

Operational Performance Assessment of the ACFR Development Process



Prepared for:

**South Carolina Office of the
State Auditor**

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1. Background

Many government organizations throughout the country issue an Annual Comprehensive Financial Report (“ACFR”). The ACFR is a set of financial statements comprising the financial report of a governmental entity that complies with accounting requirements established by the Governmental Accounting Standards Board (“GASB”). A regular annual report typically presents only basic financial statements about the government. An ACFR, by contrast, presents a wider variety of important information intended to help the reader properly understand the basic statements. Benefits of issuing an ACFR include providing insight into an organization’s financial health, thereby fostering transparency and accountability. Additionally, the ACFR enables stakeholders to make informed financial decisions for the future of the government entity.

Annually, the State of South Carolina issues an ACFR prepared by the South Carolina Office of the Comptroller General (“CGO”). The CGO coordinates with State departments, units, and public institutes of higher education to obtain the financial information necessary to complete the ACFR. State departments, units, and public institutes of higher education submit various financial reports and documents to the CGO, and the CGO is then responsible for reviewing and compiling information received to present in the ACFR.

In September 2023, the South Carolina Office of the State Auditor (“SCOSA”) engaged Mauldin & Jenkins (“M&J”) to perform an operational and performance assessment (“Assessment”) of the State’s ACFR development process. The primary objective of the assessment is to ensure that the ACFR development process consists of the needed controls, processes, automation, role definitions, and communication to ensure accurate, timely, and efficient reporting.

We commend the State for its efforts to undertake this objective Assessment. This initiative should demonstrate to South Carolina citizens and stakeholders that the State is committed to overseeing operations in a prudent manner with a commitment to transparency, accountability, and efficiency. We would also like to recognize the numerous South Carolina professionals who provided ACFR-related requested information, and time participating in interviews and information sessions.

2. Scope and Approach

This section details the scope and approach performed by Mauldin & Jenkins to conduct the Assessment of the State’s ACFR development process.

Scope

The scope of the Assessment included the following:

- Understanding and documenting the current process(es) from end-to-end including the individual department/agency level who submit data and information (performed by selecting four sample agencies), and the Comptroller General’s Office who aggregates data and information
- Assessing the current process for controls, risks, automation, and efficiency
- Assessing the current and potential use of technology
- Assessing roles and responsibilities, and governance over the process(es)
- Assessing the quality assurance performed throughout the process(es)
- Assessing guidance/instructions/job aids and training used throughout the process(es)
- Assessing the status and efficacy of cash and investment reconciliation
- Assessing the ACFR-related cash reconciliation process for roles and responsibilities, inputs/outputs, controls, and governance
- Assessing the information required from the State Treasurer’s Office in the form of closing packages for the purposes of accurate and complete financial reporting, and the format in which information should be requested by the Office of the Comptroller General
- Comparing the State’s current process(es) to leading practices
- Identifying opportunities for enhancement and risk reduction as applicable
- Developing meaningful recommendations to optimize the process(es)

Approach

Our approach for the Assessment was based on Mauldin & Jenkins’ proprietary transformation methodology – COMPASS. The COMPASS methodology was developed based on leading practices, client input, and proven project and change management activities; and served as our framework for the Assessment.

We developed a workplan for the Assessment which consisted of the following four phases:

1. Initiation and Planning
2. Information Gathering
3. Fieldwork and Data Analysis
4. Validation and Reporting



As part of the Assessment, we performed the following key tasks to aid us in formulating our observations and recommendations:

- Requested and reviewed significant amounts of data and information from the Comptroller General’s Office, State Treasurer’s Office, Department of Administration, and selected sample agencies who report information used in the ACFR, such as:
 - Roles and responsibilities/governance artifacts
 - Policies and procedures
 - Guidance and training materials
 - Financial statement templates
 - Reporting package templates
 - Internal training materials and videos
 - Job aids and calendars
 - FY23 financial statements
 - FY23 reporting packages
 - FY23 STO investment reporting packages
- Conducted numerous interviews

Methodology

Mauldin & Jenkins conducted interviews, requested information, and reviewed information from the Comptroller General’s Office, State Treasurer’s Office, and the Department of Administration. M&J also selected four sample agencies who submit information to the CGO for inclusion in the ACFR to understand the processes, workflow, and perspective of agencies responsible for ACFR reporting. M&J selected two agencies that have their financial audit performed by a third-party accounting firm that then provides audited financial statements to the CGO (these agencies are referred to as “AFS agencies”). M&J also selected two agencies that do not have their financial audit performed by a third-party accounting firm and therefore complete and submit detailed reporting packages (“RP”) to the CGO (these agencies are known as “RP agencies”).

When selecting the sample agencies, M&J considered the size of the agency to account for differences in processes that may exist due to size and resources of the organization. Therefore, M&J selected a small and large agency (based on budget, size, and complexity) within each agency type.

The following Figure 1 shows the four selected sample agencies by reporting type and size.

Figure 1: Sample Agency Matrix

Agency	AFS Agency	RP Agency	Small	Large
University of South Carolina	X			X
Tri-County Technical College	X		X	
Department of Revenue		X		X
State Museum Commission		X	X	

This report represents the culmination of our work and presents numerous observations and recommendations. This report details our analysis and fieldwork completed between September 2023 and March 2024.

3. ACFR Overview and Governance

ACFR Overview

The ACFR is a set of financial statements for a state, municipality, or other governmental entity that comply with the accounting requirements set forth by the Governmental Accounting Standards Board. The purpose of the ACFR is to describe an entity's annual spending in addition to its assets and liabilities at the end of the fiscal year and to serve as a detailed presentation of an entity's financial condition. Many states and state entities issue an ACFR (as opposed to just financial statements), as the ACFR represents a best practice in government finance. The ACFR is comprised of three sections: "Introductory", "Financial", and "Statistical". The "Introductory" section orients and guides the reader through the State's structure and different components of the report. The "Financial" section includes financial statements in addition to notes to the statements and the Independent Auditor's Report. The "Statistical" section provides additional financial and statistical data such as data regarding financial and demographic trends that serve to better educate the reader regarding the government's activities.

Annually, the State of South Carolina compiles and submits an ACFR that incorporates financial information for all State entities such as State departments, units, and public institutes of higher education. The CGO is responsible for the creation, compilation, and issuance of the ACFR each year with numerous other agencies responsible for submitting information to the CGO.

ACFR Governance

Roles and responsibilities related to the ACFR are shared by various State entities. The following sections identify the key responsible parties in the ACFR process in addition to roles and responsibilities. Key responsible parties involved in the ACFR process include:

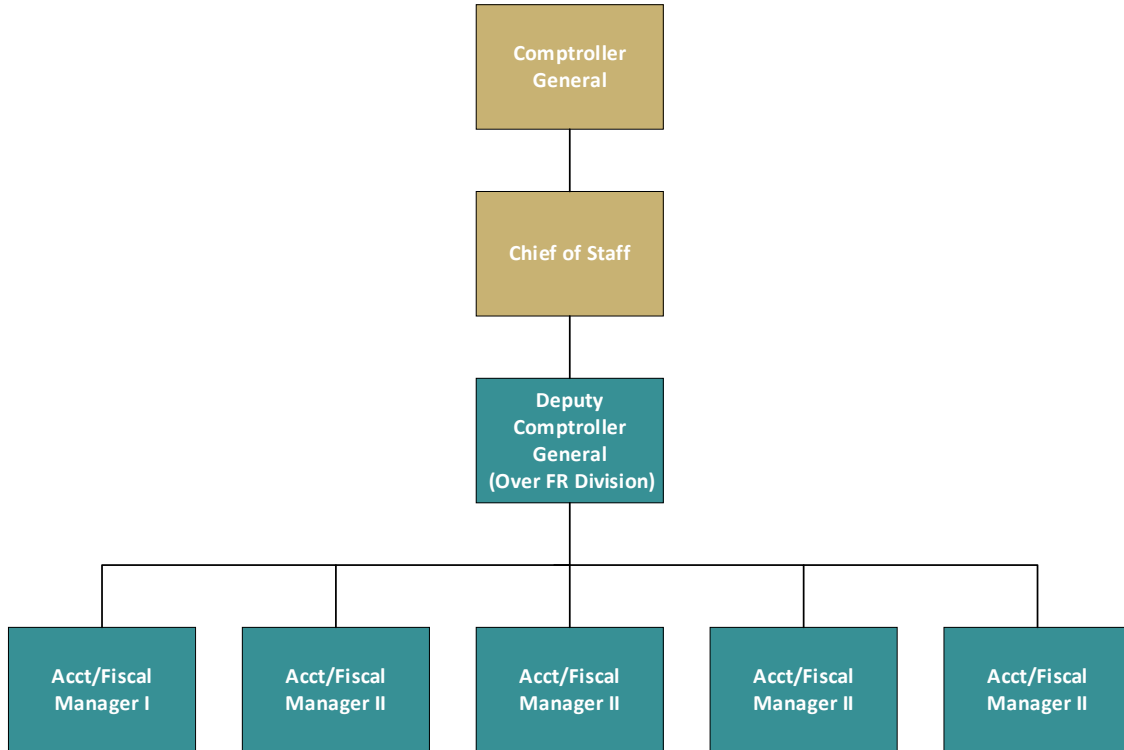
- Comptroller General's Office
- State Agencies
- Department of Administration
- State Treasurer's Office
- Office of the State Auditor, and External Auditors

Comptroller General's Office

The CGO serves as the State's lead accountant, supervises state spending, and maintains the State's books and accounting controls over State agencies. The CGO annually reports on the financial operations and conditions of the State government. The CGO is also responsible for providing State entities with the resources and information necessary to stay current and in compliance with best accounting practices released by GASB.

The CGO includes 27 positions across four divisions under the leadership of the Comptroller General. The CGO Financial Reporting Division (“FR Division”) contains six positions and is responsible for producing the ACFR. Figure 2 shows the organizational structure of the FR Division.

Figure 2: CGO FR Division Organizational Chart



FR Division staff prepare reports related to the following ACFR functions/subject areas:

- Accounts Payable
- Accounts Receivable
- Accrued Compensation
- Budget Transfers
- Capital Assets
- Cash and Fund Balance
- Eliminations
- Inventory
- Lease Reporting
- Loan Receivables
- Payroll Accrual
- Unearned Revenue

Each of the five Account/Fiscal Managers identified in the organizational chart are responsible for specific functions/subject areas depicted in the aforementioned list. Each Account/Fiscal Manager is responsible for a specific set of subject areas when preparing financial reports such as the ACFR.

Because the CGO is responsible for financial reporting, a key responsibility of the CGO is to prepare, compile, and issue the ACFR on behalf of the State of South Carolina and the units, departments, and public educational institutions that are within the purview of the State. To complete the Financial section, the CGO relies upon State units, departments, and educational institutions to prepare financial reports for their respective organization. The CGO is therefore responsible for facilitating the preparation of the financial reports and information needed from agencies to include in the ACFR. Part of the CGO's duty to facilitate financial reporting includes providing guidance to organizations in the form of training materials and tools for completing the necessary financial reports.

Agencies complete the financial reports needed for the ACFR and submit reports to the CGO. The CGO then receives all reports, ensures the financial reports are complete, and performs quality control procedures before inclusion of data into the ACFR. The CGO then compiles each of the individual reports received from agencies into a report that reflects the financial position of the entire State. Ultimately, while the responsibility of the ACFR is primarily assigned to the CGO, dependencies exist between the CGO and other State agencies that prepare reports on behalf of their agency.

Responsibilities of the CGO related to the ACFR are outlined in the South Carolina Code of Laws ("SC Code"). The following sections of the SC Code apply to the CGO:

- The Comptroller General shall report, annually, to the General Assembly his transactions in regard to unappropriated funds in the State Treasury (S.C. Code Ann. **§ 11-3-90 (1976)**).
- The Comptroller General shall keep a set of books exhibiting the separate transactions of the State Treasury. Such set of books shall be a transcript of the books of the Treasury, constituting a complete check upon that office. And the Comptroller shall, in addition to the exhibits of cash transactions of the Treasury, annually report to the General Assembly a balance sheet of the books aforesaid, setting forth as well by whom debts are due to the State as the amounts of those debts (S.C. Code Ann. **§ 11-3-100 (1976)**).
- The Office of the Comptroller General shall implement appropriate accounting procedures to consolidate accounts, in connection with lump sum agencies, as necessary for proper accounting and for facilitation of financial reporting in accordance with generally accepted accounting principles (S.C. Code Ann. **§ 11-3-175 (1976)**).
- The Comptroller General shall enter in books, kept for that purpose, such statements of the accounts of persons having the distribution of public money, directed by law to be rendered to him, as will enable him, at any time, to show how such accounts stand between the parties, respectively (S.C. Code Ann. **§ 11-3-210 (1976)**).

State Agencies

State agencies are responsible for financial reporting related to the financial state of their agency. Agencies provide the CGO with the financial reports and information needed for the ACFR in the form of financial statements and reporting packages. State agencies are split into two categories that reflect the types of reports submitted to the CGO for inclusion in the ACFR.

Audited financial statement agencies (“AFS agencies”) are State units that submit financial statements to the CGO for inclusion in the ACFR. AFS agencies utilize third-party audit and accounting firms to conduct an annual audit and complete the financial statements on behalf of the agency. Currently, there are 61 AFS agencies or departments that provide financial statements to the CGO for inclusion in the ACFR. For a list of all organizations classified as AFS agencies, see the AFS Agencies List in Appendix A.

Reporting package agencies (“RP agencies”) are agencies that must submit reporting packages to the CGO for inclusion in the ACFR. RP agencies are State departments and agencies that are considered to be extensions of the State government. RP agencies do not have financial statements prepared on their behalf by an external entity. For this reason, RP agencies must complete reporting packages, which are separate reports that detail a specific component(s) of a financial statement. Currently, there are 81 RP agencies that provide RPs to the CGO for inclusion in the ACFR. For a list of all organizations classified as RP agencies, see the RP Agency List in Appendix A.

Department of Administration

The South Carolina Department of Administration (“DOA”) is a cabinet agency that works closely with the Office of the Governor to provide services to enhance security and trust in the State government. The DOA utilizes a shared services model to help agencies efficiently and securely carry out common government functions while allowing agencies to focus on their core missions. Shared services are services that the DOA provides to State agencies to assist with various functions that agencies may not have the staffing resources to complete. Shared services provided by the DOA to State agencies include administrative, information technology, and digital government services.

An example of an administrative service provided by the DOA is support for RP agencies enrolled in the shared services model. A team within the Shared Services Division of the DOA assists shared service enrolled RP agencies with preparation and submittal of the RPs. Within the Shared Services Division, there are staff assigned to assist with specific types of RPs. The DOA is currently responsible for providing support for approximately 145 RPs annually across a number of different State agencies.

State Treasurer’s Office

The South Carolina State Treasurer’s Office (“STO”) acts as the State’s banker and is responsible for managing, investing, and retaining custody of more than \$60 billion in public funds for the South Carolina State Government. Because the STO is responsible for multiple financial functions for the State, the STO is involved in specific processes and procedures regarding ACFR preparation in coordination with the CGO. The STO therefore acts in a unique role that is distinct from other RP agencies. A primary responsibility of the STO that distinguishes the STO from other agencies includes the responsibility of investing State funds. It is critical that the State reports all investment account balances accurately to reflect the financial position of the State.

While the STO is considered a RP agency, the STO has specific reporting requirements due to the STO’s unique responsibilities on behalf of the State. As a result, the STO must submit traditional RPs in addition to RPs specific to the STO’s unique functions such as investments. As such, the STO is responsible for submitting additional RPs and reports related to the ACFR as compared to a traditional RP agency.

Responsibilities of the STO related to managing and reporting investments are outlined in the South Carolina Code of Laws (“SC Code”). The following sections of the SC Code apply to the STO:

- The Treasurer shall raise an account in the Treasury books in every instance for the several appropriations made by the General Assembly, so that the appropriations of money and application thereof conformably thereto may appear clearly and distinctly on the Treasury books (S.C. Code Ann. **§ 11-5-100 (1976)**).
- The State Treasurer shall publish, quarterly, by electronic means and in a manner that allows for public review, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs (S.C. Code Ann. **§ 11-5-120 (1976)**).
- The State Treasurer shall, at the close of business on each day, send to the Comptroller General a report of all monies paid out by him, to whom paid and on what account, except that paid upon warrants of the Comptroller General (S.C. Code Ann. **§ 11-5-170 (1976)**).
- The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away on behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid.

He shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State (S.C. Code Ann. **§ 11-5-180 (1976)**).

- In addition to other reports required by law to be made, by the State Treasurer, he shall also report annually to the General Assembly in the month of January on the following matters:
 - (1) The amount of state revenue collected in the previous fiscal year.
 - (2) The amount of such revenue deposited in the state general fund.
 - (3) The location of general fund revenue in banks and other financial institutions including invested funds, as of the end of the previous fiscal year.
 - (4) The interest accrued from deposits and investments for the previous fiscal year and the use of such interest.
 - (5) The amount expended for debt service in the previous fiscal year.
 - (6) The current status of the general fund reserve including any expenditure or reimbursement thereof.
 - (7) Any other information relating to state revenue which the Treasurer deems pertinent and of value to the General Assembly, including such items as special state funds, the highway fund and other funds not specified herein, as may be deemed appropriate by the Treasurer (S.C. Code Ann. **§ 11-5-185 (1976)**).

- The State Treasurer, with the advice and approval of the State Fiscal Accountability Authority, shall keep in a general deposit account all monies held by him for the account of all state funds which, in the opinion of the authority, may be properly consolidated. The authority shall designate the accounts which shall be so kept and the accounts which shall be carried as special deposits. The records of the State Treasurer and the Comptroller General shall, at all times, reflect the true cash balance of each fund comprising the general deposit account. Properly authorized obligations of the respective state funds comprising the general deposit account shall be paid therefrom, but no overdraft shall be permitted in any funds which will not be covered by the receipt of revenue or monies belonging to such fund within a reasonable time (S.C. Code Ann. § 11-13-40 (1976)).
- Banks or trust companies having on deposit funds of the State shall transmit monthly to the Comptroller General a copy of the report made to the State Treasurer under the provisions of Section 11-13-70 (S.C. Code Ann. § 11-13-80 (1976)).

South Carolina Office of the State Auditor (“SCOSA”)

The SCOSA serves as the independent audit function for the State, and works with State entities to ensure transparency and accountability and to enable agencies to achieve meaningful impact. The SCOSA State Agency Division (“Division”) is involved in the ACFR process and is responsible for providing services that ensure the reliability of financial information on a statewide and individual agency level. Responsibilities of the Division include providing annual audit and other services for State agencies in addition to performing the audit of the State’s ACFR. As such, the Division is responsible for securing contracts with audit firms to conduct annual audits of AFS agencies and to assist with the development of financial statements. The SCOSA is also involved in the penultimate step before submission of the ACFR which is the issuance of the Independent Auditor’s Report to express an opinion on information reported in the ACFR.

External Auditors

The SCOSA contracts external auditors to perform annual audits of AFS agencies. In addition to audits of AFS agencies, third-party auditors also assist the SCOSA with the audit of the ACFR. The findings of the ACFR’s audit are then documented in the Independent Auditor’s Report that is jointly issued by the SCOSA and an external auditing firm.

ACFR Timeline

The annual ACFR reporting process begins approximately four months prior to the fiscal year close date of June 30. Prior to June 30, the CGO is responsible for creating and updating existing training and reporting materials to inform agencies of reporting requirements for the ACFR. During this period, CGO staff utilize applicable newly released, or newly implemented generally accepted accounting principles (“GAAP”) and GASB pronouncements to determine additional requirements for financial statements and RPs. If previous requirements are removed or new requirements are created, CGO staff update previously used supplemental trainings and information accordingly.

Figure 3 identifies the deliverables and deadlines required of AFS and RP agencies in addition to the STO, and also identifies critical dates for the CGO to submit deliverables received from agencies to the SCOSA and the external auditor. Figure 3 is based on required reporting package deliverables for the FY23 ACFR cycle. RP requirements in prior years have looked different from FY23 and may look different going forward due to accounting literature changes and changes in reporting requirements.

Figure 3: FY23 Sample RP Deadlines

Owner	Deliverable	Fiscal Year 23 Deadline
AFS	Financial Statements (agencies with a FY end date of December 31)	April 30
	Financial Statements (agencies with a FY end date of June 30)	October 1
RP	1.0 GAAP Contact Form	June 9
	2.0 Master Reporting Checklist	July 7
	3.01 Cash and Investments	July 21
	3.10 Loan Receivables	
	3.13 Litigation Reporting	
	3.14 Disallowances and Penalties	
	3.09 Leases Reporting	
	3.11 Subscription Based Information Technology Agreements	
	3.15 Claims Reporting	August 4
	3.04 Other Receivables	August 11
	3.06 Inventory Reporting	
	3.16 Misc. Loss Liabilities, Loss Contingencies, and Commitments	
	3.02 Tax Revenues	
	3.05 Unearned Revenue	August 18
	3.07 Prepaid Expense	
	3.18 Interfund Payables	
	3.20 Fund Classification	September 8
	3.03 Grant/Contribution Revenues	
	3.08 Capital Assets	
	3.12 Accounts Payable	November 20
2.01 Subsequent Events		
STO	4.0 Composite Accounts	July 14
	Vault Cash and Securities	July 14
	Debt (bonds, notes, master lease program)	July 28
	Leases	September 8
	Interfund Loans	September 8
	Unclaimed Property	August 18
	Cash and Investments	September 8
CGO	Post guidance and training materials to website	April

Owner	Deliverable	Fiscal Year 23 Deadline
CGO	Present ACFR training at Government Finance Officers Association Conference	May
	Quality Assurance Processes	
	Reporting Packages	July – November
	STO Reporting Packages	August – November
	Submissions to the Auditors	
	Draft – AFS Submissions	November 7
	Required Supplementary Information (Budgetary Schedules, GASB Schedules)	November 10
	Management’s Discussion and Analysis	November 22
	Letter of Transmittal	
	Major Fund Re-evaluation	
	Cash Flow Statements – Enterprise Funds	
	Cash Flow Statements – Internal Service Funds	
	Final – AFS Submissions	
	ACFR Notes 1-20	
Statistical Information (Tables 1-20)		
Auditors (SCOSA and External)	Independent Auditor’s Report	Mid December
CGO	Finalize ACFR	Late December

As demonstrated in the ACFR Timeline Table, between July and September, multiple reporting package documents are due to the CGO with November containing the final deadline for reporting packages. The deadline for most AFS agencies to submit financial statements is at the beginning of October. The CGO completes a quality assurance process as financial statements and reporting packages are received throughout July and November. The CGO submits components of the ACFR to the SCOSA and their external auditors throughout November, and both the SCOSA and the external auditors will issue a joint opinion in mid-December. Once the opinion is issued, the CGO finalizes and publishes the ACFR.

Responsibility Matrix

Based on data and information reviewed and analyzed by M&J in addition to information gained during onsite visits, M&J identified key phases and tasks related to the ACFR process. The four phases of the ACFR development process include:

- Phase 1: Release Guidance and Resources
- Phase 2: Prepare Financial Statements and Reporting Packages
- Phase 3: Review and Compile Financial Statements and Reporting Packages
- Phase 4: Finalize and Submit the ACFR

Key responsible parties involved in preparation of the ACFR include the CGO, AFS/RP agencies, the STO, and the SCOSA. Roles and responsibilities of key parties are demonstrated in Figure 4.

Figure 4: ACFR Responsibility Matrix

ACFR Tasks	CGO	AFS Agencies	RP Agencies	STO	SCOSA/ External Auditors
Phase 1: Release Guidance and Resources (January – May)					
Review guidance and accounting principles to identify any changes to financial reporting standards	✓				
Edit past templates, training manuals, guides, videos to reflect changes in guidance/reporting standards	✓				
Post final training materials, templates, and guidance for reporting agencies to the CGO website	✓				
Notify agencies of materials posted to the website in addition to deadlines	✓				
Phase 2: Prepare Financial Statements and Reporting Packages (June – September)					
Respond to questions submitted to inbox or by phone	✓				
Prepare financial statements		✓			✓
Prepare reporting packages			✓	✓	
Complete quality control of financial statements		✓			✓
Complete quality control of reporting packages			✓	✓	
Submit financial statements		✓			
Submit reporting packages			✓	✓	
Submit additional reporting packages and reports related to investment reporting				✓	
Phase 3: Review and Compile Financial Statements and Reporting Packages (November)					
Review all received financial statements and reporting packages for completeness and accuracy	✓				
Identify any missing/incorrect information	✓				

ACFR Tasks	CGO	AFS Agencies	RP Agencies	STO	SCOSA/ External Auditors
Notify agencies of any edits/corrections necessary	✓				
Complete necessary edits/corrections and resubmit		✓	✓	✓	
Phase 4: Finalize and Submit the ACFR (December)					
Compile all financial statements and reporting packages	✓				
Insert information into the ACFR	✓				
Complete additional sections of the ACFR	✓				
Submit ACFR to Auditors	✓				
Issue Independent Auditor's Report					✓
Submit ACFR to Governor and Legislature	✓				

CGO ACFR Resources and Training

The CGO is responsible for providing agencies with resources and training to successfully fulfill reporting requirements related to the ACFR. Materials related to resources and training are detailed in the following sections.

Resources

The Office of the Comptroller General’s website contains numerous resources for agencies that are responsible for fiscal year end reporting related to the ACFR. Because agencies are categorized into either AFS or RP agencies and therefore are subject to different reporting requirements, the CGO releases resources specific to the type of agency. The CGO Resources Table found in Appendix B provides a summary of all resources available to AFS and RP agencies through the CGO’s website.

AFS Agencies

The CGO develops a Policy Manual (“Manual”) specific to AFS agencies which outlines submission requirements for the financial statements. The CGO updates the Manual on an annual basis for new authoritative literature, changes in State policy, and clarifications on issues identified in previous years. Sections within the Manual include:

- Application of Professional Literature
- Financial Statements and Required Supplementary Information
- Component Units
- Financial Statement Components
- Footnote Disclosures

- Department of Transportation
- Colleges and Universities

The Manual identifies deliverable requirements and deadlines for AFS organizations to submit information to the CGO.

Deposits and Investments Disclosure

AFS organizations that are considered part of the primary government or a major discretely presented Component Unit are required to submit a Deposits and Investments Disclosure document that discloses the credit quality ratings of external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities in which the organization invests. On their website, the CGO provides a Deposits and Investments Disclosure template in Excel with outlined requirements and instructions to guide agencies' completion of the document. Components of the Deposits and Investments Disclosure form include:

- Deposits and Investments held by the STO
- Cash on Hand
- Custodial Credit Risk – Investments
- Credit Risk Ratings
- Interest Rate Risk
- Investments by Fair Value Level
- Check Figure
- Reconciliations
- Investment Reconciliations
- Reconciliation to Statements

Checklists

The CGO encourages personnel in AFS organizations who are responsible for preparing the financial statement to complete checklists that can be found on CGO's website. The checklists are created by the Government Finance Officers Association ("GFOA"). The first checklist is a General Purpose Checklist that serves as a reference tool to help preparers find the information necessary to prepare an ACFR. The second checklist specifically applies to organizations with pension and other post-employment benefit system and cash and investment pools. As such, the checklists are not tailored to AFS agencies that prepare financial statements, but to agencies that prepare an entire ACFR. As a result, not every item contained in the checklist applies to AFS organizations as they are not responsible for completing all sections of an ACFR. While completion of the checklists is not required, the CGO strongly encourages agency personnel and their auditors to complete the checklists prior to submittal of financial statements to help identify financial statement criteria.

Tutorials and Templates

The CGO's website contains a video tutorial related to preparing financial statements in accordance with GASB pronouncements, as well as an Excel template tailored towards colleges and universities. The AFS video tutorial is a slideshow presented by CGO staff that discusses updates to the previous year's financial statement requirements in addition to a tutorial that provides instructions regarding completion of applicable components of the financial statements that were altered from the previous year.

The Financial Statement Spreadsheet Excel template contains multiple tabs on a spreadsheet with the financial statement structure required by CGO. The template contains tabs for each component of the financial statement in addition to a signature page for the preparer and reviewer of the statement to sign and certify.

RP Agencies

Similar to AFS organizations, the CGO also develops a Reporting Policies and Procedures Manual (“Manual”) specific to requirements for RP agencies. The Manual outlines reporting elements and requirements for the RPs. The CGO updates the Manual on an annual basis to ensure that the Manual reflects up-to-date accounting literature and regulations and that any changes to RPs or new requirements are included to inform RP agencies. The Manual also identifies all deliverable deadlines for RP agencies to submit RPs to the CGO.

Sections within the Manual include:

- Accounting Standards
- Master Reporting Package Checklist
- Financial Statement Elements

The Manual details GAAP and GASB principles and their relation to each RP component. While the Manual provides instructions on which data points must be reported in different types of RPs, the Manual provides minimal step-by-step guidance that informs agency personnel on how to retrieve or report on the required information.

The RP Checklist is designed to assist management within agencies who do not utilize a third-party to perform an annual financial statement audit in the evaluation of operational transactions and activity throughout the year and at year-end which require reporting. Therefore, completion of the checklist helps to identify which RPs apply to each agency and must be submitted. Agencies do not have to submit RPs that do not apply to their agency. RPs that an agency are required to submit depends upon answers to the questions on the checklist regarding operations and financial information.

Lease Register

The Lease Register is a separate document from an RP that is posted to the CGO website. The Lease Register is a tool for RP agencies to determine if a lease meets GASB’s criteria for a Capital or Operating Lease.

Amortization Table

The Amortization Table represents an additional requirement of RP agencies that is not included in the RP documents. The Amortization Table is a separate document posted to the CGO website and is a data table that shows the schedule of paying off a loan with details for each payment. The Amortization Table is in the form of a lease payment schedule that details all relevant information for each loan an agency maintains. The Amortization Table is used to provide interest charges on the entity’s loan or lease, disclose any executory costs, and detail the amount of principal of a loan paid in addition to the loan balance.

Templates

Templates for each RP are available to RP agencies on the CGO's website. RP agencies are instructed to provide information within the Excel templates for each RP. In each template, the CGO includes a signature page that agencies must complete to identify the preparer and reviewer of the RP. The CGO also includes a tab of instructions for agency staff preparing the RP. The instructions provide an overview of controls embedded within the cells to assist totaling of balances, in addition to summaries of each section of the RP if applicable. Instructions within the templates are designed to assist agencies in identifying information to include in the RP.

Sample Reporting Packages

On the CGO's website there is a link to Sample Reporting Packages which leads users to a list of files that include all types of RPs. For each type of RP, the CGO provides an example of the completed RP from a previous year, in addition to an accompanying video tutorial that demonstrates to agency personnel how to complete a specific RP. There are 21 sample RPs and seven video tutorials relating to varying RPs.

Video tutorials are created by CGO staff to familiarize RP agencies with the format of select RPs. CGO staff introduce the structure of the RP in addition to controls built into the RP such as conditional formatting and drop-down menus. Also, videos cover changes made to guidance and requirements that have resulted in updates to RPs for the current ACFR cycle.

Training

RP Training

CGO staff attend the Spring Government Finance Officers Association of South Carolina ("GFOASC") conference in May and deliver a presentation specific to RP requirements for the current ACFR cycle. Within the presentation, CGO staff compare requirements in RP requirements from the previous and current year's ACFR cycle. CGO staff highlight any removed and additional requirements that apply to the current year's ACFR cycle to help inform agency staff of changes and updates to RPs. As such, the SC GFOA conference serves as an additional method for CGO staff to communicate critical changes in reporting requirements for RP agencies.

General Training

The CGO provides training on topics that apply to both AFS and RP agencies. An example of a topic that affects both AFS and RP agencies is GASB pronouncements. When a new pronouncement is released, the CGO notifies agencies of the pronouncement through email and posts guidance to the website for agencies to access. In addition to email notifications and documentation, the CGO utilizes virtual meetings and archived video trainings to inform agencies of the impact of GASB pronouncements. For example, the CGO has released multiple training videos on their YouTube channel starting in 2022 related to GASB 87 and 96. GASB training videos created by the CGO are highly technical and explain how to complete documents associated with implementation of the new GASB pronouncement. Lastly, the CGO hosts question and answer sessions with agencies to clarify any questions or concerns agencies may have about implementation of the GASB pronouncement in their agency.

In previous years, the CGO has hosted training sessions in-person. During in-person sessions, agency personnel had the opportunity to interact with each other and share knowledge and lessons learned from previous ACFR reporting cycles. Agency personnel appreciated having the opportunity to interact and communicate with other AFS and RP agencies for the purpose of sharing insight and ideas related to ACFR reporting. Due to the COVID pandemic in 2020, the CGO discontinued in-person meetings and instead offered virtual trainings. As of the FY23 ACFR cycle, the CGO has not transitioned back to in-person meetings.

Technology

The CGO does not currently utilize a technology solution designed to automate processes associated with the ACFR. As a result, the parties involved in the ACFR process rely on manual processes such as email to transfer ACFR documents and to communicate regarding release of guidance and materials, and deadlines. The CGO utilizes Excel to structure and compile reporting documents and templates.

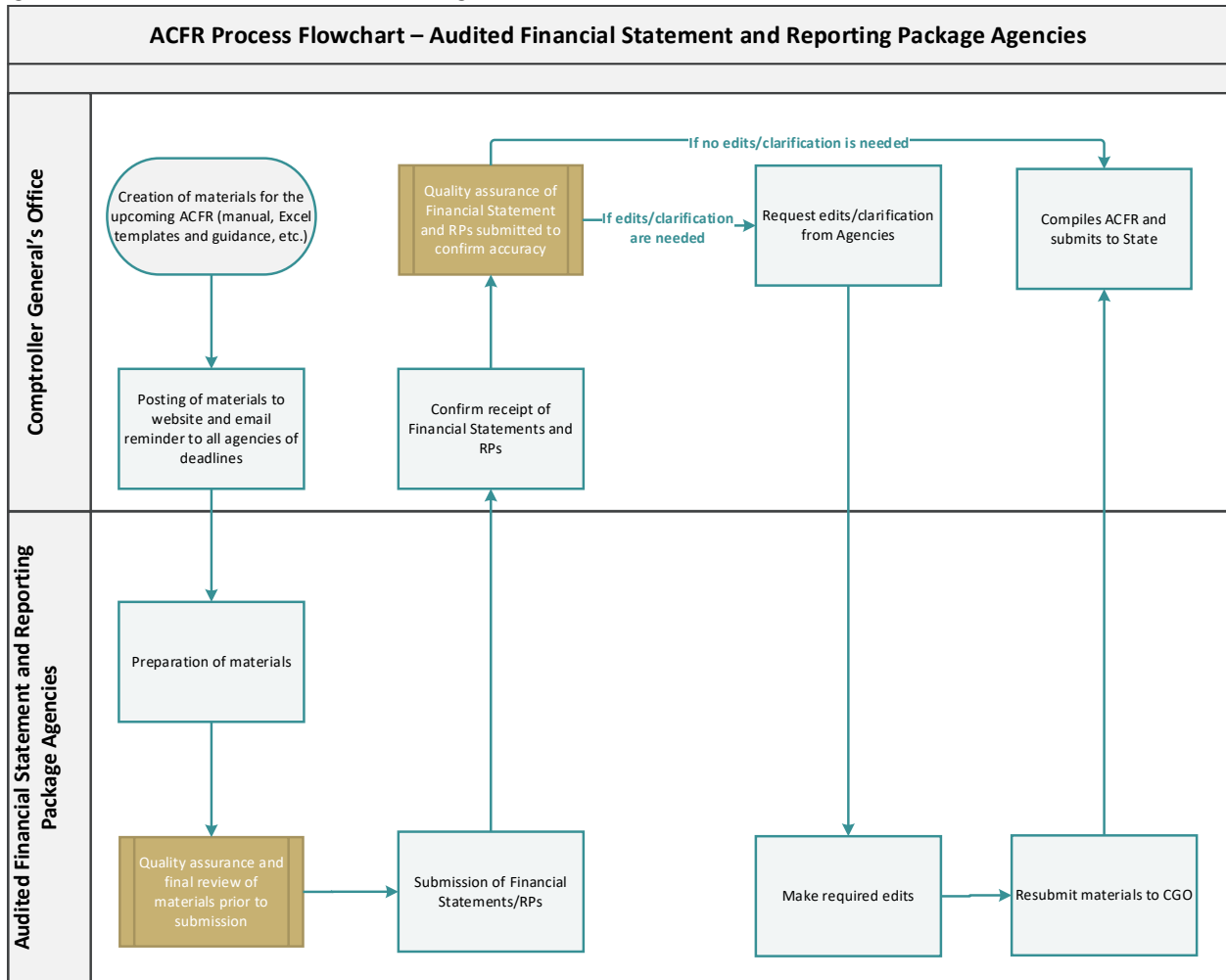
South Carolina Enterprise Information System (“SCEIS”)

South Carolina government agencies currently utilize SCEIS (“System”) as its financial ERP system. As such, SCEIS has the capability to generate reports detailing balances and activity recorded in the System for each agency that can be used to assist with ACFR reporting. The main entities that utilize SCEIS are RP agencies. Because AFS agencies are Component Units of the State, AFS agencies are not required to report all accounting activities within SCEIS. Only a portion of AFS agency accounting records is maintained through SCEIS. As such, AFS agencies primarily use their own stand-alone accounting systems to store and manage financial information related to financial statements.

4. ACFR Development Process Overview – Current State

Figure 5 demonstrates a high-level overview of tasks and processes associated with the ACFR development process:

Figure 5: ACFR Process Flowchart - AFS and RP Agencies



The following sections identify and detail the four phases of the ACFR development process in addition to the tasks associated with each phase that correspond with the Responsibility Matrix in the previous ACFR Overview and Governance section.

Phase 1: Release Guidance and Resources

The following section details the CGO's role in the creation and release of resources, guidance, and training to AFS and RP agencies regarding ACFR reporting requirements.

Creation and Release of Guidance and Materials

Upon the completion of an ACFR reporting cycle, CGO staff considers changes or updates to make to previously used templates or training guides. As such, CGO staff must stay abreast of any changes to generally accepted accounting principles and best practices released by organizations such as the GASB. When new guidance is released, the CGO assists agencies in determining how to implement the new standard in their agency. If there are any changes to guidance, the CGO revises and may create new requirements for AFS and RP agencies.

To inform AFS and RP agencies of reporting requirements and any updates for the upcoming ACFR cycle, CGO staff publishes various resources and training materials to the website for agencies to access. CGO staff publishes resources to the website and emails AFS and RP agency contacts to notify agencies that materials are posted. Included in the email is also a "Comptroller General's GAAP Calendar" that outlines all deliverables and deadlines for AFS and RP agencies for the upcoming ACFR cycle. The purpose of the CGO's email is to signal the start of the ACFR cycle and to inform AFS and RP agencies of the resources available to them and the relevant deadlines.

Once the CGO releases guidance, it is the responsibility of agencies to utilize training guides and materials to gain an understanding of which documents apply to the agency and how to complete such documents. If an agency has any questions regarding reporting requirements or guidance, agencies can reach out to a direct contact at the CGO or can email an inbox specifically utilized for answering questions and providing guidance related to financial statements and reporting packages. The dedicated inbox is monitored by multiple employees within the FR Division of the CGO, to help ensure prompt responses.

Phase 2: Prepare Financial Statements and Reporting Packages

Agencies are the primary entities responsible for either utilizing third-party entities to prepare and review financial statements, or for completing reporting packages. The following sections detail the technologies, reporting requirements, deliverables, timelines, and processes related to ACFR preparation for AFS and RP agencies.

Audited Financial Statement Agencies ("AFS agencies")

Overview

AFS Agencies submit financial statements that have been reviewed and sometimes prepared by third-party auditors, to the CGO. There are a wide range of different types of AFS agencies, including colleges, universities, foundations, authorities, and programs. Due to the diversity of AFS agencies, each organization holds different types of contracts with auditors to provide audit and assurance services. Some AFS agencies hold contracts with auditors through the SCOSA, which manages the contract between the organization and the auditors. Other AFS agencies hold contracts of their own with external auditors.

Different types of AFS organizations prepare financial statements differently. While some AFS agencies prepare financial statements in-house, others contract auditors to assist with financial statement preparation. Notwithstanding the method used to prepare financial statements, auditors perform annual audits of each AFS agency and audit the financial statements for any misstatements. The purpose of the audit is to provide assurance that management has presented a true and fair view of the agency's financial performance and position.

Financial Statement Requirements

The following list presents the required components of the Audited Financial Statements of AFS organizations:

1. Independent Auditor's Opinion
2. Management's Discussion and Analysis
3. Government-Wide Financial Statements
4. Fund Financial Statements
5. Statements of Position
6. Operating Statements and Statements of Activities
7. Statements of Cash Flows
8. Reconciliation of Government-Wide Statements to Fund Financial Statements
9. Eliminations
10. Restricted Assets and Liabilities
11. Cash and Investments
12. Disaggregation of Receivable and Payable Balances
13. Capital Improvement, Economic Development, and Research Infrastructure Bonds
Receivable/Revenue
14. Interfund Receivables and Payables
15. Inventory Reporting Method
16. Prepaid Expenses
17. Capital Assets
18. Governmental Fund Liabilities
19. Long Term Debt
20. Postemployment Benefits Other than Pensions
21. Compensated Absences
22. State Capital Improvement Bonds and Net Investment in Capital Assets
23. Operating and Non-Operating Revenues
24. Grant/Contribution Revenue
25. Indirect Expenses
26. Internal Service Funds
27. Fiduciary Funds

This list is based on required financial statement components for the FY23 ACFR cycle. Financial statement requirements in previous years have looked different from FY23 and may look different going forward due to accounting literature changes and changes in reporting requirements.

In addition to the required components of the financial statements, the CGO also requires in the AFS Manual that organizations must utilize footnotes throughout the financial statement to make disclosures for accurate incorporation into the statewide ACFR.

Deadlines

Deadlines for all required documentation for AFS organizations are defined in the AFS Manual. The CGO outlines in the AFS Manual the requirement for AFS agencies to submit draft financial statements to the CGO 15 days prior to the due date for the final financial statement. However, the draft requirement has not been enforced and adhered to in a consistent manner in practice.

The CGO sets deadlines for AFS final financial statements dependent on guidance released by the SC Legislature in the form of Provisos. Provisos are temporary laws released by the SC Legislature that are made effective for the upcoming fiscal year by the enactment of the General Appropriations Act or the State budget. In the 2022/2023 legislative session, the SC Legislature released Proviso 117.55 (“Proviso”), which specifies that if an agency’s fiscal year ends on June 30, the deadline to submit audited financial statements is October 1. For agencies with a fiscal year end date other than June 30, the Proviso specifies that the audited financial statements must be submitted within 120 days of the agency’s fiscal year-end date. Deadlines for audited financial statements that are communicated by the CGO follow such guidance from the SC Legislature.

Variances

Department of Transportation

The AFS Manual defines specific requirements and instructions to follow for staff that prepare the Department of Transportation’s (“DOT”) financial statements. The DOT section in the AFS Manual defines requirements in reporting of certain financial statement components that diverge from all other AFS organizations. For example, the category of infrastructure within capital assets included in the State’s primary government is limited to the DOT’s roads and bridges. Relatedly, the DOT must report capital outlays differently as the category must only include expenditures that increase capacity such as construction of a new bridge, widening of an existing road, or the addition of interstate entrance or exit ramps. In addition to all traditional financial statement components that must be included in the DOT’s financial statement, the DOT also must submit required supplementary information. The supplementary information required of the DOT relates to the DOT Special Revenue Fund (“Fund”) that is a major special revenue fund of the State. If the State Legislature prepares a separate budget for the Fund, the DOT must prepare a budgetary comparison schedule for the Fund.

Colleges and Universities

The AFS Manual defines specific requirements and instructions to follow for staff within colleges and universities that are responsible for the preparation of financial statements. The State requires that all colleges and universities report as business-type activities and therefore, as discretely presented Component Units in the State’s ACFR. For this reason, college and university financial statements are presented individually in the State’s ACFR and are not combined or blended.

The State follows guidance released within GASBs 34 and 35 which establish accounting and financial reporting standards for public colleges and universities. As such, GASBs 34 and 35 drive the differences in reporting requirements defined by the State and the CGO for colleges and universities. Examples of topics that are applicable specifically to colleges and universities and drive differences in reporting for the ACFR include: tuition and fees, scholarship discounts and allowances, Pell grants, research grants and contracts.

To ensure consistency of reporting among the 26 educational institutions included in the State's ACFR, the CGO develops Financial Statement Spreadsheets for colleges and universities to complete. The CGO also develops a separate checklist for colleges and universities to follow due to differences in reporting requirements from other AFS organizations. The checklist contains multiple reminders and review steps for personnel within submitting colleges and universities to compare with their financial statement prior to submission. The checklist and Financial Statement Spreadsheets are available on the CGO's website for personnel within colleges and universities to access.

Completion and Submittal Procedures

Fiscal Year

A majority of AFS organizations follow a fiscal year that begins on July 1 and closes on June 30. While some AFS agencies follow a fiscal year that begins on January 1 and ends on December 31. For agencies with a fiscal year end date of December 31, the primary difference in processes and procedures is the timeline of when financial statements are prepared, audited, and submitted to the CGO. The following processes and procedures outline the timeline for AFS agencies with a fiscal year end date of June 30. However, fiscal year end date should not affect general processes and procedures surrounding the ACFR across AFS agencies.

Preparation

Around January or February of each year, AFS organizations receive an email from the CGO that communicates the importance of deadlines surrounding ACFR preparation. The CGO attaches an acknowledgement form that agency personnel must print and sign to represent their acknowledgement and agreement to the required deliverables and deadlines. The email also includes process manuals that are specific to AFS organizations for additional guidance on requirements in addition to a link to the CGO's website for access to guidance, training materials, and templates.

Once the previous fiscal year closes on June 30, agencies perform close out procedures in July. The year-end closing process involves reviewing, reconciling, and verifying that all financial transactions and aspects of the organization's general ledgers balance. Once the fiscal year close out process is complete, agencies focus on developing the financial statements and any associated note disclosures in the month of August. To draft financial statements, some agencies may contract an audit firm for assistance. Other agencies draft financial statements in-house.

Each organization is different in its approach to completing financial statements and other required ACFR documentation. Agencies may create internal calendars to establish and track dates for producing drafts of the required documentation, quality control procedures, and internal review procedures. The process of drafting financial statements often includes multiple reviewers within the agency. AFS organizations have at least one additional reviewer separate from the preparer of the financial statement that is internal or external to the organization.

Because AFS organizations utilize external auditors to certify financial statements, agencies must take into consideration the timeline of the audit to ensure financial statements are audited and certified by the deadline. Once agencies draft financial statements or have auditors assist with preparation, the agency is ready for auditors to audit the financial statement. AFS organizations with a fiscal year end date of June 30 typically receive a financial statement audit between August and September.

The process of drafting financial statements should include multiple reviewers within the agency. AFS organizations maintain at least one additional reviewer separate from the preparer of the financial statement that is internal or external to the organization, establishing a minimum standard. Some AFS organizations may choose to implement additional levels of review beyond the minimum standard. As such, each AFS organization has the ability to implement the minimum standard of quality assurance or enhance the minimum standard with additional reviewers external to the preparer and reviewer. The preparer and reviewer of financial statements must be identified by each AFS organization within the Responsibility and Accuracy Form.

Audit teams take, on average, two to three weeks to review the draft financial statements for quality control purposes and to provide an auditor's opinion. Depending on whether audit teams suggest any edits, agencies may have to make edits or additional note disclosures to the financial statement drafts before finalization. Once the quality control process is complete, AFS organizations are ready to send their financial statements to the CGO. Prior to sending the draft, agency personnel must complete the Responsibility and Accuracy Form to identify the preparer and reviewer of the financial documents and an additional contact to direct questions to regarding the financial statements.

Submittal

To submit financial statements, the point of contact within the agency attaches a copy of the financial statement in addition to the Responsibility and Accuracy Form in PDF format and addresses the email to the CGO's ACFR specific email address. The CGO outlines the requirement for AFS organizations to submit a draft of their financial statement two weeks prior to the deadline in the Manual. Although there is a written requirement, the requirement is not consistently enforced or adhered to in practice. Therefore, not every agency submits a draft financial statement. For agencies that submit a draft, after the draft is submitted, the CGO may request clarification for AFS organizations regarding certain areas or figures within the financial statement.

If there are no clarifications required, the CGO has all of the necessary information to begin compiling the AFS entity's part of the ACFR. It is the decision of the agency to either submit an early draft to request feedback or submit the final version by the deadline. Once AFS organizations submit required documentation to the CGO, the CGO confirms receipt of the document and may reach out following the deadline for any questions or requested edits.

Reporting Package Agencies

Overview

RP Agencies submit various reporting packages to the CGO that represent different components of a financial statement. Types of RP agencies include state agencies, departments, offices, and commissions. Financial statement components are separated into individual reporting packages that agencies submit on behalf of their organization prior to being audited. Once all RPs are compiled into a single statewide financial statement, the SCOSA is responsible for auditing the statewide financial statement to ensure the State’s financial position is stated fairly and accurately.

Reporting Package Requirements

Figure 6 identifies Reporting Package requirements and deadlines for Fiscal Year 2023.

This table is based on required Reporting Package deliverables for the FY23 ACFR cycle. RP requirements in previous years have looked different from FY23 and may look different going forward due to accounting literature changes and changes in reporting requirements.

Figure 6: FY23 RP Requirements

Form Number	Form Name	Description	FY23 Due Date
1.00	GAAP Contact Forms	An Excel form that establishes communication managerial leads between the CGO and agency concerning important year-end closing dates, GASB accounting pronouncements, and other relevant information.	June 9
2.00	Master Reporting Package Checklist	An Excel questionnaire form that helps agency leads determine which reporting packages are required for their agency depending on their responses to the questions.	July 7
3.01	Cash and Investments Reporting Forms	An Excel form that is designed to gather information regarding the types of cash and investments owned by the agencies essential for accurate and complete reporting.	July 21
3.10	Loan Receivables Reporting Forms	A form that allows agencies to provide information regarding balances outstanding for loan and note receivables, the terms of repayment, and cash flow presentation.	July 21
3.13	Litigation Reporting Forms	A form that provides agency personnel with the opportunity to disclose any instances where the agency has consulted private attorneys for legal advice or representation.	July 21
3.14	Disallowances and Penalties Reporting Forms	A form that collects information regarding liabilities resulting from non-compliance with regulations or the violation of rules or federal program requirements that occurred before June 30.	July 21
3.09	Leases Reporting Forms	A form that allows agencies to detail any lease or rent related expenditures.	July 21

Form Number	Form Name	Description	FY23 Due Date
3.11	SBITA	A form that allows agencies to identify qualifying SBITA contracts in effect during the fiscal year.	July 21
3.15	Claims Reporting Forms	A form that allows agencies to provide information regarding the liabilities to be reported as of year-end and its financial statement classification.	August 4
3.04	Other Receivables	A form that allows agencies to report the accounts receivable, and the net of related allowance for uncollectible amounts.	August 11
3.06	Inventory Reporting Forms	A form that agencies complete to provide information regarding the value of inventories held by agencies.	August 11
3.16	Miscellaneous Loss Liabilities, Loss Contingencies, and Commitments Reporting Forms	A form that agencies complete to provide information necessary to understand the transactions for known and potential losses and significant commitments.	August 11
3.02	Tax Revenues Reporting Forms	A form that allows agencies to report tax revenues in accordance with GAAP and includes reporting of tax receivables, allowances for uncollectible taxes, and tax refunds payable.	August 11
3.05	Unearned Revenue	A form that provides agencies with a means to report any unearned revenue associated with the charges for services provided by the agency.	August 18
3.07	Prepaid Expense Reporting Forms	A form that agencies use to report the summarized prepaid expenses by Fund and General Ledger account.	August 18
3.18	Interfund Payables Reporting Forms	A form used to gather information needed for the recognition and reporting of amounts owed from one agency to another or from one accounting fund within the agency to another required by GAAP.	August 18
3.20	Fund Classification Reporting Forms	A form that allows agencies to provide information regarding constraints on the use of revenue sources and resulting fund balance.	August 18
3.03	Grant/Contribution Revenues Reporting Forms	A form that allows agencies to identify and report accrual amounts at year-end for the purpose of recognition of receivables and deferred revenue related to grant awards and contributions.	September 8

Form Number	Form Name	Description	FY23 Due Date
3.08	Capital Assets Reporting Forms	A form that allows agencies to ensure the completeness and accuracy of information reported in SCEIS and to report certain information related to capital assets that is not captured in the SCEIS Asset Module or the SCEIS General Ledger.	September 8
3.12	Accounts Payable Reporting Forms	A form that allows agencies to report accounts payable, accrued expenses, and contract retentions identified in each fund.	September 8
2.01	Subsequent Events Package	A form that provides agencies with the opportunity to report any events or information obtained subsequent to submission of the Master RP Checklist and the other Year-End RPs which impacts accuracy of the information provided.	November 20

Variations

STO

An RP agency that varies from normal RP requirements is the STO. As such, the STO has different reporting requirements due to the STO’s responsibility to invest funds on behalf of State entities. The specific reporting requirements and obligations of the STO related to the ACFR are discussed in Section 5: *STO Investment Reporting for the ACFR – Current State*.

Completion and Submittal Procedures

Fiscal Year

Each RP agency is considered to be part of the State; therefore, RP agencies follow the same fiscal year as the State. The fiscal year followed by the State and RP agencies begins on July 1 and ends on June 30. Therefore, the following processes and procedures are based on a fiscal year end date of June 30.

Preparation

Around January or February of each year, RP agencies receive an email from the CGO that communicates the importance of deadlines surrounding the ACFR preparation. The email includes an acknowledgement form that agency personnel must print and sign to represent their acknowledgement and agreement to the required deliverables and deadlines. The email also includes process manuals that are specific to RP agencies for additional guidance on requirements. To obtain the RPs, the Lease Register, and the Amortization Table, preparers at the respective RP agencies access the CGO’s website to locate Excel templates for each Reporting Package. Preparers can then download the template and complete applicable fields. Each individual RP template contains a sheet with instructions for completing the RP and also includes the deadline for each RP.

Each agency utilizes different approaches for completing RPs and other required documentation. Similar to AFS agencies, the dependency of the end of the fiscal year affects RP agency's ability to complete RPs prior to June 30. Some RPs report data that can only be obtained once all financial transactions of an organization have been reconciled and verified against the general ledger. For expenditure-related RPs that do not rely on the close of the fiscal year to be prepared, some agencies conduct financial reporting on a rolling basis throughout the fiscal year. For example, RP *"3.07 Prepaid Expense Reporting Form"* is able to be reported on throughout the year, allowing agencies to work ahead of the deadline.

Other RPs such as *"3.02 Tax Revenues Reporting Form"* are not as feasible to complete prior to the end of the fiscal year due to data points that can only be obtained upon the close out and reconciliation process. For RPs that cannot be completed before the close out process, agencies have the ability to complete as many tasks related to the RP as possible to make the most efficient use of time once the fiscal year is closed out. For instance, agency staff may begin reviewing RP templates and formulas between April and May to ensure all requirements are fully understood. Other RP agencies may choose to delay the start of all RPs until the fiscal year is closed out, meaning all work must be completed between June 30 and the RP deadlines. Once the fiscal year is closed out, agencies work on RPs that rely on finalized fiscal year end data beginning in late July and continuing into mid-August.

Once the RPs are completed by the preparer, the organization's quality control process begins. RP agencies may set internal timelines that consider the organization's internal quality assurance and control process. As such, select agencies aim to complete RPs prior to the CGO's deadline to ensure adequate time for internal quality assurance and review. The minimum standard for quality assurance requires at least one person to prepare an RP and one additional person to review the RP. For instance, in some RP agencies, the preparer reviews the RP for accuracy and completeness and is followed by a neutral reviewer who ensures the calculations are correct and compares the RP to that from the previous year. Other RP agencies may choose to enhance the minimum standard with additional levels of review and approval. Each RP contains a signature page that designates the preparer and reviewer of the document in addition to the point of contact for questions or concerns.

DOA Shared Services

An exception to the completion and submittal procedures above applies to RP agencies that utilize the DOA's Shared Services Division ("Division") to assist with completion of RPs. In the previous FY23 ACFR cycle, a total of twelve RP agencies utilized Division staff. The Division works on reporting on a rolling basis and is constantly forecasting and projecting figures for partner organizations to aid the RP process. The Division implements specific benchmarks throughout the fiscal year and works with their partner RP agencies to ensure they are forecasting financial information based on actual data. As such, the RP agencies perform monthly and quarterly close outs and reconciliations to ensure the Division is on track for completing RPs.

Agencies that utilize the Division operate under different procedures. In some agencies, the Division may complete the quality control process. In other agencies, the Division is responsible for preparing the RPs, while the agency is responsible for quality assurance. In each case, at least one staff member prepares the RPs with at least one additional staff member reviewing the RPs to meet the minimum standard for quality assurance. For some agencies, an internal staff member serves as the reviewer and inspects the RP for quality control purposes. Therefore, the Division staff member may be indicated as the preparer on the signature page while the agency's staff member is the reviewer.

If the Division reviews the RP, a Division staff member separate from the preparer is designated as the reviewer. Therefore, two Division staff members may be designated as the preparer and the reviewer on the signature page of an RP. Regardless of the reviewer, staff within the Shared Services Division that prepare the RPs serve as the point of contact for questions or concerns. Other RP agencies utilizing the DOA's shared services may implement additional levels of review and approval beyond the minimum standard.

Submittal

When an RP is completed and has been prepared by at least one staff member and reviewed by at least one additional staff member, the RP is ready to be submitted to the CGO. To submit RPs, the agency representative attaches the file in Excel with a signed copy of the signature page in PDF format to an email addressed to the CGO's ACFR-specific email address. After the RP is submitted, the CGO may reach out to the point of contact to confirm receipt and request clarification.

Phase 3: Review and Compile Financial Statements and Reporting Packages

Once the CGO receives documents from AFS and RP organizations, it is the CGO's responsibility to review and compile documents into the appropriate templates for reporting in the financial section of the ACFR.

Within the CGO's FR Division ("Division"), employees are assigned to specific components of the ACFR. Of six staff members under the Comptroller General and Chief of Staff within the Division, there is not an individual staff member solely responsible for AFS agencies. The Deputy Comptroller General over the FR Division is currently responsible for receiving, reviewing, and compiling all financial statements received by AFS agencies, in addition to other review and compilation responsibilities.

The remaining five employees are assigned compilation of information from RP agencies. Therefore, the five staff members share responsibilities of receiving, reviewing, and compiling all RPs received from RP agencies. Each of the five staff members specialize in certain finance areas, as listed in the *ACFR Overview and Governance* Section. Each staff member is assigned to individual RPs that relate to their specific subject areas. For example, a staff member that specializes in the areas of receivables, unearned revenue, and transfers is therefore assigned to all RPs related to receivables, unearned revenue, and transfers.

The following sections detail the processes and procedures of the CGO related to receiving and tracking deliverables, in addition to quality assurance and control.

Receipt of Documents

Once documentation is received from AFS and RP agencies, the CGO tracks each financial statement or RP submitted by agencies.

Audited Financial Statements

To track financial statements submitted by AFS agencies, the CGO utilizes an AFS Review Excel sheet. The AFS Review sheet tracks the date that financial statements are received from each AFS agency. In addition to the submittal date, the AFS Review sheet also tracks information related to the financial statement. Additional information that the AFS Review sheet tracks includes whether the auditor's opinion was clean, the auditor's information, in addition to whether recent GASB pronouncements were implemented by the agency. The AFS Review sheet allows the CGO to track the submission status of received financial statements from AFS agencies.

Reporting Packages

As documented in the Phase Two section, there are multiple deadlines for the different types of RPs. For all RPs, deadlines are staggered between July and November. CGO staff review RPs as they are submitted on a rolling basis. As CGO staff ("Staff") receives RPs in the email inbox, staff save all RPs in a shared drive folder assigned to the appropriate fiscal year with folders for each specific reporting package. Staff utilize the Master Reporting Package Checklists ("Checklists") submitted by each agency to forecast which RPs the CGO expects to receive from agencies between July and August for tracking purposes.

Utilizing the information obtained in the checklist from all RP agencies, staff create a Package Submission Control Log ("Log") to record which RPs the CGO must receive from each agency in addition to recording the date of receipt for each RP. The Log includes columns to detail the Agency Identification ("ID") number of each RP agency and the RP ID number to record the RP type assigned to each agency. The Log also includes additional columns to note the submission date of each RP. Agency personnel self-identify which RPs apply to the agency through utilizing the checklist. Because staff forecast which RPs to receive from each agency, staff have the ability to identify which RPs are yet to be submitted and can follow-up with agencies.

Late Submittals

If a financial statement or reporting package is not submitted on time, CGO staff reach out to the agency contact person indicated on the signature page of the initial acknowledgement form by email or phone to inquire about the status of the submission.

Quality Assurance and Control

Once the CGO receives a financial statement or RP, CGO staff aim to communicate any noted deficiencies to submitting agencies within one week. Deficiencies that may occur include missing information or incomplete sections.

A component of CGO quality assurance that applies to both AFS and RP agencies is ensuring the signature pages for the documents are complete and signed by a preparer and reviewer for the agency. To check for deficiencies regarding incomplete documents, CGO staff review each financial statement and reporting package for any missing information or incomplete sections. Staff may also examine multiple columns and cells to ensure that formulas are correct, and totals of columns and/or rows are accurate. The following sections detail the CGO's processes and procedures utilized to check for deficiencies related to data quality in financial statements and RPs.

Audited Financial Statements

For AFS agencies, the Deputy Comptroller General over the FR Division (“Deputy”) serves as the first reviewer, while different members of the Division staff serve as second reviewers for quality assurance purposes after the data has been compiled. The CGO does not currently have a staff member that is solely dedicated to quality assurance and review. As a result, CGO staff assigned to RPs serve as the final internal review for quality assurance purposes after compilation of the financial statements. Because financial statements have been audited and certified by external auditors, the quality assurance process differs from that of RP agencies. As a result, the quality control process for AFS agencies involves less mathematical testing and evaluation. However, CGO staff perform mathematical checks on the cash and investments portion of the financial statements.

The quality control process includes the comparison of an agency’s financial statement from the previous year to the current year. If any figure or balance is significantly different from the previous year and the CGO cannot determine the reason for the difference, the CGO will follow up with the agency. For the cash and investments portion of the financial statement, CGO staff compare the amount of cash and investments reported by the agency to the cash and investments reported as held by the STO on behalf of the agency. CGO staff utilizes the agency’s reconciliation of cash and investments to confirm whether the amount of the agency’s cash and investments matches the STO’s cash and investments reported as held on behalf of the agency. If any deficiencies are found, the CGO contacts the contact person within the agency to request clarification or to request edits to the financial statement.

Reporting Packages

For RPs, CGO staff assigned to RPs serve as the first reviewer, while the Deputy serves as the second reviewer after compilation of the data for quality assurance purposes. CGO staff perform multiple mathematical checks and tests to ensure accuracy of financial data. To assist with performing mathematical checks, staff utilize reports from SCEIS specific to the agency to compare balances on specific reports to balances reported in the RP. Also, CGO staff checks RPs from the previous year to ensure that agencies included any balances that should have carried forward to the current year’s RP. Most often, CGO staff use their best judgement to review balances and to investigate any inconsistent figures.

CGO staff also utilize RPs from the previous year to compare figures and balances to the current year’s RP. If a balance reported in an RP is significantly different from the previous year’s RP, the staff member reaches out to the agency contact to inquire the reason for the significant difference. Any mistakes or inconsistencies caught by staff member are then communicated to the agency’s contact person for clarification purposes and if necessary, are sent back to the agency for correction. If the CGO sends an RP back to the agency, the agency must resubmit the RP and the signature page. In other instances, the CGO may make the correction instead of sending back to the agency.

Controls

The CGO has embedded many controls into financial statement and RP templates to strengthen the quality assurance process and help prevent errors. In past ACFR cycles, the CGO has experienced various issues regarding the manipulation of templates, or the use of outdated templates from previous ACFR cycles. If financial statement or RP templates are manipulated by users, there is a risk for formulas and other controls within the templates to be altered or removed. To help prevent templates from being altered, the CGO implements controls and locks on templates to increase the security of the templates.

The CGO sets certain standards for how documents must be submitted. When submitting RPs, agencies must submit RPs with the corresponding ID number to the agency in addition to the closing package ID number. If the RP is not named using this format, staff will not accept the RP. The CGO sets conditional formatting within all Excel templates to ensure that required cells appear green when populated and appear red when empty to help prevent agency personnel from leaving cells blank. Additionally, CGO staff includes formulas in different cells throughout all templates that cross-check values to ensure that sub-totals are correct and accurate. Furthermore, CGO staff customize agency RPs to ensure that any remaining balances from select RPs from the previous year are correctly rolled forward to the next year's RP. By ensuring that balances roll forward and populate appropriately, CGO staff ensure that agencies account for the balance(s) carried over from the previous ACFR cycle.

Lastly, staff ensure that select formulas within the Excel templates are locked to help prevent manipulation of the formula and inaccurate data and totals. To prevent agencies from using past templates, the CGO checks to ensure the RP used by the agency is from the current ACFR cycle by embedding a hidden cell in templates that indicate the current year. During the months following completion of each year's ACFR, the CGO is constantly innovating new controls to implement for the upcoming ACFR to prevent errors or misreporting.

Compilation

The compilation process involves gathering all financial statements and reporting packages received by agencies and aggregating the data into various exhibits within the Financial Section of the ACFR. The ACFR includes financial exhibits that present AFS and RP financial data together and separately depending on the exhibit. Because AFS agencies are Component Units of the State, AFS agencies are categorized into major and nonmajor Component Units. The following entities are considered major Component Units and are reported as such in the ACFR:

- Public Service Authority
- Medical University of South Carolina
- University of South Carolina
- Clemson University
- State Ports Authority
- Housing Authority
- Lottery Commission

While the nonmajor or major Component Unit classification does not affect the type of information reported in the ACFR, the classification affects how the data is presented in select exhibits. Nonmajor Component Units are reported in separate columns in the ACFR within Exhibits G-1 and G-2. Additional information required of major Component Units is related to notes contained in the ACFR. No such notes are required for nonmajor component units. In other exhibits, AFS agencies are not separated between nonmajor and major Component Units and instead are all included in a separate column.

AFS Agencies

Compilation of the AFS financial statements involves aggregating information from each of the AFS agencies' individual financial statements into exhibits in the ACFR. CGO staff manually enter data and balances from AFS agencies' financial statements into a master Excel Statements spreadsheet utilized by the CGO that represent each exhibit related to financial statements within the ACFR. Major Component Units are reported in separate columns, while Nonmajor Component Units are aggregated and reported in a single column.

Journal Entries ("JEs") are also utilized throughout the compilation process. CGO staff completes a JE within SCEIS that consolidates or modifies financial information for ACFR reporting purposes. CGO staff utilize a JE Batch Control Log to track all JEs created and submitted during this process. The process starts with ensuring that balances that were rolled forward from the previous year were correctly accounted for in the current year. As such, CGO staff review the general ledger ("G/L") and ensure that the sum of the rolled forward balance and the G/L balance are equal. CGO staff review financial statements to ensure that the statement of activities is equal to the statement of net position, which includes the balance that was rolled forward by the agency. Next, CGO staff create JEs for each financial statement based on transactions contained in the G/L. The purpose of the JE process is to keep a record of how transactions within the G/L are recorded in each agency's financial statement. With corresponding JEs, CGO staff have the ability to adjust or modify financial information if a component of the financial statement must be reported at a different level within the ACFR.

During the compilation process, CGO staff may make adjustments to the information contained in financial statements that are necessary for the data to be compiled into the ACFR properly. The CGO informs agencies of adjustments regarding their RP data dependent upon the nature and timing of the adjustment.

RP Agencies

Compilation of the RPs involves saving all RPs from agencies that are in the same subject area and combining the RPs into a single Excel file with a tab dedicated to each agency's financial information contained in the RP. Because there are 81 RP agencies, CGO staff members maintain an Excel file with up to 81 unique tabs depending on the number of agencies that complete each RP. Each agency that submits an applicable RP has a unique tab dedicated to their RP information. A list of all RP agencies may be found in the RP Agency List located in Appendix A. Information from the unique tabs is then transferred to a master Excel tab and values are totaled. The master sheet then serves as a workpaper that CGO staff utilize to complete a master Excel Statement sheet for the corresponding exhibit that will be included in the ACFR depending on the subject area of the RP.

During the compilation process, CGO staff may make adjustments to the information contained in RPs that are necessary for the data to be compiled into the ACFR properly. The CGO informs agencies of adjustments regarding their RP data dependent upon the nature and timing of the adjustment.

Phase 4: Finalize and Submit the ACFR

Once the CGO's quality assurance and compilation processes are complete for all financial statements and RPs, the CGO proceeds to the final phase of the ACFR process. The following section details the CGO's processes and procedures for finalization of the ACFR.

Submission

Once the CGO's quality assurance process is complete and all of the master documents for inclusion in the ACFR have been compiled and completed, the CGO sends the documents to Clifton Larson Allen LLP, an accounting and advisory firm that currently serves as the State's external auditor in addition to the SCOSA. The SCOSA currently contracts Clifton Larson Allen LLP to audit select AFS agencies and to jointly issue the Independent Auditor's Report included in the ACFR alongside the SCOSA. Leveraging a third-party auditor to assist with issuance of the Independent Auditor's Report included in the ACFR represents a leading practice utilized by many states.

Both the SCOSA and Clifton Larson Allen LLP (collectively the "Auditors") review the ACFR and compile suggestions to send to the CGO for potential revisions to be made to the ACFR. Once the CGO receives the ACFR from the Auditors, the CGO reviews all comments and suggestions made by the Auditors and either accepts the suggestions and edits the content or chooses not to accept the suggestion(s). The CGO creates a document to track all of the accepted and rejected revisions to the ACFR and sends the document along with the updated version of the ACFR back to the Auditors. The Auditors then review the ACFR a final time and if satisfied, issue the Independent Auditor's Report and opinion. Once the CGO receives the ACFR and the Independent Auditor's Report, the CGO inserts the Independent Auditor's Report to finalize the ACFR and publishes the ACFR on its website. The SCOSA presents the final ACFR to the State Fiscal Accountability Authority.

5. STO Reporting for the ACFR – *Current State*

As the STO is responsible for investing the State’s cash, as well as issuing the State’s debt, the STO provides financial reports to the CGO that relate to these unique functions, in addition to the standard agency reporting packages for the ACFR. As such, the responsibilities of the STO have a significant impact on the State’s ACFR, particularly as it relates to cash and investment reporting. The following sections detail the reporting requirements of the STO in addition to the relationship between the CGO and the STO.

Governance

The South Carolina Code of Laws (“SC Code”) defines responsibilities of the CGO and the STO related to public finance and reporting. Below are relevant sections of South Carolina Code of Laws.

CGO

Responsibilities of the CGO related to the ACFR are defined in the South Carolina Code of Laws (“SC Code”). Section 11-3 of the South Carolina Code identifies the responsibilities as follows:

- The Comptroller General shall report, annually, to the General Assembly his transactions in regard to unappropriated funds in the State Treasury (S.C. Code Ann. **§ 11-3-90 (1976)**).
- The Comptroller General shall keep a set of books exhibiting the separate transactions of the State Treasury. Such set of books shall be a transcript of the books of the Treasury, constituting a complete check upon that office. And the Comptroller shall, in addition to the exhibits of cash transactions of the Treasury, annually report to the General Assembly a balance sheet of the books aforesaid, setting forth as well by whom debts are due to the State as the amounts of those debts (S.C. Code Ann. **§ 11-3-100 (1976)**).
- The Office of the Comptroller General shall implement appropriate accounting procedures to consolidate accounts, in connection with lump sum agencies, as necessary for proper accounting and for facilitation of financial reporting in accordance with generally accepted accounting principles (S.C. Code Ann. **§ 11-3-175 (1976)**).
- The Comptroller General shall enter in books, kept for that purpose, such statements of the accounts of persons having the distribution of public money, directed by law to be rendered to him, as will enable him, at any time, to show how such accounts stand between the parties, respectively (S.C. Code Ann. **§ 11-3-210 (1976)**).

STO

Responsibilities of the STO related to managing and reporting investments are identified in the SC Code. Sections 11-5 and 11-13 of the South Carolina Code identify the responsibilities as follows:

- The Treasurer shall raise an account in the Treasury books in every instance for the several appropriations made by the General Assembly, so that the appropriations of money and application thereof conformably thereto may appear clearly and distinctly on the Treasury books (S.C. Code Ann. **§ 11-5-100 (1976)**).

- The State Treasurer shall publish, quarterly, by electronic means and in a manner that allows for public review, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds to which it belongs (S.C. Code Ann. § 11-5-120 (1976)).
- The State Treasurer shall, at the close of business on each day, send to the Comptroller General a report of all monies paid out by him, to whom paid and on what account, except that paid upon warrants of the Comptroller General (S.C. Code Ann. § 11-5-170 (1976)).
- The State Treasurer shall, at the end of every month, report to the Comptroller General an accurate statement of the cash transactions of the Treasury, of every description, stating therein every sum of money received or paid away on behalf of the State, particularizing the person and his office of whom received and to whom paid, as also on what account received and for what purpose paid.

He shall, at all times, when required by the Comptroller General, produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State (S.C. Code Ann. § 11-5-180 (1976)).

- In addition to other reports required by law to be made, by the State Treasurer, he shall also report annually to the General Assembly in the month of January on the following matters:
 - (1) The amount of state revenue collected in the previous fiscal year.
 - (2) The amount of such revenue deposited in the state general fund.
 - (3) The location of general fund revenue in banks and other financial institutions including invested funds, as of the end of the previous fiscal year.
 - (4) The interest accrued from deposits and investments for the previous fiscal year and the use of such interest.
 - (5) The amount expended for debt service in the previous fiscal year.
 - (6) The current status of the general fund reserve including any expenditure or reimbursement thereof.
 - (7) Any other information relating to state revenue which the Treasurer deems pertinent and of value to the General Assembly, including such items as special state funds, the highway fund and other funds not specified herein, as may be deemed appropriate by the Treasurer (S.C. Code Ann. § 11-5-185 (1976)).
- The State Treasurer, with the advice and approval of the State Fiscal Accountability Authority, shall keep in a general deposit account all monies held by him for the account of all state funds which, in the opinion of the authority, may be properly consolidated. The authority shall designate the accounts which shall be so kept and the accounts which shall be carried as special deposits. The records of the State Treasurer and the Comptroller General shall, at all times, reflect the true cash balance of each fund comprising the general deposit account. Properly authorized obligations of the respective state funds comprising the general deposit account shall be paid therefrom, but no overdraft shall be permitted in any funds which will not be covered by the receipt of revenue or monies belonging to such fund within a reasonable time (S.C. Code Ann. § 11-13-40 (1976)).

- Banks or trust companies having on deposit funds of the State shall transmit monthly to the Comptroller General a copy of the report made to the State Treasurer under the provisions of Section 11-13-70 (S.C. Code Ann. § 11-13-80 (1976)).

Reporting Requirements

In order for the CGO to be able to complete the ACFR, the STO must complete additional reporting packages for the State’s current cash, investments, and debt positions at the end of the fiscal year. To assist with compilation, the CGO requests supplemental documentation or reports in addition to STO-specific reporting packages.

For the FY23 ACFR compilation, the CGO modified previous reporting packages related to cash, investment, and debt positions, as well as created newly required documentation and closing packages. The following Figure 7 provides descriptions of required RPs and supplemental documentation and due dates for FY23. The five newly required documents as of FY23 are highlighted in grey.

This table is based on required Reporting Package deliverables for FY23 ACFR cycle. RP requirements in previous years have looked different from FY23 and may look different going forward due to accounting literature changes and changes in reporting requirements.

Figure 7: FY23 Required RPs and Documentation from the STO

Form Number	Form/Schedule Name	Description	FY23 Due Date
Reporting/Closing Packages:			
4.2.1	Statewide Debt	A listing of all statewide debts such as bonds, notes, and the master lease program.	July 21
4.4.1	Unclaimed Property Summary Form	A form that allows the STO to detail any unclaimed property or assets currently held by the STO and protected by the State.	August 18
4.4	Statewide Investments (includes ZIMRQ300)	A form that allows the STO to provide summaries of investment balances.	September 8
4.5	TPM12 Investment Detail - Separate Package for Investment Disclosure	A form that allows the STO to provide further detail relating to necessary investment disclosures.	September 8
4.5	Statewide Cash and Investments – Investment Note	A form that allows the STO to report year end closing activity and adjustments related to cash and investment balances within the ACFR.	September 8
4.6	Security Lending – Separate Package	A form that allows the STO to provide further detail relating to necessary Securities Lending Adjustments.	September 8
Documentation Separate from Reporting Packages:			
N/A	Debt Schedules (520 CAT, 520 ISS, 560 CAT, 560 ISS, 730, 735, 820, and DCU Schedule)	A form that provides a list of all the debts the STO currently owes, the current balance, original amount, monthly payments, etc.	As soon as available
N/A	LGIP Balances for those requested by CGO after receiving LGIP inventory	A form that details all STO balances within the Local Government Investment Pool.	Upon Request

Form Number	Form/Schedule Name	Description	FY23 Due Date
N/A	General Ledger (“G/L”)	A custom business object report that allows the STO to detail cash and investments as they roll up to the ACFR by fund, G/L, and Depositor.	July 25
N/A	Composite Reservoir Accounts and Balances	A report that allows STO to detail bank accounts balances held outside of Treasury operations/SCEIS. Report will then be assigned to Depositor by CGO for the STO to approve assignment.	July 25
N/A	LGIP Inventory	A report that allows STO to detail LGIP inventory.	July 31
N/A	ZIMRQ300	A report that allows STO to detail investments at Business Area/Fund level. The report should agree to G/L. Includes the following investment portfolios: <ul style="list-style-type: none"> • HI – Health Insurance • DI – long-term Public Employee Benefit Authority • GF – General Fund interest recoupment • CV – Housing Trust • AD – University of South Carolina investment 	July 31
N/A	Investment Reconciliations	STO reconciliation of SCEIS general ledger to third party custodian statements provided for audit support.	July 31
N/A	Bank Reconciliations	STO reconciliation of SCEIS general ledger to third party bank statements for audit support.	August 15
N/A	Statewide Treasury Cash and Investment Closing Package	Compiled cash and investments held by the Treasury reconciled by business area/fund to the ACFR. This document provides directions for this closing package.	To be dual (CGO/STO) signed by September 8

Guidance from CGO

For RPs that are unique to the STO, the CGO creates specific guidance for the additional reporting requirements. Typically, STO anticipates being able to use the prior year packages, as applicable, in preparing STO-specific reporting packages for the most recent fiscal year. If the CGO needs changes, they may communicate the request for those changes or supplemental information via email to the STO.

For FY23, the CGO developed Cash and Investments Closing Package Instructions (“Instructions”) for reference and use by the STO when preparing all required RPs and documentation. The Instructions include notes and background information for completing RPs and documentation required. The Instructions also indicate any newly required supplemental information or RPs that differ from the previous year’s ACFR cycle. The purpose of the Instructions is to inform the STO of all reporting requirements for the ACFR cycle and to communicate any updates or changes to required materials.

Completion and Submittal Procedures

SCEIS

The STO utilizes SCEIS to store accounting records and information. As such, many of the reports identified in the above table are generated within SCEIS and then sent to the CGO. The main divisions responsible for preparing RPs are the Treasury Management Division and the Banking Division. Within SCEIS, there is a specific Treasury Management (“TM”) module that contains reports that have been customized and enhanced to optimize the year-end reporting process. Because both the CGO and STO have access to SCEIS, the CGO may generate certain reports related to cash and investments.

Preparation

Overview

In addition to its role as the custodian of the State’s debt, investments, and bank accounts, the STO is considered an RP agency and must complete certain RPs that are also completed by other agencies. To view processes related to the general processes of RP agencies for completing traditional RPs, see Section 4: *ACFR Preparation Process Overview – Current State*.

Due to the nature of the responsibilities of the STO, there are additional reporting packages that the STO must complete in order for the CGO to accurately and completely represent the State’s position as it relates to cash, debt, and investments. The following sections outline some of the processes and procedures related to the FY23 ACFR cycle for completing reports and documentation required specifically from the STO, in addition to more traditional agency RPs. Reports and documentation discussed in the following sections are unique to the STO.

Communication

The STO holds cash, investments, and debt on behalf of the State, and has a unique role in assisting with ACFR preparation. The CGO is responsible for accurately presenting the State’s financial information in the ACFR and therefore has expertise related to the types of information that must be included in the ACFR and how it must be presented. The STO leverages their expertise to assist in sending over the information necessary for this compilation and presentation. The STO does not have the same level of expertise related to ACFR reporting but must provide information to the CGO to fulfill year-end reporting requirements related to accounts managed by the STO. The CGO and STO send reporting packages back and forth to confirm bank balances held by the STO and ensure bank balances are reported accurately. Due to the dependencies shared by both agencies for information, it is vital that the CGO and STO maintain communication and collaboration during the ACFR reporting process with clear delineation of roles, responsibilities, and sign offs.

Completion of Documentation

The following sections outline the steps necessary to complete the closing packages required to compile certain portions of the ACFR.

Cash and Investments

For FY23 cash-related reporting requirements, the CGO combined cash G/L, bank cash, and investments into a consolidated reporting package to create an aggregate claim to cash position for the State as well as for individual agencies. The FY23 reporting package also included assertions for STO signature that were not included in prior year reporting packages. As the STO is organized into separate divisions for cash and investment, a number of individuals across both divisions were involved in the preparation of the combined closing packages.

For FY23, the STO required additional context and walk-throughs from the CGO to understand the basis of their proposed reporting to be able to validate that it tied to the cash balances and investment fair market value as of 6/30. The preliminary closing package was prepared in Excel and sent back and forth between the CGO and the STO via email. As the package included cash and investment data, multiple teams within the STO had to collaborate to complete the workbook.

For certain assets that are under the control of the STO, the ACFR details reporting of cash and investment balances by business area and fund. As such the CGO and STO have historically collaborated to prepare closing packages used for the compilation of information related to cash, debt, and investments and to report balances by business area and fund. For FY23 investment reporting, the STO provided the CGO a copy of the ZIMRQ300, a SCEIS report that demonstrates the allocation of investment funds at the fund and agency level.

As part of the FY23 process, the CGO prepared workbooks that reflected both cash position and investments. For cash, the CGO sought to reconcile the cash positions to the G/L and account for timing adjustments for reporting in the ACFR and requested attestation from the STO for fund-level cash position. Currently, the STO does not track investment position, nor does the ZIMRQ300 provide detail, at the ACFR fund type level and has not, since the use of the ZIMRQ300 report, provided attestation at a more detailed fund and business area level than the ZIMRQ300 reports. The CGO sent over their prepared workbooks and asked the STO to review and validate the accuracy of the CGO's preparation and modification of data, specifically: verify G/L balances at the business area/fund level by bank and verify the CGO's preparation of the composite inventory based on reconciliation to the G/L considering timing adjustments. The CGO's preparations utilized some STO-provided SCEIS reports but modified some of the STO reported information to meet the State's desired reporting level. Some G/L information may have been provided in a more detailed level of reporting than prepared or maintained by the STO, while other business area/fund information was determined by combining information from multiple bank accounts.

For the cash position, STO needed to ensure that interest-earning funds were being appropriately credited with their eligible share of account interest. For agencies that are not eligible to retain interest, interest earned on their funds is reported with the General Fund. For FY23, the CGO prepared preliminary closing packages that included determinations of allocation of funds at the fund and agency level, as well as to the General Fund. These preliminary closing packages were provided to the STO for review and validation.

A similar process was followed for the composite inventory closing package preparation, which also required additional review and validation by the STO to ensure that the CGO calculations and allocations matched to STO reports, and that any variance could be reasonably accounted for.

For investment reporting, some funds are eligible to retain the interest earned from investment of their funds. The CGO prepared workbooks to document the allocation of eligible interest, as well as to confirm the accuracy of the fair market value calculations needed for ACFR reporting. The ZIMRQ300 is a limited report and does not reflect all the calculations necessary to determine the Fair Market Value (“FMV”) necessary for ACFR reporting. Typically, the STO will use market value data from custody holding banks to help update the market value, which may not always directly tie to the account balances. For example, until the STO disburses purchase accrued interest, it will remain in the account and will be included in ZIMRQ300 report. The earned interest is traceable to each fund, as applicable. Other variances may include the General Portfolio G/L inclusion of the management and administrative fees owed on the investments, which are held in the General Portfolio G/L until disbursed.

The CGO requested that AFS agencies review a new report developed by the CGO for FY23 that included the agency’s claim to cash, investment balance, and the determination of fair market value; AFS agencies were encouraged to contact the STO if there were questions about the presented data.

Debt

As new debt is issued each year, the STO sends copies of the debt details to the CGO. As information is received, the CGO begins recording the information as the debt details are finalized with the debt closing, so that annualized compilation is a more perfunctory confirmation of the aggregation of debt issued or modified throughout the year.

Quality Assurance and Review

For the FY23 ACFR cycle, the STO utilized a three-level quality assurance and review process. A staffer serving in an internal audit role for the ACFR reporting process receives the initial information requests from the CGO and creates a schedule of package assignments for teams and individuals, as appropriate. This staffer also creates internal deadlines for submission and review. The preparer of the report first reviews the document or RP with their supervisor within the STO. For reporting packages prepared by the CGO that the STO was asked to validate, the preparer/validator completes their initial review and validation process, including noting any variances and ensuring that the STO can tie their data and reports to all numbers prepared by the CGO. The preparer/validator presents their work to their supervisor. Then, the supervisor and the preparer/validator present the document(s) to the Deputy State Treasurer. The Deputy State Treasurer is responsible for signing the document or RP for certification as the reviewer. Once the Deputy State Treasurer signs, the package is sent for an internal audit. Lastly, a supervisor within the internal audit function conducts a final review. The internal audit reviewer utilizes an Internal Audit Checklist when reviewing all documents for completion and accuracy. Once the internal audit reviewer completes the review process, the report or document is ready to be sent to the CGO. This internal audit process is not for formal approval, but more for confirmation of complete and accurate workpapers and associated reporting package data inclusion. The internal audit reviewer is also responsible for collecting the final, signed versions of the reporting packages using a shared email inbox.

Submittal

The internal audit staff member is responsible for submitting documents related to the ACFR to the CGO once the quality assurance process is complete. Reporting packages and supporting documentation and reports are sent by email to the CGO's ACFR-specific inbox.

Relationship Between the CGO and STO

During the FY23 ACFR cycle and previous ACFR cycles, there has been disagreement between the CGO and the STO regarding the assignment of reporting responsibilities and duties, and signature authority related to certain reported data. The preliminary disagreement is related to reporting packages and documentation related to cash and investments that are reported at the fund level by the STO instead of at the business area and agency level. Because a fund may include more than one agency, investment reporting at the fund level is not equivalent to reporting at the business area or agency level. For that reason, the STO has provided select reports to the CGO and the CGO has reconciled the funds back to each individual agency, reconciled the cash positions to the G/L, and accounted for timing adjustments as reported in the ACFR.

Because the data isn't prepared by the STO at the business area/fund level which reconciles to the G/L, and accounts for timing adjustments, there is hesitancy in the STO signing off on data that they have not prepared. If the STO is able to report cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments as opposed to the CGO (who prepares the ACFR) performing the reconciliation, there will be enhanced controls and quality assurance as one party can validate another party's work.

Because of the complex reconciliation process that the CGO previously completed to tie balances at the agency level, the CGO has inquired of the Department of Administration whether the STO can report balances at the business area/fund level which reconciles to the G/L, and accounts for timing adjustments within SCEIS. The CGO has provided draft business requirements to the Department of Administration with the desired outcome of the STO being able to report cash and investment balances at the at the business area/fund level which reconciles to the G/L, and accounts for timing adjustments by quarter and annually. Attempts for the CGO and STO to meet to discuss the issue have been relatively unsuccessful due to disagreement surrounding which agency should be responsible for reporting at the business area/fund level.

6. ACFR Preparation Process Overview – *Recommended Future State*

Holistic Observations and Recommendations

Observation 1: The CGO currently encourages AFS agencies to complete checklists created by the GFOA that serve as a reference tool to help preparers find the information necessary to prepare an ACFR. As such, these checklists contain items that do not apply to AFS agencies which are only responsible for preparing financial statements. As a result, the checklists have the potential to confuse staff within AFS agencies due to the items that describe the requirements of remaining ACFR sections for which the CGO is responsible.

Recommendation 1: The CGO should create a checklist(s) that are specific to AFS agencies and financial statement requirements to serve as guidance that is tailored to AFS agencies. The CGO should then require all AFS agencies to complete the checklist to acknowledge their understanding of all required financial statement components.

Observation 2: The CGO's current training materials and instructions regarding GAAP reporting procedures and GASB reporting requirements do not provide adequate context for agencies related to how to retrieve and report required information. While instructions and guidance explain which information to report, guidance does not explain the reason behind reporting requirements. As a result, training documents may be difficult to follow for users lacking baseline financial knowledge in addition to new staff hired in agencies that are unfamiliar with the ACFR process or GASB reporting standards.

Recommendation 2: The CGO should integrate more detailed "how-to" guidance into GAAP reporting and GASB training. More detailed training material will assist agency staff in identifying the effective and efficient methods to obtain and report information required for deliverables. Also, establishing more baseline knowledge of agency personnel related to the ACFR may result in less questions and concerns from agencies directed towards CGO staff.

Observation 3: Agencies reported that they enjoyed attending in-person ACFR training sessions and having opportunities in the past to interact and communicate information and insight gained from ACFR reporting cycles. Agencies desire enhanced opportunities for collaborative communication and knowledge sharing related to the ACFR development process.

Recommendation 3A: The CGO should lead additional training and Q&A sessions in-person in addition to virtually. When attending in-person sessions, agency personnel will have opportunities to share knowledge and learn new techniques or strategies for approaching the year-end ACFR development process.

Recommendation 3B: The CGO should employ a mechanism to receive feedback, related to what is working well and what could be enhanced, from agencies regarding the ACFR process. The mechanism may be in the form of a survey and/or a workshop to provide agencies the opportunity to share insight on leading practices, strengths, and opportunities for enhancement. Results of the survey/feedback and any CGO action items should be shared across all agencies to encourage communication and transparency. Benefits of the feedback mechanism include the creation of a more collaborative environment focused on continuous improvement.

Observation 4: The CGO mostly leverages Excel to develop the ACFR. The CGO does not currently utilize a technology solution to manage the ACFR development process. As a result, email is typically used to communicate, transfer, and submit files between the CGO and agencies, and the CGO must manually transfer large volumes of data into ACFR development templates.

Recommendation 4: The CGO should continue its current path of procuring a technology solution(s) for managing and creating the ACFR. The technology solution(s) should manage communications and the transfer of files between the CGO and agencies. The technology solution(s) should also have the capability to show the status of requests from the CGO and communicate to agencies whether their submissions have been accepted and completed.

Phase 1 (*Release Guidance and Resources*) Observations and Recommendations

Observation 5: M&J learned in interviews the nature of the communication between the CGO and agencies. The CGO reaches out to agencies when new GAAP or GASB guidance is released, and during the ACFR cycle regarding deadlines and deliverables. As a result, communication from the CGO to agencies is reactive and transactional.

Many of the training resources and materials offered by the CGO are tailored to RP agencies. While the reporting process is more straightforward for AFS agencies due to the assistance of external auditors and less required deliverables, new GASB pronouncements increase the need for guidance and training.

Recommendation 5A: The CGO should assess current communication to agencies and should attempt to communicate with agencies on a more regular basis. As such, the CGO should strive to be more proactive in contact with agencies when new GAAP or GASB guidance is released and in relation to the ACFR cycle. The CGO should initiate more contact with agencies to proactively answer questions or concerns or provide guidance throughout the fiscal year rather than solely during the ACFR cycle.

Recommendation 5B: The CGO should aim to develop a more collaborative relationship with AFS agencies by providing more collaborative training and guidance specifically related to GASB procurements and implementation. Providing formal guidance in the form of training and materials to AFS agencies will help ensure that procedures are consistent among agencies related to GASB implementation. Additionally, increased communication will help to foster a collaborative relationship between the CGO and AFS agencies.

Phase 2 (*Prepare Financial Statements and Reporting Packages*) Observations and Recommendations

Observation 6: While the Manual created by the CGO includes a requirement for AFS agencies to submit draft financial statements to the CGO 15 days prior to the financial statement deadline, the requirement is not enforced or adhered to in practice.

Recommendation 6A: The CGO should implement a checkpoint for all AFS agencies to check-in with the CGO regarding progress on financial statements prior to the deadline. The checkpoint should be a formal communication method between the AFS agency and CGO staff. The purpose of the checkpoint is for AFS agencies to provide an update regarding financial statement progress and to attest whether or not they will meet the deadline.

Recommendation 6B: The CGO should implement and enforce a policy that requires AFS draft financial statements from all AFS organizations. The CGO will then have the opportunity to provide feedback on the presentation of the financial statement and use placeholder data as applicable before final statements are issued.

Phase 3 (Review and Compile Financial Statements and Reporting Packages)

Observations and Recommendations

Observation 7: Due to current staffing size and workload demands, the CGO does not currently have a staff member solely dedicated to quality assurance (“QA”) and review. As a result, staff members that are not primary reviewers of financial statements or RPs serve as the second and final reviewers before information is compiled into the ACFR.

The Deputy Comptroller General over the FR Division is currently responsible for all AFS agencies and for the final QA review of all RPs.

Recommendation 7A: The CGO should increase its current FTE count by two FTEs within the FR Division to allow for:

- A dedicated role solely/primarily focused on quality assurance/quality control.
- A role lower in the organization to be the primary responsible staff member for AFS agencies.

Increasing the FTE count by two will allow for the CGO to formalize the financial statement and RP quality assurance process and allow for remaining staff members to focus on their primary duties. Also, the Deputy Comptroller General over the FR Division will be able to focus on more strategic roles and responsibilities.

Recommendation 7B: For months outside of the ACFR cycle when the new position assigned to QA does not have ACFR documents to review, the position could be responsible for assessing findings from the most recent QA process. For instance, the staff member could identify the most common issues encountered during the QA process and develop procedures to mitigate the identified issues in time for the next cycle. This position will allow for the CGO to operate more proactively through identifying issues and taking steps to help prevent issues from reoccurring. Relatedly, the staff member could then assist with developing new training content and material to educate agencies on common issues found in the previous ACFR cycle. As such, this position will help to improve communication between the CGO and agencies and foster a more collaborative relationship.

Observation 8: During the compilation process, CGO staff may make adjustments to the information contained in financial statements that are necessary for the data to be compiled into the ACFR properly. The CGO informs agencies of adjustments regarding their RP data dependent upon the nature and timing of the adjustment.

When the agency sends financial statements or RPs to the CGO, the agency signs a Signature Page that serves as the agency’s attestation that data contained in the document is complete and accurate to the best of their knowledge. If the CGO makes modification to the data for purposes of compilation into the ACFR, the CGO may be altering data that agency previously certified that could represent a material deviation from the agency’s certified data. Currently, the CGO is altering information and data certified by agencies without consistent awareness.

Recommendation 8: The CGO should consistently communicate to agencies any proposed material adjustments made to submitted information and the rationale for the adjustments in addition to supporting documentation (workpapers) that details how the changes will be made. By communicating modifications, the CGO will enhance agencies' awareness and understanding of the rationale behind reported figures in the ACFR potentially appearing different from the information that the agency previously attested on. In addition to communicating modifications made to an agency's data, the CGO should provide the agency with the opportunity to ask questions and if needed, appeal the changes to the State Auditor for mediation.

STO Reporting for the ACFR Observations and Recommendations

Observation 9: For the FY23 reporting package, the CGO combined portions of the cash and investment reporting packages unique to the STO into a single reporting package that required collaboration across multiple divisions of the STO. The CGO leveraged the STO-provided data to prepare a reconciliation of cash and investments to SCEIS G/L data to allow for ACFR reporting at the desired level of detail.

Pursuant to State Code Section 11-5-180, the State Treasurer shall, when required by the Comptroller General, "produce to him satisfactory statements of the cash in hand and furnish him promptly with the official information, duly certified, relative to any matter connected with the revenue and finance of the State."

The CGO's use of information provided by the STO to prepare a reconciliation of cash and investments to SCEIS G/L data may create conflict with Section 11-3-100 of the State Code, which requires the Comptroller General to keep a set of books that "shall be a transcript of the books of the Treasury" by creating a separate record that no longer reflects a transcript of the books of the Treasury.

Recommendation 9A: The Treasurer is responsible for producing the necessary reports and records the CGO needs to compile the ACFR, as well as for any other purpose identified and communicated by the CGO. The CGO should not have to leverage information provided by the STO and make modifications for ACFR reporting purposes, as it creates the potential for conflicting official records of the State.

Recommendation 9B: The STO should be providing the CGO with requested information needed for ACFR reporting. If the STO is able to report cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments as opposed to the CGO (who prepares the ACFR) performing the reconciliation, there will be enhanced controls and quality assurance as one party can validate another party's work.

In order for the STO to prepare the requested documentation, additional SCEIS reporting requirements may be necessary to produce documentation at the requested level of detail. The State should provide the resources necessary to implement any additional reporting requirements to enable the CGO's desired level of reporting from the STO. The Department of Administration should continue to work with the CGO and the STO to operationalize the draft requirements previously submitted to the Department of Administration by the CGO that should enable the STO to provide the desired reporting to the CGO for ACFR compilation.

As the STO provides the requested information (cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments) in the future to the CGO needed for ACFR reporting, the associated assertions contained in the RPs should be constructed in a manner that relates to data and information for which either the STO is/will be responsible for and/or data that the STO pulls from SCEIS with reasonable assumptions.

Recommendation 9C: Additionally, the STO may need additional experience or education about ACFR reporting requirements, to ensure appropriate preparation. To facilitate the assumption of this responsibility, the STO may need to consider hiring or contracting with subject matter experts who can assist the STO in further understanding and complying with CGO ACFR reporting requirements. The CGO should propose to the STO the associated assertions and assumptions related to providing the requested information (cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments information). If needed, the STO should develop a plan in terms of needs/requirements to be reasonably comfortable with the proposed assertions and assumptions for the new level of ACFR reporting to the CGO.

Recommendation 9D: Based on the State's evaluation of the recommendations and determination of implementation, the State should appoint a person(s) with appropriate level of authority and resources to help ensure governance over the transformation.

7. Conclusion

We commend the leadership of the State and SCOSA for commencing this Assessment as this process has been in-depth and brought to light the positive accomplishments and strengths of the ACFR development process, and the opportunities for improvement needed to enhance efficiency and reduce risk. The CGO and the STO (along with other agencies) have been instrumental in providing open access to people and information that was used during the course of this project.

The State and SCOSA now have an understanding of the current state of the ACFR development process, and recommendations to continuously enhance the process into the future. Now the real challenge is here – implementing the report’s recommendations and systematically enhancing the ACFR development process. Based on the State’s evaluation of the recommendations and determination of implementation, a formal governance structure should be created along with necessary resources to oversee the implementation and associated transformation.

Appendix A: Additional Lists

Appendix A shows the AFS and RP agencies included in the ACFR.

AFS Agency List

The following list identifies AFS agencies that submit financial statements to the CGO:

- Aiken Technical College (C-13)
- Central Carolina Technical College (C-24)
- Children's Trust Fund of SC Inc (C-01)
- Citadel (C-29)
- Clemson (C-30)
- Coastal Carolina University (C-32)
- College of Charleston (C-31)
- College Savings Plans (F-05 Future Scholar)
- Connector 2000 Association, Inc. (C-03)
- Denmark Technical College (C-16)
- Department of Transportation
- Education Assistance Authority (C-07)
- Employee Insurance Program (I-03)
- Enterprise Funds-Unemployment Compensation (E-04)
- Florence-Darlington Technical College (C-17)
- Francis Marion University (C-33)
- General Assembly Retirement System (F-04)
- General Funds (G-02 SC Student Loan Corporation)
- General Funds (G-03 Invest SC)
- General Funds (O-6 Escheats)
- Greenville Technical College (C-18)
- Horry-Georgetown Technical College (C-19)
- Housing Authority (C-09)
- Insurance Reserve (I-01)
- Investment Trust Local Government Investment Pool
- Jobs Economic Development Authority (C-1)
- Judges and Solicitors Retirement System (F-04)

- Lander University (C-34)
- Local Government Infrastructure (G-04 SCTIB Infrastructure Bank)
- Long-Term Disability Insurance Trust Fund (F-03)
- Lottery Commission (C-06)
- Midlands Technical College (C-20)
- Medical University of South Carolina (C-38)
- National Guard Retirement System (F-04)
- Northeastern Technical College (C-25)
- Orangeburg-Calhoun Technical College (C-21)
- Palmetto Railways (E-01)
- Patients Compensation
- Patriots Point Development Authority (C-10)
- Piedmont Technical College (C-22)
- Police Officers Retirement System (F-04)
- Ports Authority (C-05)
- Public Service Authority (C-04)
- Research Authority (C-12)
- South Carolina First Steps to School Readiness Board of Trustees (C-08)
- South Carolina Medical Malpractice Liability Joint Underwriting Association (C-02)
- South Carolina Retiree Health Insurance Trust Fund (F-02)
- South Carolina Retirement System (F-04)
- South Carolina State University (C-35)
- Spartanburg Community College (C-23)
- State Accident (I-02)
- State Tobacco Settlement
- Technical College of the Lowcountry (C-14)
- Tobacco Settlement Revenue Management Authority (G-01)
- Tri-county Technical College (C-25)
- Trident Technical College (C-26)
- Tuition Prepayment Program (E-02)
- University of South Carolina (C-36)
- Williamsburg Technical College (C-27)

- Winthrop University (C-37)
- York Technical College (C-28)

RP Agency List

The following list identifies all RP agencies that submit reporting packages to the CGO:

- Adjutant General's Office
- Administrative Law Court
- Aeronautics Division
- Aid to Subdivisions (DOR)
- Aid to Subdivisions (STO)
- Arts Commission
- Attorney General's Office
- Board of Financial Institutions
- Children's Advocacy
- Commission for The Blind
- Commission On Higher Education
- Commission On Indigent Defense
- Commission On Prosecution Coordination
- Comptroller General's Office
- Confederate Relic Room And Military Museum Commission
- Department of Administration
- Department of Agriculture
- Department of Alcohol And Other Drug Abuse Services
- Department of Archives And History
- Department of Commerce
- Department of Consumer Affairs
- Department of Corrections
- Department of Disabilities And Special Needs
- Department of Education
- Department of Employment And Workforce
- Department of Health And Environmental Control
- Department of Health And Human Services
- Department of Insurance

- Department of Juvenile Justice
- Department of Labor, Licensing, And Regulation
- Department of Mental Health
- Department of Motor Vehicles
- Department of Natural Resources
- Department of Parks, Recreation And Tourism
- Department of Probation, Parole And Pardon Services
- Department of Public Safety
- Department of Revenue
- Department of Social Services
- Department of Veteran Affairs
- Department on Aging
- Education Oversight Committee
- Educational Television Commission (ETV)
- Election Commission
- Forestry Commission
- Gov Sch for Arts & Humanities
- Gov Sch for Science & Math
- Governor's Office--Executive Control of State
- Governor's Office--Mansion & Grounds
- Higher Education Tuition Grants Commission
- Human Affairs Commission
- John De La Howe School
- Judicial Department
- Law Enforcement Training Council
- Legislative Department - Codification of Laws & Legislative Council
- Legislative Department - House of Representatives
- Legislative Department - Legislative Audit Council
- Legislative Department - Legislative Services Agency
- Legislative Department - The Senate
- Museum Commission
- Office of Inspector General

- Office of Regulatory Staff
- Office of Resilience
- Office of The State Auditor
- Procurement Review Panel
- Public Service Commission
- Revenue And Fiscal Affairs office
- Rural Infrastructure Authority
- School for The Deaf And Blind
- Sea Grant Consortium
- Secretary of State's Office
- South Carolina Conservation Bank
- State Board for Technical & Comprehensive Education
- State Commission for Minority Affairs
- State Ethics Commission
- State Fiscal Accountability Authority
- State Law Enforcement Division
- State Library
- State Treasurer's Office
- Vocational Rehabilitation
- Wil Lou Gray Opportunity School
- Worker's Compensation Commission

Appendix B: Additional Tables

CGO Resources Table

The following table identifies and provides a summary of each document that was available for agencies completing financial statements and RPs during the FY2023 ACFR cycle:

Resource	Description	Applicable Agency Type
Comptroller General’s GAAP Calendar	A document that details all of the deliverables, sections to reference for additional guidance for specific deliverables, due dates, and contacts at CGO for inquires related to the deliverables.	All
Policy Manual	A manual that provides policies and guidance to the accountants/auditors of State agencies, higher education institutions, and other entities that have separate audits of their financial statements and submit audited reports to the CGO for incorporation into the ACFR.	AFS
General Purpose Checklist <i>(for use by all government types excluding Public Employee Retiree Benefit Plans and Government Investment Pools)</i>	A checklist from the Government Financial Officers Association that serves as a reference tool to help preparers find information necessary to prepare an ACFR. Provides references to where the detailed required disclosures can be found in authoritative literature and in the 2020 version of GFOA’s Governmental Accounting, Auditing, and Financial Reporting.	
Post Employment Benefit and Retirement Checklist <i>(for use by Pension and Other Postemployment Benefit System & Cash and Investment Pools)</i>	A checklist from the Government Financial Officers Association that serves as a reference tool to help preparers find information necessary to prepare an ACFR. Provides references to where the detailed required disclosures can be found in authoritative literature and in the 2020 version of GFOA’s Governmental Accounting, Auditing, and Financial Reporting.	
Audited Financial Statements Tutorial	A video describing changes from templates used in previous years and the most current template for FY 2023.	
Financial Statement Spreadsheets	An Excel workbook containing multiple templates representing different components of financial statements for colleges and universities such as Assertions, Foundations, College DCUs in ACFR, Other State DCUs, SONP, SOA, and Cash and Investments for colleges and universities to complete.	AFS – Colleges and Universities

Resource	Description	Applicable Agency Type
Review Checklist	A checklist containing multiple review steps for financial statement documents with multiple reminders and checks to ensure accuracy.	
Year-End Reporting Policies and Procedures Manual	A manual that includes changes in requirements or accounting standards from the previous fiscal year in addition to guidance for submitting reporting packages and preparing financial statements.	RP
Sample Reporting Packages	Multiple examples of completed reporting package documents in addition to video tutorials provided for additional training and guidance.	
Year-End Reporting Package Templates	Excel templates with instructions for agencies to complete and return to the CGO.	
FY2023 CG Closing Package Schedule for STO	An Excel workbook that details all closing packages in addition to deadlines for each package.	STO
State Treasurer’s Office Specific Cash and Investments Closing Package Instructions	A manual that includes instructions for completing the closing package in addition to any changes in business processes from the previous year’s closing package.	
Mid-Year Cash and Investment Closing Package	An Excel template for the STO to utilize to complete the closing package.	
Year-End Closing Package Templates	A total of 17 templates with instructions for the STO to complete and return to the CGO.	

This table is based on financial statement and reporting package guidance and training materials posted for the FY23 ACFR cycle. Guidance and materials posted in previous years may have looked different from FY23 and may look different going forward due to accounting literature changes and changes in reporting requirements.