

Monday, October 09, 2000

Thomas L. Wagner, Jr., CPA  
State Auditor  
1401 Main St., Suite 1200  
Columbia, South Carolina 29201

Dear Mr. Wagner,

We have reviewed the draft report resulting from your application of agreed upon procedures to the accounting records of the South Carolina School for the Deaf and the Blind for the Fiscal Year ended June 30, 1999. We concur with your findings and would offer that the findings do not reflect any intentional wrongdoing, mismanagement or malfeasance. Our response to your findings and recommendations follow:

**Payroll**

The accounting staff has been instructed to utilize the formula based on a percentage of the number of working days in a pay period for twelve month employees. This method is recommended by the Comptroller General's Office.

The situation regarding nine-month employees is more complex. We were to have developed a standard method for this computation. However this is one of those not accomplished. The net loss attributable to the lack of this procedure was not significant. A procedure will be in place soon.

**Management Control Over Financial Operations**

During Fiscal Year 1998 the School's IBM System 36 Mainframe Computer failed. This necessitated the purchase of a new computer and new accounting software. The conversion to a new system during a prior fiscal year, on an emergency basis, has had a long lasting impact on the workload of the accounting staff and our ability to get timely reports and exercise control at crucial periods.