



The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES M. CONDON
ATTORNEY GENERAL

September 28, 2000

Mr. Thomas L. Wagner, Jr., CPA
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, S.C. 29201

Dear Mr. Wagner:

We have reviewed the preliminary draft copy of the report resulting from your agreed-upon procedures engagement for the fiscal year ended June 30, 1999. We wish to offer the following response to the findings noted in the report:

TEMPORARY GRANT POSITIONS

The Office of the Attorney General originally established the unlawful practice of law positions as State funded slots. This created a variance as the funding source of the actual positions did not agree with the funds that were planned to be used to pay the programs obligations. The Office initially charged the General Fund for salaries of the program and subsequently reversed those entries and charged the same to correct Earmarked subfunds. The Office allowed the last quarter of salaries and fringe benefits payments to remain in the General Fund to allow time to research the programs history and align the positions with the proper funding source. We saw no problem with this since the funding source and the funding assigned to the positions were the same. We have subsequently reviewed all Agency positions and aligned all positions with the proper funding source.

COMPENSATED ABSENCES CLOSING PACKAGE

The Office of the Attorney General purchased and installed the payroll and personnel modules of the SABARS accounting system software during FY 99. This system generated a leave liability report that could be used to prepare the Compensated Absences Closing Package. Agency staff tested this report extensively by tracing all employee's leave balances and hourly rates to agency records. The amount reported on the Compensated Absences Closing Package was transferred