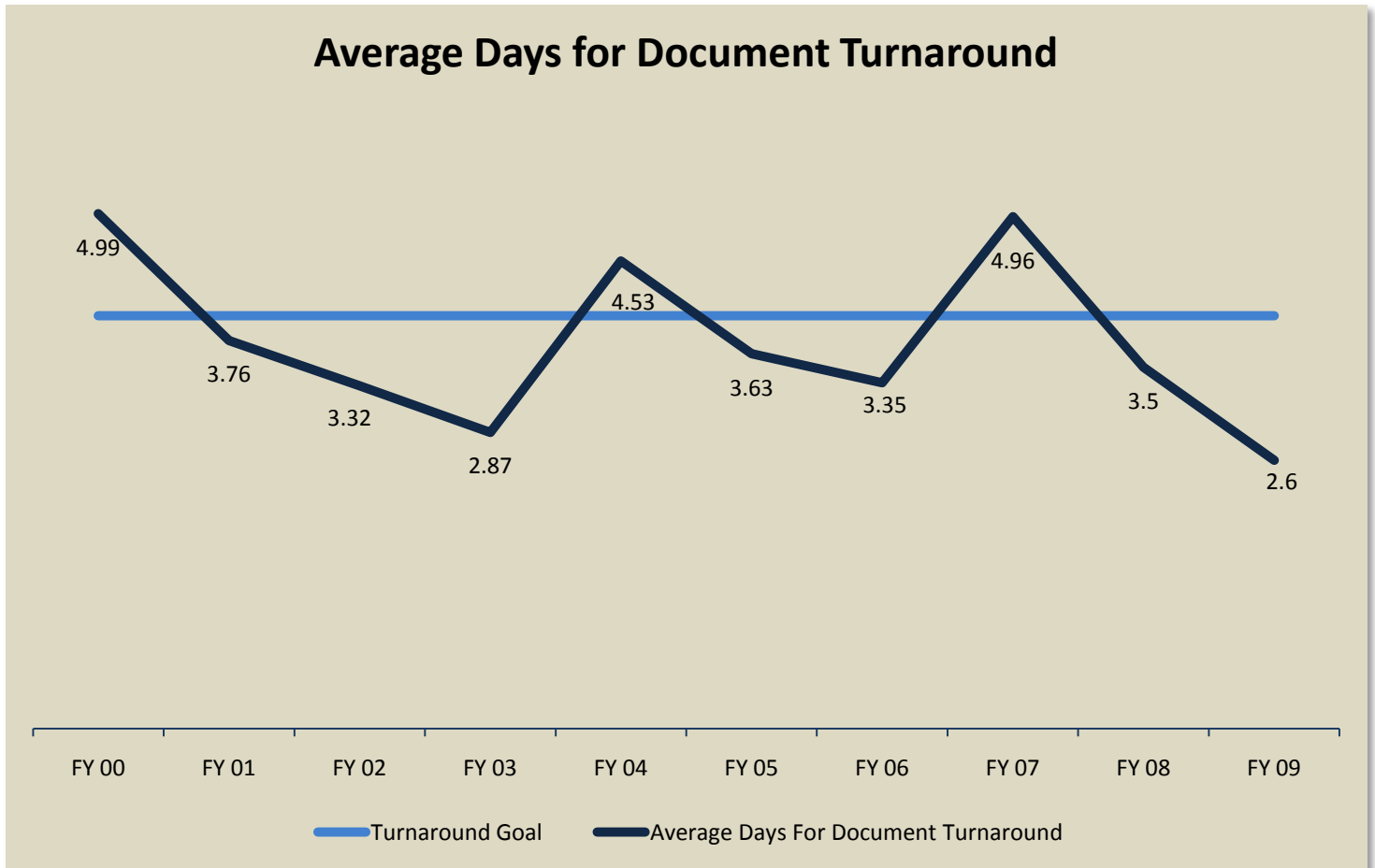
Average Days for Document Turnaround

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Average Days For Document Turnaround	4.99	3.76	3.32	2.87	4.53	3.63	3.35	4.96	3.5	2.6

Legend: Turnaround Goal, Average Days For Document Turnaround

- Processed approximately 1.25 million Contingent Vouchers and Interdepartmental Transfers; a record number of 132,751 transactions per person. This year approximately 42,822 transactions (from thirty agencies) were processed in SCEIS and 1,284,693 transactions were processed in STARS. Each year, as additional agencies are brought online with the SAP software, the number of transactions processed through the new enterprise system will increase. As additional agencies are added, the efficiencies gained may allow for all agencies on the system to reassign some of their existing accounting personnel to other areas.

STARS Documents Processed vs. SAP Documents Processed

	FY 06	FY 07	FY 08	FY 09
STARS	1,431,961	1,395,096	1,395,690	1,284,693
SAP	0	0	9,021	42,822

■ STARS ■ SAP
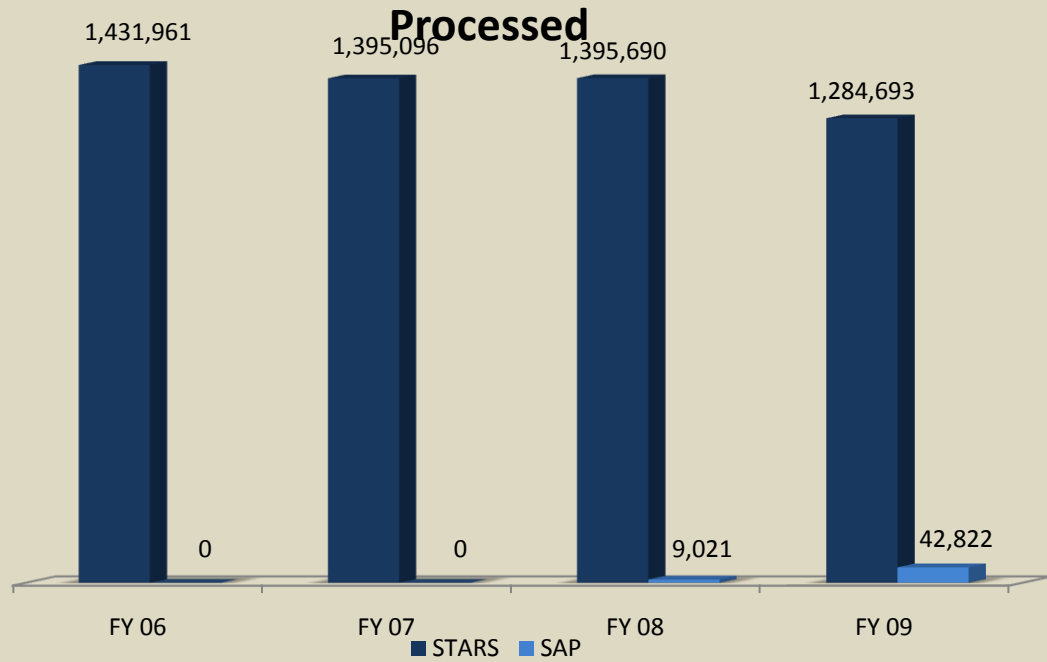
Documents Processed vs. Number of Filled FTEs in Accounts Payable

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Documents Processed	1,574,011	1,573,177	1,493,616	1,476,246	1,436,764	1,448,789	1,431,961	1,395,096	1,404,711	1,327,515
FTEs	23	22	20	18	16	15	13	11	12	10

■ Documents Processed — FTEs
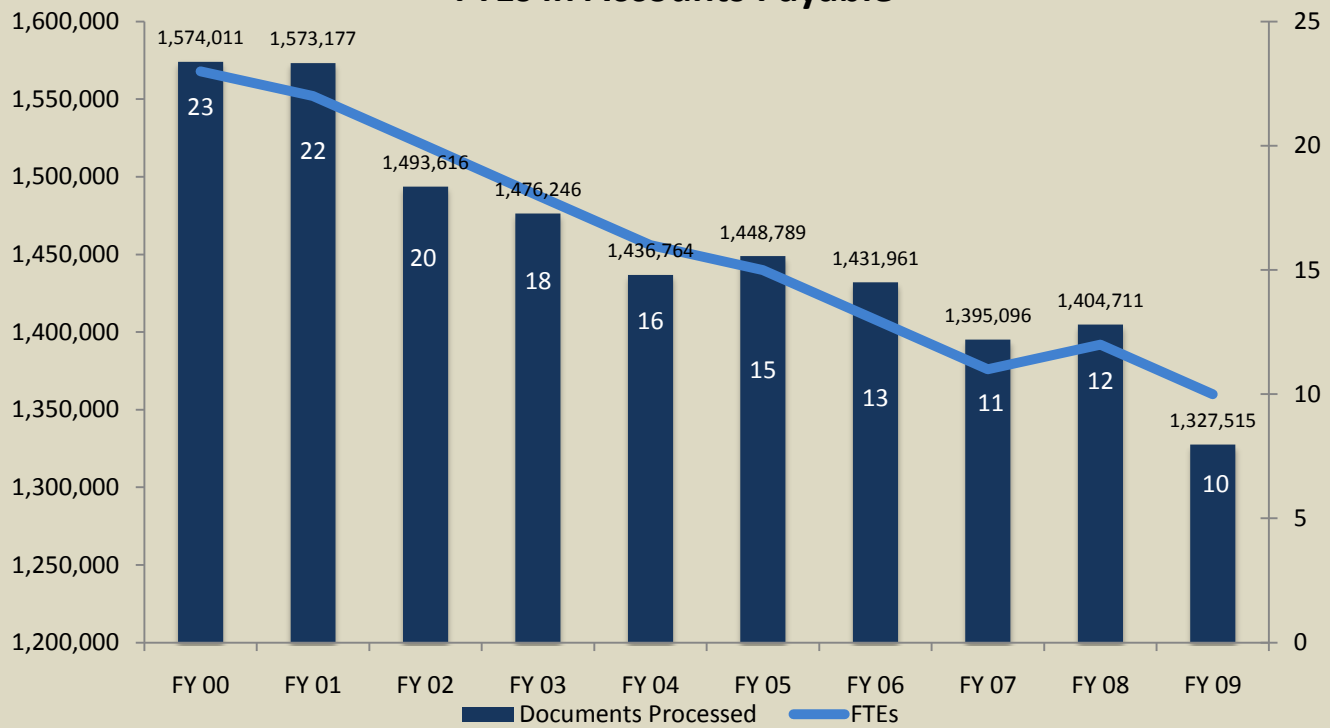
- The Procurement Card spend volume and rebate continued to increase. The contract for the Procurement Card, which includes state agencies, higher education, and local government entities, provides for a rebate to the state based on transaction volume and the number of cards issued.

Procurement Card Spend Volume vs. Rebate Revenues ($ in Millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Spend Volume	$25.3	$73.1	$100.2	$123.8	$146.0	$169.5	$164.8	$186.3	$307.6	$241.5
Rebate	$0.06	$0.12	$0.34	$0.42	$0.50	$1.02	$0.99	$3.82	$3.21	$3.15
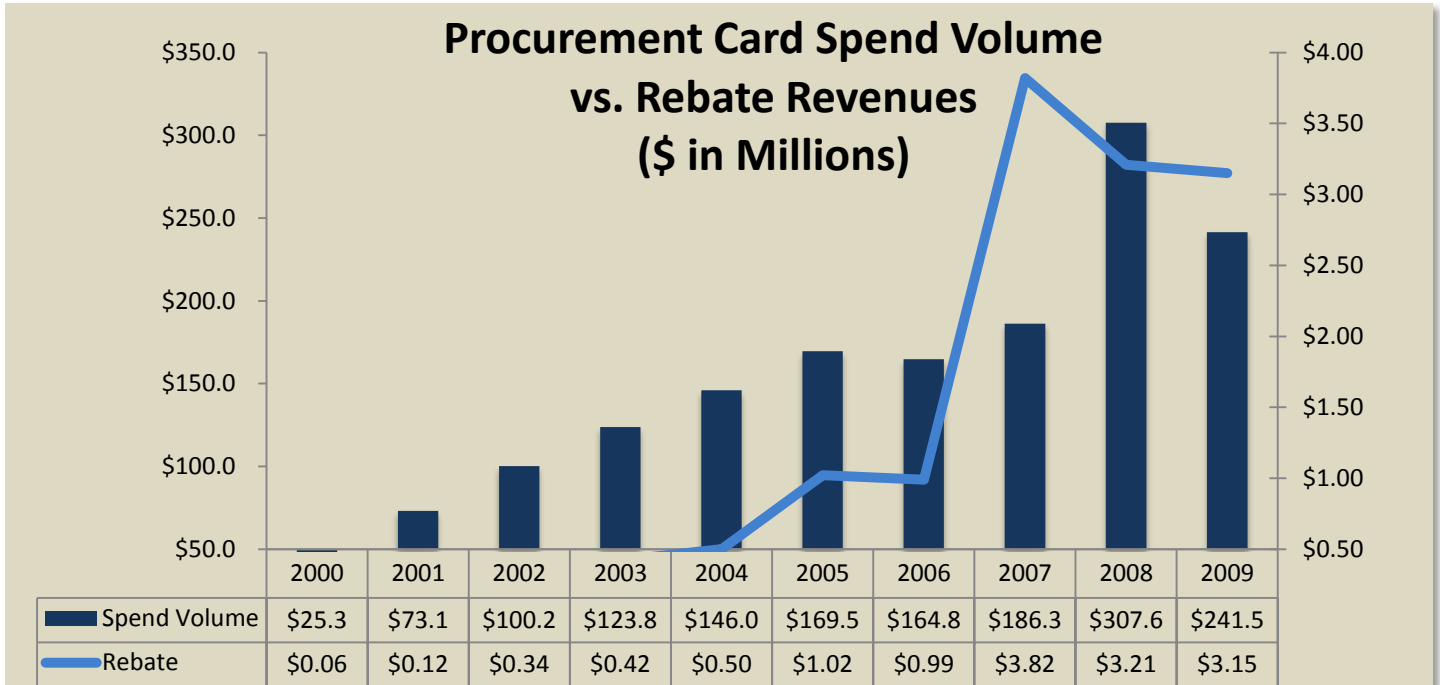
Note: The Procurement Card contract and the rebate structure were renegotiated July 2006 to increase the procurement rebate earned by the state. Prior to 2007, the rebate amount was based on spend volume for the calendar year. The rebate and spend volume period is August – July (based on the new contract effective August 2006). The spike in 2007 is due to the fact that the spend volume and rebate periods were extended and, as a result, is a combination of the two periods.

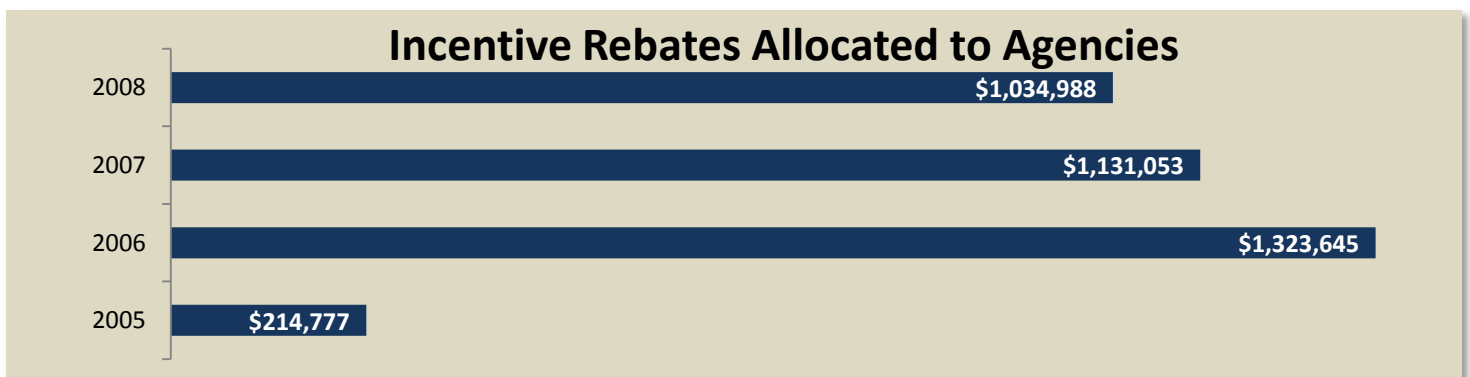- Procurement card rebates allocated to agencies have continued to increase. Proviso 89.85 of the 2008-09 Appropriations Act provided that agencies can retain a portion of the rebates allowed by the contract to support their agency operations.

Incentive Rebates Allocated to Agencies

Year	Amount
2008	$1,034,988
2007	$1,131,053
2006	$1,323,645
2005	$214,777

Information Technology 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.

Objectives:

- Ensure that all agency program requirements 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 an audit with no exceptions as a result of the IT audit performed as part of the statewide audit.
- Perform all activities at a cost comparable to private industry or other state agencies.

Key Results:

- Replaced the 30 year old "STARS" system with SCEIS as the official "book of record" beginning July 1st 2009 enabling all transactions to post to SAP regardless of an agency's accounting system. The Comptroller General's support included making available a substantial number of the Office's technical staff as well as the lead person for the SCEIS technical team.
- Provided an independent verification service (IV&V) for the SCEIS Executive Oversight Committee that provided updates regarding the various SAP implementations, blueprints, and go-live activities. The full time consultant conducted reviews on the statewide implementation of the SAP enterprise resource management software.
- Provided funding for a Business Case Study at the direction of the SC Legislature to provide an update of projected savings to agencies.
- Continued to support the Budget and Control Board's implementation of a statewide enterprise information system (EIS) that will provide a comprehensive statewide platform for managing the state's financial and human resources. The SCEIS project mandated by the

SC Legislature (Act 151 in 2005), is designed to move the state toward a more comprehensive common system for managing the state's finances. Assisted the SCEIS project team converting thirty agencies to the SCEIS system. Conversion for each agency includes implementation of the document management or "imaging" system.

Agency SAP Conversion
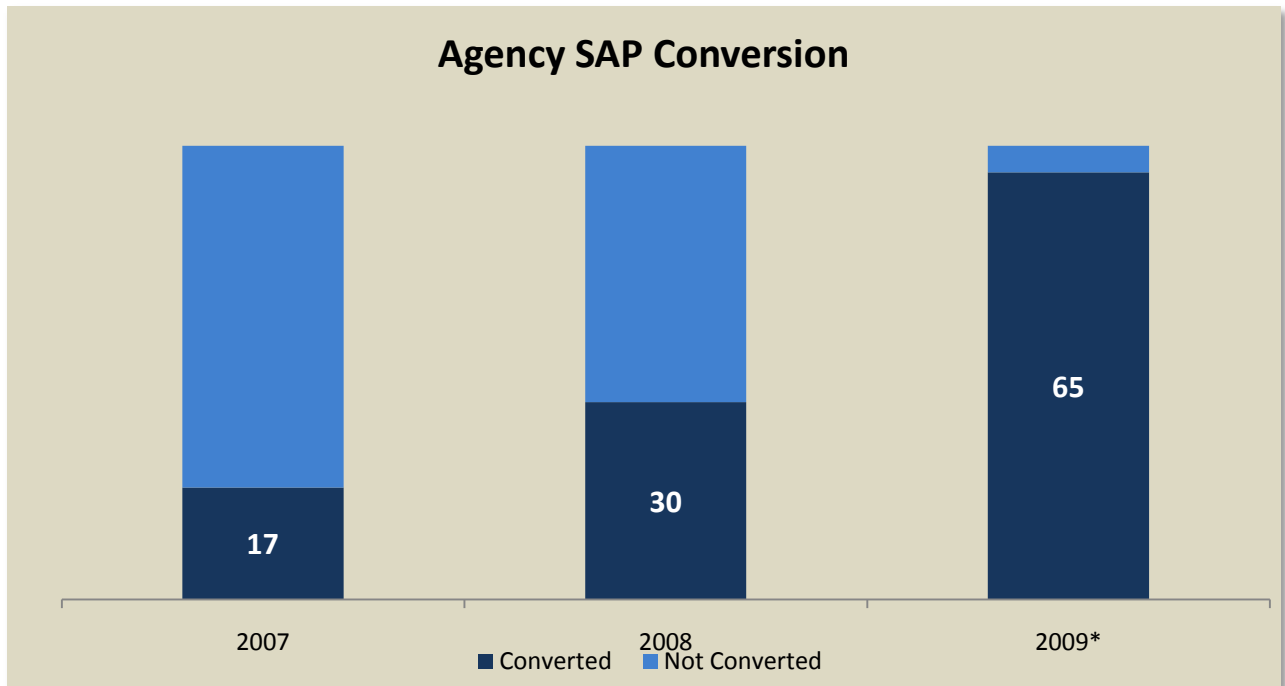
Note: SCEIS, when fully implanted, will include sixty-nine state agencies; higher education institutions are exempt from SCEIS. In addition to the thirty agencies now using the new SAP software, plans for fiscal year 2009-2010 include thirty-five additional agencies.

- Maintained the agency website to allow for more interactive use by agencies communicating with the Comptroller General's Office.
- Increased government transparency by allowing citizens to use the Internet to see how state agencies are spending their money. Maintained a website that includes both annual and monthly data detailing individual agency expenditures for travel, office supplies, and contractual services. Last year, the agency website received an average of 6,800 website views or "hits" per month. This year there were approximately 20,000 hits per month.
- Began the campaign to encourage local governments to post their transaction registers on the internet. Hosts a Local Government Spending Transparency webpage to expand the transparency initiative. To date, the webpage includes participation by 12 cities and counties.

- Developed the SC Stimulus website to keep South Carolinians informed on the American Recovery and Reinvestment Act (ARRA) that was enacted February 2009.
- Received an audit with no exceptions was received as a result of the annual IT audit performed as part of the statewide audit.
- The costs for information technology activities compared favorably to the estimated cost of contracting for these services from SIT. The agency's costs include all Personnel Services and Operating expenses for the Information Technology Division. The estimate of the SIT costs are based on rates as published by SIT.

Applications Development, Maintenance, & Production Total Costs

	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
CG Actual Costs	$1,064,536	$976,430	$847,306	$843,620	$857,908	$720,366	$823,706	$787,938
CIO Estimated Cost	$1,421,066	$1,421,066	$1,369,969	$1,338,394	$1,145,695	$956,069	$1,031,924	$1,031,924
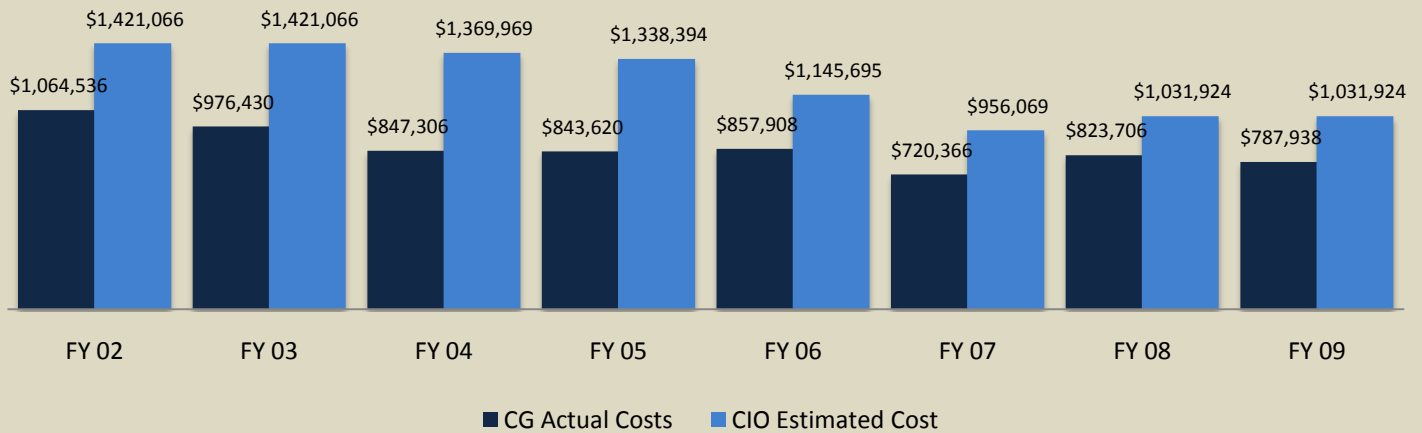
Applications Development, Maintenance & Production Control Average Per Hour Rate

	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
CG Actual Costs	$45	$38	$38	$41	$48	$47	$50	$48
CIO Estimated Cost	$60	$57	$62	$65	$64	$62	$63	$63
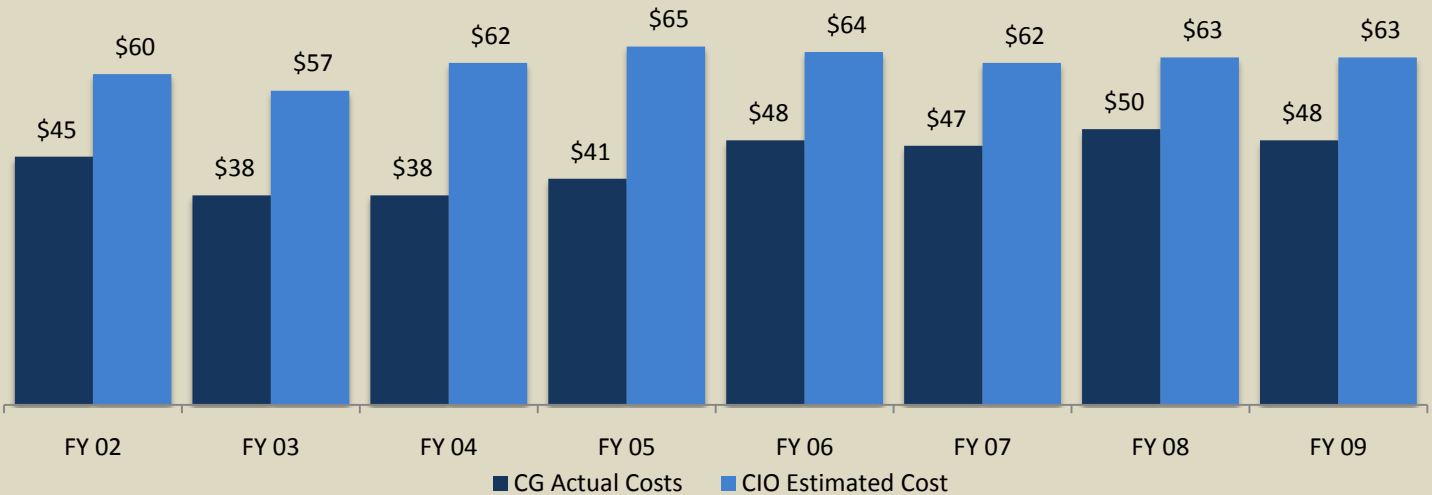
Statewide Financial Reporting Division

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 (GAAP).

- 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 GAAP, implementing all new accounting standards required by the Governmental Accounting Standards Board.

- Receive the Certificate of Achievement for Excellence in Financial Reporting.

Key Results:

- Independent auditors awarded an unqualified audit opinion to the State of South Carolina's CAFR for the nineteenth consecutive year.

    Benchmark: Auditors may award an unqualified audit opinion to a government unit's financial statements only if those statements, upon examination, are determined to be fairly presented in accordance with 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.

- The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina's June 30, 2008 CAFR for the twentieth consecutive year.

    Benchmark: The 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.

- Completed the CAFR in an unprecedented time period, compared to other states. Prepared the CAFR on a timely basis despite a reduction in FTEs and an increase in GASB statements.

CAFR Completion

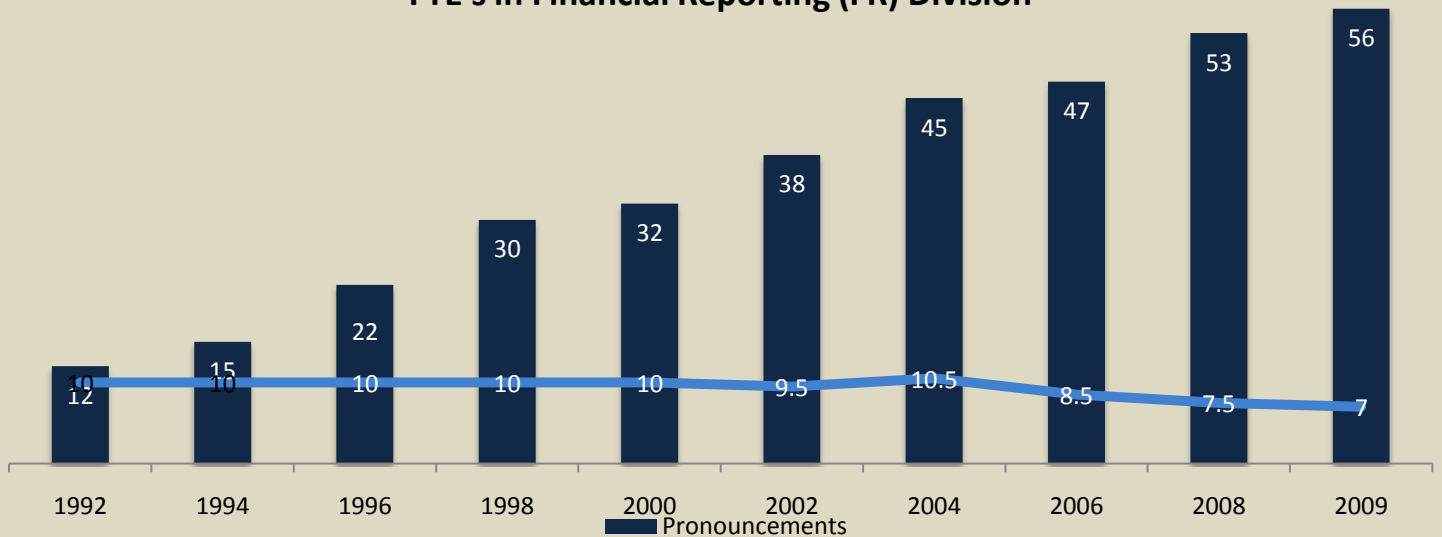| 2002 State	2002 # Days	2003 State	2003 # Days	2004 State	2004 # Days	2005 State	2005 # Days	2006 State	2006 # Days	2007 State	2007 # Days	2008 State	2008 # Days
MI	87	MI	84	MI	88	MI	89	NY	112	MI	89	MI	92
NY	110	NY	109	NY	110	NY	110	UT	136	NY	114	NY	116
UT	145	UT	137	UT	135	UT	137	SC	144	SC	138	SC	135
CO	149	CO	149	MN	142	MN	141	MD	153	UT	143	UT	157
NJ	150	DE	150	ID	147	SC	153	CO	161	ID	160	NC	161
DE	158	ID	151	DE	153	MD	158	ID	161	MN	160	MN	162
MD	159	NJ	154	NJ	154	NC	161	NC	164	NC	160	IA	163
MN	159	LA	156	MD	156	VA	167	ND	165	TN	160	MT	163
KS	162	MN	158	TN	156	WI	167	MN	167	MD	163	WI	164
NC	165	MS	163	MS	159	AK	168	VA	167	ND	165	MD	165
VA	165	MT	163	MO	161	MT	169	AK	168	IA	167	TN	165
WI	166	NC	163	NC	161	NV	169	NV	168	NV	167	VA	165
WY	166	ND	164	SC	163	IA	172	WI	168	NH	167	AK	168
AK	168	IA	165	MT	163	MS	173	WA	171	VA	167	NV	168
NV	169	OH	165	NV	166	TN	173	KY	172	WA	167	ND	168
NH	169	OR	165	VA	167	WA	174	IA	173	WI	167	WA	170
WA	170	VA	165	AK	168	AR	175	MT	174	AK	168	CO	172
ID	172	WI	165	OH	168	KY	175	TN	174	AR	168	KY	172
ND	172	WY	165	LA	169	MA	175	AR	175	KY	171	NH	172
OR	172	AK	168	IA	170	NE	175	MA	175	ME	172	ID	176
IA	173	NV	168	WA	173	GA	176	NE	175	PA	173	MA	176
KY	173	TN	168	WI	174	PA	176	PA	175	CO	174	OR	176
NE	173	NH	170	CO	176	IN	181	WY	175	DE	174	VT	176
TX	181	WA	172	KY	176	TX	181	IN	181	OR	174	NE	177
IN	183	KY	176	MA	176	AL	182	MI	181	MA	177	TX	180
MA	183	TX	180	TX	176	CO	182	OK	181	MT	181	PA	182
OK	184	SC	182	WY	176	ID	182	TX	181	NE	181	AL	183
MS	193	AL	183	OR	181	VT	182	AL	182	TX	182	IN	183
MT	200	IN	183	AL	182	KS	183	OR	182	AL	183	KS	184
TN	201	KS	183	NE	182	NJ	183	RI	182	IN	184	LA	184
WV	204	HI	184	IA	183	ME	184	KS	183	KS	184	OK	184
LA	206	MA	184	KS	183	OR	184	LA	184	LA	187	MO	193
OH	211	MO	184	HI	184	WY	184	VT	184	OK	213	GA	200
AZ	226	MD	196	NH	188	DE	188	GA	196	GA	215	NM	215
CA	226	AZ	200	ND	209	MO	204	MS	203	VT	215	DE	233
AR	236	CT	214	AR	212	ND	210	NJ	210	WY	215	ME	234
SC	241	FL	214	FL	215	HI	214	FL	215	FL	240	MS	234
FL	241	WV	227	AZ	226	FL	223	MO	215	CT	243	FL	241
AL	242	AR	235	WV	226	RI	232	DE	227	MO	243	CT	243
PA	242	OK	240	PA	243	SD	232	IL	237	MS	244	WY	248
CT	243	CA	255	CA	261	WV	235	WV	248	NJ	244	CA	268
SD	267	SD	269	IL	268	OK	242	ME	250	CA	272	WV	274
HI	274	PA	302	SD	274	NH	264	HI	258	WV	275	RI	284
MO	274	IL	303	VT	274	LA	272	NH	266	RI	283	NJ	305
IL	289	ME	340	ME	289	AZ	274	OH	266	OH	303	HI	327
ME	336	NE	350	OK	330	CA	295	CA	271	HI	312	AZ	331
GA	339	RI	471	GA	371	OH	316	SD	297	AZ	352	SD	348
RI	474	VT	532	RI	394	IL	351	CT	299	IL	361	IL	376
VT	509	GA	609	CT	548	CT	454	AZ	325	SD	369	AR	
NM	537	NM	880	NM	612	NM	731	NM	365	NM	398	OH	
Avg.	214		222		209		202		196		201		205

	2002	2003	2004	2005	2006	2007	2008
Rank	37	27	13	5	3	3	3
Days Improved		59	19	10	9	6	3

CAFR Completion Timeline
(In Days)

Fiscal Year	Days
FY 02	241
FY 03	182
FY 04	163
FY 05	153
FY 06	144
FY 07	138
FY 08	135
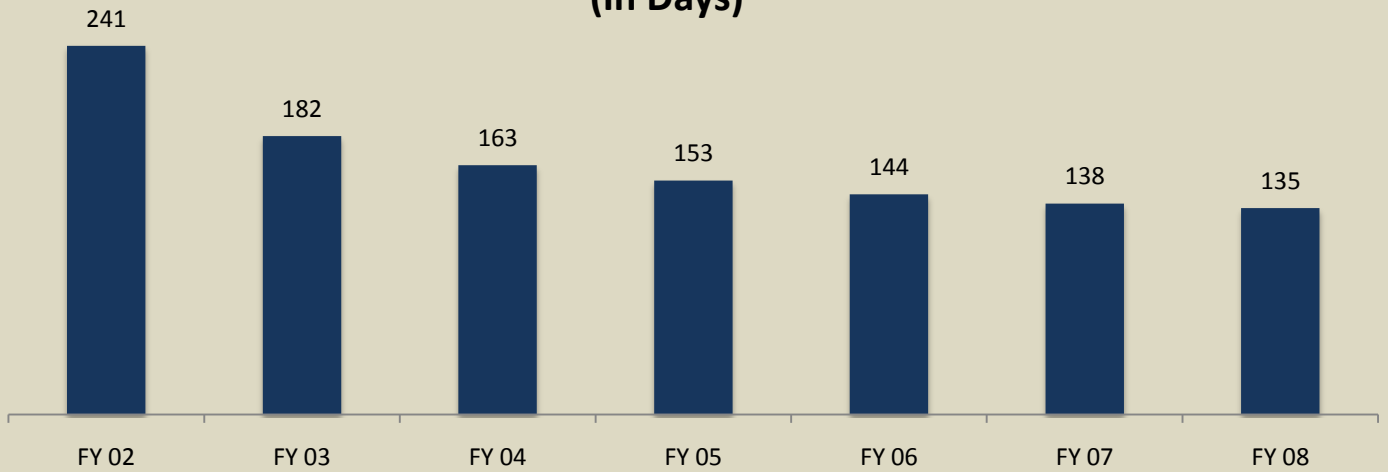
Note: To meet the demands of issuing a statewide CAFR, personnel in the agency's Financial Reporting Division are required to work a substantial amount of overtime every year. The continuous increase in reporting requirements, together with more stringent accounting practices, increasingly challenge 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 measure of performance for our agency. Again, experience, training, planning, productivity, and optimum technology are essential elements that will enable State to continue to issue a timely CAFR.

GASB Pronouncements
vs.
FTE's in Financial Reporting (FR) Division

Year	Pronouncements	FTE's
1992	12	10
1994	15	10
1996	22	10
1998	30	10
2000	32	10
2002	38	9.5
2004	45	10.5
2006	47	8.5
2008	53	7.5
2009	56	7

Pronouncements

- Prepared the CAFR 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 1990 to 56 in fiscal year 2009. GASB is expected to issue additional pronouncements in the near future. While the number of GASB pronouncements that must be researched and implemented is steadily rising, the number of staff assigned to this process (most of whom must be CPAs) has declined.

- Issued a Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2008. The Popular Award was submitted to the GFOA for review, and received the GFOA's "Award for Outstanding Achievement".

Statewide Accounting Services Division

Goals:

- Provide centralized accounting of the state's financial activities in accordance with the program structure mandated by the General Assembly.
- 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 General Assembly. Each account consists of an agency number, subfund detail, object code, and mini code.
- Respond to public records requests for information within five working days.

Objectives:

- Create a Chart of Accounts, prior to the beginning of the fiscal year, that includes all appropriated and supplemental appropriation accounts; estimate sources of revenue for general, earmarked, restricted, and federal funds; and for agencies implementing a Capital Improvement Bond Program.

- Respond to public records requests for information from this office within an average of five working days.
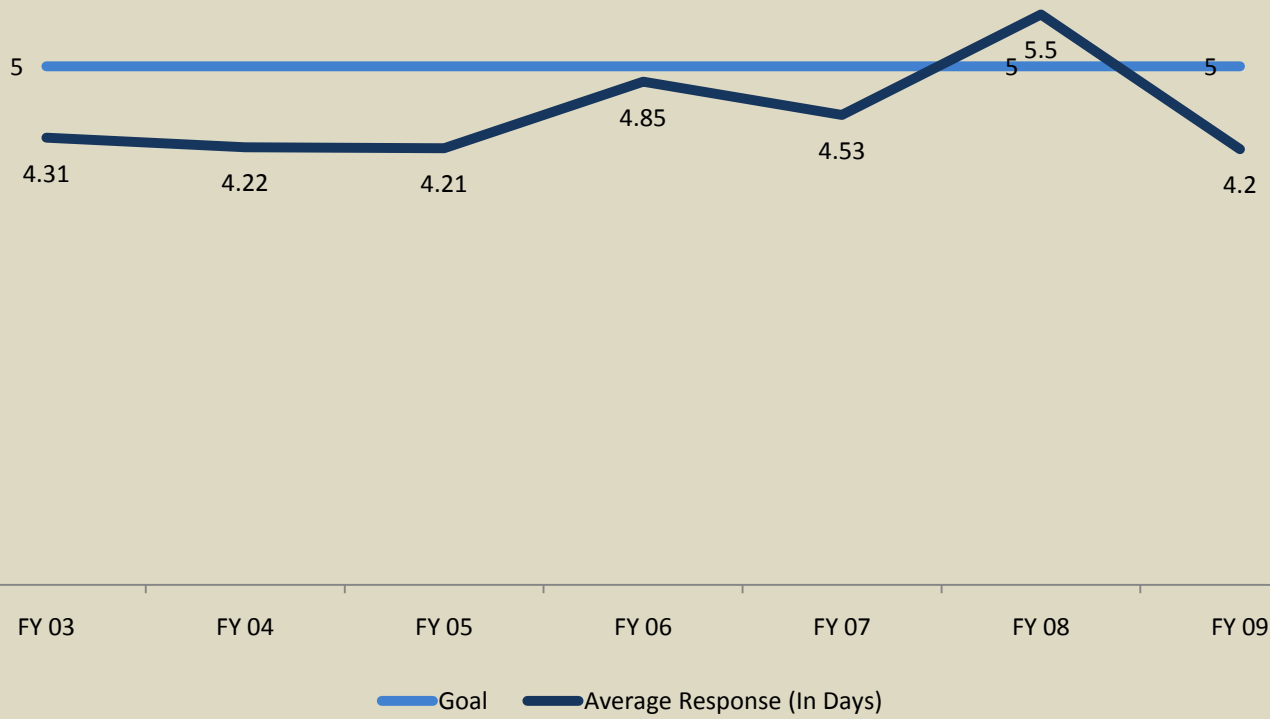
Key Results:

- Established a Chart of Accounts, prior to July 1, 2009, 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.

  Benchmark: The South Carolina Code of Laws, Section 11-3-50 requires the Comptroller General's Office to account for all appropriations by the General Assembly.
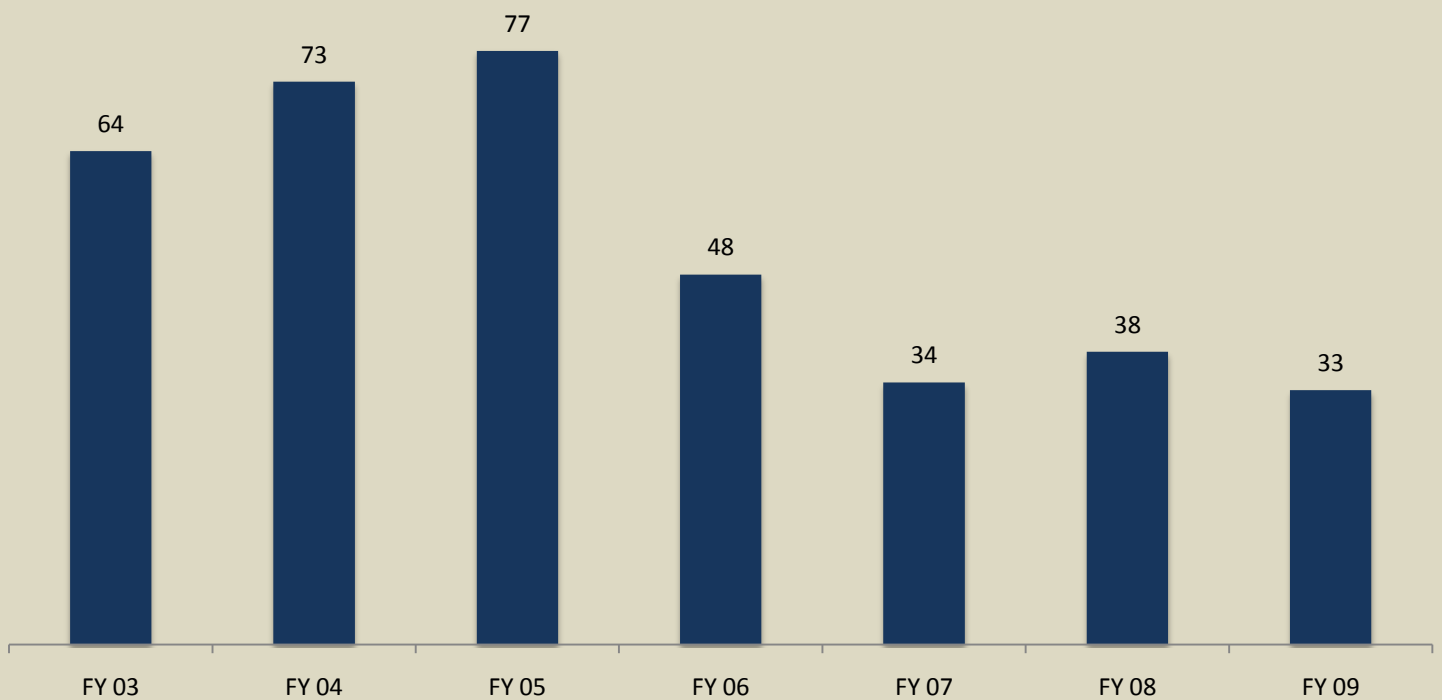
- Responded to 33 public record requests within an average of 4.2 working days.

  Benchmark: The South Carolina Code of Laws, Section 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".
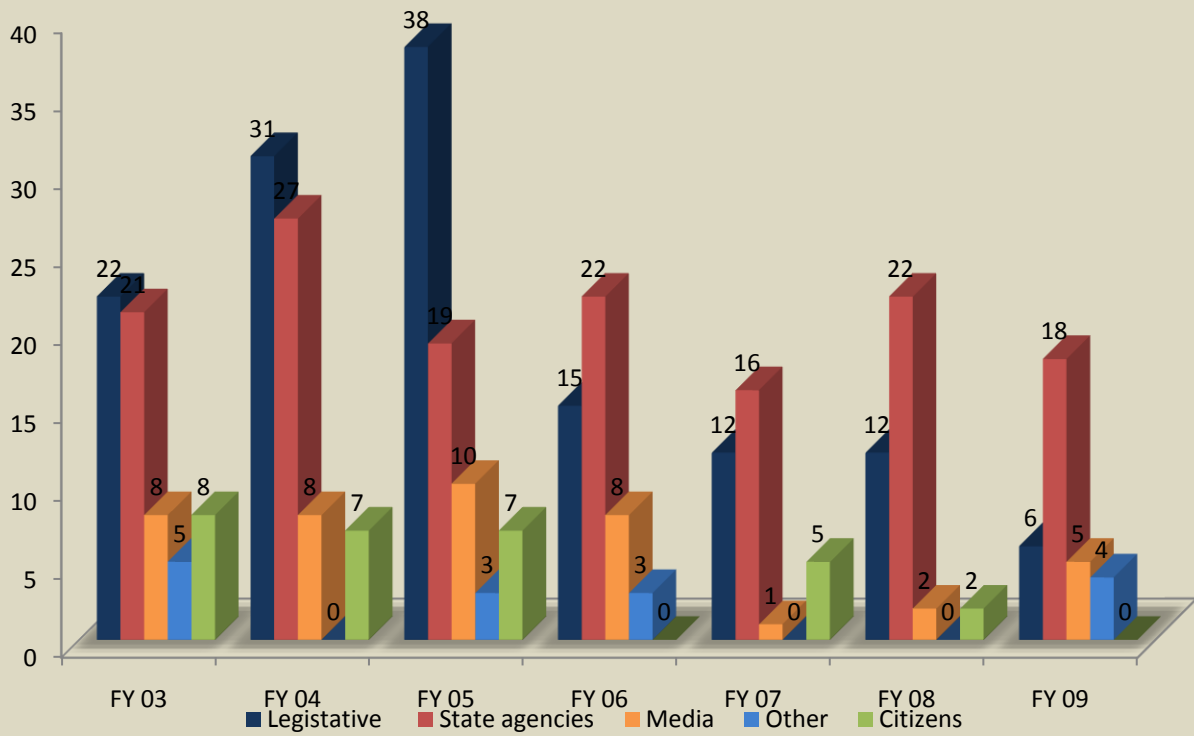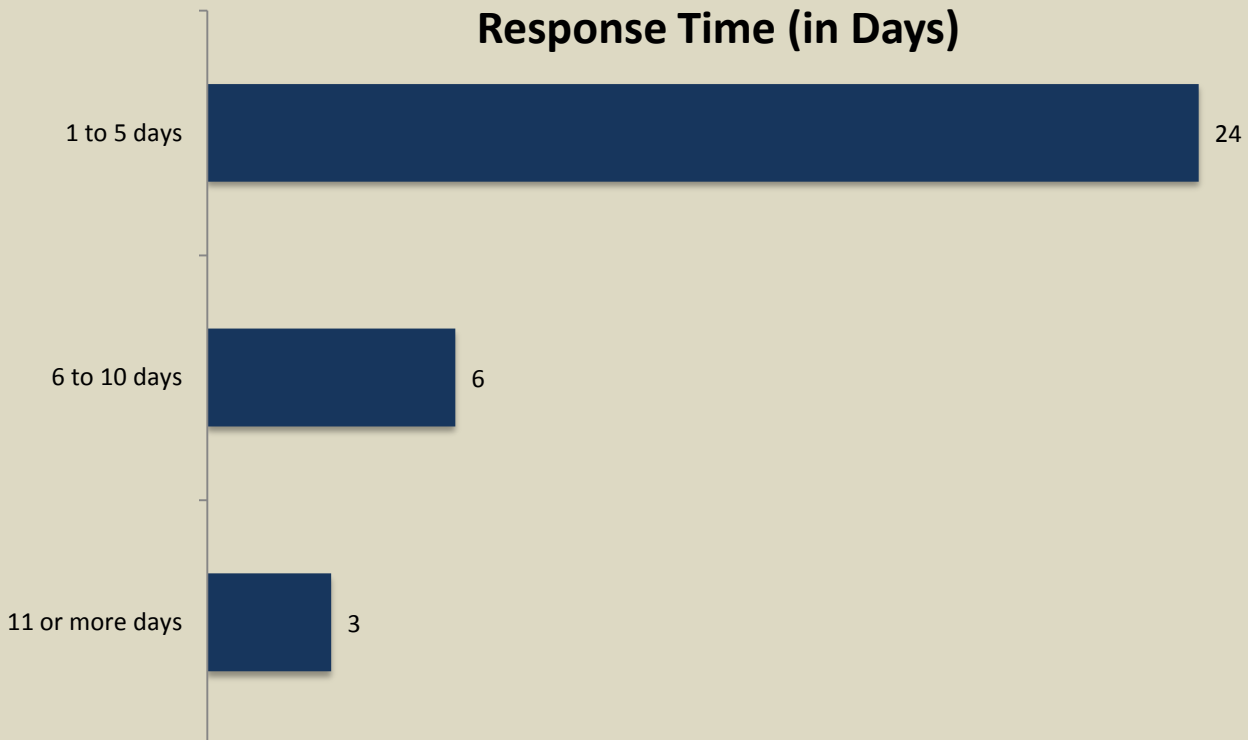
Average Days Response Time

5

4.31   4.22   4.21   4.85   4.53   5   5.5   5   4.2

FY 03   FY 04   FY 05   FY 06   FY 07   FY 08   FY 09

━━━ Goal   ━━━ Average Response (In Days)

Public Information Requests Received During the Fiscal Year

64   73   77   48   34   38   33

FY 03   FY 04   FY 05   FY 06   FY 07   FY 08   FY 09

Information Requested By

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Legistative	22	31	38	15	12	12	6
State agencies	21	27	19	22	16	22	18
Media	8	8	10	8	1	2	5
Other	5	0	3	3	0	0	4
Citizens	8	7	7	0	5	2	0

Public Information Requests in FY 09
Response Time (in Days)

- 1 to 5 days: 24
- 6 to 10 days: 6
- 11 or more days: 3

Administrative Services 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 the highest possible customer satisfaction level by meeting customer expectations and by providing quality service delivery.

- Maintain a knowledgeable, well-trained workforce whose educational level and skills level are aligned with the agency's service delivery requirements.
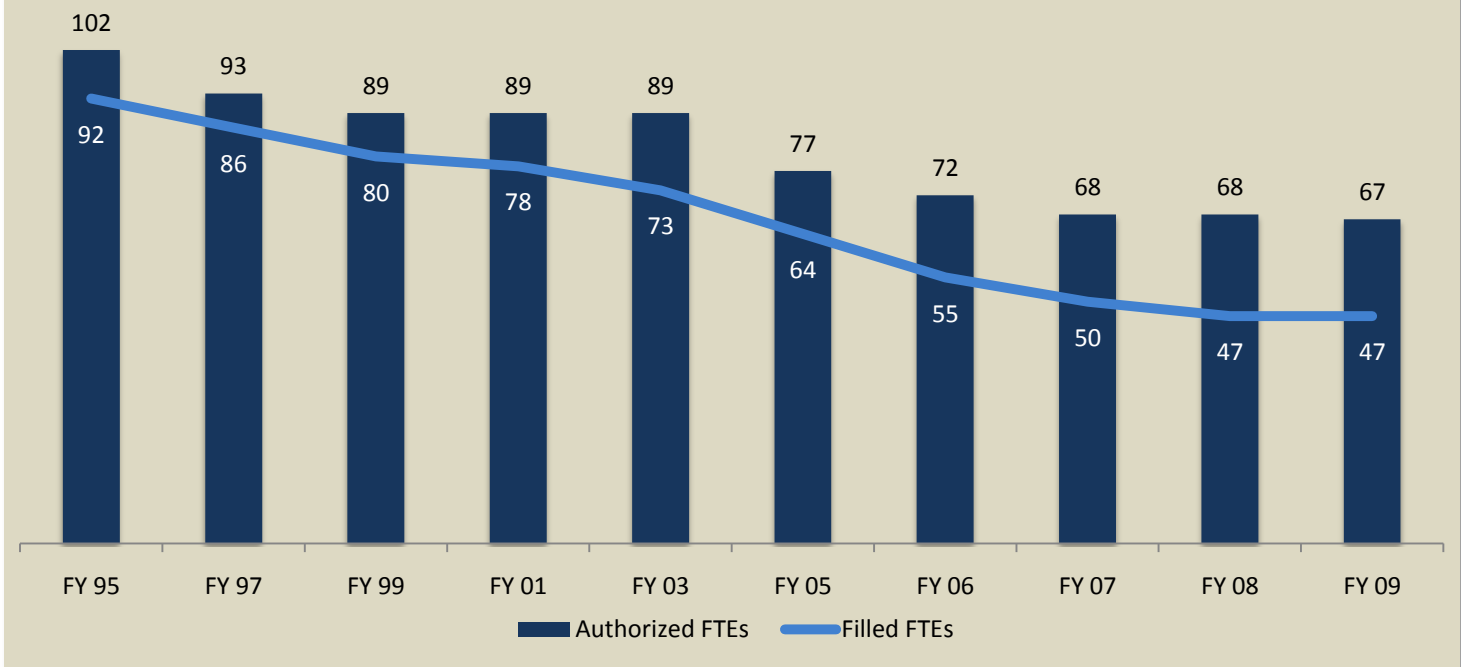
Objectives:

- Provide Comptroller General 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 no audit exceptions in the areas of insurance, procurement, personnel, and finance.

- Maintain the highest possible employee (internal customer) satisfaction level.

- 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.

Key Results:

- Maintained and provided payroll and insurance benefits records for Comptroller General employees and 92 county auditors and treasurers (100 percent of requirements). Provided information for all EPMS reviews, reclassifications, and performance increases for covered positions.

Authorized FTEs vs Filled FTEs

Chart data:

| Fiscal Year	FY 95	FY 97	FY 99	FY 01	FY 03	FY 05	FY 06	FY 07	FY 08	FY 09
Authorized FTEs	102	93	89	89	89	77	72	68	68	67
Filled FTEs	92	86	80	78	73	64	55	50	47	47

- Received no audit exceptions in the areas of procurement, personnel, and finance.

- Disbursed 100 percent of the required salary supplements to county officials. Effectively transitioned the salary supplement program to the State Treasurer's Office for the payroll beginning July 1, 2009.

  Benchmark: Part 1A, Section 85.1 of the FY 2009 Annual Appropriation Act requires the Comptroller General to distribute salary supplements to county officials.

- Provided 463 hours of professional development training for employees. Agency management works to reduce expenses incurred for registration, travel, meals, and lodging for staff training, and commercial acquired professional development. Since staff training is needed to maintain and improve job skills and development, the agency actively collaborates 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 costs of employees attending audio conferences hosted at local sites with other agencies.

  By using these collaborative approaches and cost-cutting measures, our agency has been able to reduce much of its staff training costs, including travel. Agency 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 its entire staff and for the accounting personnel of other interested agencies.

Professional Development Training Hours
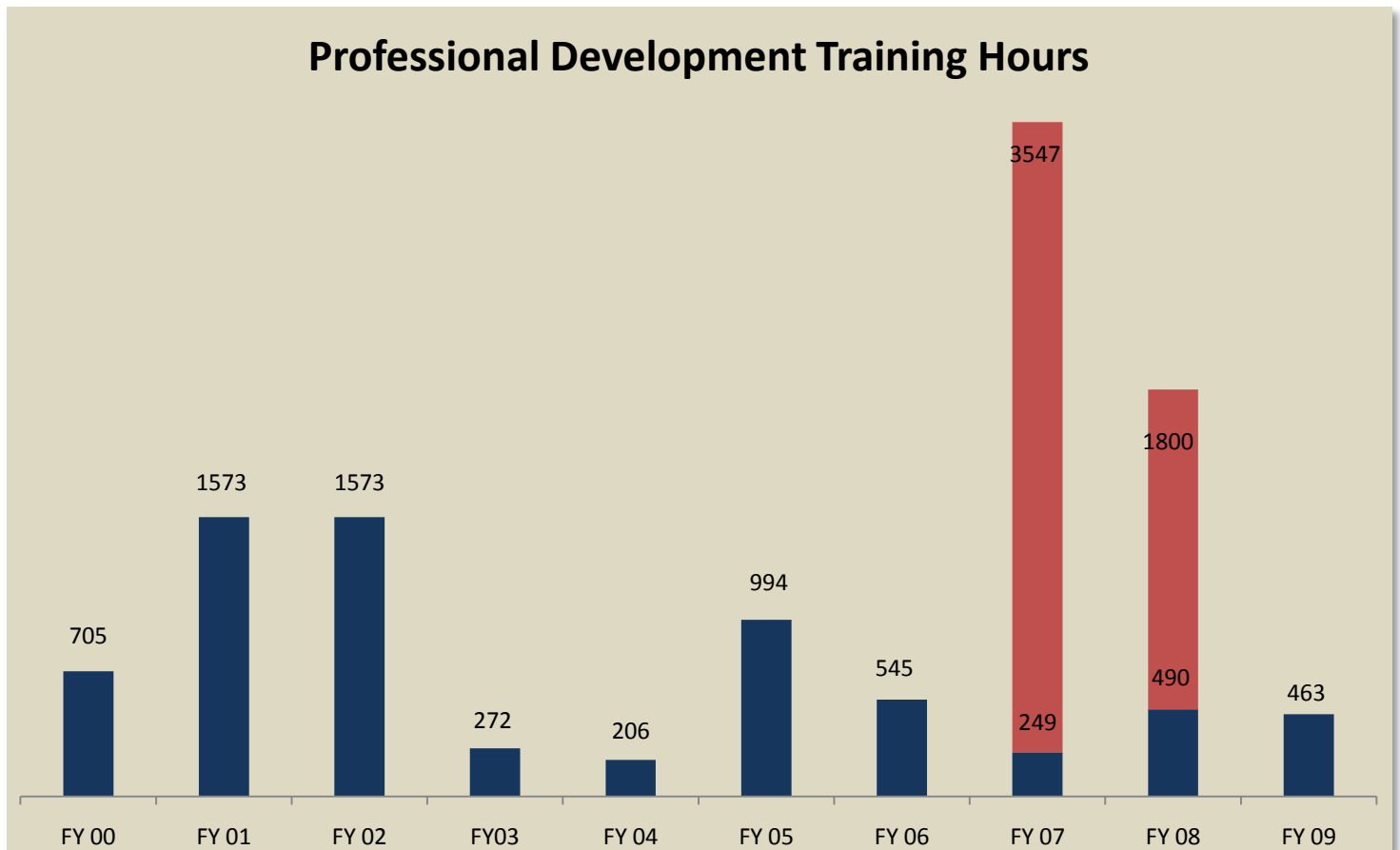
Note: The agency collaborated with other state agencies with similar training needs. Through this collaboration, the agencies developed and presented in-house training and shared the cost of attending audio conferences hosted at local sites. The collaboration resulted in a significant savings and continues to be successful. FY 07 and FY 08 have been modified to show Professional Development Training hours spent on developing and implementing SCEIS (shaded area).