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Date: 6/11/2013 9:29:27 AM

Subject: FW: Appreciation for Time

Search Committee,

Beverly Smith asked that I forward this email to you. Thank you.

Sam

From: Beverly Smith [mailto:BeverlySmith@schouse.gov]

Sent: Tuesday, June 11, 2013 9:21 AM

To: Wilkins, Sam

Subject: FW: Appreciation for Time

Sam

Can you pass this along to everyone on the interview panel? I believe Paul sent this to me since he has my e-mail address.

Beverly

From: Townes, Paul B. [mailto:TownesPB@scdot.org]

Sent: Monday, June 10, 2013 3:44 PM

To: Beverly Smith

Subject: Appreciation for Time

I want to thank you for your time and the opportunity to interview for the State Auditor position. Please extend this thank you to the others who participated. Improvements to the effectiveness and efficiency of state government are at the core of the Office of the Chief Internal Auditor(OCIA). As I said in the interview, I like to let others know of our efforts and successes. During the four plus years that I have been here at SCDOT, we have saved \$24 million on two specific incidents. Our audits uncovered a potential \$750,000 of duplication in just one department. We also supported the prosecution of two individuals with a total fraud of \$70,000. These are not all but are some of the more notable examples.

After returning to my office, I wanted to clarify two of my responses. First, you asked a question about electronic auditing. Currently, SCDOT receives reports from our fuel vendor, Mansfield. My department reviewed SCDOT's continuous monitoring of the reports as I said in the interview. These reports include unexpected quantities as well as odd purchases. I may have used the term "we" to describe what I believe to be insufficient follow-up of these flagged transactions. SCDOT management is responsible for the continuous review. OCIA did monitor one month to verify the data and we were diligent in getting responses to the exceptions. Management resumed monitoring after that one month. Unfortunately, I don't believe management is pursuing the variances as they should. I used the term "we" to refer to the agency and not specifically to myself or OCIA.

An additional point that I would like to clarify was my knowledge of governmental accounting. I have not specifically worked in a state government accounting department. However, it would be incorrect to assume that I am unaware of generally accepted governmental accounting principles. I should have mentioned that I taught governmental accounting at Midlands Tech about two years ago. My qualifications were my CPA, my Master of Accountancy as well as my experience as Deputy Chief Internal Auditor. I received excellent reviews from the students. Any issues that

surface in an audit would be thoroughly researched by myself as well as some of my staff. My audits have not been challenged during my twenty-five years as a CPA. I do not see any issues that I could not address without competence as I would research and document a position on any dispute.

Again, I appreciate your time and thank you for the opportunity to make these two additions.

Sincerely,

Paul B. Townes, CPA
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