

From: Kester, Tony
To: 'Debbie Hammond' <DebbieHammond@scstatehouse.gov>
Date: 2/18/2014 9:53:18 AM
Subject: FW: Final Report and Engagement Letter
Attachments: SC 2013 Audit Letter of Engagement.docx
SC Lieutenant Governor's Office - Final report.pdf

FYI

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From: Josh Stafford [mailto:JStafford@ras-dc.com]
Sent: Monday, February 17, 2014 5:22 PM
To: Kester, Tony
Cc: RWeisman@RAS-DC.com; 'Brenda Russell'; mbrown@ras-dc.com
Subject: Final Report and Engagement Letter

Greetings,

Recovery Audit Specialists (RAS) has completed all the audits covering financial transactions for fiscal years 2009-2012. RAS transmits an annual audit report to the Budget and Control Board (B&CB) on the status of the statewide recovery audits that are mandated under Proviso 117.89, which the B&CB reports to the state legislature.

The B&CB will post the full report on its website. For FY 09 – 12, RAS performed the audits on all South Carolina state agencies, universities, colleges and technical schools.

RAS worked closely with the B&CB, Comptroller's Office and SCEIS to minimize the impact of the audit on state agencies. SCEIS prepared and submitted the data for RAS to analyze for fiscal years 2009 – 2012. This meant that we did not have to bother individual agencies with data requests. It also meant that if we did not discover any overpayments at an agency we did not need to contact agency personnel to follow up on verification of the overpayment.

There is a required six-month waiting period before transactions can be reviewed by auditors. Many of the flagged transactions we reviewed were corrected by the agency before the start of the audits. Once we validated an overpayment RAS contacted the state agency, resolved the issue and recovered the funds for the state.

RAS reported to the B&CB and Comptroller's Office through regular bi-weekly meetings to keep them well informed on the statewide audit progress and discuss any potential issues. Overall, the State of South Carolina is doing a commendable job of accurately processing its vendor payments.

RAS also wants to provide you with an agency specific report on the outcome of your particular audit, which is attached. It was a pleasure working with South Carolina officials and RAS looks forward to the opportunity to be of continued service for the FY 2013 recovery audits.

Fiscal Year 2013 Auditor Selection

Agencies can select their audit firm from the B&CB approved list of three firms for FY 2013 recovery audits now. We are pleased that the B&CB has selected RAS to conduct its audit for FY 2013. It is not clear how soon the B&CB will commence the audits for FY 2013, but selecting your audit firm now enables the state to plan for the data distribution for the audit.

RAS has attached a brief Engagement Letter, approved by the B&CB that you may use if you would like to select RAS as your audit firm again. You may either email or fax the letter back to us.

Please feel to contact Brenda Russell, CEO , or Josh Stafford, Lead Auditor, if you have any questions or would like to discuss anything. Contact information for both of us is prominently displayed on the attached Engagement Letter.

Best regards,

Josh Stafford
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