AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	97

Fiscal Year 2014-15 Accountability Report

SUBMISSION FORM

AGENCY MISSION	To provide services to state entities for payroll, vendor payments, accounting support, and statewide financial reporting. Continuously review and improve payroll, vendor payment processing, accounting support, and statewide financial reporting for state government to better safeguard resources and better serve the citizens of South Carolina.

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

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Eric Ward	803-734-2538	EWard@cg.sc.gov
SECONDARY CONTACT:	Allison Houpt	803-734-5011	AHoupt@cg.sc.gov

I have reviewed and approved the enclosed FY 2014-15 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN/DATE):	09/15/15
(TYPE/PRINT NAME):	Richard A. Eckstrom, CPA, Comptroller General
BOARD/CMSN CHAIR (SIGN/DATE):	
(TYPE/PRINT NAME):	N/A

AGENCY'S DISCUSSION AND ANALYSIS

The Comptroller General's Office is a true "service and support agency" of state government. In essence, it's an extension of the "back office" of all other agencies.

Improvements in service and support functions performed

In connection with best practices, the S.C. Comptroller General's Office tracks various performance metrics to measure its progress in achieving improvement goals. These include:

A. **Timely, accurate processing of state payroll.** Our agency performs this service on the 1st and 16th of each month for approximately 45,000 state employees. This includes withholding approximately 32,000 voluntary deductions per pay period on behalf of state employees that include: premiums for insurance not covered by state government, elective credit union deposits, voluntary defined contribution plans, charities, tax liens and court-ordered child-support payments, and remitting amounts withheld to appropriate vendors. While our agency does not control the number of state employees or requests for voluntary payroll deductions from year to year, we consistently process state payroll virtually error-free. Our agency's current performance improvement goal in payroll processing relates to issuing duplicate annual W-2s for state employees who lose their original W-2s before filing their tax returns (approximately 1,600 in 2014). Our agency is considering developing plans to make duplicate W-2s available online after the original physical W-2 has been provided.

B. **Processing time for vendor payments and other disbursement requests from state agencies.** The volume of disbursement requests also varies from year to year. Our agency strives to process each disbursement request within four (4) business days, and usually exceeds this goal. In fiscal 2015, for example, we processed approximately 800,000 disbursement requests within an average of 3.21 business days. This involved centrally maintaining nearly 300,000 vendor records to ensure accurate tax reporting. In addition to maintaining our average turnaround time below four (4) days, we will continue our effort to convert as many paper payments to electronic funds transfer as possible to reduce mailing costs.

C. **Timely, accurate issuance of the state's comprehensive annual financial report (CAFR).** The CAFR is an important transparency and accountability tool for state government and it is studied by national credit rating agencies, investors in state bonds, financial analysts and others who monitor state finances. While there is no statutory or regulatory deadline for publishing the CAFR, our agency has a performance metric to issue it by December 31. The fiscal 2014 CAFR was issued December 22, a 54-day improvement from the issuance of the fiscal 2013 CAFR. Another performance metric for the CAFR is that the document receives a *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association (GFOA). The Comptroller General's Office has received this prestigious recognition for the past 26 years, including last year. The GFOA awards the *Certificate of Achievement*

annually to state and local governments that produce superior financial reports that conform to strict standards of accuracy and understandability. Finally, in fiscal 2014 the agency implemented a performance improvement solution for more accurate and timely CAFR preparation by creating in-house an Excel-based process for converting fund-based accounting to government-wide accrual-based accounting. Our in-house solution kept the state from having to purchase a commercial software solution estimated at $60,000 plus $9,000 in annual licensing costs.

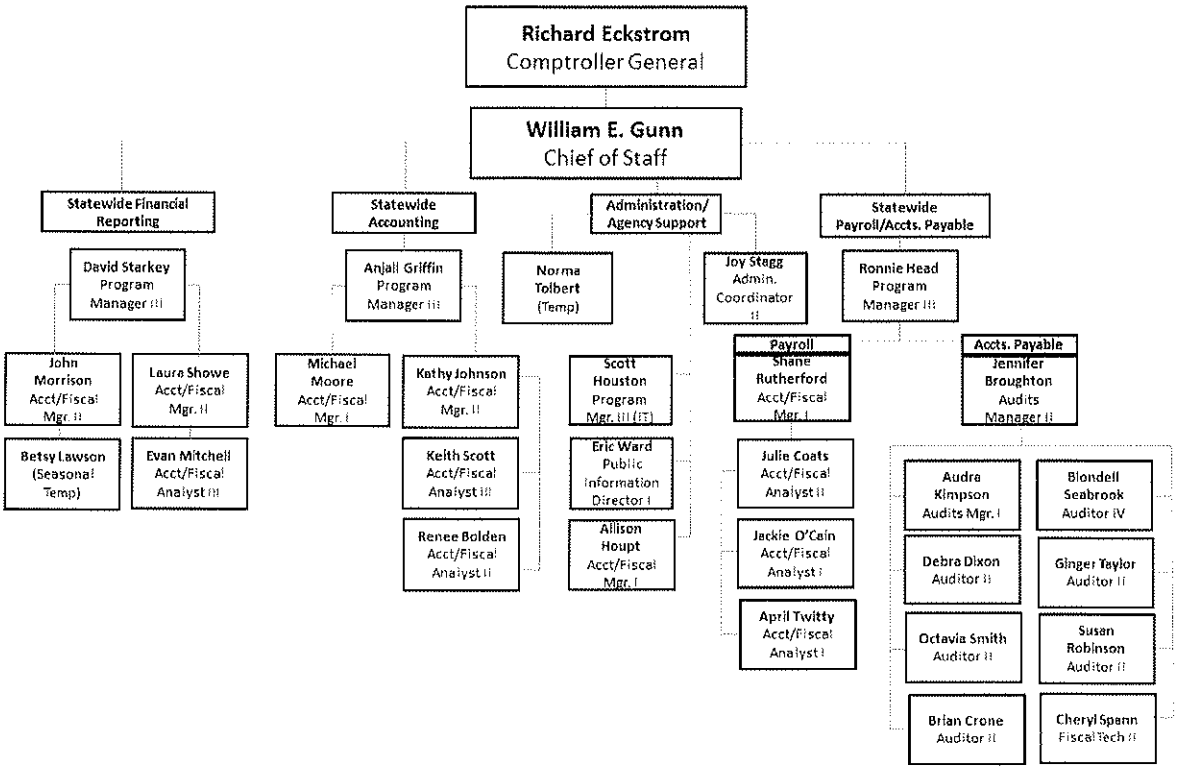
D. **Timely, accurate monitoring of revenue collections.** In November 2009, the Comptroller General initiated a performance improvement system to enhance the tracking and reporting of state revenue collections in order to assist the Board of Economic Advisors (BEA) in formulating state revenue projections for the General Assembly to use to craft the appropriations act and the governor to use to develop an executive budget each year. This performance improvement initiative is conducted through a multiagency working group led by the Comptroller General's Office and consisting of representatives of the BEA, the Department of Revenue, the Department of Motor Vehicles, the State Budget Office and the State Treasurer's Office. The working group meets monthly to review each month's collections and it reports results to the BEA. Its efforts have helped reveal trends in state collections, whether negative or positive, at an earlier point, affording legislators and other state officials more time to respond to such trends.

E. **Cost-saving measures.** Largely through technology, our agency has reduced its workforce by about two-thirds since the 1990s, from a high of more than 100 to approximately 30 now. Our agency also tracks and assesses its operating expenses on a monthly basis in an effort to minimize these expenses to the fullest extent possible. Unused phones and computers are timely taken offline whenever vacancies occur in order to lower telecommunications and desktop support services expenses, for example. Our agency's largest operating expense saving has been achieved through reducing the office space we occupy. Where once we occupied the third and fourth floors of the Wade Hampton Building and part of the basement, we now occupy the third floor only. More recently our agency decreased its square footage from 18,650 at the beginning of fiscal 2014 to 17,844 at the start of fiscal 2015 by relinquishing a storage area in the basement. This continued downsizing in our agency's space requirements has reduced our rent expenditures significantly, and by more than $7,600 in fiscal 2015.

F. **Transparency in public spending.** In an effort to make state government's expenditures conveniently reviewable online, the Comptroller General led the state to launch the S.C. Fiscal Transparency Website in 2008. This was one of the first state transparency websites in the nation at that time, and it has since been expanded beyond executive level agencies to include spending by all public school districts, state-supported colleges and universities, and a bevy of cities and counties. Consistent with our commitment to performance improvement for the website, its content is continually refined to reflect enterprise efforts, best practices and user feedback. One recent example of this is our addition of a searchable database summarizing total annual payments to all state vendors receiving $1,000 or more in a fiscal year.

G. **Response time to public information requests.** While our agency does not control the volume of public information requests we receive, we track the number of these requests and our response times to them. Striving to establish a high standard for practicing good government in South Carolina, our agency's goal is to respond to all requests within five (5) business days, which is ten (10) days faster than the statutory requirement. Our average response time in fiscal year 2015 was two (2) business days, an average we were able to maintain from the previous fiscal year. In addition, our agency does not charge copying or research fees when responding to public information requests unless a request is for commercial purposes or would be unreasonably cumbersome.

Agency Organizational Chart



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Program Template

Program/Title	Purpose	FY 2013-14 Expenditures General	FY 2013-14 Expenditures Other	FY 2013-14 Expenditures Federal	FY 2013-14 Expenditures TOTAL	FY 2014-15 Expenditures General	FY 2014-15 Expenditures Other	FY 2014-15 Expenditures Federal	FY 2014-15 Expenditures TOTAL	Associated Objective(s)
Statewide Accounts Payable/Payroll	Timely, efficient processing of vendor payments, interagency transfers, and other disbursement requests by state agencies - and timely, efficient processing of state payroll - to support agencies in serving the public	$ 759,020	$ 262,972	$ -	**$ 1,021,992**	$ 728,695	$ 213,703	$ -	**$ 942,397**	1.1.1 1.2.1 1.3.1 1.3.2 1.4.1 1.5.1
Statewide Financial Reporting	Production and distribution of the state's comprehensive annual financial report (CAFR) in an understandable format for use by key state officials, credit rating agencies, and other interested parties	$ 514,545	$ 34,710	$ -	**$ 549,255**	$ 508,227	$ 29,477	$ -	**$ 537,704**	2.1.1 2.1.2 2.1.3 2.1.4
Statewide Accounting	Timely, efficient accounting services provided to state agencies to support them in serving the public	$ 468,459	$ 29,606	$ -	**$ 498,065**	$ 406,769	$ 21,686	$ -	**$ 428,454**	3.1.1 3.1.2 3.1.3 3.2.1 3.3.1
Other Services (SFAA Service, Transparency Website, FOIA Compliance, P-Card Oversight, SCEIS Executive Oversight Committee, Special Reports)	Timely provision of information to members of the General Assembly, the public and other customers; and services on key panels supporting internal (state) and external (public) functions	$ 99,801	$ 236,070	$ -	**$ 335,871**	$ 111,903	$ 226,704	$ -	**$ 338,607**	4.1.1 4.2.1 4.2.2 4.3.1 4.3.2 4.4.1 4.4.2
Administration	Oversight of and support for the agency's programs in assisting other state agencies in serving the public	$ 397,518	$ 91,825	$ -	**$ 489,343**	$ 447,611	$ 88,163	$ -	**$ 535,774**	5.1.1 5.2.1 5.2.2 5.2.3 5.2.4 5.3.1 5.4.1 5.5.1

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Strategic Planning Template

Type	Item # Goal	Strat	Object	Description
G	**1**			***To verify the validity and legality of vendor payment requests by state agencies and to process statewide payroll accurately and timely***
S		1.1		Process disbursement requests by agencies in a timely manner
O			1.1.1	Process disbursement requests by agencies within four (4) business days
S		1.2		Prepare annual 1099s in a timely manner
O			1.2.1	Issue 1099s by Jan. 31 annually
S		1.3		Process statewide semi-monthly payroll in a timely manner
O			1.3.1	Process statewide payroll on the 1st and 16th of each month
O			1.3.2	Process special voluntary deductions for state employees each payroll (premiums for insurance products not offered by state government, elective credit union deposits, withholdings for voluntary defined contribution retirement plans, charities, tax liens, and court-ordered child-support payments) and remit deductions withheld to vendors the same day.
S		1.4		Prepare annual W-2s in a timely manner
O			1.4.1	Issue W-2s by Jan. 31 annually
S		1.5		Assist agencies by responding to tickets we receive from the SCEIS Help Desk relating to agencies' questions about vendor payments and payroll processing
O			1.5.1	Clear SCEIS Help Desk tickets in a timely manner
G	**2**			***To produce the State's comprehensive annual financial report (CAFR) on a timely basis***
S		2.1		Produce the CAFR in accordance with generally accepted accounting principles and all Governmental Accounting Standards Board requirements
O			2.1.1	Provide online Closing Packages with instructions for use by other agencies' accounting personnel at year end

O			2.1.2	Publicly release the CAFR by Dec. 31 each year
O			2.1.3	Accelerate the financial reporting and CAFR completion processes to contain personnel costs
O			2.1.4	Qualify for the *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association
G	**3**			***To provide centralized accounting of the State's financial activities in accordance with the program structure mandated by the S.C. General Assembly***
S		3.1		Provide timely accounting support to other state agencies as requested or upon finding any incorrectly entered daily accounting transactions
O			3.1.1	Produce and maintain an up-to-date online manual of SCEIS accounting policies and procedures
O			3.1.2	Ensure agreement of transactions posted in SCEIS and in STARS
O			3.1.3	Assemble multi-agency working group monthly to analyze the state's fiscal month and fiscal year-to-date revenue collections to determine accuracy and completeness
S		3.2		Improve competency of accounting personnel throughout state government by offering relevant and low-cost training
O			3.2.1	Coordinate providing low-cost "Continuing Professional Education" (CPE) training among CPAs in CG's Office, State Auditor's Office, and State Treasurer's Office (Note: LLR requires every CPA to complete 40 hrs. of CPE annually as a condition of retaining professional certification. This training initiative helps state government CPAs meet that costly requirement.)
S		3.3		Administer state government's Unemployment Compensation Fund for State employees
O			3.3.1	Determine appropriate annual premiums to bill and collect from state agencies to cover claims paid by the third-party administrator and program expenses.
G	**4**			***To serve citizens and state government by providing financial and other information that promotes openness and accountability in government and by supporting other worthwhile endeavors***
S		4.1		Meet or exceed all statutory requirements for information disclosure
O			4.1.1	Respond to S.C. Freedom of Information Act (FOIA) requests within an average of 10 or fewer business days
S		4.2		Provide financial information to citizens in a convenient, understandable, and interesting format

O			4.2.1	Maintain statewide transparency website
O			4.2.2	Increase visits to transparency website by improving format and expanding content, and by soliciting the media to inform the public on the website's existence
S		4.3		Provide details of travel expenditures incurred by personnel of all state agencies
O			4.3.1	Issue and distribute annual Statewide Travel Report by statutory deadline
O			4.3.2	Post annual Statewide Travel Report on statewide transparency website
S		4.4		Administer the state's Purchasing Card (P-Card) Rebate Program
O			4.4.1	Monitor annual spend volume and disburse P-Card rebate revenue to General Fund and qualifying agencies
O			4.4.2	Produce monthly report of P-Card spending by each state agency including the detailed spending by each agencies' cardholders and post report on statewide transparency website
G	**5**			***To effectively manage the divisions, programs, and overall operation of the Comptroller General's Office and to participate in and support other statewide initiatives***
S		5.1		Manage agency budget by avoiding "cost creep" in providing services
O			5.1.1	Monitor annual cost of each program area (Statewide Accounts Payable/Payroll, Statewide Financial Reporting, Statewide Accounting, Other Services, Administration) and address any increases if observed
S		5.2		Fulfill all legal and administrative mandates on the agency
O			5.2.1	Present concise and accurate annual summaries of agency operations to budget subcommittees of House and Senate
O			5.2.2	Submit Annual Accountability Report by agreed-upon deadline
O			5.2.3	Complete EPMS process on time for 100% of staff
O			5.2.4	Conduct timely exit interviews for all departing agency personnel and ascertain ways to reduce unwanted turnover of employees
S		5.3		Work with SCEIS project team to retire STARS
O			5.3.1	Support the SCEIS project team in converting the State Treasurer's Office (the only agency still on STARS) from STARS to SCEIS by April 30, 2016, so STARS can finally be retired

S		5.4		Develop agency cybersecurity policies in accordance with state statutory and/or regulatory requirements
O			5.4.1	Implement all cybersecurity policies by July 1, 2016
S		5.5		Support other public initiatives for the benefit of citizens and state government overall
O			5.5.1	Service by agency employees on multi-agency task forces or committees dedicated to public initiatives

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Performance Measurement Template

Item	Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
1	Avg. # of days for document turnaround in the Accounts Payable Division	2.2 days	3.2 days	***4 days***	Fiscal year	SCEIS workflow updated daily	Daily and cumulative	Avg. turnaround calc. by A/P Mgr. using daily SCEIS data for pymts. processed by A/P	1.1.1
2	Issue all 1099's by 1/31 each year	Yes	Yes	***All by 1/31***	Calendar year	SCEIS reports updated daily	Annual	All 1099's processed and printed each year	1.2.1
3	Issue statewide semi-monthly payroll and remit all withholdings by next day	Yes	Yes	***1st and 16th 100%***	Semi-monthly	SCEIS reports updated semi-monthly	Semi-monthly	Payroll processed and date of deposits/payments	1.3.1
4	Remit to vendors the voluntary deductions made by state employees by next day	Yes	Yes	***1 day after payroll 100%***	Semi-monthly	SCEIS reports updated semi-monthly	Semi-monthly	Payroll processed and date of deposits/payments	1.3.2
5	Issue all W-2's by 01/31 each year	Yes	Yes	***All by 1/31***	Calendar year	SCEIS reports updated daily	Annual	All W-2's processed and printed each year	1.4.1
6	Avg. # of days to resolve SCEIS Help Desk tickets initiated by agencies	1.5 days	2.8 days	***5 days***	Fiscal year	SCEIS reports updated daily	Annual	Avg. # of days to resolve Help Desk tickets forwarded to us by SCEIS	1.5.1
7	Closing Package templates and year-end GAAP reporting guidance/instructions for agencies are updated annually and posted on CGO website	Yes	Yes	***Yes***	Fiscal year	CGO Website	Annual	Online closing packages and instructions are either updated or not	2.1.1
8	CAFR annual completion/release date	2/14/14 (not met)	12/22/14 (met)	***By 12/31***	Fiscal year	Published CAFR date	Annual	Compare date published in CAFR to 12/31 each FY	2.1.2
9	CAFR issuance date earlier in current year than in prior year	342-229= 113 days faster (met)	229-175= 54 days faster (met)	***Faster than Previous Year***	Fiscal year	Published CAFR date	Annual	PY days to issue minus CY days to issue each year	2.1.3
10	CAFR awarded *Certificate of Achievement for Excellence in Financial Reporting* by GFOA (one year lag in awarding)	Yes	Yes	***Yes***	Fiscal year	GFOA award letter	Annual	If GFOA awards us the Certificate or not	2.1.4
11	CGO's Statewide Accounting Policies and Procedures manual is reviewed and updated quarterly and posted on CGO website	Yes	Yes	***Yes***	Fiscal quarter	CGO Website	Quarterly	CGO's online accounting manual is either updated or not	3.1.1
12	Monthly reconciliations of SCEIS and STARS performed until STARS is finally retired (Note: It is imperative to retire STARS ASAP--see Objective 5.3.1)	Yes	Yes	***Yes***	Fiscal year	Statewide Accounting Div. logs	Annual	Reconciliations are punctually performed or not	3.1.2
13	Multi-agency Working Group meets with CGO executive management each month to analyze monthly and YTD General Fund revenues recorded by agencies	Yes	Yes	***Yes***	Fiscal year	Monthly spreadsheets and notes	Monthly	Determine existence of monthly meeting materials	3.1.3
14	Coordinated annual CPE training session hours offered to CPA's in own and other agencies (SAO, STO, PEBA, DOR); each yr. offer no fewer training hours/CPA than prior yr.	4 hours of CPE for 16 CPAs	4 hours of CPE for 35 CPAs	***Offer at least 4 hours of CPE***	Calendar year	Agency training files	Annually	Sum of training session hrs. offered and avg. # of CPAs attending	3.2.1
15	Activity monitored and managed throughout year to assure that adequate insurance fund balance is maintained	Yes	Yes	***Adequate fund balance***	Fiscal year	Agency files	Monthly & annually	EBO spreadsheets and internal program records	3.3.1
16	Annual avg. # of days to respond to FOIA requests	2 days (106 requests)	2.1 days (131 requests)	***10 days***	Fiscal year	Agency logs	Annually	Calculate avg. turnaround on each request	4.1.1

17	Statewide transparency website meets statutory requirements	Yes	Yes	***Yes***	Fiscal year	Website	Continuous	Compare content to proviso requirements	4.2.1
18	Statewide transparency website content expands each year	Yes	Yes	***Yes***	Fiscal year	Website	Annual	Website highlights new content	4.2.2
19	Statewide transparency website analytics show at least 10,000 annual visits	10,469	10,217	***10,000***	Fiscal year	Google Analytics	Annually	Compare current year # visitors to prior year #	4.2.2
20	Statewide transparency website analytics show at least 100,000 annual page views	140,000	108,000	***100,000***	Fiscal year	Google Analytics	Annually	Compare current year # page views to prior year #	4.2.2
21	Statewide Travel Report release date	10/30	10/30	***By 11/01***	Fiscal year	SCEIS and data from lump sum agencies	Annually	Compare report date to proviso requirement	4.3.1
22	Statewide Travel Report is timely posted to transparency website	Yes	Yes	***Yes***	Fiscal year	Printed report date	Annually	Compare report date to posting date	4.3.2
23	Amount of annual P-Card rebate revenue distributed to General Fund	$2,420,902	$2,139,375	***More than Previous Year***	08/01 - 07/31	Vendor reports	Annually	Calculated on spend volume times rate	4.4.1
24	Monthly P-Card Spending Reports are available on statewide transparency website	Yes	Yes	***Yes***	Fiscal year	Website	Annually	Transparency website contains Travel Reports or not	4.4.2
25	Agency's annual spending for each program area is stable and increases, if any, are specifically cost-justifiable	Yes	Yes	***Yes***	Fiscal year	Appropriations Act	Annually	Compare current year to prior year	5.1.1
26	Agency prepares, presents, and files concise, useful reports with House and Senate budget subcommittees each year	Yes	Yes	***Yes***	Fiscal year	CGO's printed Sub-committee presentations	Annually	Analyze the reports submitted by agency	5.2.1
27	Timely submission of Annual Accountability Report each year	09/16/13	09/15/14	***By mid-September***	Fiscal year	Accountability Report dates	Annually	Comparison to AA Report submission dates	5.2.2
28	EPMS process is completed on time and documents are maintained in each employee's personnel file	Yes	Yes	***100%***	By anniversary dates	Personnel files	Annually	Properly-dated EPMS forms are either in each employee's file or not	5.2.3
29	Each employee departure is evaluated by supervisor or by CGO executive mgmt. to determine reason and to identify possible workplace issues; mgmt. summarizes annually	7 departed (all were evaluated)	6 departed (all were evaluated)	***100%***	Fiscal year	Personnel files and agency records	Annually	Count of personnel files of departed employees; review of documentation	5.2.4
30	Agency and SCEIS team fully support STO's project to complete its conversion from STARS to SCEIS by 04/30/16, which is STO's current targeted completion date (Note: Maintaining duplicative systems--STARS and SCEIS--results in significant waste of IT and Accounting resources statewide. Objective 3.1.3 is one example)	Not yet completed	Not yet completed	***No Later Than 04/30/16***	Continuous	SCEIS team project reporting	Annually	Compare actual completion date to STO's target completion date of 04/30/16	5.3.1
31	Cybersecurity policies to be implemented by 07/01/16	Objective added 2015	In Progress	***Implement policies by 07/01/16***	Fiscal year	DSIT and agency records	Annually	Compare date of agency's implementation to 07/01/16	5.4.1
32	Number of agency personnel serving on multi-agency task forces or committees dedicated to public initiatives	4 initiatives supported	4 initiatives supported	***3 or more initiatives supported***	Fiscal year	Agency records and records of other agencies	Annually	Number of initiatives supported by agency personnel	5.5.1