



2024 Annual Accountability Report

Office of the State Auditor

Agency Code: F270

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AGENCY’S DISCUSSION AND ANALYSIS

What We Do

The Office of the State Auditor (OSA) serves as the independent audit function for the State of South Carolina. Our mission is to promote accountability and transparency in South Carolina state government. Our major responsibilities include:

Annual Financial Report Audit

The statewide Annual Comprehensive Financial Report (ACFR) audit for fiscal year 2023 was completed on December 20, 2023 and performed jointly with CliftonLarsonAllen, a national audit firm.

Annual Single Audit

The audit of the State’s Schedule of Expenditures of Federal Awards (Single Audit) for fiscal year 2023 was completed on March 25, 2024. Covering compliance with laws and regulations for \$13.5 billion in federal award expenditures, the single audit engagement required nearly 16,000 hours to complete in addition to the assistance provided by various state agencies.

Annual Agency Engagements

Completion of 50 agreed-upon procedures engagements for state agencies covering fiscal year 2023, including 20 engagements that also included procedures covering a portion of fiscal year 2024.

Medicaid Examinations

Completion of 39 reports covering 23 healthcare providers receiving Medicaid reimbursement. Medicaid receivables of \$3.2 million have been established based on these engagement findings.

Internal Audit

Completion of 4 internal audit reports related to SCDOT during the fiscal year plus 3 in draft awaiting additional information.

County and Municipal Courts

Through contracts with three certified public accounting firms, completion of 25 agreed-upon procedures engagements of county and municipal courts during the fiscal year.

Strategic Focus

OSA continues to focus on strategic efforts to improve productivity and utilization, increase our value, develop and retain staff, and manage agency resources effectively.

Productivity and Utilization

- We experienced a 4% turnover rate during FY 2024 following three abnormally high years. We attribute this reduction primarily to two strategic initiatives:

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- Two years of legislative support through appropriations have allowed us to increase average salaries across the agency to bring them more in line with the market.
- A reorganization of the agency leadership team created a position that focuses on our entry-level to approximately 3rd year staff.

We ideally manage turnover to average approximately 10%, however recruiting and retaining the right people is a top issue for OSA, and we may see turnover in excess of 10% in the near term.

- Recruited 5 new employees, including 2 experienced hires.
- Staff utilization remained stable at 73%. Our goal average utilization is 75%.
- Despite workforce challenges, we continue to build internal resources that allow us to insource work that was previously contracted.
- Viewing interns as a short-term response to a challenging hiring market, we employed 2 summer 2024 interns and 2 additional interns who work all year around as the class schedule permits.

Assuring Value for Those We Serve

- Attempt to seek feedback from stakeholders on how we can better add value to the work we perform. Where practical and in line with our mission, we adjust in response.
- Through planning meetings with agency staff, continue to encourage them to use OSA as a resource to help them identify and address agency risk.
- Continue to realize value in Medicaid audit services provided to DHHS. Cumulatively over the last 5 fiscal years, our Medicaid Division has identified amounts for recovery equal to nearly 1.4 times the cost of the attest services provided.
- Recognizing that the historical nature of our agreed-upon procedures engagements does not allow agency management to timely respond to findings, we are shifting focus to procedures performed on more current, rather than historical, financial data and transactions. This allows us to assist agencies in identifying and correcting issues in a timely manner. Nearly half the engagements completed during the year included procedures around current financial transactions.
- Continue to build a trusted advisor role between our internal audit team and SCDOT leadership.
- Working to increase awareness of internal audit services to State agencies on a shared service, cost reimbursement basis. Our focus is on smaller agencies that cannot support a full-time internal audit function.
- Contracted, at the request of a Senate Finance subcommittee, an agreed-upon procedures engagement over the Comptroller General's Office revised cash and investment reconciliation process.
- Contracted, at the request of a Senate Finance subcommittee, a consulting review of the Comptroller General's Office process and procedures for producing the Statewide Annual Comprehensive Financial Report.
- Completed and issued the Special Study of Long-Term Debt as directed by Proviso 105.5, working closely with the staff of 26 higher education institutions to obtain and report complete and accurate data.
- Per Proviso 1.3, work with the Department of Education to develop and maintain a list of auditing firms approved to perform audits of South Carolina school districts and charter schools.

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Developing and Managing a Professional Workforce

- Continue to reinforce teamwork, accountability, and feedback as core elements of our culture.
- Continue to encourage staff to challenge legacy thinking through process improvement.
- Use volunteer service such as delivering meals for Meals on Wheels, working at Harvest Hope, and serving meals at Transitions Homeless Center to build comradery among our teams while serving our community.
- Developed Core Concepts I, a multi-day in-house training program for entry-level employees designed to help them better understand the State, OSA, and the work we perform.
- Developed training for new Senior Auditors to help them in their transition to the role.
- Leadership Team members are actively involved in state and national associations for audit and finance professionals, including board or committee positions for the South Carolina Association of Certified Public Accountants, National Association of State Auditors, Comptrollers and Treasurers, South Carolina State Internal Auditors Association and others.
- As a result of a strategic planning process completed in early fiscal 2022, we continue to focus on: strengthening our recruiting and retention strategies; adding to our existing talent by recruiting experienced CPAs from outside of state government; creating enhanced incentives for staff to become a CPA; providing opportunities for staff growth by offering internal audit services on a shared service, cost reimbursement basis; seeking opportunities to move software applications to the cloud; identifying potential retirements over the next 5 years and planning how best to fill those positions.
- Created two new director-level positions to strengthen OSA's executive leadership team: Director of Audit Operations and Director of Agency Relations.

Managing Agency Resources Effectively

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

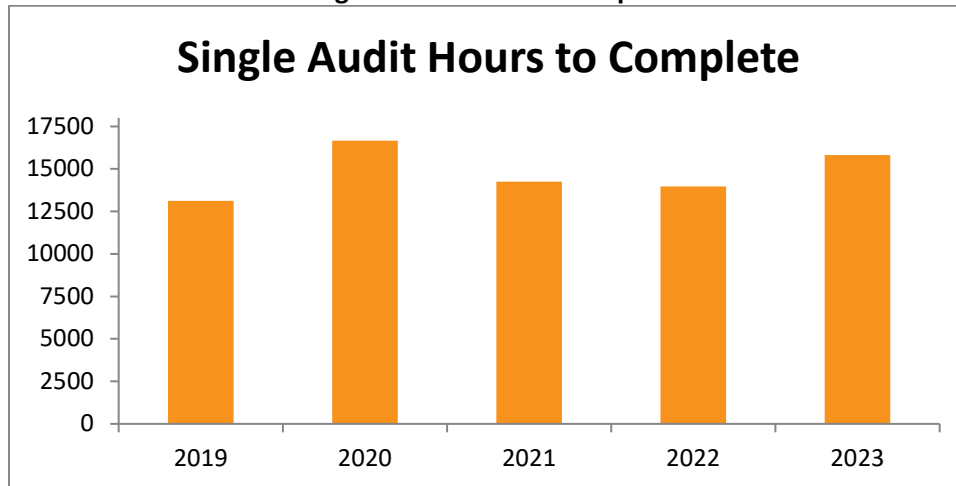
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Performance Comparison to Prior Years

Audit of Expenditures of Federal Awards (Single Audit)

The Single Audit for the fiscal year 2023 required 15,818 hours to complete compared to 13,963 hours for 2022. The hours required have generally increased since 2019 because of federal stimulus funds. We expect hours required to remain in this range for two to three more years before a return to a pre-pandemic average of approximately 12,000 hours. OSA issues this report by March 31 annually, the due date mandated by the federal government.

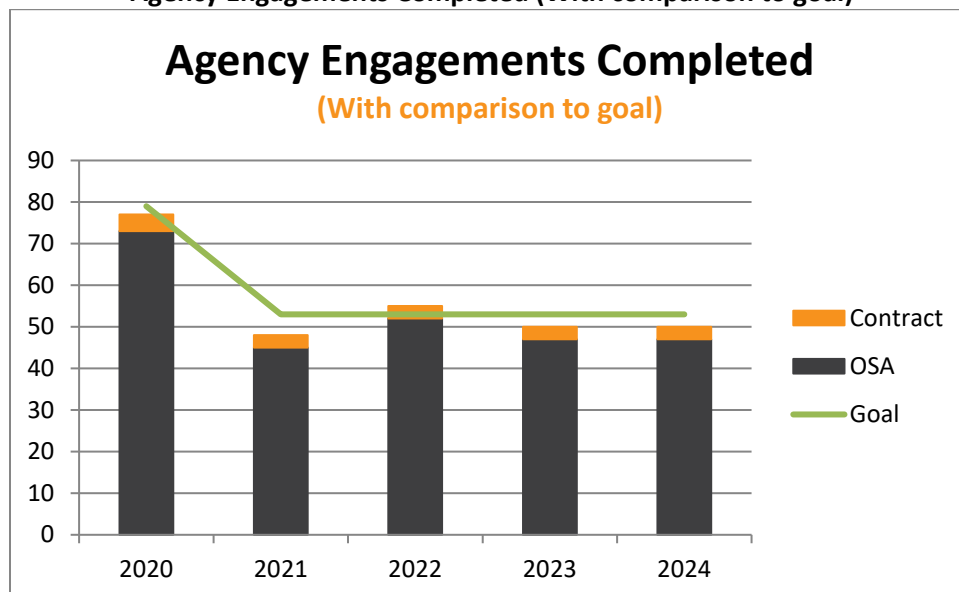
Figure 1
Single Audit Hours to Complete



Agency Engagements Completed

Attest engagements are completed for State agencies. Our goal since 2021 is to complete 70% of these engagements within the fiscal year. These engagements are primarily performed between March and September. Figure 2 illustrates engagements completed during the fiscal year compared to the goal.

Figure 2
Agency Engagements Completed (With comparison to goal)

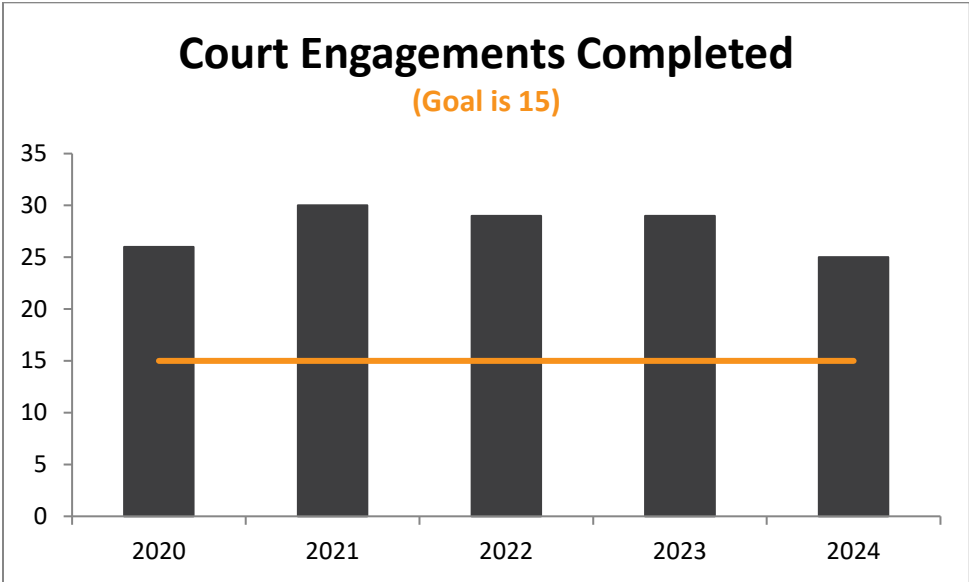


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Court Engagements

For the fiscal year 2024, 25 court engagements were issued, exceeding our goal of 15.

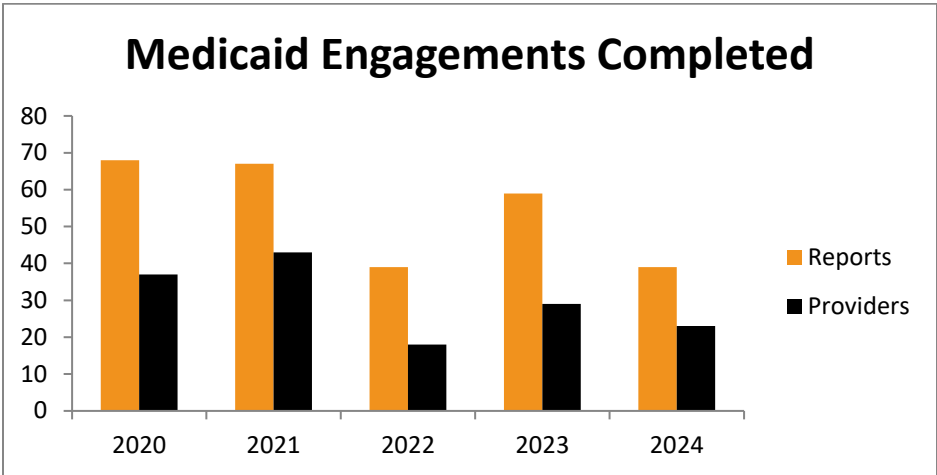
Figure 3
Court Engagements Completed (Goal = 15)



Medicaid Engagements Completed

For the fiscal year 2023, reports for 39 Medicaid engagements were issued, covering 23 healthcare providers. Our contract with the DHHS requires that an engagement be conducted for each nursing home provider at least once every four consecutive reporting periods. Report issuance numbers can vary greatly between fiscal years due in large part to work related to large chain operations and length of engagements.

Figure 4
Medicaid Engagements Completed

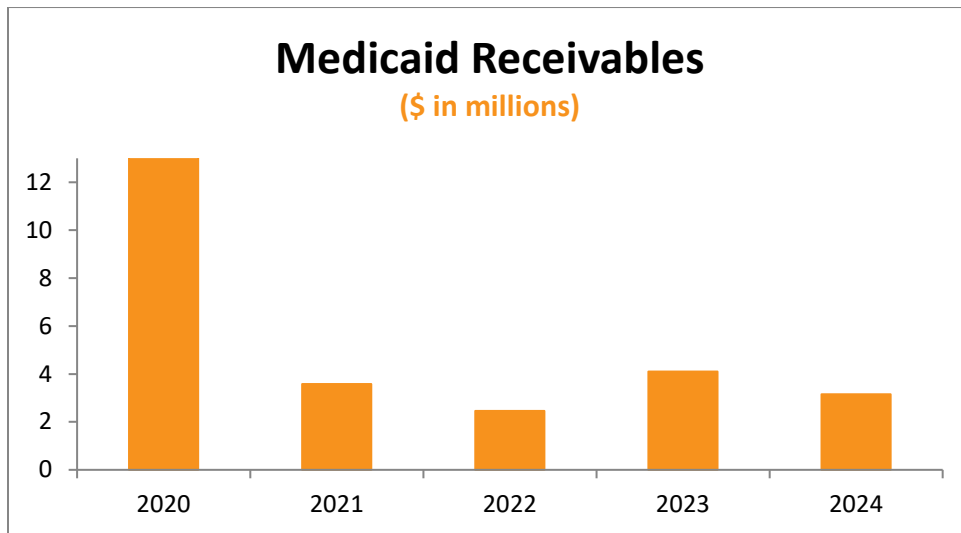


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Medicaid Receivables Established

For the fiscal year 2024, Medicaid receivables of \$3.2 million to date have been established by DHHS, based on the findings in reports we issued. As illustrated in Figure 5, Medicaid receivables can vary significantly from one year to the next. These receivables are not predictive and have no direct correlation to the number of reports issued. The degree of provider compliance with program rules and regulations when reporting cost claimed for reimbursement will always be the determining factor in the amounts established.

Figure 5
Medicaid Receivables Established (\$ in millions)



How We Are Organized

OSA is organized into four service delivery divisions: State Agency, Medicaid, Audit Services and Internal Audit Services, and is supported by an Administration division.

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

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

Medicaid - Composed of approximately 14 permanently assigned audit professionals, this division performs attestation engagements of financial and statistical reports filed by providers of Medicaid services, primarily nursing facilities. These engagements, performed under contract with the South Carolina Department of Health

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and Human Services (DHHS), determine if the reimbursement rate based on costs claimed for reimbursement by the provider are free from material misstatements based on South Carolina’s State Plan for Medical Assistance, the applicable contract between DHHS and the Medicaid provider and all applicable state and federal laws and regulations. The contract agreement with DHHS requires that an engagement be performed on each provider facility at least once every 4 consecutive cost reporting periods.

Audit Services – Composed of approximately 19 audit professionals, this division performs work across all agency service delivery divisions. The intent is to allow staff from new hires to approximately 3rd year learn about all services provided by OSA before beginning to focus on the work of one division. For staff, it provides a broader understanding of the work OSA performs. For OSA, it provides the ability to shift resources across divisions to address workload needs.

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

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

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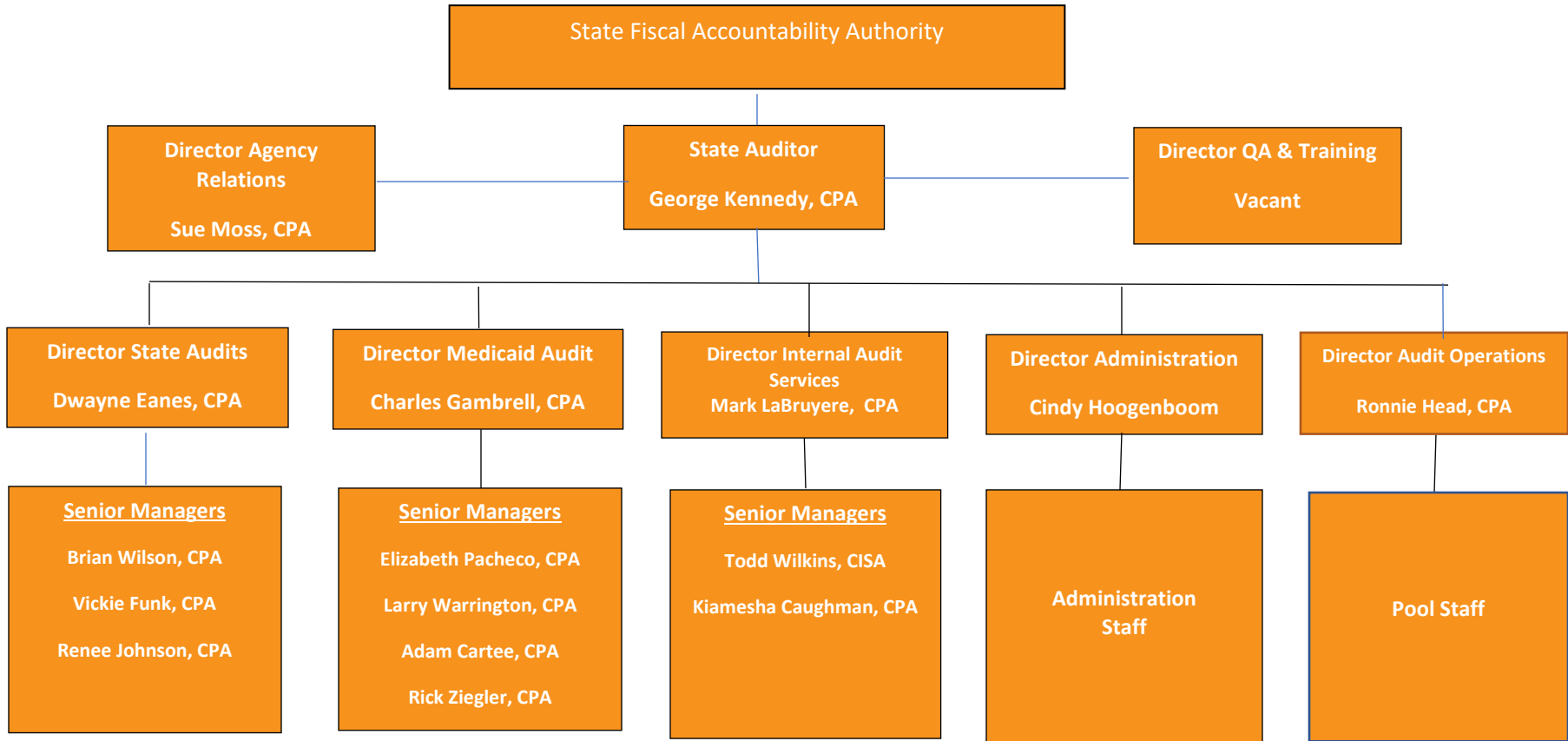
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AGENCY ORGANIZATIONAL CHART



2024

Reorganization and Compliance

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Primary Contact

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

Secondary Contact

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

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

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

Recommendations for reorganization requiring legislative change:
None

Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year:

None

Significant events related to the agency that occurred in FY2024

Description of Event	Start	End	Agency Measures Impacted	Other Impacts
No significant events occurred that impacted performance measures.				

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

Reason agency is out of compliance: (if applicable)

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

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

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

Has the agency promulgated any regulations?	No
	No

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

(End of Reorganization and Compliance Section)

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Strategic Plan Results

as submitted for the Accountability Report by:

F270 - State Auditor's Office

- Goal 1** Assure our deliverables are timely and meaningful to users.
- Goal 2** Provide effective internal audit services for SCDOT.
- Goal 3** Increase employee knowledge, skills and engagement.
- Goal 4** Monitor productivity and performance.
- Goal 5** Maintain an effective recruiting strategy
- Goal 6** Create and maintain an environment that is recognized as a workplace of choice.
- Goal 7** Manage agency's workforce effectively
- Goal 8** Assure an agile business operation

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Audit of the State's ACFR completed by the target date.														
State Objective: Government and Citizens														
1.1.1	Audit of the State's ACFR completed by the target date - number of days past target.	0	0	5	Count	Maintain range	State fiscal year	Days issued beyond target	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, debt markets, debt rating agencies, citizens	0500.00000.000	Additional days allowed auditors more time to address complex issues.
1.2 Audit of State's Schedule of Expenditures of Federal Awards by target date.														
State Objective: Government and Citizens														
1.2.1	Audit of State's Schedule of Expenditures of Federal Awards by target date - number of days past target.	0	0	0	Count	Maintain range	State fiscal year	Days issued beyond target.	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, federal granting agencies, citizens	0500.00000.000	
1.3 Attest engagements of state agencies (including those contracted) completed by 6/30 of the following year.														
State Objective: Government and Citizens														
1.3.1	Attest engagements of state agencies (including those contracted) completed during the fiscal year - percent of total engagements planned.	65%	70%	61%	Percent	Equal to or greater than	State fiscal year	Total completed/Total available to be completed	Internal records	osa.sc.gov/reports	Timely and reliable information regarding agency operating controls.	State agency management, citizens	0500.00000.000	The agency continues to focus on ways to meet this long-term goal
1.4 Number of engagements selected for internal quality inspection.														
State Objective: Government and Citizens														
1.4.1	Number of engagements inspected for quality assurance reviews during the fiscal year.	9	9	5	Count	Equal to or greater than	State fiscal year	Number inspected.	Internal records	QA director records	Confidence that OSA's system of quality assurance is effective.	OSA management	0500.00000.000	Quality Assurance position was vacant for most of the fiscal year, but has been filled for FY 25
2.1 Reports issued during the fiscal year.														
State Objective: Government and Citizens														
2.1.1	Number of internal audit reports issued during the fiscal year.	8	5	4	Count	Equal to or greater than	State fiscal year	Number issued.	Report date	osa.sc.gov/reports	Accountability for internal audit productivity.	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	Internal audit resources were diverted from planned work to a special project benefitting SCDOT
2.2 Presentations to the audit committee.														
State Objective: Government and Citizens														
2.2.1	Presentations made to the Audit Committee during the fiscal year.	4	4	4	Count	Equal to or greater than	State fiscal year	Presentations made	Audit committee meeting minutes	www.scdot.org/inside	Accountability for internal audit communication	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
2.3 Evaluation of internal audit division by SCDOT management.														
State Objective: Government and Citizens														
2.3.1	Evaluation of internal audit committee - Survey average (4 point scale).	N/A	3	N/A	Acceptable range	Equal to or greater than	State fiscal year	Salary average - 4 point scale	Audit committee meeting minutes	www.scdot.org/inside	Effectiveness of internal audit function	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	Determined formal survey is not an effective tool
2.4 Verification that audit report management action plans (MAPs) were implemented.														
State Objective: Government and Citizens														

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
2.4.1	Verification that audit report management actions plans (MAPS) were implemented - MAPs verified/Total MAPs	100%	100%	100%	Percent	Equal to or greater than	State fiscal year	MAPs verified/Total MAPS	Internal records	Quarterly records provided to management located on internal server.	Management accountability for Management Action Plans	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
2.5 Internal audit staff job satisfaction.		State Objective: Government and Citizens												
2.5.1	Internal audit staff job satisfaction - Survey average (5 point scale).	N/A	4	N/A	Acceptable range	Equal to or greater than	State fiscal year	Survey average - 5 point scale	Survey results	Quarterly records provided to management located on internal server.	Recruiting, retention, value delivery	OSA management	1015.00000.000	Determined formal survey is not an effective tool
3.1 Provide incentives that encourage staff to obtain certification.		State Objective: Education, Training, and Human Development												
3.1.1	Impact of incentives on encouraging staff to obtain certifications - Staff who have earned CPA, CIA or CISA certification.	38.10%	50%	35.40%	Percent	Equal to or greater than	State fiscal year	Certified staff/Total staff in services delivery divisions	Internal records	Certification records maintained on internal servers	Certified staff are needed for succession to leadership positions.	OSA management	0500.00000.000	The agency continues to focus on ways to meet this long-term goal
3.2 Provide external and internal leadership development opportunities.		State Objective: Education, Training, and Human Development												
3.2.1	Provide internal and external leadership training - Staff who have attended leadership training.	14	15	18	Count	Equal to or greater than	State fiscal year	Staff who have received leadership training	Internal records	Records maintained on internal servers	Agency leadership with strong skills.	OSA management	0500.00000.000	
3.3 Require staff to obtain at least 40 hours of job-related training annually.		State Objective: Education, Training, and Human Development												
3.3.1	Staff who have obtained minimum hours of required annual training.	N/A	100%	100%	Percent	Maintain range	State fiscal year	Staff who have met annual training requirement	Internal records	Records maintained on internal servers	Measure of training received	OSA management	0500.00000.000	
4.1 Increase efficiency of State engagements while maintaining value.		State Objective: Education, Training, and Human Development												
4.1.1	Improve engagement efficiency - Average hours per State attestation engagement.	181	225	181	Count	Equal to or less than	State fiscal year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
4.2 Increase efficiency of Medicaid engagements while maintaining value.		State Objective: Education, Training, and Human Development												
4.2.1	Improve engagement efficiency - Average hours per Medicaid engagement.	348	400	541	Count	Equal to or less than	State fiscal year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	Time was spent reworking certain processes, which will reduce this number in future years
5.1 Fill open positions timely.		State Objective: Education, Training, and Human Development												
5.1.1	Fill open positions timely when possible Average open positions.	10	5	7	Count	Equal to or less than	State fiscal year	Average open positions over the fiscal year	SCEIS	Records maintained on internal servers	Ability to maintain a stable workforce	OSA management	0500.00000.000	The hiring market for auditors continues to be highly competitive for quality candidates.
5.2 Increase visibility of OSA at campus recruiting events.		State Objective: Education, Training, and Human Development												
5.2.1	Increase OSA visibility on college campuses - Number of campus recruiting events attended during the fiscal year.	7	5	8	Count	Equal to or greater than	State fiscal year	Number attended	Internal records	Records maintained on internal servers	Measure of effort in recruiting from college campuses	OSA management	0500.00000.000	Includes State sponsored virtual event for Veterans.
6.1 Promote a diverse workforce.		State Objective: Education, Training, and Human Development												
6.1.1	Promote a diverse workplace - Percent of employees who are other than white males.	63%	70%	70.37%	Percent	Equal to or greater than	State fiscal year	As a percent of positions filled at year end	SCEIS	Records maintained on internal servers	Measure of diversity	OSA management	0500.00000.000	
6.2 Maintain a stable workforce.		State Objective: Education, Training, and Human Development												

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
6.2.1	Maintain a stable workforce - Turnover for the fiscal year.	22%	10%	4%	Ratio	Equal to or less than	State fiscal year	Total separations/Average filled positions for the year	SCEIS	Records maintained on internal servers	Measure of ability to retain employees or hire new ones	OSA management	0500.00000.000	
7.1 Provide timely feedback and direction to enhance staff development.		State Objective: Education, Training, and Human Development												
7.1.1	Provide timely feedback to enhance development - Percent of staff with 3 or more documented check-ins/coaching sessions during the fiscal year.	100%	100%	100%	Percent	Maintain range	State fiscal year	Number documented	Internal records	Records maintained on internal servers	Timeliness of performance feedback	OSA management	0500.00000.000	
7.2 Develop staff with experience and skills to become managers.		State Objective: Education, Training, and Human Development												
7.2.1	Equip staff with experience and skills to become managers - Percent of auditors in management positions.	30%	15%	50%	Percent	Equal to or greater than	State fiscal year	Managers/Total auditors	SCEIS	Records maintained on internal servers	Measure of staff who have achieved a high level of performance success	OSA management	0500.00000.000	Have relaxed requirement for promoting to manager only when CPA certification obtained.
8.1 Manage agency spending to within 90% of budget.		State Objective: Government and Citizens												
8.1.1	Manage agency to within 90% of budget - Percent of budget spent.	84%	90%	83%	Percent	Equal to or less than	State fiscal year	General fund spending actual compared to budget	SCEIS	Records maintained on internal servers	Accountability for resources	OSA management	0500.00000.000	OSA has a proviso that allows 100% carry over of funds to FY 2025 to be used for special projects.
8.2 Promote accountability for staff productivity.		State Objective: Government and Citizens												
8.2.1	Promote accountability and staff productivity - Average staff utilization.	71%	75%	73%	Percent	Equal to or greater than	State fiscal year	Chargeable hours/Total hours	SCEIS	Records maintained on internal servers	Accountability for utilization	OSA management	0500.00000.000	The agency continues to focus on ways to meet this long-term goal
8.3 Provide timely training to staff tailored to their needs.		State Objective: Government and Citizens												
8.3.1	Provide timely training to staff tailored to their needs - Number of in-house training courses provided.	4	3	7	Count	Equal to or greater than	State fiscal year	Number completed	Internal records	Records maintained on internal servers	Measure of tailored training delivered	OSA management	0500.00000.000	

FY2025

Strategic Plan Development

as submitted for the Accountability Report by:
F270 - State Auditor's Office

- Goal 1** Assure our deliverables are timely and meaningful to users.
- Goal 2** Provide effective internal audit services for SCDOT.
- Goal 3** Increase employee knowledge, skills and engagement.
- Goal 4** Monitor productivity and performance.
- Goal 5** Maintain an effective recruiting strategy
- Goal 6** Create and maintain an environment that is recognized as a workplace of choice.
- Goal 7** Manage agency's workforce effectively
- Goal 8** Assure an agile business operation

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
1.1 Audit of the State's ACFR completed by the target date. State Objective: Government and Citizens													
1.1.1	Audit of the State's ACFR completed by the target date - number of days past target.	5	0	Count	Maintain range	State fiscal year	Days issued beyond target	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, debt markets, debt rating agencies, citizens	0500.00000.000	
1.2 Audit of State's Schedule of Expenditures of Federal Awards by target date. State Objective: Government and Citizens													
1.2.1	Audit of State's Schedule of Expenditures of Federal Awards by target date - number of days past target.	0	0	Count	Maintain range	State fiscal year	Days issued beyond target.	Report date	osa.sc.gov/reports	Timely and reliable audited financial information.	The State of SC, federal granting agencies, citizens	0500.00000.000	
1.3 Attest engagements of state agencies (including those contracted) completed by 6/30 of the following year. State Objective: Government and Citizens													
1.3.1	Attest engagements of state agencies (including those contracted) completed during the fiscal year - percent of total engagements planned.	61%	70%	Percent	Equal to or greater than	State fiscal year	Total completed/Total available to be completed	Internal records	osa.sc.gov/reports	Timely and reliable information regarding agency operating controls.	State agency management, citizens	0500.00000.000	
1.4 Number of engagements selected for internal quality inspection. State Objective: Government and Citizens													
1.4.1	Number of engagements inspected for quality assurance reviews during the fiscal year.	5	9	Count	Equal to or greater than	State fiscal year	Number inspected.	Internal records	QA director records	Confidence that OSA's system of quality assurance is effective.	OSA management	0500.00000.000	
2.1 Reports issued during the fiscal year. State Objective: Government and Citizens													
2.1.1	Number of internal audit reports issued during the fiscal year.	4	5	Count	Equal to or greater than	State fiscal year	Number issued.	Report date	osa.sc.gov/reports	Accountability for internal audit productivity.	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
2.2 Presentations to the audit committee. State Objective: Government and Citizens													
2.2.1	Presentations made to the Audit Committee during the fiscal year.	4	4	Count	Equal to or greater than	State fiscal year	Presentations made	Audit committee meeting minutes	www.scdot.org/inside	Accountability for internal audit communication	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
2.3 Verification that audit report management action plans (MAPs) were implemented. State Objective: Government and Citizens													
2.3.1	Verification that audit report management actions plans (MAPs) were implemented - MAPs verified/Total MAPs	100%	100%	Percent	Maintain range	State fiscal year	MAPs verified/Total MAPs	Internal records	Quarterly records provided to management located on internal server.	Management accountability for Management Action Plans	SCDOT audit committee, SCDOT management, citizens	1015.00000.000	
3.1 Provide incentives that encourage staff to obtain certification. State Objective: Education, Training, and Human Development													

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes
3.1.1	Impact of incentives on encouraging staff to obtain certifications - Staff who have earned CPA, CIA or CISA certification.	35.40%	50%	Percent	Equal to or greater than	State fiscal year	Certified staff/Total staff in services delivery divisions	Internal records	Certification records maintained on internal servers	Certified staff are needed for succession to leadership positions.	OSA management	0500.00000.000	
3.2 Provide external and internal leadership development opportunities. State Objective: Education, Training, and Human Development													
3.2.1	Provide internal and external leadership training - Staff who have attended leadership training.	18	15	Count	Equal to or greater than	State fiscal year	Staff who have received leadership training	Internal records	Records maintained on internal servers	Agency leadership with strong skills.	OSA management	0500.00000.000	
3.3 Require staff to obtain at least 40 hours of job-related training annually. State Objective: Education, Training, and Human Development													
3.3.1	Staff who have obtained minimum hours of required annual training.	100%	100%	Percent	Maintain range	State fiscal year	Staff who have met annual training requirement	Internal records	Records maintained on internal servers	Measure of training received	OSA management	0500.00000.000	
4.1 Increase efficiency of State engagements while maintaining value. State Objective: Education, Training, and Human Development													
4.1.1	Improve engagement efficiency - Average hours per State attestation engagement.	181	225	Count	Equal to or less than	State fiscal year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
4.2 Increase efficiency of Medicaid engagements while maintaining value. State Objective: Education, Training, and Human Development													
4.2.1	Improve engagement efficiency - Average hours per Medicaid engagement.	541	400	Count	Equal to or less than	State fiscal year	Total hours/Engagements completed	Internal records	Records maintained on internal servers	Measure of efficiency	OSA management	0500.00000.000	
5.1 Fill open positions timely. State Objective: Education, Training, and Human Development													
5.1.1	Fill open positions timely when possible - Average open positions.	7	5	Count	Equal to or greater than	State fiscal year	Average open positions over the fiscal year	SCEIS	Records maintained on internal servers	Ability to maintain a stable workforce	OSA management	0500.00000.000	
5.2 Increase visibility of OSA at campus recruiting events. State Objective: Education, Training, and Human Development													
5.2.1	Increase OSA visibility on college campuses - Number of campus recruiting events attended during the fiscal year.	8	5	Count	Equal to or greater than	State fiscal year	Number attended	Internal records	Records maintained on internal servers	Measure of effort in recruiting from college campuses	OSA management	0500.00000.000	
6.1 Promote a diverse workforce. State Objective: Education, Training, and Human Development													
6.1.1	Promote a diverse workplace - Percent of employees who are other than white males.	70.37%	70%	Percent	Equal to or greater than	State fiscal year	As a percent of positions filled at year end	SCEIS	Records maintained on internal servers	Measure of diversity	OSA management	0500.00000.000	
6.2 Maintain a stable workforce. State Objective: Education, Training, and Human Development													
6.2.1	Maintain a stable workforce - Turnover for the fiscal year.	4%	10%	Percent	Equal to or less than	State fiscal year	Total separations/Average filled positions for the year	SCEIS	Records maintained on internal servers	Measure of ability to retain employees or hire new ones	OSA management	0500.00000.000	
7.1 Provide timely feedback and direction to enhance staff development. State Objective: Education, Training, and Human Development													
7.1.1	Provide timely feedback to enhance development - Percent of staff with 3 or more documented check-ins/coaching sessions during the fiscal year.	100%	100%	Percent	Maintain range	State fiscal year	Number documented	Internal records	Records maintained on internal servers	Timeliness of performance feedback	OSA management	0500.00000.000	

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
7.2 Develop staff with experience and skills to become managers.													State Objective: Education, Training, and Human Development	
7.2.1	Equip staff with experience and skills to become managers - Percent of auditors in management positions.	50%	15%	Percent	Equal to or greater than	State fiscal year	Managers/Total auditors	SCEIS	Records maintained on internal servers	Measure of staff who have achieved a high level of performance success	OSA management	0500.00000.000		
8.1 Manage agency spending to within 90% of budget.													State Objective: Government and Citizens	
8.1.1	Manage agency to within 90% of budget - Percent of budget spent.	83%	90%	Percent	Equal to or less than	State fiscal year	General fund spending actual compared to budget	SCEIS	Records maintained on internal servers	Accountability for resources	OSA management	0500.00000.000		
8.2 Promote accountability for staff productivity.													State Objective: Government and Citizens	
8.2.1	Promote accountability and staff productivity - Average staff utilization.	73%	75%	Percent	Equal to or greater than	State fiscal year	Chargeable hours/Total hours	SCEIS	Records maintained on internal servers	Accountability for utilization	OSA management	0500.00000.000		
8.3 Provide timely training to staff tailored to their needs.													State Objective: Government and Citizens	
8.3.1	Provide timely training to staff tailored to their needs - Number of in-house training courses provided.	7	3	Count	Equal to or greater than	State fiscal year	Number completed	Internal records	Records maintained on internal servers	Measure of tailored training delivered	OSA management	0500.00000.000		

2024

Budget Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

State Funded Program No.	State Funded Program Title	Description of State Funded Program	(Actual) General	(Actual) Other	(Actual) Federal	(Actual) Total	(Projected) General	(Projected) Other	(Projected) Federal	(Projected) Total
0100.000000.000	Administration	Accounting, budgeting, human resource, purchasing, technology and other administrative support	\$ 479,304.72	\$ -	\$ -	\$ 479,304.72	\$ 558,428.00	\$ -	\$ -	\$ 558,428.00
0500.000000.000	Audits	Audit services to include statewide and agency-specific engagements as well as services provided to SCDHHS	\$ 3,438,820.45	\$ 1,568,049.58	\$ -	\$ 5,006,870.03	\$ 4,378,310.49	\$ 2,080,893.50	\$ -	\$ 6,459,203.99
1015.000000.000	Internal Audit Services	Internal audit services for SCDOT	\$ 698,755.65	\$ -	\$ -	\$ 698,755.65	\$ 727,725.00	\$ -	\$ -	\$ 727,725.00
9500.050000.000	State Employer Contributions	Fringe benefit employer contributions	\$ 1,409,248.19	\$ 493,580.86	\$ -	\$ 1,902,829.05	\$ 2,233,558.00	\$ 998,745.50	\$ -	\$ 3,232,303.50

2024

Legal Data

as submitted for the Accountability Report by:

F270 - State Auditor's Office

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
105.1	State	Proviso	Annual audit of federal programs	Report our agency must/may provide		No Change
105.2	State	Proviso	Carryover Medicaid funds	Not related to agency deliverable		No Change
105.3	State	Proviso	Fraud identified referred to Inspector General	Report our agency must/may provide		No Change
105.4	State	Proviso	Annual audit of court fees and fines	Report our agency must/may provide		No Change
117.93	State	Proviso	Submission of schedule of federal program expenditures to OSA	Not related to agency deliverable	Schedules are used in statewide single audit	No Change
105.5	State	Proviso	Special study of long-term obligations	Report our agency must/may provide		No Change
105.6	State	Proviso	Authorization to provide internal audit services on a cost reimbursement basis.	Requires a manner of delivery		No Change
11-7-30	State	Statute	Audit reports	Report our agency must/may provide		No Change
11-7-35	State	Statute	Access to records	Not related to agency deliverable		No Change
11-7-40	State	Statute	Medicaid engagements under contract with DHHS	Report our agency must/may provide		No Change
11-7-45	State	Statute	Guarantee of independence			No Change
11-7-50	State	Statute	Service on board or commission	Not related to agency deliverable		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
11-7-55	State	Statute	Use of certified public accountants	Requires a service	Use of CPA firms to provide audit services	No Change
11-7-60	State	Statute	Reimbursed audit costs	Requires a service	Reimbursement of cost of CPA firm services	No Change
11-27-70	State	Statute	Sources of revenue per State Constitution	Not related to agency deliverable		No Change
8-11-94	State	Statute	Access to confidential information - payroll deducted contributions	Not related to agency deliverable		No Change
11-7-10	State	Statute	Selection of assistants	Not related to agency deliverable		No Change
1-11-20	State	Statute	Transfer to State Fiscal Accountability Authority	Not related to agency deliverable		No Change
11-7-20	State	Statute	Annual audits of state agencies	Report our agency must/may provide		No Change
11-7-25	State	Statute	Periodic audits - courts	Report our agency must/may provide		No Change
12-28-2725	State	Statute	Annual audit - regional transportation authorities	Report our agency must/may provide		No Change
11-35-1250	State	Statute	Authority to contract for auditing services	Not related to agency deliverable		No Change
11-37-240	State	Statute	Annual audit - Rural Infrastructure Authority	Report our agency must/may provide		No Change
11-51-110	State	Statute	Authorization of general obligation debt	Report our agency must/may provide		No Change
11-9-110	State	Statute	Audit of contributed funds	Report our agency must/may provide		No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2024
12-54-240	State	Statute	Prohibition of disclosure	Not related to agency deliverable		No Change
13-1-50	State	Statute	Annual audit - Department of Commerce	Report our agency must/may provide		No Change
14-1-210	State	Statute	Periodic audits - courts	Report our agency must/may provide		No Change
23-6-50	State	Statute	Annual audit - DPS	Report our agency must/may provide		No Change
38-79-470	State	Statute	Annual audit - Medical Malpractice Fund	Report our agency must/may provide		No Change
41-43-260	State	Statute	Annual audit - Jobs - Economic Development Fund Act	Report our agency must/may provide		No Change
44-53-450	State	Statute	State Treasurer may direct audit of courts	Report our agency must/may provide		No Change
44-96-165	State	Statute	Independent audit of trust funds - DHEC	Report our agency must/may provide		No Change
50-5-2720	State	Statute	Periodic examination of the Compact Commission	Report our agency must/may provide		No Change
57-1-360	State	Statute	Chief internal auditor for SC Department of Transportation	Requires a service	Internal audit services for SCDOT	No Change
59-115-180	State	Statute	Annual audit - Education Assistance Authority	Report our agency must/may provide		No Change
59-20-95	State	Statute	Fiscal practices for state agencies acting as a local education authority	Report our agency must/may provide		No Change
9-16-380	State	Statute	Fiduciary audit of the Retirement System Investment Commission	Report our agency must/may provide		No Change

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Services Data

as submitted for the Accountability Report by:
F270 - State Auditor's Office

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2024	Summary of changes to services
Assurance and attestation services	Government of the State of SC	Government of the State of SC	Debt markets, Federal government, citizens	State	Assurance and attestation engagements statewide and agency specific	Access to debt and to federal funding sources could be reduced	No Change	
Attestation services	Government of the State of SC	Government of the State of SC	SC local governments	State	Attestation engagements of court fines, fees and assessments	Unidentified errors in collection of fines, fees and assessments	No Change	
Attestation services	SC Department of Health and Human Services	SC Department of Health and Human Services	Federal Department of Health and Human Services	Medicaid	Attestation engagements of financial and statistical reports	Unidentified errors in Medicaid cost reimbursements	No Change	
Internal audit services	SC Department of Transportation	SC Department of Transportation	Citizens	Internal Audit	Internal audit services	Reduced confidence in SCDOT	No Change	

2024

Partnerships Data

as submitted for the Accountability Report by:
F270 - State Auditor's Office

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

2024

Reports Data

as submitted for the Accountability Report by:
F270 - State Auditor's Office

Report Name	Law Number (if applicable)	Summary of information requested in the report	Date of most recent submission DURING the past fiscal year	Reporting Frequency	Type of entity/entities	Method to access the report	Direct access hyperlink or agency contact (if not provided to LSA for posting online)	Changes to this report during the past fiscal year	Explanation why a report wasn't submitted
Special Study of Long-Term Debt Obligations	105.5	Higher Ed debt obligations	October 2023	Annually	South Carolina state agency or agencies	Available on agency's website	https://osa.sc.gov/wp-content/uploads/2024/02/Long-Term-2023.pdf		

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

2024
Accountability Report

SUBMISSION FORM

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

- Data Template
 - Reorganization and Compliance
 - FY2024 Strategic Plan Results
 - FY2025 Strategic Plan Development
 - Legal
 - Services
 - Partnerships
 - Report or Review
 - Budget
- Discussion Template
- Organizational Template

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

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

AGENCY DIRECTOR <i>(SIGN AND DATE):</i>	SIGNATURE ON FILE	Signature Received: 09/05/2024
<i>(TYPE/PRINT NAME):</i>	George L. Kennedy, III	

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