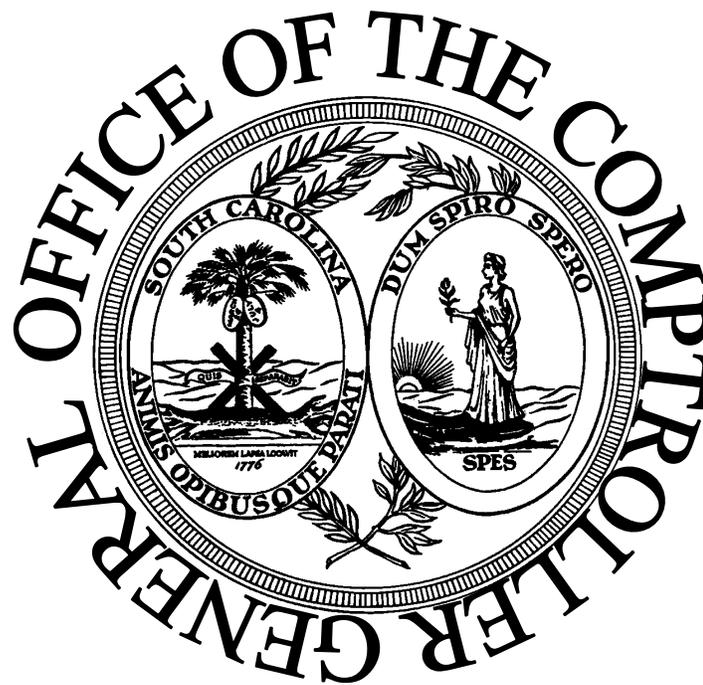


ACCOUNTABILITY REPORT
STATE OF SOUTH CAROLINA



Fiscal Year 2007-2008



State of South Carolina
Office of Comptroller General

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September 15, 2008

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 2007-2008.

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; assures that money due state and local governments is collected through lawful tax administration; 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, bond rating service, 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,

Nathan Kaminski, Jr.
Chief of Staff

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SECTION I - EXECUTIVE SUMMARY

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 excellence.

2. Major Achievements for FY 2007-2008

- 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 29.
- Issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007 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 the third most timely state to prepare and issue its FY07 CAFR.
- Issued our first ever Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2007. The Popular Report was submitted to the GFOA for review, and received the GFOA's "Award for Outstanding Achievement".

- Issued our first Citizens Centric Report for the fiscal year ended June 30, 2008, a national initiative by the Association of Government Accountants. South Carolina is one of three states to successfully complete this four page “state of government” report. See page 44.
- 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’s finances. Assisted the SCEIS project team converting seventeen agencies to the SCEIS system. Conversion for each agency includes implementation of the document management or “imaging” system.
- Developed the necessary computer interfaces for use between the old financial reporting software (STARS) and the new software (SAP) until SCEIS is fully implemented in 70 agencies. 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 on various SAP implementations, blueprints, and go-live activities. The full-time consultant conducted reviews on the implementation of the SAP software system.
- Increased government transparency by allowing citizens to use the Internet to see how state agencies spend their money. A website was created that includes both annual and monthly data detailing individual agency expenditures for travel, office supplies, and contractual services.
- Processed statewide payroll on the dates mandated by state law 100% of the time. Also, payroll withholdings were deposited within required time frames, and accurate financial information was submitted on time to the Internal Revenue Service and other agencies 100% of the time.
- Received no exceptions in audits of procurement, personnel, and IT.
- Received recognition from the Human Affairs Commission as one of the top ten agencies

that improved or exceeded their equal employment opportunity plan. The Comptroller General ranked third (98.9%) among the top ten for its level of goal attainment. The Comptroller was also recognized for consistency, excelling in its EEOC goal attainment.

- Received Independent Accountant's Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2007. 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 36.
- Chaired the South Carolina Military Base Task Force and effectively supported the initiatives of the State's military communities. Proactive leadership in the areas of encroachment mitigation around military installations and improving military quality of life provided significant positive impacts on South Carolina's military-friendly environment which has been recognized by the Department of Defense. In addition, the Task Force has successfully coordinated 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 2008-2009 and Future

- Continue supporting the Budget and Control Board's South Carolina Enterprise Information System (SCEIS) project until 70 agencies are using the new system. In addition to the seventeen agencies now using the new SAP software, thirteen additional agencies will be added in the fall and towards the end of the fiscal year. Additionally, the implementation plan calls for SAP to become the official "book of record" in 2008-2009; all transactions will post to SAP regardless of an agency's accounting system.
- Continue to make the State's audited financial information available as soon as possible by finding ways to further reduce the time required to issue a Comprehensive Annual Financial Report (CAFR).
- Issue a Popular Annual Financial Report (PAFR) and Citizens Centric Report as timely as possible.

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 term employees with institutional knowledge to assist in operating the legacy finance, payroll, and budget systems. This is playing a critical role in the 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 enterprise 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.

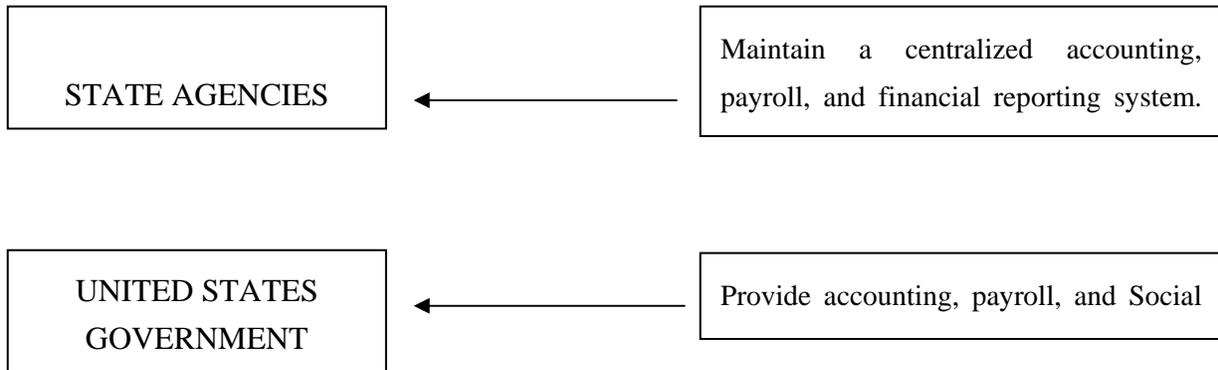
SECTION II - ORGANIZATIONAL PROFILE

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

<u>CUSTOMER</u>	<u>Key Requirements/Expectations</u>
BOND RATING AGENCIES	← Issue a Comprehensive Annual Financial
CITIZENS	← Provide accountability.
EMPLOYEES	← Provide training, career development,
GENERAL ASSEMBLY	← Maintain a centralized accounting and
GOVERNOR	← Provide accountability, financial data,
LOCAL GOVERNMENTS	← Disburse salary supplements to county
MEDIA	← Provide accountability and financial data



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. There are no satellite offices.

6. Number of Employees Segmented by Employee Category

At the end of fiscal year 2007-2008 the Comptroller General's Office had a total of 67 authorized FTEs. Of the 47 filled FTEs, one is unclassified positions and forty-six are classified. In addition, our agency has personnel in seven temporary full time and part-time positions. The agency is actively recruiting candidates to fill vacant FTE's.

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

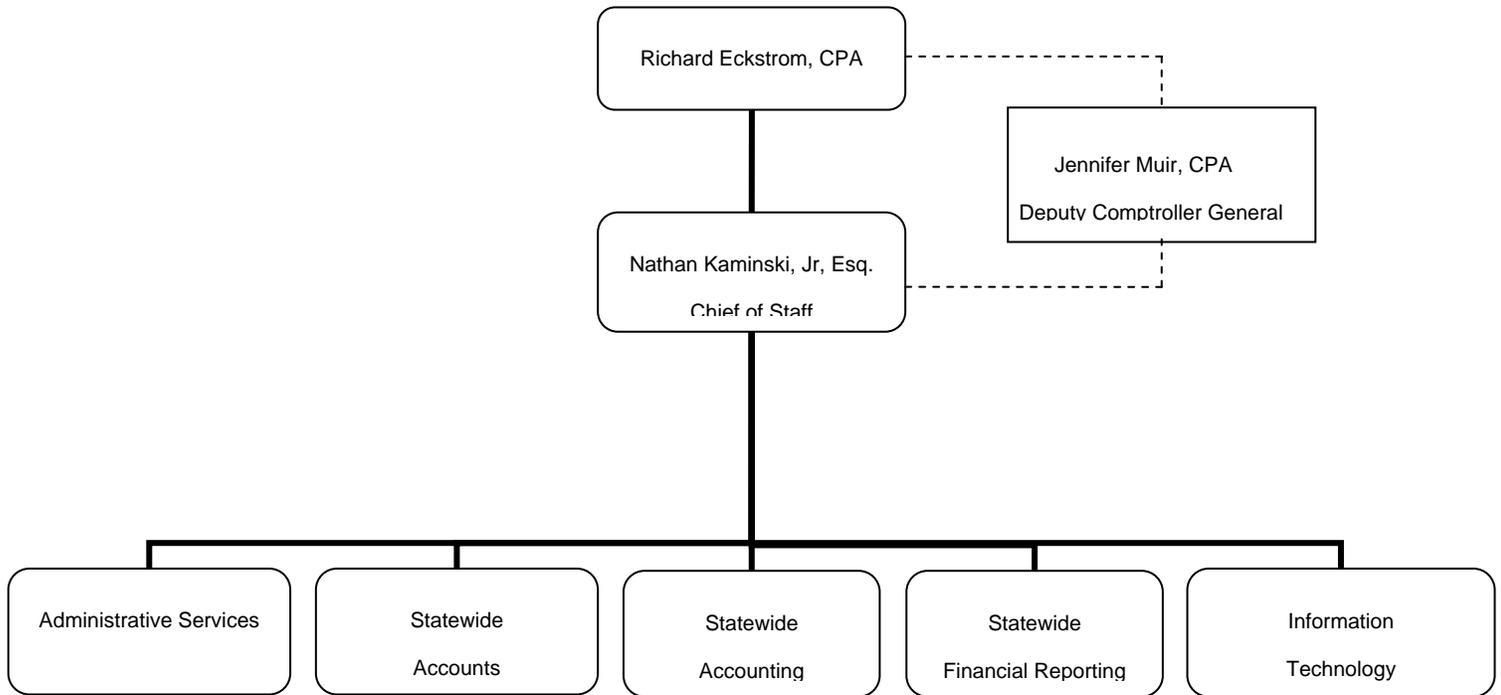
(GFOA), Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), and the Internal Revenue Service.

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.

9. Organizational Structure

COMPTROLLER GENERAL'S OFFICE Organizational Structure



10. Expenditures/Appropriations Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	06-07 Actual Expenditures		07-08 Actual Expenditures		08-09 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$3,125,849	\$3,125,849	\$3,208,950	\$3,208,950	\$3,315,529	\$3,021,244
Other Operating	\$ 375,004	\$ 302,757	\$ 1,020,973	\$ 657,268	\$ 366,930	\$ 147,348
Special Items	-	-	-	-	-	-
Permanent Improvements	-	-	-	-	-	-
Case Services	-	-	-	-	-	-
Distributions to Subdivisions	-	-	-	-	-	-
Fringe Benefits	\$ 802,408	\$ 788,594	\$ 868,628	\$ 868,628	\$ 746,363	\$ 680,230
Non-recurring	-	-	-	-	-	-
Total	\$4,303,261	\$4,217,200	\$5,098,551	\$4,734,846	\$4,428,822	\$3,848,822

Other Expenditures

Sources of Funds	06-07 Actual Expenditures	07-08 Actual Expenditures
Supplemental	-	-
Capital Reserve	-	-
Bonds	-	-

11. Major Program Areas Chart

Program Number And Title	Major Program Area Purpose (Brief)	FY 06-07 Budget Expenditures	FY 07-08 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: \$1,165,119 Federal: - Other: <u>17,492</u> Total: <u>\$1,182,611</u> 27% of Total Budget	State: \$1,205,802 Federal: - Other: - Total: <u>\$1,205,802</u> 24% of Total Budget	Page 33-36
IV	Information Technology Provide information technology application development, maintenance, production control, local area network and PC support. Applications include all statewide accounting and payroll functions.	State: \$ 660,162 Federal: - Other: <u>17,007</u> Total: <u>\$ 677,169</u> 16% of Total Budget	State: \$ 978,322 Federal: - Other: <u>346,226</u> Total: <u>\$ 1,324,548</u> 26% of Total Budget	Page 37-39
III	Statewide Financial Reporting Provide centralized reporting of the state's financial activities. Produce the state's Comprehensive Annual Financial Report.	State: \$ 502,834 Federal: - Other: <u>9,331</u> Total: <u>\$ 512,165</u> 12% of Total Budget	State: \$ 463,114 Federal: - Other: - Total: <u>\$ 463,114</u> 9% of Total Budget	Page 40-44
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: \$ 397,894 Federal: - Other: <u>8,295</u> Total: <u>\$ 406,189</u> 9% of Total Budget	State: \$ 426,131 Federal: - Other: - Total: <u>\$ 426,131</u> 8% of Total Budget	Page 45-47
I	Administrative Services Provide executive leadership and administrative services to support the agency's functions.	State: \$ 702,597 Federal: - Other: <u>20,122</u> Total: <u>\$ 722,719</u> 17% of Total Budget	State: \$ 792,850 Federal: - Other: <u>17,479</u> Total: <u>\$ 810,329</u> 16% of Total Budget	Page 47-50
	Remainder of Expenditures: Employer Contributions	State: \$ 788,594 Federal: - Other: <u>13,814</u> Total: <u>\$ 802,408</u> 19% of Total Budget	State: \$ 868,628 Federal: - Other: - Total: <u>\$ 868,628</u> 17% of Total Budget	

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

SECTION III - ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

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 15.

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, employee 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.

CATEGORY 2 - STRATEGIC PLANNING

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, regulatory, societal and other potential risks, 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, 2008 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. See the Strategic Planning Chart on page 15.

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?*

We continue to develop performance measures and seek benchmarks that will enable us to assess our progress in achieving goals and demonstrate to our stakeholders what is being accomplished with dollars invested in this agency. See the Strategic Planning Chart on page 15.

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 Popular 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 06-07 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.	Page 33-36
IV Information Technology	Provide efficient, cost effective information technology and personal computer 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 private industry or other state agencies.	Pages 37-39
III Statewide Financial Reporting	Produce the State of South Carolina's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2007-2008. 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 40-44
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 45-47
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 29-32

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

CATEGORY 3 - CUSTOMER FOCUS

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

The agency's customers and stakeholders are identified through the annual planning process. The majority of our service requirements are mandated by state legislation, federal regulations, bond rating agencies, and authoritative accounting organizations. Senior management regularly reviews accounting and financial reporting requirements issued by these entities to determine their expectations, 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 pages 5-6.

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.

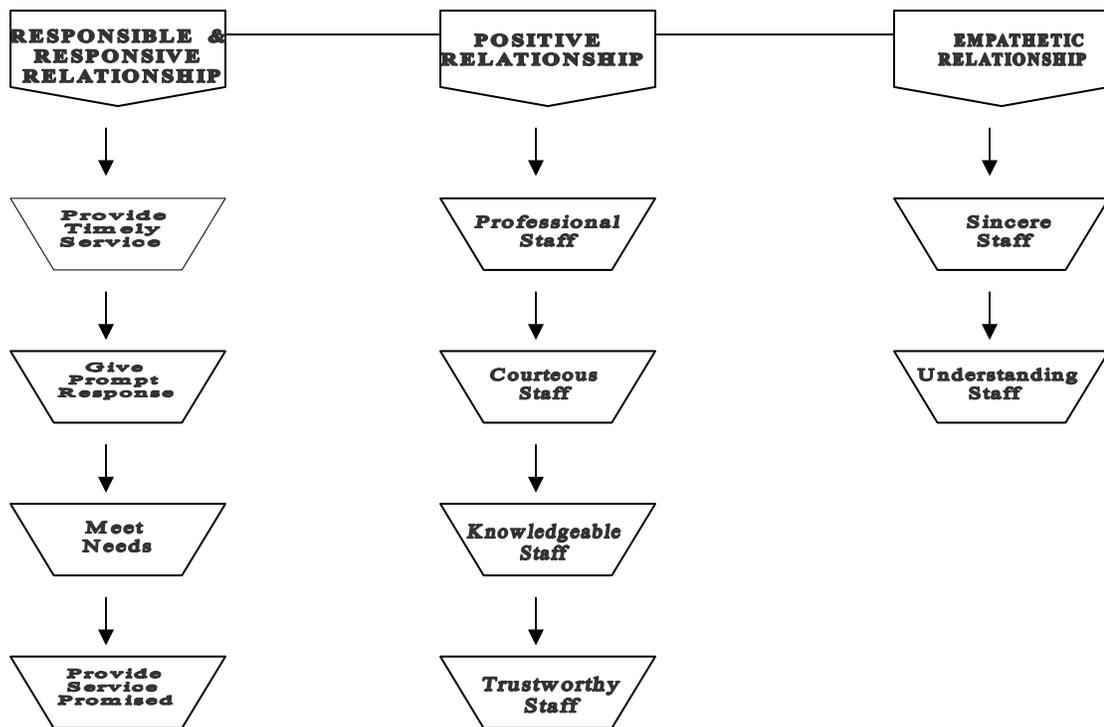
3.3. What are your key customer access mechanisms, and how do these access mechanisms enable customers to seek information, conduct business, and make complaints?

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.

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



In prior years, we surveyed state agencies, local governments and higher education institutions that attended an annual training seminar. Last year, the agency decided to expand the survey to include all state agencies, local governments, and higher education institutions. This larger pool

provides better representation of our broad customer base. The overall response was positive. See the survey results on page 29.

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? 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 coordinated with the Governor's Office and state agencies to establish the spending transparency website. Public information requests and agency requests for advice and assistance are given priority.

CATEGORY 4 - MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

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 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 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, timeliness, accuracy, security and availability for decision-making?

The agency's internal processes are well 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 knowledge (your knowledge assets)? How do you identify and share best practices?

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.

CATEGORY 5 - WORKFORCE FOCUS

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, dual 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 30th 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. The agency has used a professional recruiting firm to conduct a broader search for highly skilled positions. Innovative options, such as temporary employment, dual 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 four 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 2,290 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, dual 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. At this time, the largest percentage of employee training has been 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 and closely monitoring 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, 13 of the agency's 47 employees (27%) are now participating in the TERI program. These 13 employees have 371 cumulative years of experience for an average of 28.5 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.

CATEGORY 6 - PROCESS MANAGEMENT

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.

CATEGORY 7 – RESULTS

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.

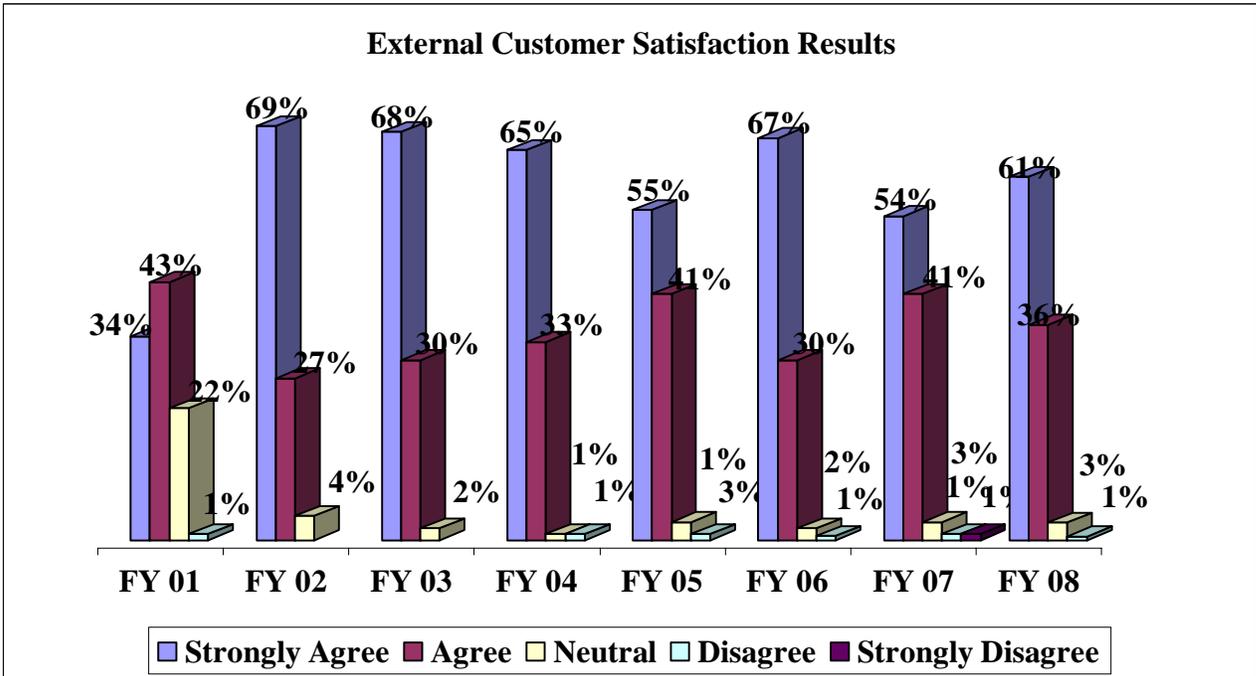
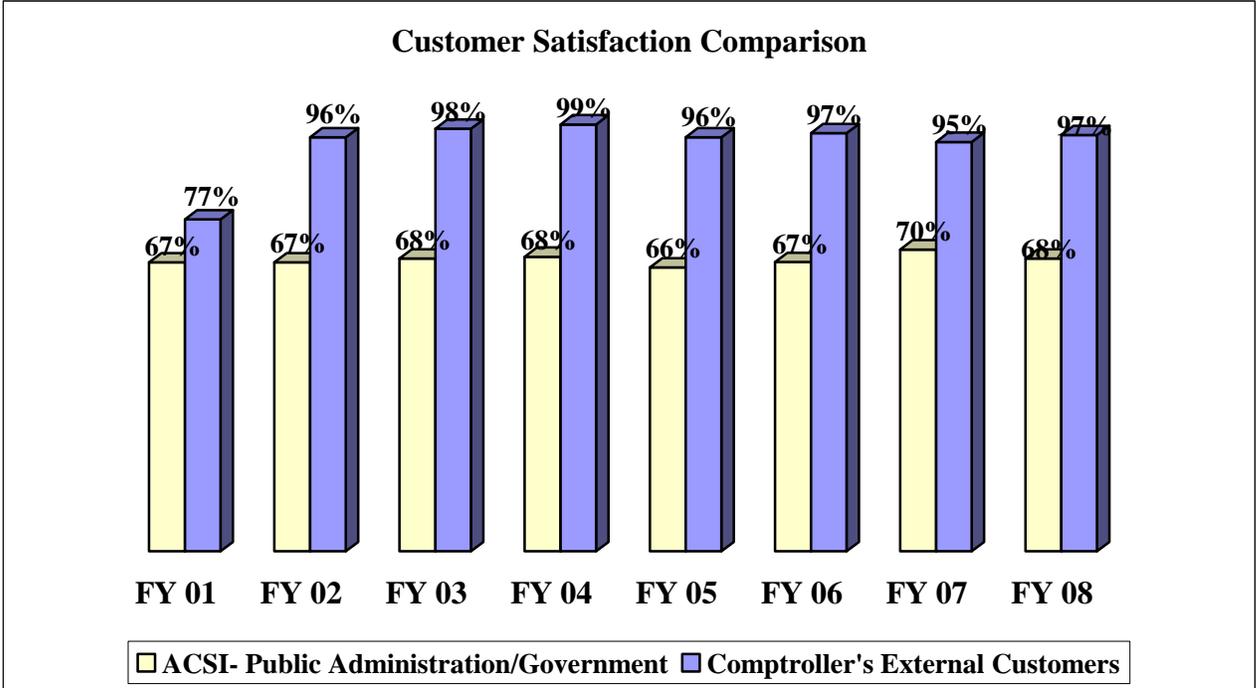
Objectives:

- 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.

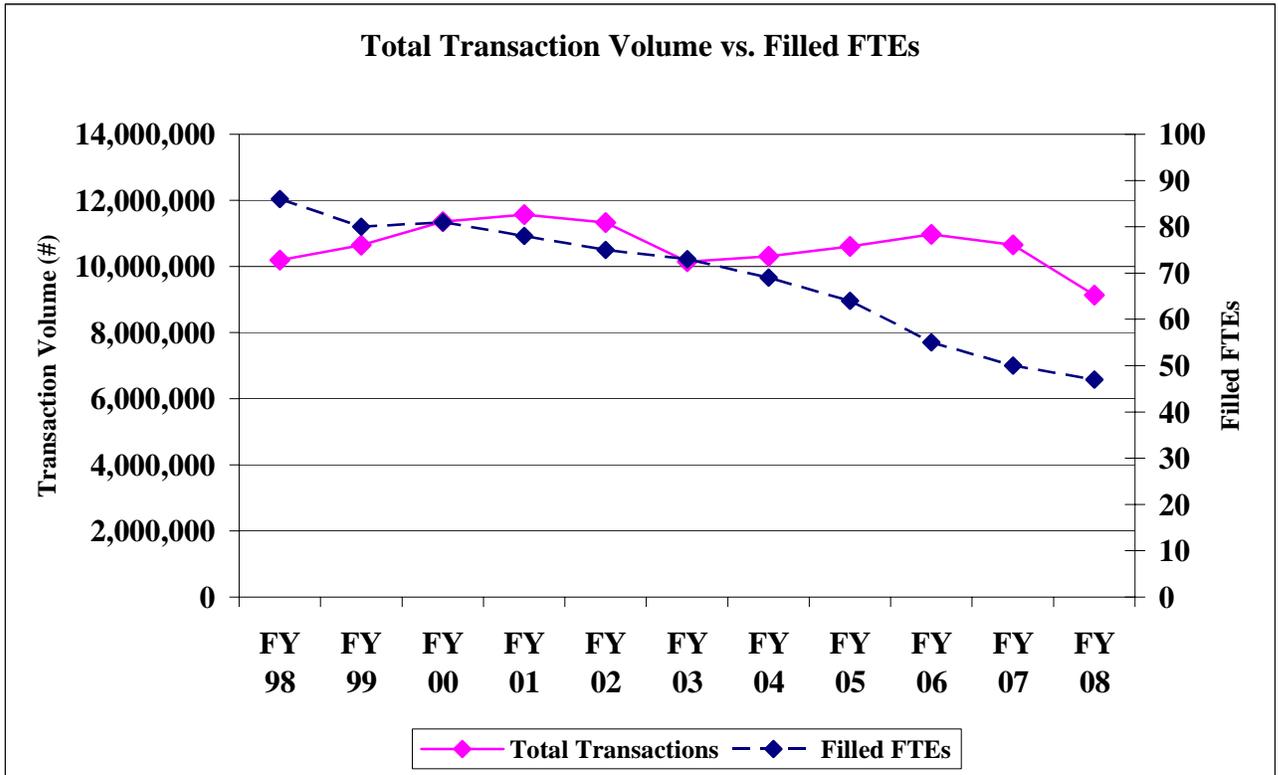
Key Results:

- Obtained a 97% external customer satisfaction level (measurement of the agency's effectiveness in providing quality service and meeting customer expectations).

Benchmark: The American Customer Satisfaction Index 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 68% ACSI score was taken from the December 17, 2007 Special Report on Governmental Services.



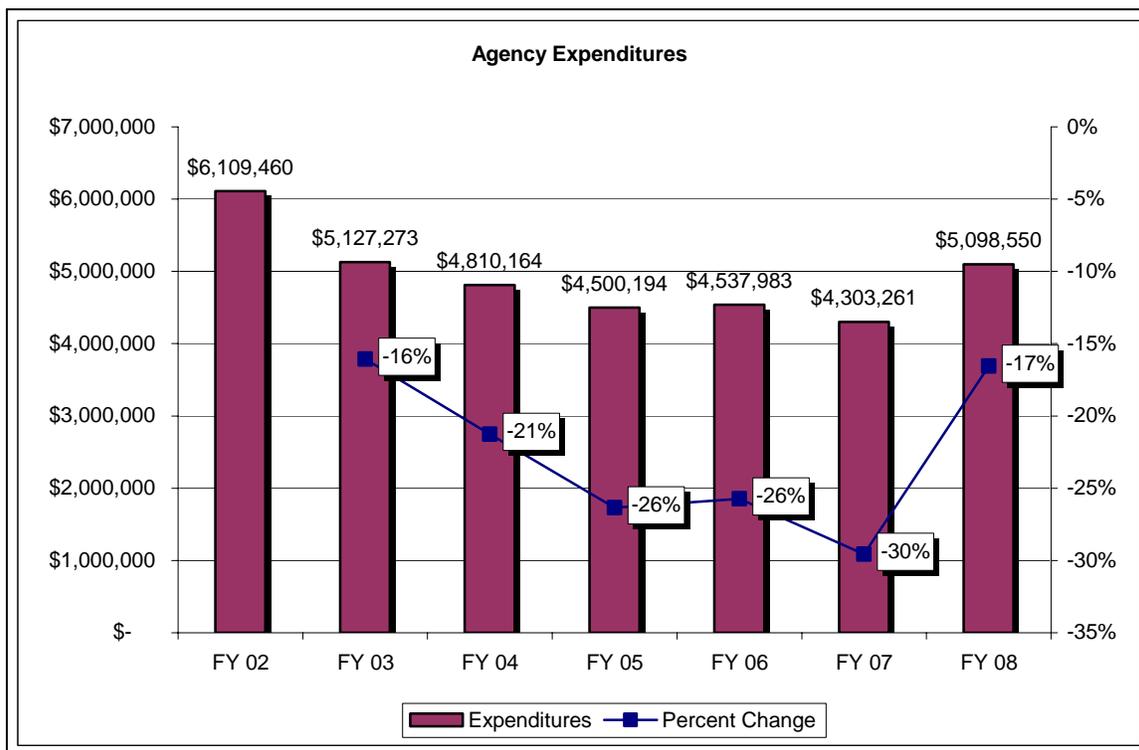
- Met basic service delivery requirements, despite a reduction in filled FTEs. Knowledge and experience, coupled with planning and better productivity, have enabled the agency to maintain acceptable levels of external customer satisfaction (see page 29) and meet its service delivery requirements.



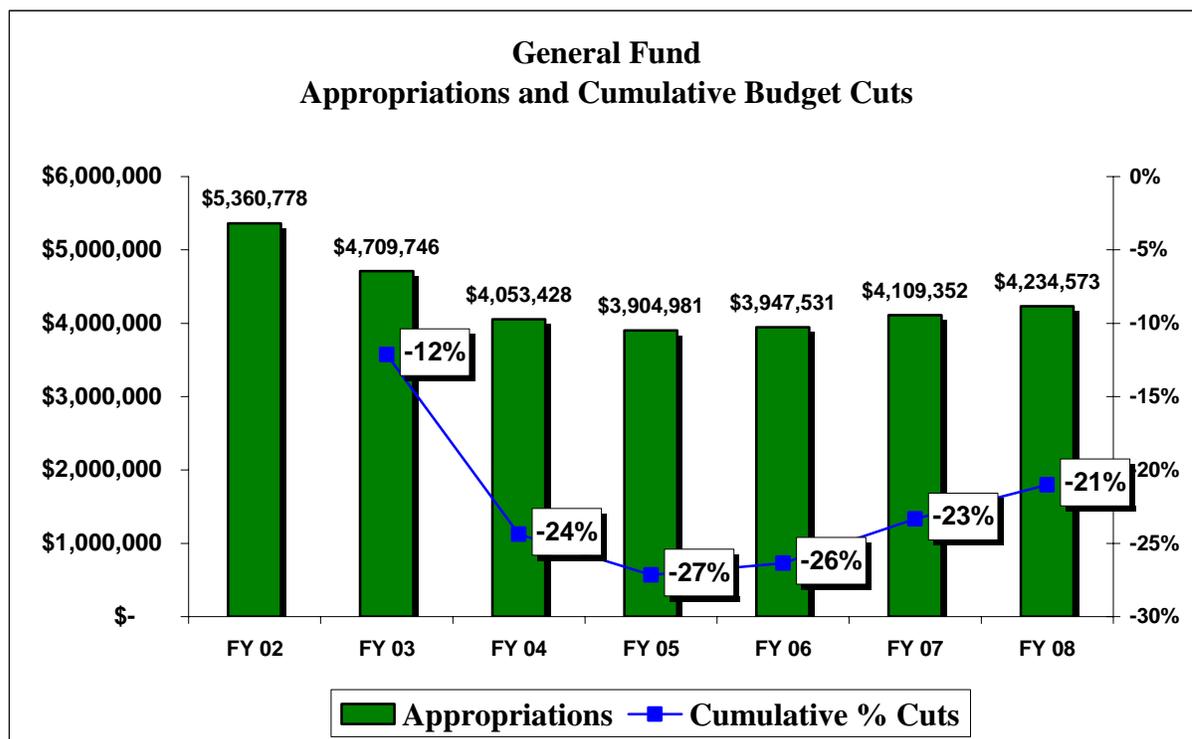
Note: The total volume of all agency transactions for the fiscal year was 9,134,054. The volume of transactions includes all STARS transactions, such as disbursement and journal vouchers, IDT's, cash transfers, payroll transactions, payroll reporting and control records. The decrease in transaction volume is due to the transfer of local government transactions to the Department of Revenue as of June 2007.

- 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 17% from Fiscal Year 2001-02 to Fiscal Year 2007-2008. The increase in FY 08 expenditures over FY07 expenditures resulted from the agency contributing \$507,000 of its budget on behalf of the SCEIS project.

Examples of cost saving measures include: using e-mail as much as possible instead of making long distance telephone calls or mailing documents; ending the lease agreement for the agency's postage meter, 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 office supplied cell phones; and reducing printing costs for official documents such as the CAFR, by using the less expensive print shop at the Department of Corrections.



- Targeted ways to operate with less general fund appropriations. Agency appropriations have decreased 21% during the last six fiscal years. 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.



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.

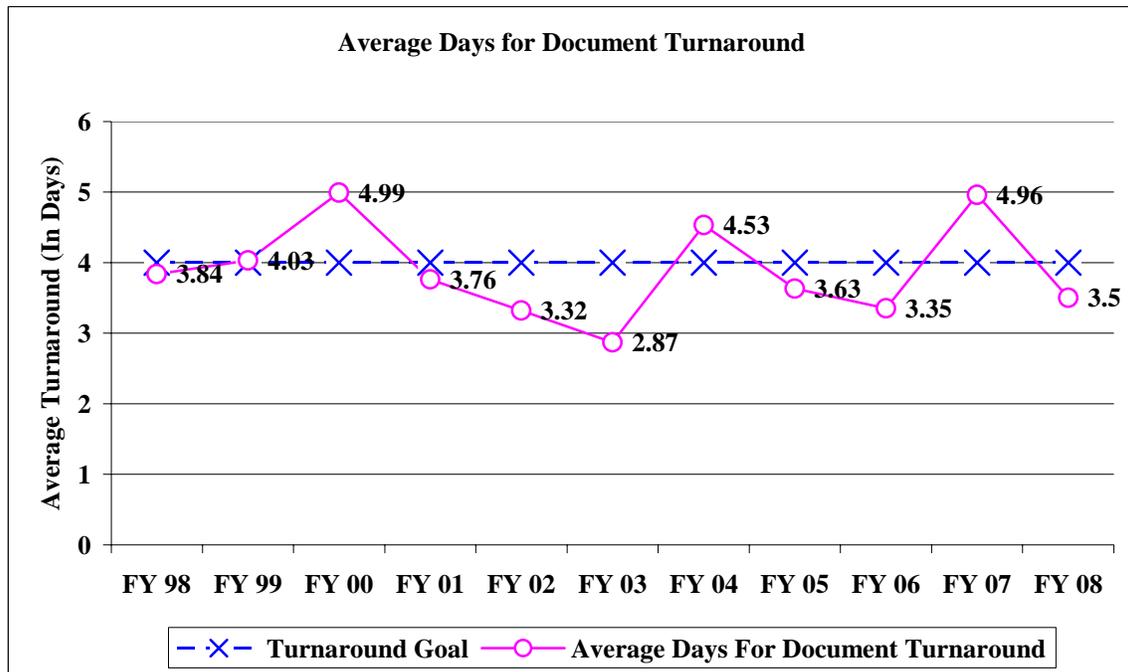
Benchmark: Title 8, Chapter 11, Section 35 (A) of the South Carolina Code of Laws states in part: "...all appropriations for compensation of State Employees shall be paid in twice-monthly installments...The payroll period shall continue thereafter on a twice-monthly schedule as established by the Budget 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 2007 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 \$7.8 million in federal tax deposit penalties.

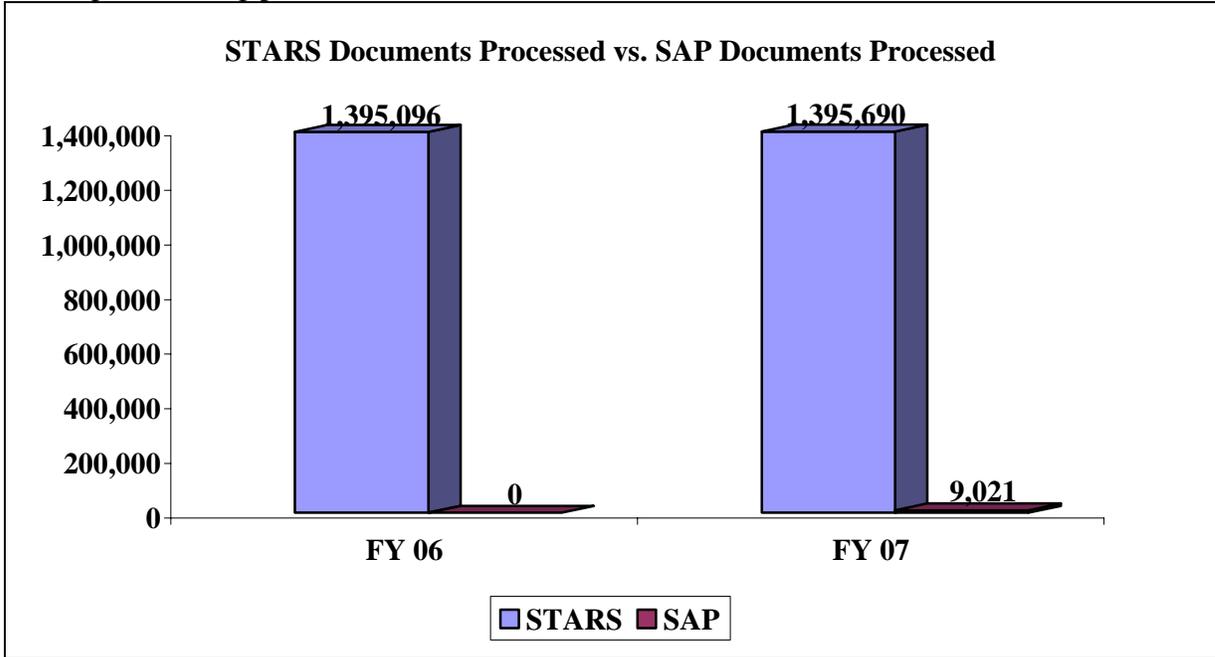
- Maintained employee payroll deduction files and purchased 7,754 U.S. Savings Bonds totaling \$490,375 from the Federal Reserve Bank.
- Processed approximately 1.4 million Contingent Vouchers and Interdepartmental Transfers within an average of 3.5 business days.



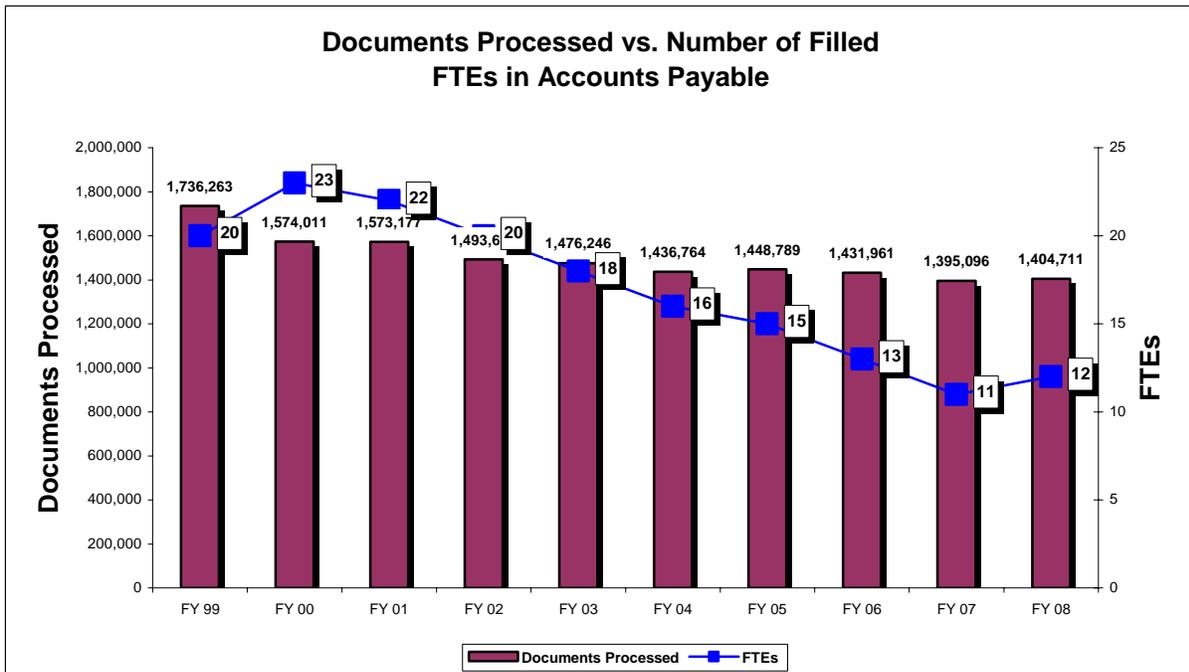
Note: The average days for document turnaround was adversely affected in 2007 due to a 15% vacancy rate (two vacancies) in the Accounts Payable Division. Both of the vacancies were filled and the average turnaround time has dropped below our target goal of 4 working days. Agency management continues to monitor the turn around time closely each month.

- Processed approximately 1.4 million Contingent Vouchers and Interdepartmental Transfers. This year approximately 9,021 transactions (from seventeen agencies) were processed in SCEIS and 1,395,690 transactions were processed in STARS. Each year, as additional agencies are brought online with the SAP software, the number of transactions processed

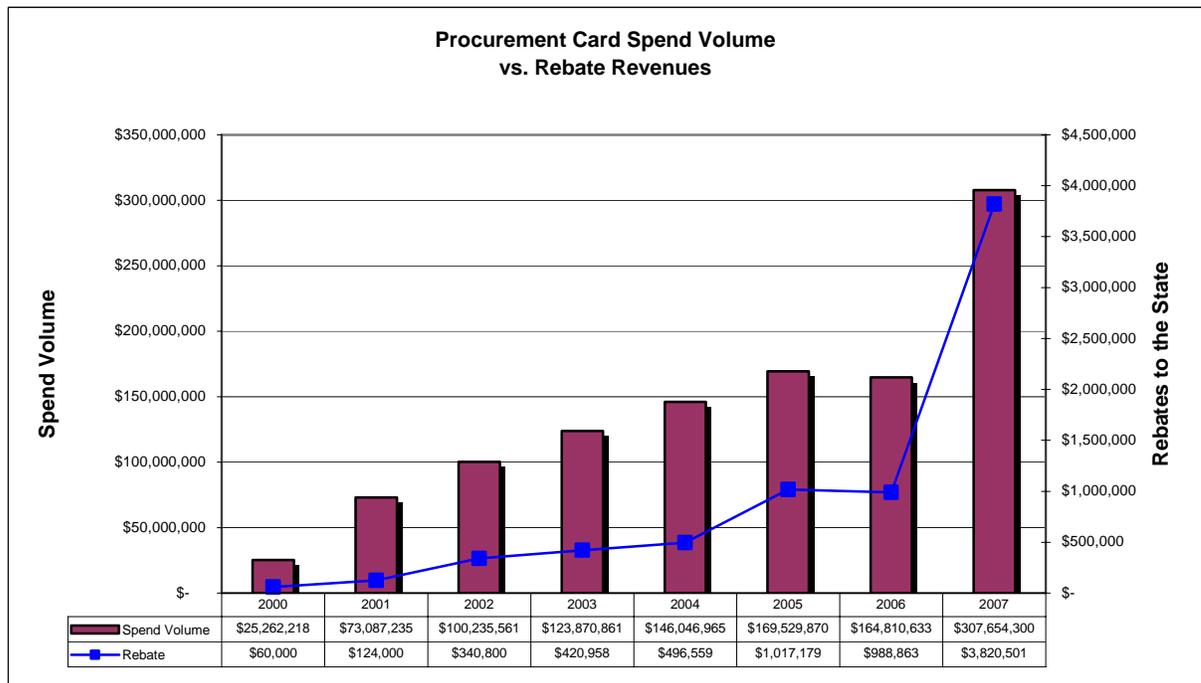
through the new enterprise system will increase. As additional agencies are added, the efficiencies gained may allow for all agencies on the system to reassign some of their existing accounting personnel to other areas.



- Processed approximately 1.4 million Contingent Vouchers and Interdepartmental Transfers; a record number of 117,059 transactions per person.

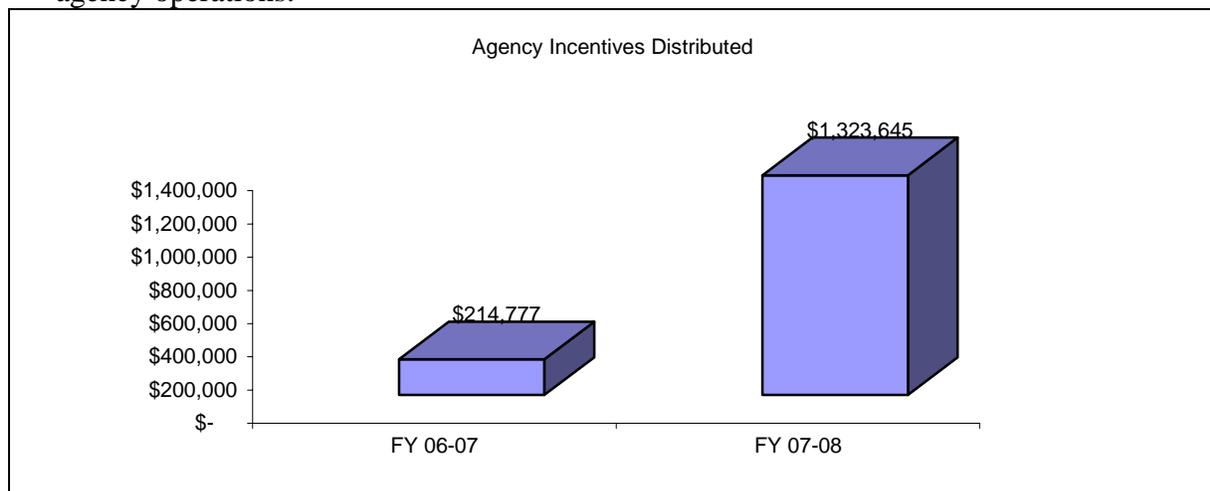


- The Procurement Card spend volume and rebate continued to increase. The contract for the Procurement Card, which includes state agencies, higher education, and local government entities, provides for a rebate to the state based on transaction volume and the number of cards issued.



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 and the number of cards issued. The new 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 for agencies have continued to increase. Proviso 72.90 of the 2007-08 Appropriations Act provided that agencies can retain incentive rebates to support agency operations.



Information Technology Division

Goals:

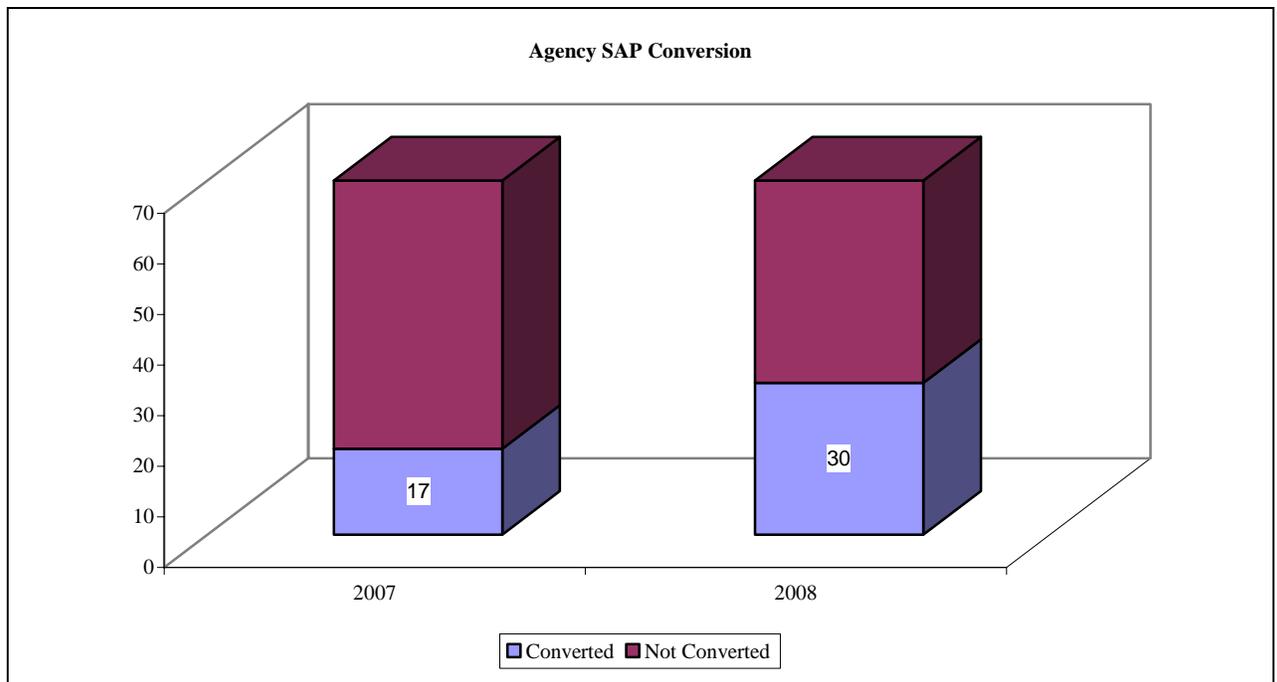
- To cost effectively provide quality information technology application development, maintenance, and production control services for the Comptroller General's Office. This includes all statewide accounting and payroll functions, local government functions, and internal administrative functions of the 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:

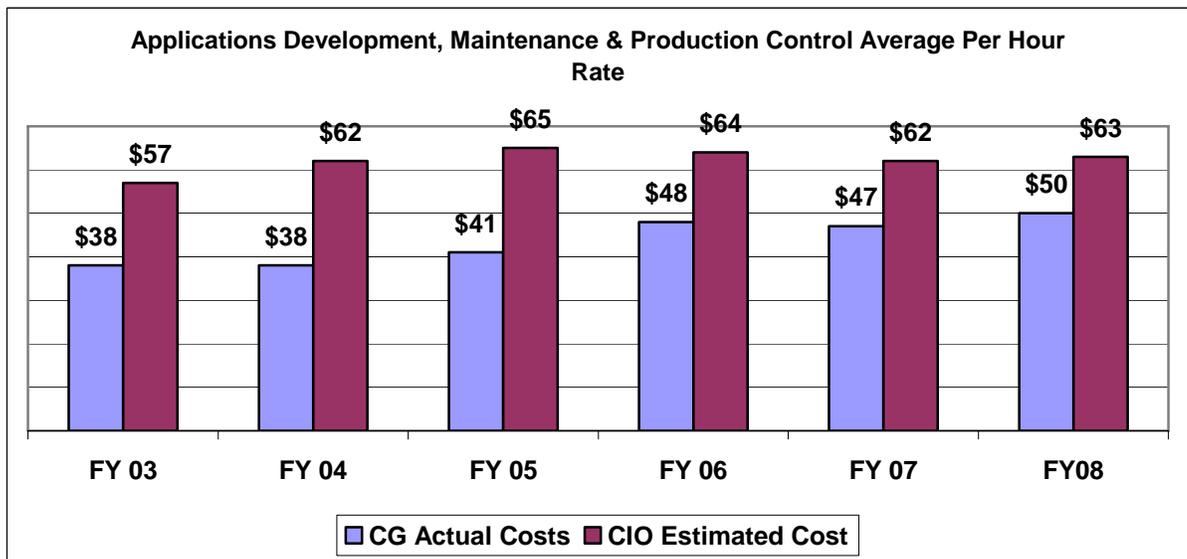
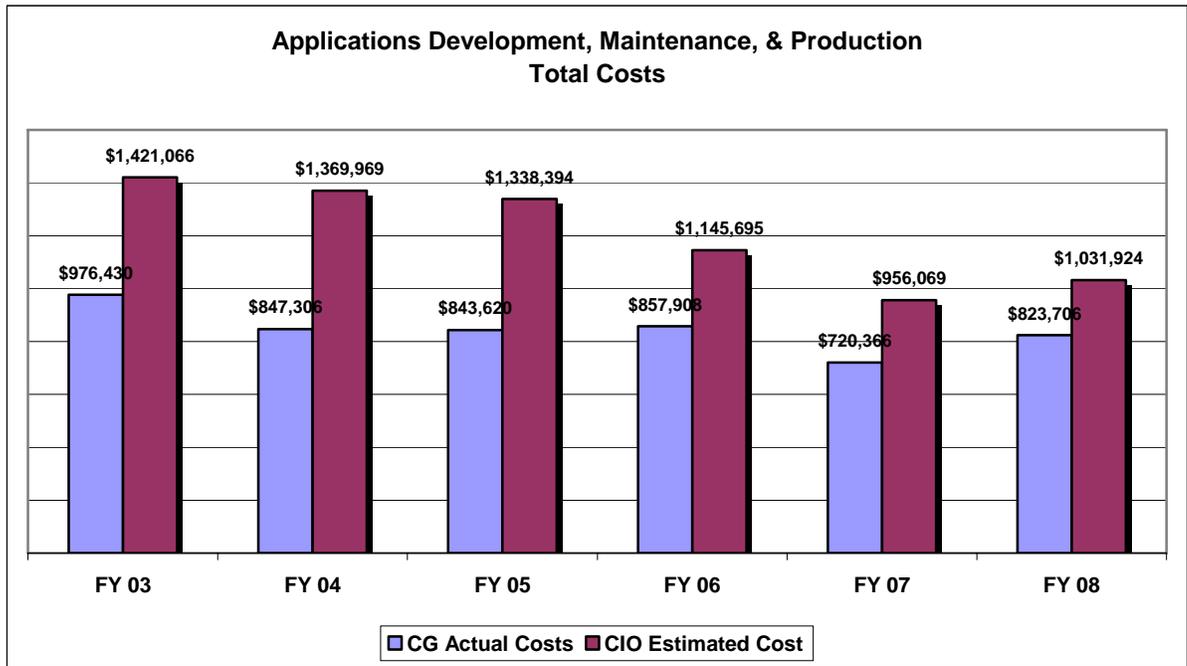
- Continued to support the Budget and Control Board's implementation of a statewide enterprise information system (EIS) that will provide a comprehensive statewide platform for managing the state's financial and human resources. The SCEIS project mandated by the SC Legislature (Act 151 in 2005), is designed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



Note: SCEIS, when fully implanted, will include 70 state agencies; higher education institutions are exempt from SCEIS. In addition to the seventeen agencies now using the new SAP software, plans for fiscal year 2008-2009 include thirteen additional agencies.

- Developed the necessary computer interfaces for use between the old financial reporting software (STARS and the new software (SAP) until SCEIS is fully implemented in 70 agencies. 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.
- Implemented a plan in conjunction with the Budget and Control Board – Division of the State Information Technology (SIT) to upgrade the agency’s computer hardware and software and maximize efficiency for agency operations. Maintained the agency WEB site to allow for more interactive use by agencies communicating with the Comptroller General’s Office.
- 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.



- Increased government transparency by allowing citizens to use the Internet to see how state agencies are spending their money. A website was created that includes both annual and monthly data detailing individual agency expenditures for travel, office supplies, and contractual services.

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 eighteenth 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.

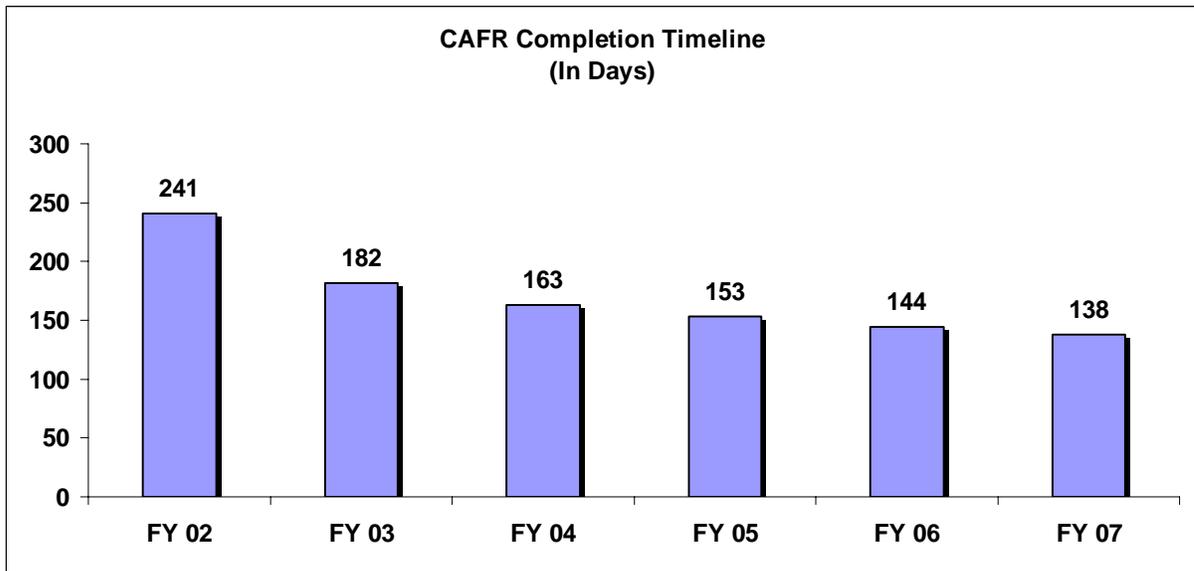
- The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina's June 30, 2007 CAFR for the nineteenth consecutive year.

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.

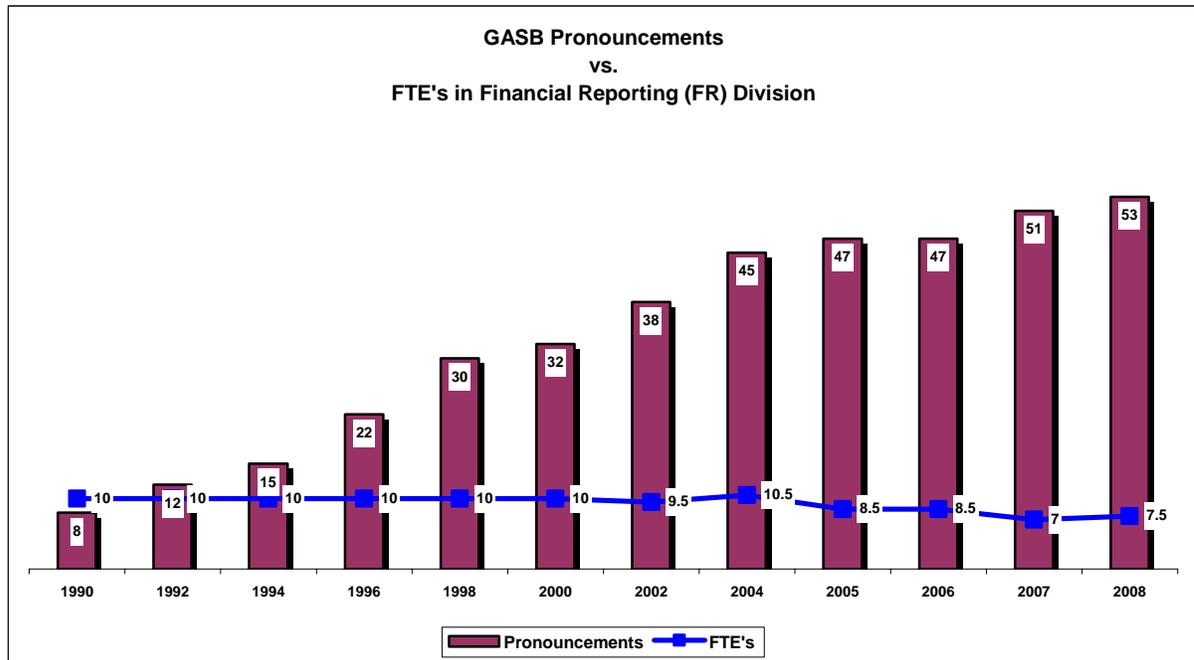
- Completed the CAFR in an unprecedented time period, compared to other states. Prepared the CAFR on a timely basis despite a reduction in FTEs and an increase in GASB statements.

CAFR Preparation Time

2002		2003		2004		2005		2006		2007	
State	# Days	State	# Days	State	# Days	State	# Days	State	# Days	State	# Days
MI	87	MI	84	MI	88	MI	89	NY	112	MI	89
NY	110	NY	109	NY	110	NY	110	DC	118	NY	114
DC	119	DC	115	DC	116	DC	115	UT	136	SC	138
UT	145	UT	137	UT	135	UT	137	SC	144	UT	143
CO	149	CO	149	MN	142	MN	141	MD	153	ID	160
NJ	150	DE	150	ID	147	SC	153	CO	161	MN	160
DE	158	ID	151	DE	153	MD	158	ID	161	NC	160
MD	159	NJ	154	NJ	154	NC	161	NC	164	TN	160
MN	159	LA	156	MD	156	VA	167	ND	165	MD	163
KS	162	MN	158	TN	156	WI	167	MN	167	ND	165
NC	165	MS	163	MS	159	AK	168	VA	167	IA	167
VA	165	MT	163	MO	161	MT	169	AK	168	NV	167
WI	166	NC	163	NC	161	NV	169	NV	168	NH	167
WY	166	ND	164	MT	163	IA	172	WI	168	VA	167
AK	168	IA	165	SC	163	MS	173	WA	171	WA	167
NV	169	OH	165	NV	166	TN	173	KY	172	WI	167
NH	169	OR	165	VA	167	WA	174	IA	173	AK	168
WA	170	VA	165	AK	168	AR	175	MT	174	AR	168
ID	172	WI	165	OH	168	KY	175	TN	174	KY	171
ND	172	WY	165	LA	169	MA	175	AR	175	ME	172
OR	172	AK	168	IA	170	NE	175	MA	175	PA	173
IA	173	NV	168	WA	173	GA	176	NE	175	CO	174
KY	173	TN	168	WI	174	PA	176	PA	175	DE	174
NE	173	NH	170	CO	176	IN	181	WY	175	OR	174
TX	181	WA	172	KY	176	TX	181	IN	181	MA	177
IN	183	KY	176	MA	176	AL	182	MI	181	MT	181
MA	183	TX	180	TX	176	CO	182	OK	181	NE	181
OK	184	SC	182	WY	176	ID	182	TX	181	TX	182
MS	193	AL	183	OR	181	VT	182	AL	182	AL	183
MT	200	IN	183	AL	182	KS	183	OR	182	DC	183
TN	201	KS	183	NE	182	NJ	183	RI	182	IN	184
WV	204	HI	184	IA	183	ME	184	KS	183	KS	184
LA	206	MA	184	KS	183	OR	184	LA	184	LA	187
OH	211	MO	184	HI	184	WY	184	VT	184	OK	213
AZ	226	MD	196	NH	188	DE	188	GA	196	GA	215
CA	226	AZ	200	ND	209	MO	204	MS	203	VT	215
AR	236	CT	214	AR	212	ND	210	NJ	210	WY	215
FL	241	FL	214	FL	215	HI	214	FL	215	FL	240
SC	241	WV	227	AZ	226	FL	223	MO	215	CT	243
AL	242	AR	235	WV	226	RI	232	DE	227	MO	243
PA	242	OK	240	PA	243	SD	232	IL	237	MS	244
CT	243	CA	255	CA	261	WV	235	WV	248	NJ	244
SD	267	SD	269	IL	268	OK	242	ME	250	CA	272
HI	274	PA	302	SD	274	NH	264	HI	258	WV	275
MO	274	IL	303	VT	274	LA	272	NH	266	RI	283
IL	289	ME	340	ME	289	AZ	274	OH	266	OH	303
ME	336	NE	350	OK	330	CA	295	CA	271	HI	312
GA	339	RI	471	GA	371	OH	316	SD	297	AZ	352
RI	474	VT	532	RI	394	IL	351	CT	299	IL	361
VT	509	GA	609	CT	548	CT	454	AZ	325	SD	369
NM	537	NM	880	NM	612	NM	731	NM	365	NM	398
Average	214		222		209		202		196		201



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.



- 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 53 in fiscal year 2008. 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 the first ever Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2007. The Popular Award was submitted to the GFOA for review, and received the GFOA’s “Award for Outstanding Achievement”.
- Issued the first Citizens Centric Report for the fiscal year ended June 30, 2008, a national initiative by the Association of Government Accountants. South Carolina is one of three states to successfully complete this four page “state of government” report. See page 44.

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.

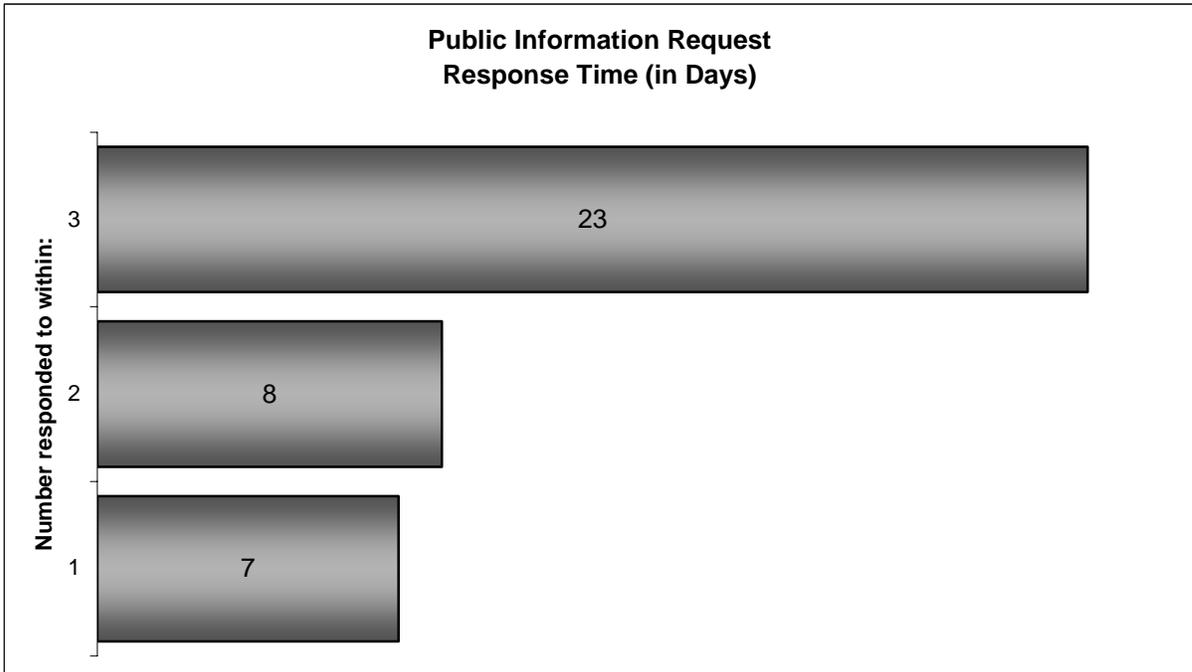
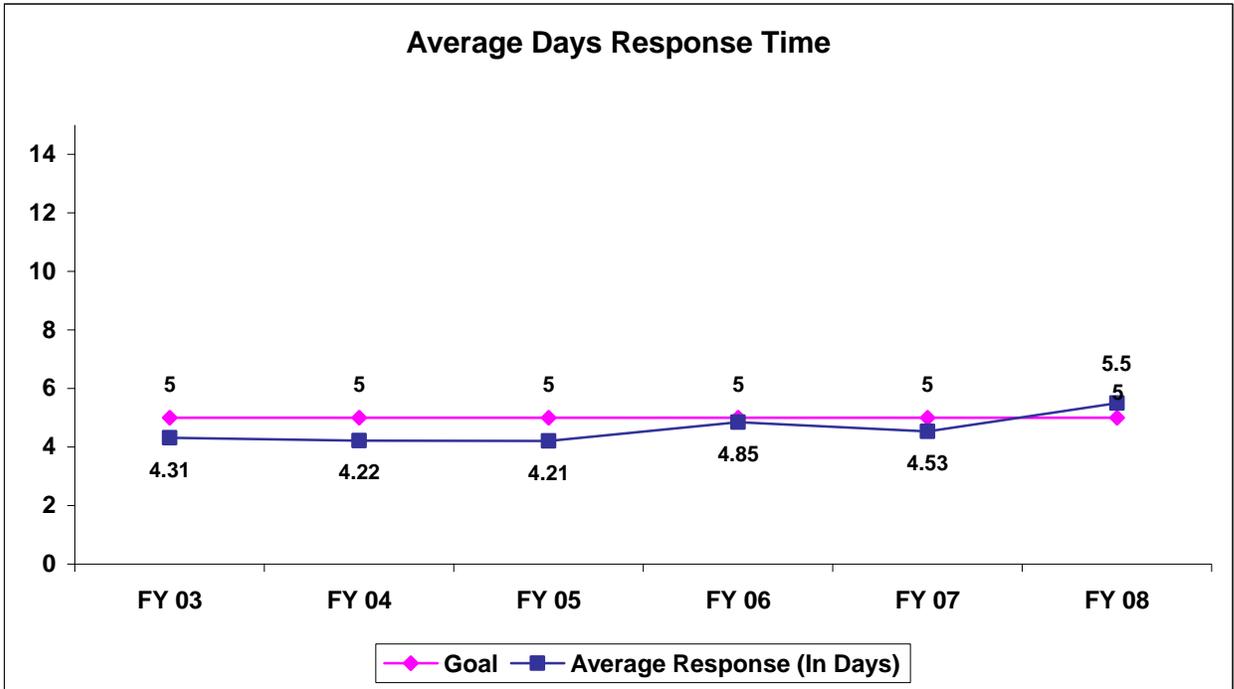
Key Results:

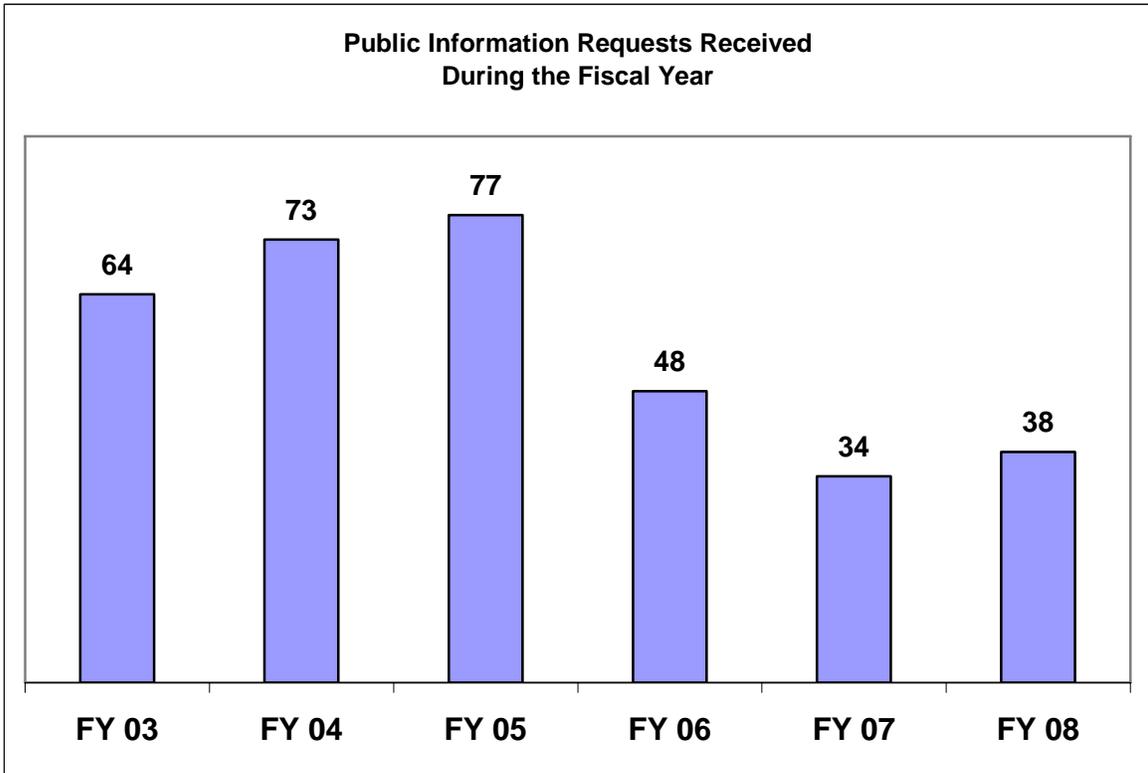
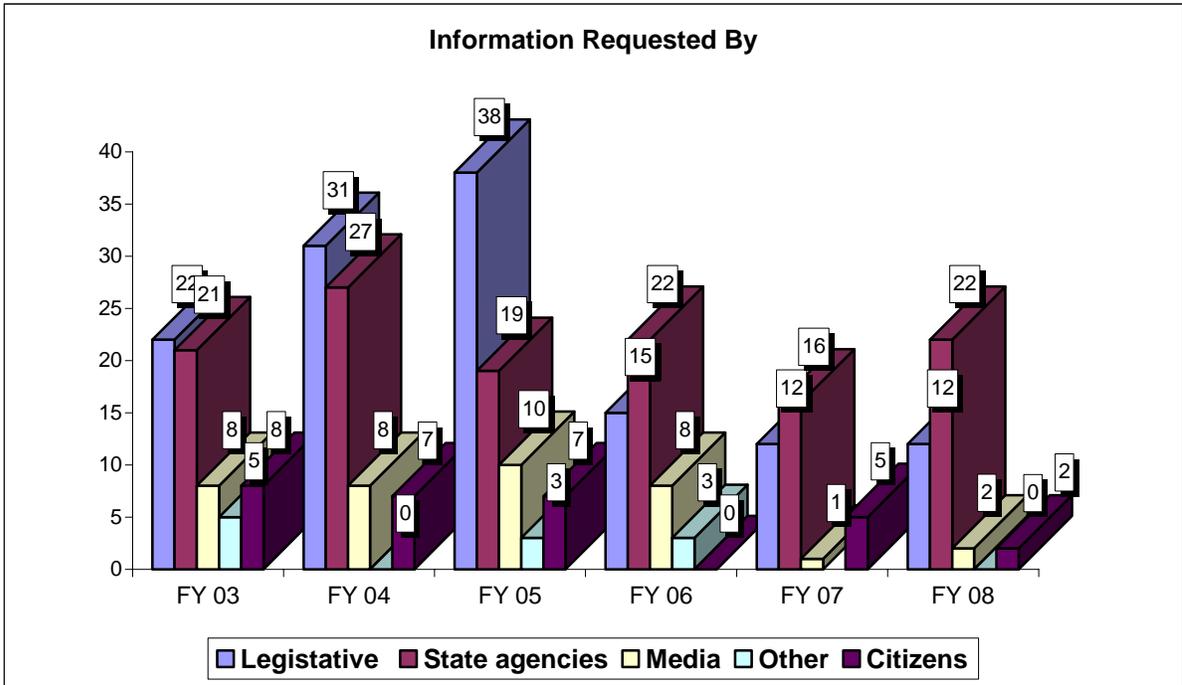
- Established a Chart of Accounts, prior to July 1, 2008, that included 100 percent of appropriated and supplemental appropriation accounts; estimated sources of revenue for general, earmarked, restricted and federal funds; and for agencies implementing a Capital Improvement Bond Program.

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 38 public record requests within an average of 5.5 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".





Administrative Services Division

Goals:

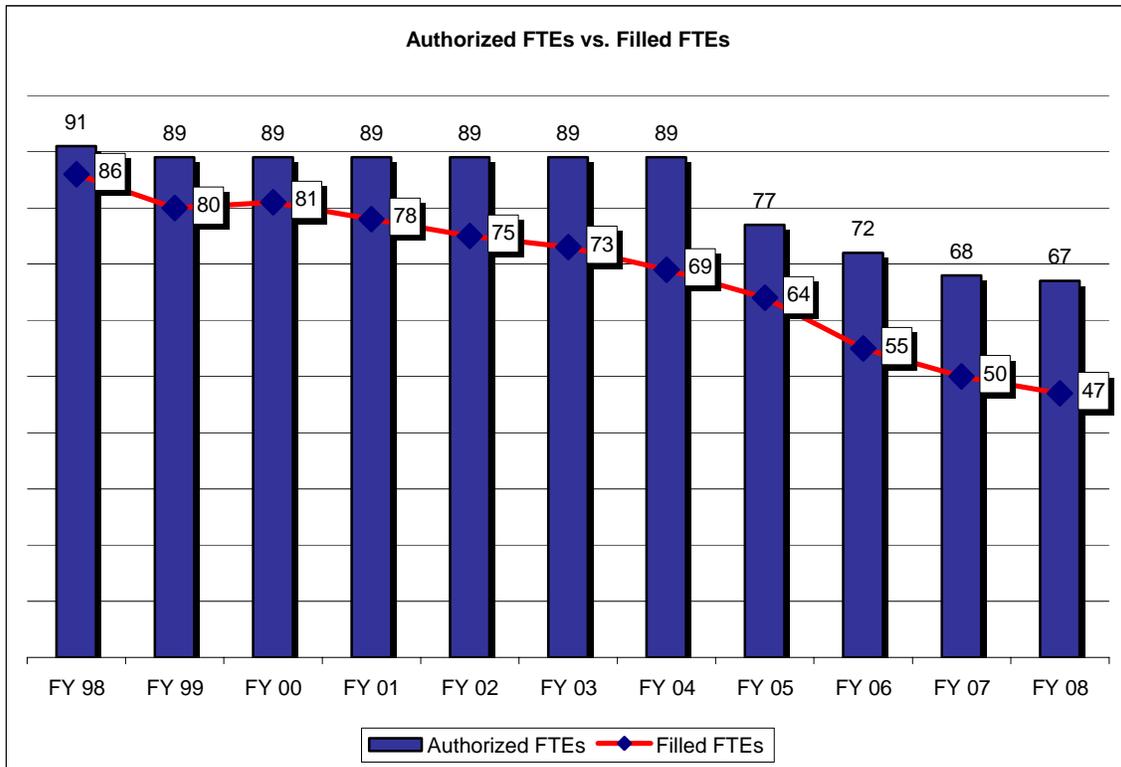
- Provide administrative support functions to our agency in the areas of accounting, budgeting and finance, procurement, public and legislative relations, and employee benefits in compliance with all state and federal requirements.
- Maintain the highest possible customer satisfaction level by meeting 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.



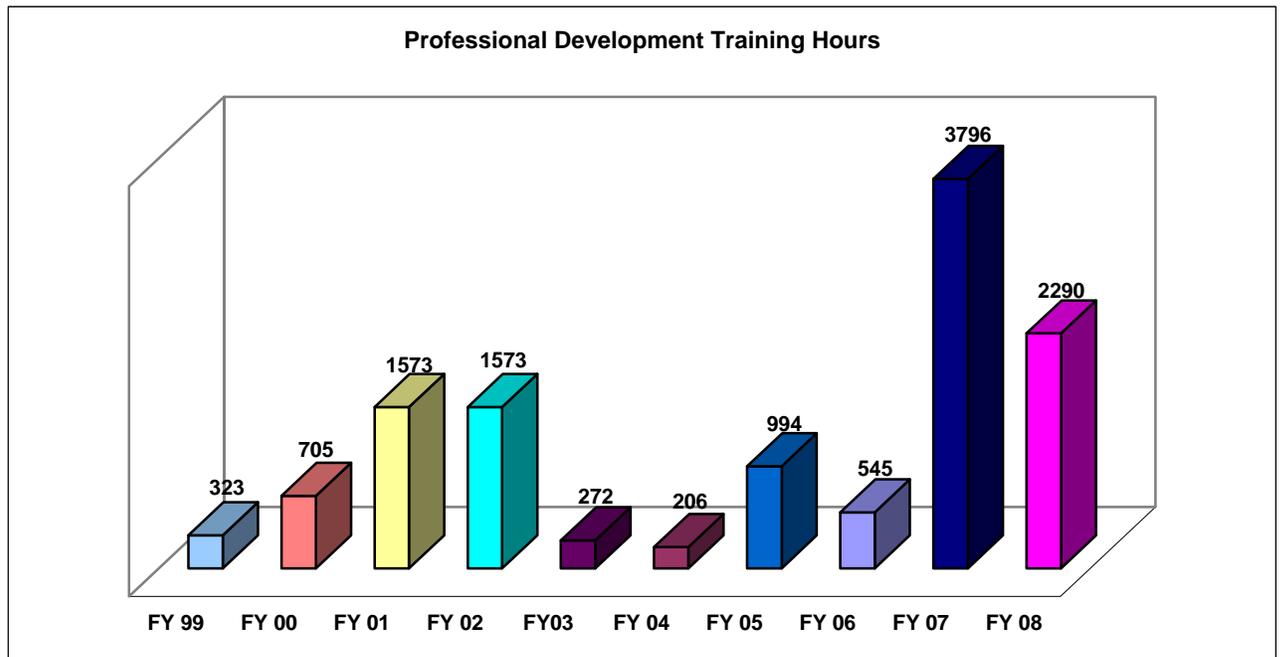
- Received no audit exceptions in the areas of procurement, personnel, and finance.
- Received the Independent Accountant's Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2007. No exceptions were found as a result of the procedures.
- Disbursed 100 percent of the required salary supplements to county officials.

Benchmark: Part 1A, Section 69A.1 of the FY 2008 Annual Appropriation Act requires the Comptroller General to distribute salary supplements to county officials.

- Provided 2,290 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.



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. The significant increase in training hours has related to developing and implementing SCEIS.