

Mr. Thomas L. Wagner, Jr., CPA
State Auditor

The reconciliations selected were chosen randomly. Our finding as a result of these procedures is presented in Review of Reconciliations in the Accountants' Comments Section of this report.

7. Compliance

- We confirmed through inspection of payroll and non-payroll disbursement vouchers, cash receipts and other documents, inquiry of department personnel and/or observation of department personnel performing their assigned duties, the Agency's compliance with all applicable financial provisions of the South Carolina Code of Laws, Appropriation Act, and other laws, rules, and regulations for fiscal year 2005.

We found no exceptions as a result of the procedures.

8. Closing Packages

- We obtained copies of all closing packages as of and for the year ended June 30, 2005, prepared by the Agency and submitted to the State Comptroller General. We inspected them to determine if they were prepared in accordance with the Comptroller General's GAAP Closing Procedures Manual requirements; if the amounts were reasonable; and if they agreed with the supporting workpapers and accounting records.

We found no exceptions as a result of the procedures.

9. Status of Prior Findings

- We inquired about the status of the deficiencies described in the findings reported in the Accountants' Comments section of the Independent Accountants' Report on applying Agreed Upon Procedures for the South Carolina Office of the State Treasurer resulting from the engagement for the fiscal year ended June 30, 2004, to determine if adequate corrective action has been taken.

We found no exceptions as a result of the procedures.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, South Carolina Office of the State Auditor and management of the South Carolina Office of the State Treasurer and is not intended to be and should not be used by anyone other than these specified parties.

The Hobbs Group, PA
December 12, 2005

The Hobbs Group, P.A.