

AGENCY NAME:	Office of the Comptroller General		
AGENCY CODE:	E120	SECTION:	096



Fiscal Year 2013-14 Accountability Report

SUBMISSION FORM

AGENCY MISSION

Our mission is to support agencies, programs, and personnel throughout state government by providing payroll services, processing vendor payments, operating the statewide accounting system, and reporting annually on the financial operations and condition of state government.

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

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

I have reviewed and approved the enclosed FY 2013-14 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR
(SIGN/DATE): 09/15/14

(TYPE/PRINT NAME): Richard Eckstrom, CPA, Comptroller General

BOARD/CMSN CHAIR
(SIGN/DATE):

(TYPE/PRINT NAME): N/A

AGENCY'S DISCUSSION AND ANALYSIS

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

Service and support functions performed

Following are the primary service and support functions provided by our agency to other agencies throughout state government:

- Payroll processing:
 - On the 1st day and 16th day of every month, we process pay checks for approximately 45,000 state employees. We provide this service to every state agency or entity except for those operating independently of central state government, such as higher education institutions and stand-alone "business like" entities like Santee Cooper and the State Ports Authority for example. As part of processing the State payroll, our office collects the authorized federal and state income-related tax withholdings and the various payroll deductions (for retirement, insurance and other financial products, court mandated payments, parking garage fees, etc.) and remits those collections to the various recipients each pay period.
 - Within one day of each payroll, our office must deposit federal tax withholdings with the US Treasury and state tax withholding with SCDOR. There is no tolerated margin of error in meeting this statutory deadline and in accurately reporting the deposit amount.
 - Within one month of each quarter end, our office must file quarterly reports (Forms 940 and 941) with the IRS and SCDOR that must be reconciled to all payroll activity for the quarter. There is no tolerated margin of error in meeting this statutory reporting deadline.
 - By January 31 each year, our office must issue W-2s to all 45,000 state employees included in the central payroll system. Because some employees misplace their W-2s before filing their taxes, our office must accommodate several hundred requests received from agencies annually to issue duplicate W-2s.
 - Our office provides continuous payroll support to state agencies by answering questions and assisting agencies with entering classification, withholding, deduction, filing status and other employee-specific changes, and in properly handling new and terminated employees.
 - Our agency responds to SCEIS Help Desk Tickets that originate from state agency requests. In FY 2014, of the 913 total tickets we received for needed assistance, 848 (93% of total) related to a state agency's use of the SCEIS payroll system. By comparison, in FY 2013, of 893 total tickets we received, 801 (90%) related to an agency's use of the SCEIS payroll system. The average turnaround time for researching and responding to these payroll-related requests dropped from 1.44 days in 2013 to .84 days in 2014.

- Vendor payment processing:
 - Our office processes payments of vendor invoices as we receive documentation from agencies supporting their requested payments, and we follow-up with agencies to resolve any questions after reviewing their submitted documents. We provide this service to every state agency or entity except for those that operate independently of central state government, such as higher

education institutions and stand-alone “business like” entities like Santee Cooper and the State Ports Authority for example. Our goal is to process any payment within 4 days of receiving proper payment documentation (typically purchase orders and evidence of receipt). Our actual average turnaround time was 2.24 days in FY 2014, up from 1.81 days in FY 2013.

- By January 31 each year, for vendors paid during the preceding calendar year that meet the IRS definition for “independent contractor” (approximately 9,000 in 2013), our office must issue a Form 1099 which the vendor must use in filing its tax return, and we must file a summary report with the IRS of that 1099 data. Our office also maintains central vendor files for state government to assure that vendor information the state reports to the IRS is accurate. There is no tolerated margin of error in meeting the IRS reporting deadline or for the accuracy of the data reported.
 - Our office processes payments for agency P-card purchases and encourages agencies to use their cards under strict controls. In the last two fiscal years, the state General Fund received rebate revenue of approximately \$2.3 million each year as a result of P-card usage by state agencies.
- **Statewide Financial Reporting:**
 - Our office produces the state’s Comprehensive Annual Financial Report (CAFR). We obtain financial information from entities not on SCEIS, (the central state accounting system) and include that information with the accounting information from agencies on SCEIS to produce the CAFR. The CAFR is a highly technical document that is used by bondholders, rating agencies, and others to evaluate the state’s year-end financial position and operating results for the fiscal year. The work needed to compile this 260 page document is performed primarily by CPAs in the office who are required to interpret and comply with emerging and ever-changing governmental accounting and reporting standards promulgated nationally. For each of the past 26 years, the state has received the prestigious “Certificate of Achievement for Excellence in Financial Reporting” award from the Government Finance Officers Association of the United States and Canada, which is an accomplishment rarely achieved by other states.
 - **Statewide Accounting:**
 - Our office maintains and operates SCEIS, the central state accounting system. Our statewide accounting staff assists state agency accounting personnel daily by answering questions, advising them in clearing error files when an agency has incorrectly recorded transactions, and in helping them with necessary monthly closing entries each month. Our office prepares monthly revenue reports used by the Board of Economic Advisors to monitor actual revenues against projected revenues throughout the fiscal year. At the end of each fiscal year our office closes the books, certifies budgetary results and budgetary surplus, and issues a traditional year-end media release.
 - **Other support services:**
 - Our office continues to work with the Budget & Control Board’s SCEIS implementation team to complete bringing all central state agencies onto SCEIS. Once all these implementations are

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complete, our office will be able to retire the old STARS accounting system and devote our efforts exclusively to SCEIS. This will not only reduce our daily accounting load but will simplify the year-end CAFR preparation as well.

- Our office commits to responding to FOIA (media) and non-FOIA (General Assembly, state agencies, private citizen) inquiries for financial and accounting information with a goal of answering any inquiry within business 5 days. In FY 2014 we received 106 requests for information or reports that we answered within 2.0 days. In FY 2013 we received 50 such requests that we answered within 3.2 days.
- Our office produced, and it continues to maintain, state government's Fiscal Transparency website, which includes financial data on state agencies, two and four year higher education institutions, school districts, and many local governments. The website had 10,469 visitors in FY 2014 who viewed approximately 140 thousand pages. In FY 2013 it had 10,008 visitors who viewed approximately 97 thousand pages viewed. The increased number of page views reflects the expanded availability of content as we continuously strive to make the website more informative and useful.

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Program Template

Program/Title	Purpose	FY 2012-13 Expenditures				FY 2013-14 Expenditures				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Statewide Payroll/Accounts Payable	Provide centralized payroll for State employees. Review requests for reimbursement from State agencies to ensure compliance with State law.	\$ 845,064	\$ 145,174		\$ 990,238	\$ 759,020	\$ 262,972		\$ 1,021,991	1.1.1, 1.2.1, 1.3.1, 1.4.1
II. Statewide Financial Reporting	Provide centralized reporting of the State's financial activities. Produce the State's Comprehensive Annual Financial Report.	\$ 317,695	\$ 193,351		\$ 511,045	\$ 514,545	\$ 34,710		\$ 549,255	2.1.1, 2.1.2, 2.2.1
III. Statewide Accounting	Provide centralized accounting of the State's financial activities. Monitor agency's financial activities to ensure compliance with the Annual Appropriation Act.	\$ 406,258	\$ 25,733		\$ 431,991	\$ 468,459	\$ 29,606		\$ 498,066	3.1.1, 3.1.2
IV. Administration and Agency Support	Provide executive leadership and administrative services to support the agency's functions. Respond to FOIA requests. Provide information technology applications and maintenance which include all Statewide accounting and payroll functions.	\$ 572,787	\$ 303,868		\$ 876,655	\$ 497,319	\$ 327,896		\$ 825,215	4.1.1, 4.2.1, 4.3.1, 4.4.1, 4.5.1, 4.6.1, 4.6.2, 4.7.1

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Strategic Planning Template

Type	Goal	Strat	Object	Description
G	1			Verify the validity and legality of vendor payment requests by state agencies and process statewide payroll accurately and timely
S		1.1		Process disbursement requests by agencies in a timely manner
O			1.1.1	Process disbursement requests by agencies within four (4) business days
S		1.2		Process annual 1099s in a timely manner
O			1.2.1	Issue 1099s by Jan. 31 annually
S		1.3		Process semi-monthly payroll in a timely manner
O			1.3.1	Process payroll on the 1st and 16th of each month
S		1.4		Issue annual W-2s in a timely manner
O			1.4.1	Issue W-2s by Jan. 31 annually
G	2			Produce the State's comprehensive annual financial report (CAFR) on a timely basis
S		2.1		Produce the CAFR in accordance with generally accepted accounting principles and all Governmental Accounting Standards Board requirements
O			2.1.1	Publicly release the CAFR by Dec. 31 each year
O			2.1.2	Qualify for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association
S		2.2		Acquire new CAFR software
O			2.2.1	Accelerate the agency's financial reporting and CAFR completion processes, saving additional personnel costs in the process
G	3			Provide centralized accounting of the State's financial activities in accordance with the program structure mandated by the S.C. General Assembly
S		3.1		Establish and maintain 100% of the accounts required to account for the State's financial activities in accordance with the annual appropriations act
O			3.1.1	Ensure transactions are posted in SCEIS General Ledger and the Legacy system STARS
O			3.1.2	Ensure the integrity of the transactional data by implementing policies and procedures that lead to consistency in processing
G	4			Deliver administrative services accurately and timely, meeting 100% of mandated requirements
S		4.1		Meet or exceed all statutory and regulatory reporting and information-disclosure requirements
O			4.1.1	Respond to S.C. Freedom of Information Act requests within five (5) business days
S		4.2		Maintain the highest possible customer satisfaction level
O			4.2.1	Obtain answers to non-FOIA inquiries from legislators, constituents and others within three (3) business days
S		4.3		Submit to audits of procurement, personnel and information technology
O			4.3.1	Receive no exceptions in audits of procurement, personnel and information technology
S		4.4		Maintain computer interface with other state agencies
O			4.4.1	Restore lost interfaces by end of same business day
S		4.5		Work with SCEIS project team to retire STARS
O			4.5.1	Retire STARS by June 30, 2015
S		4.6		Develop agency cyber security policies in accordance with State statutory and/or regulatory requirements
O			4.6.1	Finalize implementation plans for all cyber security policies by Jan. 31, 2015
O			4.6.2	Implement all cyber security policies by July 1, 2016

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Type	Goal	Strat	Object	Description
S	4.7			Enhance agency's transparency website
O		4.7.1		Add searchable, downloadable reports to the site by Dec. 1 2014, showing annual statewide payment totals to all vendors

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Performance Measurement Template

Item	Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
1	Average Days for Document Turnaround in the Accounts Payable Division	1.81	2.24	4 Days	July 1 - June 30	SCEIS Workflow updated daily	Daily	All STARS and SAP transactions processed by the Accounts Payable Division/Turnaround time calculated by Accounts Payable Manager	1.1.1
2	Number of Centralized Vendor Records Maintained for the State	276,400	296,280	All Reasonable Records Requested Processed	July 1 - June 30	SCEIS Reports updated daily	Annual	Number of accurate centralized vendor records used for accurate tax reporting	1.2.1
3	Issue all 1099's by January 31st Annually	Yes	Yes	January 31st	January 1 - December 31	SCEIS Reports updated daily	Annual	All 1099's processed and printed each calendar year	1.2.1
4	Issue Payroll Semi-Monthly	Yes	Yes	By the 1st and 16th each month	Semi-Monthly	SCEIS Reports updated Semi-Monthly	Semi-Monthly	All State employees with payroll processed through the CG's Office	1.3.1
5	Deposit Payroll Withholdings (Tax & Voluntary Deductions)	Day after payroll	Day after payroll	Day after payroll	Semi-Monthly	SCEIS Reports updated Semi-Monthly	Semi-Monthly	All tax and voluntary deductions deposited each pay period	1.3.1
6	Issue all W-2's by January 31st Annually	Yes	Yes	January 31st	January 1 - December 31	SCEIS Reports updated daily	Annual	All W-2's processed and printed each calendar year	1.4.1
7	General Fund Rebate from Purchasing Card	2,227,399	2,325,640	2,400,000	August 1 - July 31	Bank of America/Annually	Annual	Total Rebate less Agency Rebate less Local Government Rebate less Administration PCard Program Allocation	
8	CAFR Completion - Days after end of FY	342	229	180 Days	July 1 - December 31	Financial Reporting Director/Daily	Annual	Number of calendar days, after the FY it takes to complete the CAFR	2.1.1
9	Process Turnaround for Number of Master Data Elements Set Up for the State (General Ledger Accounts, Funds and State Funded Programs)	6,937	6,843	All Reasonable Records Requested Processed	July 1 - June 30	SCEIS Reports updated daily	Annual	Number of new General Ledger Accounts, Funds and Programs set up by the Accounting Division/Calculated by Accounting Division Manager and SCEIS	3.1.1, 3.1.2
10	Resolved SCEIS Help Desk Tickets for Agency	893	913	All Tickets	July 1 - June 30	SCEIS Reports updated daily	Annual	All Help Desk Tickets that are sent to our Agency for completion/information provided by SCEIS	
11	Average Time to Resolve SCEIS Help Desk Tickets for Agency	4.7	1.5	5 Days	July 1 - June 30	SCEIS Reports updated daily	Annual	The average time it takes from request to resolution for each Help Desk Ticket/Information provided by SCEIS	
12	Public Information Requests Received	50	106	All Requests Received, Processed	July 1 - June 30	Public Information Director/Daily	Annual	Total number of public information requests received from citizens, media, State agencies, Legislative and other	4.1.1
13	Average Days to Respond to Public Information Requests	3.2	2	5 Days	July 1 - June 30	Public Information Director/Daily	Annual	Average number of days, from date requested to date completed, it takes to answer public information requests	4.1.1
14	Transparency Website Meets Statutory Requirements	Yes	Yes	Always in Compliance	Daily	Public Information Director/Daily	Daily	All information is provided by SCEIS regarding Agency spending	4.7.1