

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Hells</i>	DATE <i>12/10/10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <div style="text-align: center; font-size: 1.2em;"><i>100260</i></div>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____  <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____  <input type="checkbox"/> FOIA DATE DUE _____  <input checked="" type="checkbox"/> Necessary Action
2. DATE SIGNED BY DIRECTOR  <div style="text-align: center; font-size: 2em; color: red;">✓</div>	

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			

# State of South Carolina

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## Office of the State Auditor

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

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Department of Health & Human Services  
OFFICE OF THE ATTORNEY GENERAL

December 8, 2010

All Agency Heads  
and  
Designated Statewide Single Audit Contact Personnel

This is to advise you that representatives of the State Auditor's Office will conduct an audit of the accounts and records documenting the federal financial assistance provided to the State of South Carolina for the fiscal year ended June 30, 2010. The State of South Carolina Single Audit reporting entity includes your agency. The objective of our audit will be to determine the fairness of presentation of the supplementary schedule of federal expenditures and to express an opinion thereon in relation to the basic financial statements taken as a whole. We will also report on internal control related to major programs and give an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The report on compliance will include a statement that the report is intended solely for the information and use of the Governor and Members of the General Assembly, the governing body and management of State agencies, the cognizant federal agency, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major programs in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required report.

Management is responsible for the preparation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; internal control over compliance; compliance with laws, regulations, and the provisions of contracts and grant agreements; follow up and corrective action on audit findings; and submission of the reporting package and data collection form. As a part of the audit, we will prepare the schedule of expenditures of federal awards based on your agency-prepared schedule of federal financial assistance and submit the reporting package and data collection form on behalf of the State of South Carolina Single Audit reporting entity.

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Page Two

The general timeframe for conducting the audit is as follows:

12/01/10 - 12/31/10	Plan the field segments
12/01/10 - 04/01/11	Perform the field work
03/28/11 - 04/15/11	Draft the report
04/29/11	Issue the report

Your agency may or may not be visited during the course of our audit depending on the outcome of our determination of major programs and our follow up of corrective action on prior year findings. Should your agency require a visit, we will communicate to your designated contact person the specific times when auditors will be at your agency along with any other requests for support, such as workspace, telephone, etc.

If you have any questions about the Statewide Single Audit please call our office at (803) 253-4160.



Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

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