

South Carolina  
**Employment Security Commission**



COMMISSION  
J. William McLeod, Chairman  
(803) 737-2652  
Samuel R. Foster, Vice-Chairman  
(803) 737-2656  
Carole C. Wells, Commissioner  
(803) 737-2655

1550 Gadsden Street  
Post Office Box 995  
Columbia, South Carolina 29202

EXECUTIVE DIRECTOR  
Joel T. Cassidy  
(803) 737-2617

June 9, 2000

Mr. Thomas L. Wagner, Jr.  
State Auditor  
Office of the State Auditor  
1401 Main Street  
Suite 1200  
Columbia, South Carolina 29201

Dear Mr. Wagner:

The South Carolina Employment Security Commission respectfully submits the following Corrective Action Plan for the year ended June 30, 1998. The finding is listed consistent with the letter assigned in the schedule.

**A. Weaknesses in Financial Management and Reporting**

**Recommendation:** (1) The Commission merge the management of and the accounting and record keeping functions of the various areas under one common management team that will be charged with the overall responsibility of ensuring that all of the records of the Commission be properly maintained. (2) All bank accounts of the Commission should be reconciled monthly in a timely manner and supporting detail should be attached for all reconciling items including outstanding checks. (3) All account reconciliations should be initialed and dated by the preparer and a reviewer. (4) All other balance sheet accounts should agree to supporting schedules. (5) Proper segregation of duties should be established and maintained so that the same individual cannot prepare and post journal entries to the accounting system.

**Response:** The Commission does maintain two separate accounting sections, one for Unemployment Insurance (UI) one for the other agency funds. This observation was made in a previous audit (year ended 09/30/84). After thorough consultation with our cognizant Federal agency, the United States Department of Labor/Employment and Training Administration, it was decided that the Commission's organizational structure was functional and contributed to the overall mission of the agency. We feel that this decision is still pertinent and correct. However, we are designing a formal reconciliation process between the two units that should eliminate inconsistencies in the future. The agency concurs on all other aspects of the recommendation and the Commission is reviewing and revising procedures to concur with audit recommendations.