



S.253 Final Report

State of South Carolina

March 9, 2026



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South Carolina Joint Bond Review Committee
c/o Ms. Marcia Adams
Executive Director
South Carolina Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

Committee Members:

Thank you for the opportunity to provide independent compliance monitoring services for the South Carolina Department of Administration. For our analysis, we relied upon information provided to us in the form of documents as well as conversations and interviews with relevant parties. This report is based on work completed to date.

Our services were provided in accordance with the Statement on Standards for Forensic Services promulgated by the American Institute of Certified Public Accountants, and, accordingly, do not constitute a rendering by Forvis Mazars, LLP (Forvis Mazars) or its partners or staff of any legal advice, nor do they include the compilation, review, or audit of financial statements. Because our services were limited in nature and scope, they cannot be relied upon to discover all documents and other information or provide all analysis that may be of importance in this matter. We were asked to analyze certain designated files and information and, based on the scope of work, we identified matters discussed in this report. This is a factual report of our findings, and we do not comment on culpability.

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The validity of this report is predicated on the extent to which full, honest, and complete disclosure was made by all parties. We reserve the right to supplement this report if additional information becomes available.

Forvis Mazars, LLP

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Contents

Executive Summary.....	1
Background.....	2
Scope of Work Performed	2
Implementation Status Overview	4
Recommendation Consolidation	5
Status Definitions.....	5
Summary of Recommendations	5
Implementation Status of Recommendations.....	16
AP-2.....	17
AP-4.....	19
AP-5.....	20
AP-7/MJ-9(c).....	22
AP-8.....	24
AP-9/MJ-7(a)(b).....	25
AP-10.....	27
AP-11.....	28
AP-12.....	29
AP-13.....	30
AP-14/15.....	31
AP-16/MJ-8.....	32
AP-17.....	33
AP-18.....	34
AP-19.....	35
AP-20.....	36
AP-21.....	37
AP-22.....	38
AP-23.....	39
AP-24.....	40
AP-25.....	41
MJ-1	42

MJ-2/3(a)/5(a)(b)	43
MJ-3(b)	44
MJ-4	45
MJ-6(a)(b)	46
MJ-9(a)	47
MJ-9(b)	48
Acknowledgements	49
Attachments	50
Attachment A	51

Executive Summary

Background

As part of the Appropriations Act of 2024, the South Carolina General Assembly enacted Proviso 93.19, mandating an independent forensic accounting review of State cash and investments. After a competitive procurement process, AlixPartners LLP (AP) was selected for this task and submitted the [Forensic Accounting Final Report](#) (AP Report) on January 15, 2025, outlining findings and 25 recommendations for the State, as well as various state entities, including the Comptroller General's Office (CGO), State Treasurer's Office (STO), Office of the State Auditor (OSA), and the South Carolina Enterprise Information System (SCEIS). The first recommendation was for the Department of Administration (Admin) to hire an independent compliance consultant to oversee and assess compliance with all recommendations in the report.

To address this, the General Assembly enacted Act 72 of 2025 ([S.253](#)), requiring an independent compliance consultant to oversee recommendation implementation, as well as assess adherence to other recent financial studies, including the [Operational Performance Assessment of the ACFR Development Process](#) (M&J Report) prepared by Mauldin & Jenkins, LLC (M&J) for the OSA in March 2024.

To satisfy the requirements of S.253, Admin contracted with Forvis Mazars after a public solicitation and competitive procurement, to serve as the independent compliance consultant supporting the implementation of the recommendations outlined in the above-mentioned reports. Forvis Mazars' scope of work under its contract with Admin is set out in the Record of Negotiations and Award, effective April 15, 2025.

Scope of Work Performed

The overarching objective of the engagement is to provide the State with independent, objective visibility that identified recommendations are being addressed effectively, that corrective actions are aligned with best practices and professional standards, and that improvements to financial reporting and compliance processes are durable and transparent.

An overview of the work performed by Forvis Mazars includes the following:

- Independent consideration of compliance with recommendations issued as a result of the forensic accounting review and the Annual Comprehensive Financial Report (ACFR) process assessment, considering whether corrective actions are appropriately designed and implemented.
- Oversight and monitoring of remediation efforts, including reviewing agency implementation plans, process narratives, and timelines to consider progress and effectiveness.
- Ongoing evaluation of internal controls, financial reporting processes, and governance practices relevant to identified deficiencies, with a focus on sustainable, long-term compliance.

The Forvis Mazars' scope of procedures is included as **Attachment A** to this report. Our procedures were limited to the recommendations in the AP and M&J reports.

All work under the engagement was performed under the supervision of Admin, with guidance from the South Carolina Attorney General's Office. As a foundational step, we reviewed and became familiar with the AP Report and the M&J Report. These documents are explicitly incorporated into the scope and formed the baseline for all subsequent procedures.

Forvis Mazars' initial task was to consolidate the overlapping recommendations of the AP and M&J reports into the Recommendation Consolidation Report. This report, dated April 25, 2025, was provided to Admin. A revision, dated July 1, 2025, was additionally provided.

We then created a Master Implementation Timeline (MIT), a centralized, read-only project management and monitoring tool that consolidated all recommendations across the CGO, STO, SCEIS, and OSA for use by all relevant parties. The MIT provided a holistic, cross-agency view of the implementation of recommendations by standardizing phases, milestones, and dependency tracking across agencies. It also allowed visibility into how actions by one agency affected or depended on actions by others. The MIT supported monitoring of implementation status, identification of cross-agency dependencies and sequencing risks, monthly reporting discussions with Admin and agency leadership, and consistent reference points for public-facing and internal briefings.

Working sessions were held weekly with each agency during the course of the engagement. OSA's weekly working sessions moved to monthly in October 2025 after joint auditor contracting concluded. In addition, Joint working sessions were held with CGO and STO for the period May through September 2025, based on agency staff availability. The working sessions were structured, topic-focused meetings held to advance implementation of specific recommendations. The sessions were used to clarify scope, validate agency provided documentation, resolve sequencing or dependency issues, and confirm next steps for individual recommendations or task groupings. Working sessions were operational in nature and often centered on reviewing recommendation-level tasks and subtasks, discussing implementation evidence or draft policies, addressing cross-agency needs reflected in the MIT, and identifying items requiring follow-up documentation before a recommendation status could be updated. Outcomes from the working sessions informed updates to the MIT and provided support for subsequent status reporting.

Agency monthly status reports were prepared by CGO, STO, and OSA to document the status of each consolidated recommendation. These updates served as the primary source for understanding agency progress. Forvis Mazars compared agency action items and status updates to the Recommendation Consolidation Report to consider alignment, consistency, and completeness.

Forvis Mazars monthly status reports summarized progress during each reporting period. The reports were presented at monthly public meetings. The monthly status reports were informed by agency-submitted documentation, outcomes of working sessions, and updates reflected in the MIT. The chart below summarizes the number of meetings Forvis Mazars participated in over the course of our engagement.

Agency	Number of Meetings
Admin	46
CGO	48
OSA	26
STO	43
CGO & STO Joint Working Sessions	13
CGO, STO, & OSA Joint Working Sessions	1
CGO & OSA Joint Working Sessions	1
Public Meetings	10
Advisory Meetings	15
Total	203

In addition, in performing our scope of procedures, Forvis Mazars made approximately 84 requests for documentation, which produced hundreds of documents.

Implementation Status Overview

Recommendation Consolidation

Forvis Mazars has conducted a detailed and strategic evaluation of the recommendations outlined in the AP Report, consolidating those recommendations with the M&J Report. This consolidation was designed to reduce redundancy and establish priority rankings for the recommendations, aiming to create a streamlined approach to recommendation status reporting.

Status Definitions

For clarity and consistency demonstrating the progress of each recommendation, the following status definitions are provided. Each status outlines the stage or outcome of the implementation process, helping stakeholders quickly assess where each item stands within the overall initiative.

- **Complete:** The recommendation has been fully implemented and has passed required compliance or quality assurance reviews.
- **Complete, Pending Compliance Review:** All actions related to the recommendation have been completed, and the implementation is awaiting formal review related to its compliance requirements. In these cases, the compliance review cannot be completed prior to the report's issuance on March 9, 2026, largely due to implementation as part of the FY 2026 ACFR development process.
- **In Progress:** An agency's implementation of the recommendation is underway, but it is not anticipated to be complete prior to the report's issuance on March 9, 2026.
- **Not Within Scope:** The future implementation of the recommendation is the sole responsibility of the State of South Carolina and, therefore, has been excluded from the scope of Forvis Mazars' engagement.

Summary of Recommendations

Status Snapshot

The following table provides a summary of the total recommendations for each of the statuses listed above. The counts reflect the consolidated recommendations as determined by Forvis Mazars.

Status	Total Recommendations
Complete	14
Complete, Pending Compliance Review	12
In Progress	3
Not Within Scope	3
Total	32

Summary Table of Recommendations

The following summary table follows the Recommendation Consolidation Report and presents an at-a-glance overview of the consolidated recommendations, their current status, and the parties responsible for their implementation. Where recommendations overlapped between the AP and M&J reports, or the recommendations were implemented in tandem, the recommendations are grouped together. In the sections that follow, a more detailed breakdown of each recommendation is provided, including implementation actions, associated parties, and current progress updates to provide transparency and accountability throughout the process.

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-1	Hire an independent third party (e.g., independent compliance consultant) to assess and oversee compliance with all recommendations in this report.	State	N/A	Complete
AP-2	Evaluate the sufficiency of the joint audit structure between OSA and the State's external audit firm, CLA, to ensure it is operating as intended. Consider changes as needed.	OSA	N/A	Complete
AP-3	To ensure that there is no appearance of an impairment of independence, the reporting structure of the OSA should be revised such that it no longer reports to the Comptroller General or the State Treasurer.	State	N/A	Not Within Scope
AP-4	Develop comprehensive policies and procedures outlining the roles and responsibilities of the STO which must require that the STO report (and independently confirm, as needed) cash and investments in its custody by agency and fund at least annually.	STO	N/A	Complete
AP-5	Develop comprehensive policies and procedures outlining the roles and responsibilities of the CGO which must require that the CGO reconcile cash and investments by agency and fund in SCEIS, the accounting system of record, to the information provided by the STO and AFS agencies.	CGO	N/A	In Progress
AP-6	Consider changes to the CGO's and STO's duties and structure to enable better cooperation between the two agencies.	State	N/A	Not Within Scope

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-7	Provide training and related documentation to the STO that explains where cash and investments in the STO Treasury show up in the ACFR and how negative cash can occur. Documentation should be sufficient to allow the STO to independently quantify the ACFR General Fund cash balance using information to which it already has access.	CGO	STO	Complete
MJ-9(c)	Additionally, the STO may need additional experience or education about ACFR reporting requirements, to ensure appropriate preparation. To facilitate the assumption of this responsibility, the STO may need to consider hiring or contracting with subject matter experts who can assist the STO in further understanding and complying with CGO ACFR reporting requirements. The CGO should propose to the STO the associated assertions and assumptions related to providing the requested information (cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments information). If needed, the STO should develop a plan in terms of need/requirements to be reasonably comfortable with the proposed assertions and assumptions for the new level of ACFR reporting to the CGO.			
AP-8	Establish a checklist for determining when the ACFR can be publicly released. The ACFR should not be released until all necessary steps and audit procedures have been completed to ensure the quality and accuracy of the reported information. ACFR release date should not place undue pressure such that less work is performed, or issues are insufficiently resolved in order to achieve an unrealistic deadline.	CGO	N/A	Complete, Pending Compliance Review

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-9	<p>The CGO should assess the need to hire additional CGO staff and/or outside assistance to prepare the ACFR and better distribute workloads.</p>	CGO	N/A	Complete, Pending Compliance Review
MJ-7(a)	<p>The CGO should increase its current FTE count by two FTEs within the FR Division to allow for:</p> <ul style="list-style-type: none"> • A dedicated role solely/primarily focused on quality assurance/quality control. • A role lower in the organization to be the primary responsible staff member for AFS agencies. 			
MJ-7(b)	<p>Increasing the FTE count by two will allow for the CGO to formalize the financial statement and RP quality assurance process and allow for remaining staff members to focus on their primary duties. Also, the Deputy Comptroller General over the FR Division will be able to focus on more strategic roles and responsibilities.</p> <p>For months outside of the ACFR cycle when the new position assigned to QA does not have ACFR documents to review, the position could be responsible for assessing findings from the most recent QA process. For instance, the staff member could identify the most common issues encountered during the QA process and develop procedures to mitigate the identified issues in time for the next cycle. This position will allow for the CGO to operate more proactively through identifying issues and taking steps to help prevent issues from reoccurring. Relatedly, the staff member could then assist with developing new training content and material to educate agencies on common issues found in the previous ACFR cycle. As such, this position will help to improve communication between the CGO and agencies and foster a more collaborative relationship.</p>			

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-10	Establish a formalized process by which appropriations as recorded in SCEIS are reconciled to the amounts reported in the AFS entities' financial statements and the corresponding legislative documents.	CGO	N/A	Complete
AP-11	Implement a standardized procedure for tracking and documenting errors, corrected and uncorrected, to ensure they are identified, analyzed, and corrected (if needed). Procedure should establish requirements for elevation to appropriate levels within the CGO and to the auditors.	CGO	N/A	Complete, Pending Compliance Review
AP-12	Revise the existing entry policy to enumerate the specific situations under which late entries (i.e., topside entries) are permitted. The policy must also be amended to set the minimum level of documentation required for all entries, including topside entries.	CGO	N/A	Complete, Pending Compliance Review
AP-13	Establish a process by which non-standard adjustments to cash and investments reported by AFS entities are identified and evaluated.	CGO	N/A	Complete, Pending Compliance Review
AP-14	Establish a minimum standard for all accounting and financial reporting workpapers such that an external party can both understand and reperform the process. Documentation should include information sufficient to understand the purpose of the workpaper and the source of the information.	CGO	N/A	Complete, Pending Compliance Review
AP-15	Establish requirements for the level of quality review required for all ACFR-related workpapers and how such review is documented.			

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-16	Establish a policy outlining the situations in which the CGO is permitted to adjust information it receives from various agencies and a process by which such adjustments must be communicated to the affected agencies.	CGO	N/A	Complete, Pending Compliance Review
MJ-8	The CGO should consistently communicate to agencies any proposed material adjustments made to submitted information and the rationale for the adjustments in addition to supporting documentation (workpapers) that details how the changes will be made. By communicating modifications, the CGO will enhance agencies' awareness and understanding of the rationale behind reported figures in the ACFR potentially appearing different from the information that the agency previously attested on. In addition to communicating modifications made to an agency's data, the CGO should provide the agency with the opportunity to ask questions and if needed appeal the changes to the State Auditor for mediation.			
AP-17	The CGO should record two sets of entries to SCEIS to properly reflect the \$1.8 billion cash balance: (1) reverse the \$1.6 billion incorrectly-converted ACFR Business Area balances as proposed by the CGO; and (2) record an entry to SCEIS for \$245 million as a debit to account 2400600002 (Due to Other Funds – Equity in Pooled Cash) in Fund 30350993 and a credit to account 7000001000 (Prior Period Adj – CAFR) (i.e., the restatement account) within the ACFR General Fund.	CGO	N/A	Complete
AP-18	Consider whether to clarify Note 15 of the fiscal year 2022 ACFR including, but not limited to, whether to specifically identify and quantify the relevant components.	CGO	N/A	Complete

Reference	Recommendation	Primary Party	Secondary Parties	Status
AP-19	Evaluate the accuracy of the amounts in the statistical tables as reflected in the fiscal year 2022 ACFR. If materially inaccurate, determine if revisions necessitate changes in presentation and/or disclosure prior to issuing the fiscal year 2024 ACFR.	CGO	N/A	Complete
AP-20	Establish a policy or procedure that outlines the CGO's position on accounting for negative cash (with relevant Generally Accepted Accounting Principles ("GAAP")/GASB citations) and the related accounting and disclosure requirements to ensure compliance and consistency in application.	CGO	N/A	Complete
AP-21	Assess all prior topside entries or other adjustments and disclosures related to offsets of negative cash balances to ensure compliance with relevant accounting standards.	CGO	N/A	Complete
AP-22	Eliminate any workarounds to the standard entry workflow. Reevaluate permissions in SAP for all STO staff.	CGO	N/A	In Progress
AP-23	Evaluate the current configuration of SCEIS including, but not limited to, the configuration of the cash in the budgetary General Fund to determine whether changes are warranted.	CGO	STO, SCEIS	In Progress
AP-24	Ensure that all agencies including the STO are using SCEIS for tracking cash in all CRAs. This will improve the efficiency and accuracy when developing the yearly ACFR.	CGO	STO, SCEIS	Complete, Pending Compliance Review
AP-25	Establish a mechanism by which the CGO is notified of any changes to the State's entity structure to ensure that all relevant	CGO	N/A	Complete, Pending Compliance Review

Reference	Recommendation	Primary Party	Secondary Parties	Status
	AFS entities are captured in the State's ACFR.			
MJ-1	The CGO should create a checklist(s) that are specific to AFS agencies and financial statement requirements to serve as guidance that is tailed to AFS agencies. The CGO should then require all AFS agencies to complete the checklist to acknowledge their understanding of all required financial statement components.	CGO	N/A	Complete, Pending Compliance Review
MJ-2 MJ-3(a) MJ-5(a)	<p>The CGO should integrate more detailed "how-to" guidance into GAAP reporting and GASB training. More detailed training material will assist agency staff in identifying the effective and efficient methods to obtain and report information required by deliverables. Also, establishing more baseline knowledge of agency personnel related to the ACFR may result in less questions and concerns from agencies directed towards CGO staff.</p> <p>The CGO should lead additional training and Q&A sessions in-person in addition to virtually. When attending in-person sessions, agency personnel will have opportunities to share knowledge and learn new techniques or strategies for approaching the year-end ACFR development process.</p> <p>The CGO should assess current communication to agencies and should attempt to communicate with agencies on a more regular basis. As such, the CGO should strive to be more proactive in contact with agencies when new GAAP or GASB guidance is released and in relation to the ACFR cycle. The CGO should initiate more contact with agencies to proactively answer questions or concerns or provide guidance throughout the fiscal year rather than solely during the ACFR cycle.</p>	CGO	N/A	Complete

Reference	Recommendation	Primary Party	Secondary Parties	Status
MJ-5(b)	<p>The CGO should aim to develop a more collaborative relationship with AFS agencies by providing more collaborative training and guidance specifically related to GASB procurements and implementation. Providing formal guidance in the form of training and materials to AFS agencies will help ensure that procedures are consistent among agencies related to GASB implementation. Additionally, increased communication will help to foster a collaborative relationship between the CGO and AFS agencies.</p>			
MJ-3(b)	<p>The CGO should employ a mechanism to receive feedback, related to what is working well and what could be enhanced, from agencies regarding the ACFR process. The mechanism may be in the form of a survey and/or a workshop to provide agencies the opportunity to share insight on leading practices, strengths, and opportunities for enhancement. Results of the survey/feedback and any CGO action items should be shared across all agencies to encourage communication and transparency. Benefits of the feedback mechanism include the creation of a more collaborative environment focused on continuous improvement.</p>	CGO	N/A	Complete
MJ-4	<p>The CGO should continue its current path of procuring a technology solution(s) for managing and creating the ACFR. The technology solution(s) should manage communications and the transfer of files between the CGO and agencies. The technology solution(s) should also have the capability to show the status of requests from the CGO and communicate to agencies whether their submissions have been accepted or completed.</p>	CGO	N/A	Complete, Pending Compliance Review

Reference	Recommendation	Primary Party	Secondary Parties	Status
MJ-6(a)	The CGO should implement a checkpoint for all AFS agencies to check-in with the CGO regarding progress on financial statements prior to the deadline. The checkpoint should be a formal communication method between the AFS agency and CGO staff. The purpose of the checkpoint is for AFS agencies to provide an update regarding financial statement progress and to attest whether or not they will meet the deadline.	CGO	N/A	Complete, Pending Compliance Review
MJ-6(b)	The CGO should implement and enforce a policy that requires AFS draft financial statements from all AFS organizations. The CGO will then have the opportunity to provide feedback on the presentation of the financial statement and use placeholder data as applicable before final statements are issued.			
MJ-9(a)	The Treasurer is responsible for producing the necessary reports and records the CGO needs to compile the ACFR, as well as for any other purpose identified and communicated by the CGO. The CGO should not have to leverage information provided by the STO and make modifications for ACFR reporting purposes, as it creates the potential for conflicting official records of the State.	STO	CGO	Complete
MJ-9(b)	The STO should be providing the CGO with requested information needed for ACFR reporting. If the STO is able to report cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments as opposed to the CGO (who prepared the ACFR) performing the reconciliation, there will be enhanced controls and quality assurance as one party can validate another party's work. In order for the STO to prepare the requested documentation, additional SCEIS reporting requirements may be	CGO	STO, SCEIS	Complete

Reference	Recommendation	Primary Party	Secondary Parties	Status
	<p>necessary to produce documentation at the requested level of detail. The State should provide the resources necessary to implement any additional reporting requirements to enable the CGO's desired level of reporting from the STO. The Department of Administration should continue to work with the CGO and the STO to operationalize the draft requirements previously submitted to the Department of Administration by the CGO that should enable the STO to provide the desired reporting to the CGO for ACFR compilation.</p> <p>As the STO provides the requested information (cash and investments at the business area and fund level which reconciles to the G/L and accounts for timing adjustments) in the future to the CGO needed for ACFR reporting, the associated assertions contained in the RPs should be constructed in a manner that relates to data and information for which either the STO is/will be responsible for and/or data that the STO pulls from SCEIS with reasonable assumptions.</p>			
MJ-9(d)	Based on the State's evaluation of the recommendations and determination of implementation, the State should appoint a person(s) with appropriate level of authority and resources to help ensure governance over the transformation.	State	N/A	Not Within Scope

Implementation Status of Recommendations

AP-2

Evaluate the sufficiency of the joint audit structure between OSA and the State's external audit firm, CLA, to ensure it is operating as intended. Consider changes as needed.

Primary Party: OSA

Status: Complete

Background & Work Performed

The State of South Carolina has used a joint audit model for its Annual Comprehensive Financial Report (ACFR) for decades, in which the OSA conducts the statewide audit jointly with an external CPA firm. This model is a deliberate structural response to independence concerns embedded in South Carolina's constitutional and statutory framework. The State Auditor is appointed by and reports to the State Fiscal Accountability Authority, which includes officials responsible for financial operations. Therefore, a joint audit with an external firm is viewed as a safeguard against perceived or actual impairment of independence. In its evaluation, the OSA indicated that the joint audit structure remained necessary under the current governance model.

On April 9, 2025, the OSA issued a Request for Proposals (RFP) from qualified CPA firms to perform a joint financial statement audit of the State of South Carolina for the years ending June 30, 2025 through June 30, 2029. Upon completion of the proposal process, Mauldin & Jenkins, LLC, was selected as the State's joint auditor. Forvis Mazars obtained the RFP and letter of award signed by Sue F. Moss, CPA, Interim State Auditor, dated May 12, 2025.

Following the award, OSA and M&J developed a joint engagement letter, which, among other items, outlines the audit scope, procedures, and auditor and management responsibilities. Specifically, it notes that the audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards for financial audits contained in Government Auditing Standards (GAS).

The joint engagement letter included *Appendix A – List of Component Auditors and Components to be Audited* and *Appendix B – Workpaper Preparation/1st Review and Cross-Review Schedule*. Forvis Mazars worked with the OSA in the development of the joint engagement letter and Appendix B. See additional discussion below.

In order to support the operating intentions of the joint audit structure, Forvis Mazars suggested the formalization of the division of duties between the two auditors. In response, OSA and M&J developed a Joint Audit Memo, which was reviewed by Forvis Mazars. The stated purpose of the memo was "To document and describe the joint audit arrangement and outline the division of audit responsibilities." Among other items, the Joint Audit Memo included a table of Workpaper Preparation/1st Review and Cross-Review Schedule, which was summarized and included in the engagement letter as Appendix B. The purpose of Appendix B was to formalize which auditor would be responsible for Workpaper Preparation/1st Review and which would be responsible for Cross Review. Each auditor performed a role in each section and was required by the Joint Audit Memo to sign off as evidence of their work performed.

Following the January 28, 2026, issuance of the State of South Carolina's ACFR for the year ended June 30, 2025, Forvis Mazars met with representatives of OSA to review the electronic binder, Pfx Engagement, which housed the audit support. We compared the entity sign-offs, either by OSA or M&J, for Workpaper Preparation/1st Review and Cross Review to the those listed in Appendix B.

We noted variances in the performance of Cross Review by both auditors. In all variances noted, the Workpaper Preparation/1st Review had been completed by two or more members of the responsible audit team. This practice is consistent with customary workpaper review practices in audits conducted by a sole audit team. Based on the nature of the procedures performed, the level of review documented, and the explanations provided, Forvis Mazars considers these observations to be procedural in nature.

Observations & Recommendations

To support timely issuance of the State's ACFR, we suggest that the joint audit process begins earlier, with planning work completed prior to fiscal year-end. Additionally, the OSA and the external auditor should follow the division of duties table as specified in the Joint Audit Memo and engagement letter.

AP-4

Develop comprehensive policies and procedures outlining the roles and responsibilities of the STO which must require that the STO report (and independently confirm, as needed) cash and investments in its custody by agency and fund at least annually.

Primary Party: STO

Status: Complete

Background & Work Performed

To address the recommendation, STO provided to Forvis Mazars a *Year-end Reporting Package Policy for 4.1 STO Reconciliation of Cash by Fund*.

- Under the “Why:” section, the policy states, “The South Carolina State Treasurer’s Office is required by the Comptroller General’s Office to submit Reporting Packages each fiscal year (primarily for year-end) for the purpose of preparation of the State’s Annual Comprehensive Financial Report.”
- Under the “How:” section, it explains that STO uses internal procedures to compile the requested information. The Treasury Management Division completes procedures for reporting cash, and the Banking Division completes procedures for reporting investments.
- Under the “Who:” section, specific roles at STO are identified as preparers and reviewers.

Additionally, STO Director of Treasury Management coordinates with third party Internal Audit staff who perform a final review to support the accuracy and completeness of the Reporting Package. This policy was first submitted to Forvis Mazars in July 2025 for review and approval, and was finalized by STO in November 2025. This policy was implemented for the FY 2025 ACFR development process.

Forvis Mazars compared this policy to the *4.1 STO Reconciliation of Cash by Fund 2025 FINAL 8.22.25 REVISED 10.10.25* noting that the titles of the preparers and reviewers on the “Sign Off” tab were consistent with the policy. Forvis Mazars also reviewed the email chain dated late August 2025 between STO and their third party internal auditor and noted that it supported the internal auditor’s review of the FY 2025 Reporting Package .

STO also provided to Forvis Mazars *4.1 STO Reconciliation of Cash by Fund – Cash Procedures Prepared by STO Treasury Management* and *4.1 STO Reconciliation of Cash by Fund – Investment Procedures Prepared by Investment Operations Banking Division*. Forvis Mazars confirmed that, at a high level, these policies and procedures require the STO to report (and independently confirm, as needed) cash and investments in its custody by agency and fund, at least annually. More specifically, these procedures describe the SCEIS reports and parameters STO generates, how those reports are incorporated into the Reporting Package, the Excel formulas used to derive key information, the check figures used to validate data inputs, exceptions requiring manual entry, and references to intermediate spreadsheets used before submitting the final version to CGO. These procedures were specific to the FY 2024 Reporting Package. Forvis Mazars notes that the Reporting Package developed by CGO can be modified from year to year; however, the items to be reported remain relatively consistent. These procedures were first submitted to Forvis Mazars in July 2025 for review and approval and were finalized by STO in November 2025.

Forvis Mazars compared these procedures to the *4.1 STO Reconciliation of Cash by Fund 2024 – Combined File FINAL* and the *Working Copy for Investments – 4.1 STO Recon of Cash by Fund 2024 (version 08-29-24)* and observed that the procedures, Excel formulas, and check figures were consistent for all 18 items reviewed.

Observations & Recommendations

Forvis Mazars recommends that STO update its procedures periodically to reflect changes made to the Reporting Package. Doing so would provide personnel preparing or supporting the Reporting Package with the most up-to-date instructions.

AP-5

Develop comprehensive policies and procedures outlining the roles and responsibilities of the CGO which must require that the CGO reconcile cash and investments by agency and fund in SCEIS, the accounting system of record, to the information provided by the STO and AFS agencies.

Primary Party: CGO

Status: In Progress

Background & Work Performed

In April 2025, CGO engaged Eide Bailly, LLP, to, among other assistance, review the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Eide Bailly was also engaged to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed the *Comprehensive Cash and Investments Reconciliation Policy*. The policy's stated purpose is "To establish a standardized, comprehensive approach for reconciling cash and investments recorded in the South Carolina Enterprise Information System (SCEIS) to information provided the State Treasurer's Office (STO) and Audited Financial Statement (AFS) agencies." The policy defines and discusses the CGO use of the 'pushdown' reconciliation process that allocates and reconciles balances accurately. This reconciliation process is to be performed at least annually and covers Treasury pooled cash, Composite Reservoir Accounts, cash, and investments held outside of the STO, and any other necessary cash and investment adjustments.

Additionally, the policy lists the roles and responsibilities of the CGO:

- Oversee policy interpretation, compliance monitoring, and enforcement.
- Prepare the ACFR, incorporating reconciled data.
- Validate submissions from the STO and AFS entities.
- Process adjusting journal entries, in accordance with the *Journal Entry Policy*, to resolve discrepancies.
- Provide training, guidance, and resources to State agencies and AFS entities.

The roles and responsibilities of the STO, state agencies, and AFS Entities include the provision of annual Reporting Packages, which varies slightly by agency, in the format prescribed by CGO, maintenance of supporting documentation, certification of the accuracy of the data provided to CGO, and collaboration/clarification as needed. This policy was first submitted to Forvis Mazars in March 2026 for review and approval and was finalized by CGO in March 2026.

Additionally, CGO and Eide Bailly developed two prototype spreadsheets. The first, *Prototype STO Cash and Investments for Workiva*, is designed for completion by STO as of June 30, 2026. The second, *Prototype Cash and Investment Reconciliation for Agencies and AFS*, is designed for completion by State agencies and AFS entities.

It is planned that the *Prototype STO Cash and Investments for Workiva* spreadsheet, in its final form, will combine the STO's 4.1 Year End STO Reconciliation of Cash by Fund and 4.3 STO Reconciliation of Investments into one comprehensive closing package. CGO notes that STO will continue to be able to utilize the *BRD-1 Cash Confirmation Report*, developed to address recommendation MJ-9(b), to complete this spreadsheet.

The *Prototype STO Cash and Investments for Workiva* spreadsheet will serve as the basis of the *Prototype Cash and Investment Reconciliation for Agencies and AFS*. It is therefore planned that this spreadsheet will be prepopulated with data, facilitating completion and review by the agencies and audited financial statement entities.

Forvis Mazars noted that the *Prototype STO Cash and Investments for Workiva* spreadsheet, Pooled Cash & Inv Recon tab, contains the amount 'Available for Pooled Investment.' This represents each agency's claim on cash, a portion of which STO has invested. When filtered for a specific agency, those amounts are present in the *Prototype Cash and Investment Reconciliation for Agencies and AFS* spreadsheet, Pooled Cash and Investments Balance per SCEIS, located

on the Summary Cash and Investments tab. In this way, CGO will reconcile cash and investments by agency and fund both to SCEIS, through the *Prototype STO Cash and Investments for Workiva* spreadsheet, and to the AFS agencies, through the *Prototype Cash and Investment Reconciliation for Agencies and AFS* spreadsheet.

As of the date of this report, CGO continues to work with Eide Bailly to identify an enhanced automation solution. The options being considered are building the spreadsheets in Workiva or building them using Excel, with enhanced formulas and conditional formatting.

Observations & Recommendations

The development of the enhanced closing packages is scheduled to be completed in April 2026. Forvis Mazars recommends review of those packages, including the articulation as described above, at that time. After that review, the status of this recommendation could be marked Complete, Pending Compliance Review. The use of these documents is planned for the FY 2026 ACFR development process. Therefore, the compliance review should be performed after both STO and agencies have completed the closing packages, likely in November 2026.

AP-7/MJ-9(c)

Provide training and related documentation to the STO that explains where cash and investments in the STO Treasury show up in the ACFR and how negative cash can occur. Documentation should be sufficient to allow the STO to independently quantify the ACFR General Fund cash balance using information to which it already has access.

Additionally, the STO may need additional experience or education about ACFR reporting requirements, to ensure appropriate preparation. To facilitate the assumption of this responsibility, the STO may need to consider hiring or contracting with subject matter experts who can assist the STO in further understanding and complying with CGO ACFR reporting requirements. The CGO should propose to the STO the associated assertions and assumptions related to providing the requested information (cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments information). If needed, the STO should develop a plan in terms of needs/requirements to be reasonably comfortable with the proposed assertions and assumptions for the new level of ACFR reporting to the CGO.

Primary Party: CGO

Secondary Party: STO, added by Forvis Mazars due to their receipt of training

Status: Complete

Background & Work Performed

The STO, annually or as requested by CGO, submits *Form 4.1 STO Reconciliation of Cash by Fund* to CGO, commonly referred to as the “Reporting Package”. The Reporting Package template is provided by CGO and includes tabs that enable STO to provide a comprehensive listing of general ledger bank accounts for pooled cash that STO reconciles, as well as a reconciliation of CGO book (cash by fund) to the Treasury, by agency and fund. CGO uses the information in the Reporting Packages, along with information from other sources, to report ACFR General Fund cash.

AP-7 is designed to for CGO to explain to STO how cash and investments reflected in STO’s Reporting Packages are displayed in the ACFR and how negative cash may occur under the required reporting conventions. The explanation and documentation provided by CGO should be sufficiently detailed to allow STO, using the information to which it already has access, independently quantify the ACFR General Fund balance. This will allow STO to reasonably determine whether negative cash may occur. AP-7 does not require CGO to provide STO additional information from which STO can calculate the ACFR General Fund balance to the level of materiality required of CGO for ACFR development. The status of AP-7 has been evaluated on STO’s ability to use information already available to reasonably determine how negative cash may occur in a given fiscal year. As described below, STO is able to reasonably estimate cash and cash equivalents in the ACFR General Fund and therefore determine how negative cash may occur.

Over the course of our engagement, CGO has provided to STO three narratives to support the completion of AP-7 as follows:

1. Cash and Cash Equivalents for the ACFR, largely related to timing adjustments
2. Capital Projects Accrual and Splitter Cash Reclass and related spreadsheets for FY 2023, 2024, and 2025
3. Cash and Cash Equivalents for the ACFR General Fund, which incorporates the steps in item 1, and additional information regarding the specific calculation for FY 2025

Narrative 1 – Cash and Cash Equivalents for the ACFR

STO, CGO, and Forvis Mazars participated in joint working sessions during most weeks in May through September, based on agency staff availability, with a goal of enhancing STO’s understanding of how cash and investments are presented in the ACFR General Fund. The joint working sessions included discussions of timing adjustments for FY 2024 (which included a reclassification related to capital projects), how negative cash can occur, and the FY 2025 Reporting Package for cash and investments.

A joint working session held on September 10, 2025 covered CGO cash and cash equivalents for the ACFR, the first narrative, supplied to STO in August 2025. Based on the session’s discussion and the narrative, STO noted in their

September 2025 Monthly Status Reports, dated September 30, 2025 and October 21, 2025-revised, that they understood the methodology and could recalculate cash timing adjustments in the FY 2024 ACFR General Fund within a reasonable range of the CGO calculation. As all parties agreed that no further discussion on the presentation of cash and investments in the FY 2024 ACFR General Fund were needed, no additional working sessions were held in September.

Narrative 2 – Capital Projects Accrual and Splitter Cash Reclass and related spreadsheets for FY 2023, 2024, and 2025

STO, in their October 21-revised, October 31, and November 2025 reports, referenced an adjustment of approximately \$359 million to ACFR General Fund cash in FY 2024. CGO briefly discussed this entry as part of a July 2025 joint working session. A narrative discussing this entry was requested of CGO by Forvis Mazars in October 2025. This second narrative was first submitted to Forvis Mazars in November 2025 for review and approval and was finalized in December 2025 by CGO. This second narrative, Capital Projects Accrual and Splitter Cash Reclass, and associated spreadsheet detailing the FY 2025 capital projects entry, C-13-83a – DCU-Related Capital Projects Balances – FY 25, was shared with STO in January 2026. This second narrative and spreadsheet supply background information for the FY 2024 capital projects adjustment and FY 2023 – FY 2025 entries. Spreadsheets for the FY 2023 and FY 2024 capital projects adjustments were also provided to STO. However, STO noted their January 2026 Monthly Status Report, dated January 30, 2026, that they have not received enough information from the CGO to recalculate General Fund cash and cash equivalents for FY 2024 or FY 2025.

Narrative 3 – Cash and Cash Equivalents for the ACFR General Fund

In January 2026, CGO provided a third narrative, Cash and Cash Equivalents for the ACFR General Fund. This narrative includes the instructions related to timing adjustments in the first narrative, and a template that can be used by STO to approximate cash and cash equivalents for the ACFR General Fund. Forvis Mazars notes that this calculation, which requires the addition/subtraction of three amounts, all of which appear in the Reporting Package, may result in a negative number. This explains how negative cash can occur.

For FY 2025, the sum of the three amounts was negative. A negative cash balance may not be presented in the ACFR. Therefore, the ACFR General Fund cash and cash equivalents balance for FY 2025 would be expected to be reported at approximately \$0. As Forvis Mazars is able to independently quantify ACFR General Fund Cash using the available information, it is expected that STO can as well.

Further template calculations made by CGO require four amounts, one of which is related to the timing adjustments discussed above and may result in an overall positive number being presented in the ACFR General Fund. The STO does not have access to the amounts needed for all calculations made by CGO. However, based on work performed related to timing adjustments, STO can also reasonably estimate that amount as well. This narrative also included the detail of the FY 2025 calculation, Appendix A. It was first submitted to Forvis Mazars in December 2025 for review and approval, and was finalized by CGO in January 2026. Based on feedback provided by STO in February 2026, this narrative was modified by CGO and returned to STO in February 2026.

With regard to M&J-9(c), STO confirmed in February 2026 that they historically and currently work with both Deloitte and Suggs Johnson, LLC to assist as ACFR/GASB subject matter experts. The STO also hired an additional CPA with financial reporting expertise who has assisted throughout this project.

Observations & Recommendations

STO noted in their January 2026 Monthly Status Report, dated January 30, 2026, that they have not received enough information from the CGO to recalculate ACFR General Fund cash and cash equivalents for FY 2024 or FY 2025. The third narrative described above includes a calculation, which requires the addition/subtraction of three amounts, all of which appear in the Reporting Package. Although this calculation may result in a negative number, STO is aware that reporting conventions preclude the presentation of negative cash, and reclassification between cash and investments would be indicated in these circumstances. The training and documentation provided to STO by CGO for this recommendation explains where cash and investments in the STO Treasury appear in the ACFR and how negative cash can occur. It is sufficient to allow STO to independently quantify the ACFR General Fund cash balance using information to which it already has access. Therefore, no additional work is considered necessary in relation to this recommendation.

AP-8

Establish a checklist for determining when the ACFR can be publicly released. The ACFR should not be released until all necessary steps and audit procedures have been completed to ensure the quality and accuracy of the reported information. ACFR release date should not place undue pressure such that less work is performed, or issues are insufficiently resolved in order to achieve an unrealistic deadline.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

In April 2025, CGO engaged Eide Bailly, LLP, to, among other assistance, review the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Eide Bailly was also engaged to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed an *ACFR Documentation and Release Checklist*. The Excel-based checklist contains 151 line items, divided into Phases 1 – 4, and is aligned with the Government Finance Officers Association Financial (GFOA) Statement Checklist and the *CGO Reporting Policies and Procedures Manual*. This checklist was first submitted to Forvis Mazars in September 2025 for review and approval and was finalized by CGO in October 2025.

Forvis Mazars noted that this checklist includes dates that the various line items are due to CGO, the date due to the designated CGO reviewer, the schedule for the line item review, the CGO staff who prepares the line item, the date the Deputy Comptroller General, Statewide Reporting completed the review, and the date the line item is due to OSA.

CGO also supplied a screen recording of the FY 2025 *ACFR Documentation and Release Checklist* in Workiva, which streamlines the checklist by incorporating the due date to CGO, due date to OSA, the preparer, and date fully posted. It also includes a table for tracking the method of submission and primary contact at CGO.

CGO additionally supplied a screen recording of the FY 2026 *ACFR Documentation and Release Checklist* in Workiva. Refinements for FY 2026 include additional fields for the Phases 1 – 4, the relevant ACFR Section, the GFOA Statement Checklist section, the *CGO Reporting Policies and Procedures Manual*, the date CGO receives a draft ACFR (which applies exclusively to AFS entities) and the date the CGO staff member completed their review. In addition, CGO has prepared detailed instructions discussing the purpose of the checklist, key activities, and expectations.

Observations & Recommendations

Because there are 151 line items and six columns of dates and reviews to be completed, Forvis Mazars recommends that a dashboard be added into Workiva to help CGO easily monitor the progress of the ACFR documentation and its release. It was determined by CGO that an additional feature in Workiva was needed for the dashboards to be developed. CGO plans to further consider this project during the FY 2026 ACFR development process.

The *ACFR Documentation and Release Checklist* is to be used as part of the FY 2026 ACFR development process. Therefore, the compliance review should be performed after the issuance of the FY 2026 ACFR.

AP-9/MJ-7(a)(b)

The CGO should assess the need to hire additional CGO staff and/or outside assistance to prepare the ACFR and better distribute workloads.

The CGO should increase its current Full Time Employee (FTE) count by two FTEs within the Financial Reporting (FR) Division to allow for:

- *A dedicated role solely/primarily focused on quality assurance/quality control.*
- *A role lower in the organization to be the primary responsible staff member for AFS agencies.*

Increasing the FTE count by two will allow for the CGO to formalize the financial statement and Reporting Package quality assurance process and allow for remaining staff members to focus on their primary duties. Also, the Deputy Comptroller General over the FR Division will be able to focus on more strategic roles and responsibilities.

For months outside of the ACFR cycle when the new position assigned to Quality Assurance (QA) does not have ACFR documents to review, the position could be responsible for assessing findings from the most recent QA process. For instance, the staff member could identify the most common issues encountered during the QA process and develop procedures to mitigate the identified issues in time for the next cycle. This position will allow for the CGO to operate more proactively through identifying issues and taking steps to help prevent issues from reoccurring. Relatedly, the staff member could then assist with developing new training content and material to educate agencies on common issues found in the previous ACFR cycle. As such, this position will help to improve communication between the CGO and agencies and foster a more collaborative relationship.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

In their May 2025 monthly status report, CGO noted that they received funding for two new full-time employees through the FY 2024 – 2025 Appropriations Act and that one of those employees, a Quality Assurance Manager, was hired in January 2025.

CGO engaged Eide Bailly to conduct a 360 Process Assessment of the Financial Reporting Division to identify any resource gaps, define roles and responsibilities of existing and any proposed new staff, and determine industry best practices for Quality Assurance. The initial results of the 360 Process Assessment, which included future state process diagrams, were received in October 2025. The 360 Process Assessment echoed the recommendations in MJ-7(a)(b) that assistance with administrative tasks would allow the most skilled resources to spend time on analysis, education and performing more complex tasks. Due to office space constraints that are expected to be resolved in April 2026, the recruitment process for administrative assistance, titled Accountant/Fiscal Analyst, will begin in Spring 2026.

Forvis Mazars obtained and reviewed the position description from CGO in support of the upcoming hiring of an Accountant/Fiscal Analyst.

The Job Purpose is “Under general supervision, the Financial Reporting Assistant provides critical technical and administrative support in the preparation of the state's Annual Comprehensive Financial Report (ACFR) and related financial reporting processes. The role focuses on coordination with multiple State agencies, tracking submissions, maintaining schedules and contact databases, and ensuring timely and accurate data collection for the state's Audited Financial Statement (AFS) entities.”

The first two Job Functions, which combined comprise 55% of the position's time are:

1. Facilitates the annual AFS agency ACFR information-gathering process by distributing templates, instructions, and deadlines to agencies. Enters submitted financial information into Workiva and other reporting systems for AFS agencies.
2. Manages and reconciles submission control logs to ensure all required request components are received, properly documented, and followed up as needed. Tracks communications with agencies, monitors the status of required information submissions, and elevates delayed submissions to division management.

The job purpose and job functions listed in the position description align with the recommendations.

Observations & Recommendations

The implementation of this recommendation, effected by the hiring of the second FTE, will be conducted after the completion of the office renovation. The renovation is expected to be completed in April 2026. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends that the implementation of this recommendation be evaluated after the successful hiring of the Accountant/Fiscal Analyst.

AP-10

Establish a formalized process by which appropriations as recorded in SCEIS are reconciled to the amounts reported in the AFS entities' financial statements and the corresponding legislative documents.

Primary Party: CGO

Status: Complete

Background & Work Performed

To address this recommendation, CGO developed a comprehensive appropriation reconciliation procedure for the State's AFS entities, which include (16) technical colleges, (17) two-to-four year colleges, and the Department of Transportation. The Technical College System receives appropriations from the State, which are then allocated to the technical colleges. As a result, the appropriations reconciliation process for these entities differs from those that receive appropriations directly from the State.

We note that total FY 2025 appropriations for the State were approximately \$12.4 billion, which agrees to page 266 of Bill H. 4025, which is included in Bill H. 5100, as amended. In order to reconcile this legislative document to the AFS entities' financial statements, CGO utilized spreadsheet, *25PR40 Expenditures*, to bifurcate total appropriations to the various State agencies. Specifically, Higher Education, which, in addition to the technical and two-to-four year colleges, includes two commissions, and the Department of Transportation. CGO focuses on Higher Education and the Department of Transportation because they are inclusive of the AFS entities that receive a direct appropriation from the General Fund.

The first step in this process is the calculation of the appropriations carryforward. It is the total of the current year appropriations, inter-agency transfers, open-ended appropriations, prior year carryforwards, less current year expenditures, less lapsed appropriations. The appropriations carryforward for FY 2025 for Higher Education was approximately \$462.8 million. The appropriations carryforward for FY 2025 for Transportation was approximately \$563 million. It is the appropriations carryforward, plus amounts held by STO on behalf of the agencies, that CGO must reconcile to the individual agencies' audited financial statements to ensure agreement between them and the agencies' receivable, due from Government.

Higher Education's appropriations carryforward of \$462.8 million includes \$304.4 million for the Technical Colleges System, \$148.9 million for the two-to-four year colleges and \$9.5 million for the two commissions. CGO utilized *FY 2025 Appropriations Summary* to confirm that the appropriations carryforward plus the amounts held in the Treasury on behalf of these entities equal their reported receivables. If needed, CGO adjusted the entities' receivables for ACFR presentation purposes. Forvis Mazars reviewed these spreadsheets and the referenced legislative documents. Additionally, we traced the final receivable balance for selected entities, both technical colleges and two-to-four year colleges to the FY 2025 ACFR, without exception.

Likewise, the Department of Transportation (combined with the County Transportation Fund) has an appropriations carryforward of \$563.1 million. CGO utilized *G-05a - SC Department of Transportation AFS Workpapers - FY 25* to confirm that the appropriations carryforward equals their reported receivables. We note that the amount held in Treasury is not considered for the Department of Transportation because their appropriations are remitted at the beginning of the fiscal year. CGO provided a detail of the "Due from Other Funds", which amounted to \$657.4 million. Forvis Mazars reviewed these spreadsheets, noting agreement with the appropriations carryforward and the reconciliation of the Department of Transportation's receivable. We also reviewed the referenced legislative documents noting agreement of \$123.1 million of FY 2025 General Fund appropriations. Additionally, we traced the carry forward receivable, which was included in the interfund receivable, to the FY 2025 ACFR without exception.

Based on work performed, CGO has established a formalized process for reconciling appropriations recorded in SCEIS to amounts reported in the AFS entities financial statements and the corresponding legislative documents.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

AP-11

Implement a standardized procedure for tracking and documenting errors, corrected and uncorrected, to ensure they are identified, analyzed, and corrected (if needed). Procedure should establish requirements for elevation to appropriate levels within the CGO and to the auditors.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed a *Materiality Policy* and related *Error Tracking and Reporting Log*. The *Materiality Policy*'s stated purpose is "To establish a standardized approach for determining materiality thresholds during the preparation of the ACFR, ensuring accurate financial reporting and compliance with applicable standards." Per this policy, all adjusting journal entries are tracked and documented in the *JE Batch Control Log* and all adjusting and passed journal entries (except "Clearly Trivial" and "Rounding" as defined in Appendix A of the *Materiality Policy*) are tracked in the *Error Tracking and Reporting Log* to support accuracy, consistent consideration for aggregation, and audit readiness. Appendix A additionally includes a description of the State's reporting units, certain balance sheet line items, a quantitative threshold of materiality, and supplementary comments, for each item. This policy was first submitted to Forvis Mazars in August 2025 for review and approval and was finalized by CGO in December 2025.

The second item developed to address this recommendation is the *Error Tracking and Reporting Log*. The purpose of this Excel-based spreadsheet is to track all misstatements, including the agency contact, the date the misstatement was communicated to the agency, the document number, approval date of the Deputy Comptroller General, Statewide Financial Reporting, and posting date. The spreadsheet requires annual data input of the reporting unit's fund balance or net position. It includes a tab for all misstatements, both corrected and uncorrected (passed) adjusting journal entries. The form compares the amount of adjustment to the fund balance or net position materiality (as defined by the *Materiality Policy*) and aggregates this information. This aggregation is particularly important for the evaluation of uncorrected (passed) adjustments, to support consideration of whether these adjustments, while immaterial individually, do not exceed materiality when totaled. The *Error Tracking and Reporting Log* was first submitted to Forvis Mazars in September 2025 for review and approval and was finalized by CGO in October 2025.

In addition, Forvis Mazars reviewed the training developed by CGO for its ACFR team related to the *Materiality Policy*. The training addresses the policy's purpose and scope, key concepts, and materiality threshold calculations, and includes guidance on where journal entries should be recorded. CGO plans to deliver this training in mid-March 2026.

Observations & Recommendations

The *Materiality Policy* and *Error Tracking and Reporting Log* are expected to be put into use during the FY 2026 ACFR development process. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends that the use of, and adherence to, the *Materiality Policy* and *Error Tracking and Reporting Log* be reviewed after the issuance of the June 30, 2026 ACFR.

AP-12

Revise the existing entry policy to enumerate the specific situations under which late entries (i.e., topside entries) are permitted. The policy must also be amended to set the minimum level of documentation required for all entries, including topside entries.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed a *Journal Entry Policy*. The *Journal Entry Policy's* stated purpose includes the following verbiage, "This policy establishes guidelines for recording journal entries to ensure accurate financial reporting in compliance with Governmental Accounting Standards Board (GASB) principles. This policy sets forth standardized policies and procedures to ensure all journal entries (JE) have supporting documentation and are consistently prepared, reviewed, approved, and recorded." It also includes a discussion of topside entries noting "Topside Entries should rarely occur but should be limited to the following specific exceptions: (1) adjustments necessitated by changes in governmental accounting standards, and (2) entries required due to GAAP Fund changes."

The *Journal Entry Policy* also outlines guidelines for supporting documentation requirements, materiality considerations, training requirements for preparers and approvers, and documentation and storage standards. Specifically, it requires the Deputy Comptroller General, Statewide Financial Reporting, to review all journal entries, and a requirement that the Comptroller General review all topside entries, as well as any journal entry CGO identifies as high risk due to its nature, calculation complexity, or timing.

The *Journal Entry Policy* includes Appendix A – Examples of High-Risk Journal Entries and Appendix B – Topside Entry Form.

The policy was first submitted to Forvis Mazars in August 2025 for review and approval and was finalized by CGO in December 2025.

In addition, Forvis Mazars reviewed the training developed by CGO for its ACFR team related to the *Journal Entry Policy*. The training addresses the policy's purpose and scope, the various types of journal entries including those considered to be high risk, supporting documentation requirements, and the journal entry review, approval, and storage process. CGO plans to deliver this training in mid-March 2026.

Observations & Recommendations

The *Journal Entry Policy* scheduled for implementation during the FY 2026 ACFR development process. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *Journal Entry Policy* after the issuance of the June 30, 2026 ACFR.

AP-13

Establish a process by which non-standard adjustments to cash and investments reported by AFS entities are identified and evaluated.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

In October 2025, CGO and Forvis Mazars agreed that the recommendation could be fulfilled by adding a new item to the *AFS Review Checklist*, described in M&J-6(a). Forvis Mazars reviewed the checklist, initially in Excel and then through a screen recording of Workiva. We note that the FY 2026 Workiva version of this checklist includes the question, "Has any unusual or unexpected activity, particularly in relation to cash and investments, been identified or documented?" This approach to fulfilling the recommendation appears reasonable.

Observations & Recommendations

The *AFS Review Checklist* is scheduled for implementation during the FY 2026 ACFR development process. As a result, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *AFS Review Checklist* after the issuance of the June 30, 2026 ACFR.

AP-14/15

Establish a minimum standard for all accounting and financial reporting workpapers such that an external party can both understand and reperform the process. Documentation should include information sufficient to understand the purpose of the workpaper and the source of the information.

Establish requirements for the level of quality review required for all ACFR-related workpapers and how such review is documented.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address these recommendations, which were combined due to their nature, CGO and Eide Bailly developed a *Workpaper Minimum Standard Policy* and *Workpaper Quality Review Policy*. The *Workpaper Minimum Standard Policy's* stated purpose includes the following verbiage, "This policy establishes minimum standards for the preparation and retention of departmental workpapers to ensure compliance with applicable regulations and accounting and financial reporting standards." This policy includes documentation requirements; workpaper organization and indexing; approval process; supporting documentation expectations; and security, confidentiality and retention, and training considerations.

Appendix A – General Workpaper Guidance contains an example of a proper workpaper heading, guidance on documenting purpose and procedures—including how and where documentation was obtained—and a summary of data analysis. *Appendix B – Preparer Checklist*, lists questions for preparers in the areas of general preparation; accuracy and documentation; organization and usability; data analysis; and finalization.

The *Workpaper Quality Review Policy's* stated purpose is "to define objectives and guidelines for reviewing departmental workpapers, ensuring their completeness, accuracy, clarity, and consistency in alignment with established standards and organizational goals." This policy references the *Workpaper Minimum Standards Policy* and the *Journal Entry Policy*, and notes that the Deputy Comptroller General, Statewide Financial Reporting, must review workpapers within five days of preparation. In addition to this review, the policy outlines an additional Quality Assurance risk-based review for high-impact or high-risk areas. A sampling process, described in Appendix A, is planned to be used periodically. The policy also lists the key elements intended for inclusion in each workpaper.

Appendix A – Quality Assurance Sampling Process for Working Paper Review outlines objectives, sampling criteria, sampling frequency, evaluation of the workpaper against a standard checklist (Appendix B), documentation expectations, and feedback and follow-up procedures for the Quality Assurance Reviewer. *Appendix B – Quality Review Checklist*, distills these items into a 19-point checklist with sections for evaluation, comments, reviewer name, and date completed.

These policies were first submitted to Forvis Mazars in August 2025 for review and approval and were finalized by CGO in November 2025. Forvis Mazars obtained the training materials for these recommendations, noting they addressed the major points included in the *Workpaper Minimum Standard Policy* and the *Workpaper Minimum Review Policy*. CGO plans to deliver this training in mid-March 2026

Observations & Recommendations

The *Workpaper Minimum Standard Policy* and *Workpaper Quality Review Policy* are scheduled for implementation during the FY 2026 ACFR development process. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *Workpaper Minimum Standard Policy* and *Workpaper Quality Review Policy* after the issuance of the June 30, 2026 ACFR.

AP-16/MJ-8

Establish a policy outlining the situations in which the CGO is permitted to adjust information it receives from various agencies and a process by which such adjustments must be communicated to the affected agencies.

The CGO should consistently communicate to agencies any proposed material adjustments made to submitted information and the rationale for the adjustments in addition to supporting documentation (workpapers) that details how the changes will be made. By communicating modifications, the CGO will enhance agencies' awareness and understanding of the rationale behind reported figures in the Annual Comprehensive Financial Report potentially appearing different from the information that the agency previously attested on. In addition to communicating modifications made to an agency's data, the CGO should provide the agency with the opportunity to ask questions and if needed appeal the changes to the State Auditor for mediation.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address these recommendations, which were combined due to their nature, CGO and Eide Bailly developed an *Agency Notice and Adjustment Guidance Policy*. The *Agency Notice and Adjustment Guidance Policy*'s states its purpose as "to provide clear guidance and outline permissible circumstances for recording adjusting entries to Reporting Package [agencies] and Audited Financial Statement (AFS) agencies' trial balances and establish protocols for communicating changes to relevant entities to ensure accountability and transparency." If a Reporting Package, AFS supplement or any other document submitted by an agency before the established due date contains an error, omission, or other instance of non-compliance, the CGO will return the document to the agency with an explanation of the issue and request resubmission of a corrected document.

If a document is submitted after the established due date or during the ACFR preparation period (August through December), and time constraints prevent timely resubmission, a CGO representative may make a correction. If the correction exceeds materiality (as defined in the *Materiality Policy*), or conflicts with the Reporting Package's instructions, or the CGO representative's professional judgment deems follow-up is necessary, the corrected document is to be returned to the agency after the ACFR preparation period concludes.

This policy includes guidelines for support for adjustments, related documentation, review procedures (including a five-business-days agency review period), record retention, and staff training. Any deviation from this policy requires written approval from CGO with supporting documentation.

This policy was first submitted to Forvis Mazars in August 2025 for review and approval and was finalized by CGO in November 2025. CGO plans to conduct training with agency staff related to this policy by April 2026.

Observations & Recommendations

The *Agency Notice and Adjustment Guidance Policy* scheduled for implementation during the FY 2026 ACFR development process. As a result, a compliance review could not be completed before the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *Agency Notice and Adjustment Guidance Policy* after the issuance of the June 30, 2026 ACFR.

AP-17

The CGO should record two sets of entries to SCEIS to properly reflect the \$1.8 billion cash balance: (1) reverse the \$1.6 billion incorrectly-converted ACFR Business Area balances as proposed by the CGO; and (2) record an entry to SCEIS for \$245 million as a debit to account 2400600002 (Due to Other Funds – Equity in Pooled Cash) in Fund 30350993 and a credit to account 7000001000 (Prior Period Adj – CAFR) (i.e., the restatement account) within the ACFR General Fund.

Primary Party: CGO

Status: Complete

Background & Work Performed

On Friday, June 6, 2025, at 8:00PM EST, AlixPartners observed Kathy Johnson execute the journal entries to correct for the \$1.8 billion balance in fund 30350993. Present during the session were David Bligh, Wes Shi, and William Hurley (AP); Brian Gaines and Kathy Johnson (CGO); and Marcia Adams and Paul Koch (Admin).

It is important to note that after the journal entries were made, STO provided their June 30, 2025 *4.1 STO Reconciliation of Cash by Fund 2025 – Treasury Mgmt 08072025 Reconciliations*. This includes the Wells Fargo General Deposit Account, the bank general ledger account to which both the erroneous entries and the correcting journal entries were recorded. STO was able to reconcile this bank general ledger account to the Wells Fargo bank statement with \$0 variance. This is the confirmation that there was no effect of the correcting journal entries to the reconciliation of the Wells Fargo General Deposit Account.

Forvis Mazars was provided and reviewed screenshots related the observation in SCEIS of the correcting entries and those reflecting AP's' independent validation tests, which were conducted on Sunday, June 8, 2025. We recalculated the effect of these entries, agreeing them to the screenshots provided and AP's independent validation tests.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

AP-18

Consider whether to clarify Note 15 of the fiscal year 2022 ACFR including, but not limited to, whether to specifically identify and quantify the relevant components.

Primary Party: CGO

Status: Complete

Background & Work Performed

In FY 2022, the State reported a restatement of the beginning fund equity of the ACFR General Fund of approximately \$3.5 billion (decrease). The source of the restatement was presented in Note 15. Fund Equity Reclassifications and Restatements. This was the cumulative effect of an error that impacted FY 2012 through 2021.

In FY 2024, a discussion titled 'Further Disclosure Surrounding the 2022 Prior Period Adjustment' was added below Statistical Table 1 Net Position by Component as follows:

The 2022 ACFR disclosed a prior period adjustment to the beginning fund balance in the General Fund for an "error correction" in the amount of \$3.530 billion (the "2022 PPA"). The State contracted with AlixPartners to perform forensic accounting procedures relating to, among other things, the \$3.530 billion 2022 PPA and its underlying components as described below. After completing its work, AlixPartners issued a report, which is publicly available on the State's Department of Administration website. The AlixPartners report concludes at page 11 that the cumulative net amount of the PPA, i.e., \$3.5 billion, recorded in the fiscal year 2022 ACFR is accurate". The AlixPartners report also provides various recommendations to the State, including at page 46 that consideration be given to clarifying Note 15 of the 2022 ACFR to identify and quantify the specific components of the 2022 PPA.

In that regard, the 2022 PPA corrected three different errors, which netted to the \$3.530 billion 2022 PPA to fund equity. Note 15 to the 2022 ACFR provided details about the most significant error that was corrected—an overstatement of fund equity that occurred due to a mapping error where certain appropriation-related cash transfers out in the State's Enterprise Resource Planning ("ERP") system were excluded from the ACFR mapping and therefore did not (in the ACFR) reduce cash and fund equity as should have occurred. This mapping error resulted in overstating fund equity as of July 1, 2021, by \$5.899 billion. This amount was offset in part by two other errors that resulted in understating fund equity as of July 1, 2021. One of these errors, in the amount of \$1.852 billion, related to the conversion in 2017 of State Treasury cash and investments from the State's legacy ERP system to the new ERP system. The other, in the amount of \$516.91 million, related to a Department of Transportation-related adjustment, which also understated fund equity.

Forvis Mazars reviewed the discussion above, noting that CGO clarified the components of the restatement.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

AP-19

Evaluate the accuracy of the amounts in the statistical tables as reflected in the fiscal year 2022 ACFR. If materially inaccurate, determine if revisions necessitate changes in presentation and/or disclosure prior to issuing the fiscal year 2024 ACFR.

Primary Party: CGO

Status: Complete

Background & Work Performed

In FY 2022, the State reported a restatement of the beginning fund equity of the ACFR General Fund of approximately \$3.5 billion (decrease). The source of the restatement was presented in Note 15. Fund Equity Reclassifications and Restatements. This was the cumulative effect of an error that impacted FY 2012 through 2021.

In the FY 2024 ACFR, the *Total Governmental Activities Net Position* for FY 2021, as displayed in *Statistical Section Table 1 Net Position by Component*, agreed to the same metric in FY 2022 ACFR, both totaling \$23,452,192 (expressed in thousands). Forvis Mazars noted that other restatements affected the Statistical Tables in FY 2024. These included restatements for FY 2023 - 2015 related to the implementation of GASB Statements No. 94, No. 84, No. 75, and a reclassification of portions of the General Fund to non-major governmental funds and certain portions of non-major governmental funds to other non-major governmental funds. These changes are described in *Note 15. Fund Equity Changes and Restatements*.

The inclusion of a discussion titled *Further Disclosure Surrounding the 2022 Prior Period Adjustment* was added below *Statistical Table 1 Net Position by Component* as a clarification of the FY 2022 Restatement.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

AP-20

Establish a policy or procedure that outlines the CGO's position on accounting for negative cash (with relevant Generally Accepted Accounting Principles ("GAAP")/GASB citations) and the related accounting and disclosure requirements to ensure compliance and consistency in application.

Primary Party: CGO

Status: Complete

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed a *Cash and Cash Equivalents Reporting Policy*. The *Cash and Cash Equivalents Reporting Policy* states, "This policy establishes guidelines for how the cash and cash equivalents within the State's internal investment pool are reported to ensure compliance with applicable laws, regulations, agreements and GASB standards." The policy applies to all funds participating in the internal investment pool and notes that the STO governs the State's investment policy. The development of this policy and related disclosures in Appendix A, discussed below, is intended to support the consistent application, or treatment, of negative cash. Additionally, this policy requires that negative cash balances be clearly explained in the notes to the financial statements.

This policy outlines the State Accounting Policies for cash and cash equivalents, Investments, Treasury Investment Policy as related to Pooled Cash, Internal Investment Pool-Allocation of Interest, STO Liquidity and Risk Management, Negative Cash Balance Mitigation, Accounting Treatment, Standardized Adjustment Documentation, and Audit Coordination and Revision Tracking.

The accounting treatment for negative cash related to Treasury Pool investment activity is distinguished from temporary negative cash. Forvis Mazars notes that Appendix A includes sample note disclosures for both situations and Appendix B provides a negative cash illustration. These negative balances typically stem from timing differences or structural accounting effects, not a liquidity shortage.

The accounting treatment for negative cash related to Treasury Pool investment activity offsets negative cash balances to investments, given the demand deposit nature of the Treasury Pool. This treatment is supported in the policy by observations related to the State's specific accounting practices although there is not a specific GASB Statement or provision in other authoritative literature that would mandate this particular accounting treatment. However, the accounting treatment for temporary negative cash is supported by GASB Codification 1800.801 -.803.

This policy was first submitted to Forvis Mazars in September 2025 for review and approval and was finalized by CGO in January 2026. This policy was updated by CGO based on feedback from STO in February, and a revised policy was sent that month.

The *Cash and Cash Equivalents Reporting Policy* was implemented during the FY 2025 ACFR development process. Forvis Mazars compared the FY 2025 ACFR *Note 4, Deposits and Investments, Liquidity* to the policy, noting the verbiage and related table were consistent with Appendix A (Negative Cash Balances in Pooled Cash and Investments). Forvis Mazars also reviewed the FY 2025 ACFR for instances of temporary negative cash, noting none.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

AP-21

Assess all prior topside entries or other adjustments and disclosures related to offsets of negative cash balances to ensure compliance with relevant accounting standards.

Primary Party: CGO

Status: Complete

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

In order to address this recommendation, CGO's Statewide Financial Reporting division staff and Eide Bailly assessed topside adjustments present in the FY 2022 – 2024 ACFRs to consider whether they aligned with Generally Accepted Accounting Principles. They noted that apparent negative cash positions were appropriately addressed through pooled investment activity, interfund balances, or fund deficits, and prior presentation and disclosures would not have materially differed had the *Cash and Cash Equivalents Reporting Policy* (AP-20) been in effect. Any differences identified were limited to potential clarifications in wording, not the substance of the accounting or financial statement presentation.

Going forward, the *Cash and Cash Equivalents Reporting Policy* is intended to standardize negative cash presentation and note disclosures. Additionally, the *Materiality Policy* (AP-11), *Journal Entry Policy* (AP-12), *Workpaper Minimum Standard Policy* (AP-14), *Workpaper Quality Review Policy* (AP-15), and *Agency Notice Policy and Adjustment Guidance Policy* (AP-16/MJ-8) are designed to support consistency and enhance internal controls of the ACFR development process.

The *Journal Entry Policy* includes a requirement that both the Deputy Comptroller General, Statewide Financial Reporting, and the Comptroller General review all topside entries. It also includes Appendix B – Topside Entry Form.

Observations & Recommendations

No additional work is deemed necessary in relation to this recommendation.

AP-22

Eliminate any workarounds to the standard entry workflow. Reevaluate permissions in SAP for all STO staff.

Primary Party: CGO

Secondary Party: SCEIS

Status: In Progress

Background & Work Performed

CGO met with SCEIS staff in September 2025 to begin an evaluation of user permissions and workflows in the accounting system. Business requirements associated with this recommendation were documented by the CGO and provided to Admin. Admin held working sessions with the CGO to evaluate journal entry workflow and evaluate user access in September 2025. The functional requirements document and change request form were finalized and signed on October 28, 2025. Once the change request was signed, development began, which was followed by testing. Test results were reviewed with CGO and approved. Due to the direct impact to STO processes, the schedule factored in time for testing to be conducted by STO. User acceptance is planned to be completed by March 12, 2026. It is expected that this change will be implemented on March 19, 2026.

Forvis Mazars reviewed the requirements, noting the stated purpose of the document was to “Eliminate any workarounds to the standard entry workflow. Reevaluate permissions in SAP for all STO staff.” It outlines the current state and changes necessary to support the recommendation. Specifically, it:

1. Removes roles provisioned to STO users allowing access to post journal entry documents directly, which bypasses workflow;
2. Updates interface settings so that journal entry documents created by STO will “park” and enter workflow;
3. Reviews journal entry workflow to confirm that STO-created entries follow the same process as those created by other business areas; and
4. Updates the authorization group that allows STO access during periods open to CGO and SCEIS team postings.

Observations & Recommendations

The updates to be made in SCEIS are currently undergoing user acceptance testing. As a result, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the requirements after the completion of user acceptance testing.

AP-23

Evaluate the current configuration of SCEIS including, but not limited to, the configuration of the cash in the budgetary General Fund to determine whether changes are warranted.

Primary Party: CGO

Secondary Parties: STO, SCEIS

Status: In Progress

Background & Work Performed

This recommendation stems from the observation that the original SCEIS design was approved by Central State Finance agencies (i.e., the business owners) at the time the system was developed for initial implementation. That design may warrant review by CGO, STO and SCEIS to determine whether updates could be made to streamline the confirmation of statewide General Fund cash, thus making it less cumbersome. While the current SCEIS configuration supports the confirmation process, the transition to S/4 HANA, an upgrade to the State's existing accounting system, may enable enhancements that make the process more user-friendly.

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, Eide Bailly identified five states for additional research: Arkansas, Pennsylvania, South Dakota, Tennessee, and Massachusetts. CGO and Eide Bailly held meetings with these states from September through November 2025. Forvis Mazars received the Teams Meeting attendee list indicating that meetings were scheduled as noted.

Eide Bailly prepared a draft summary of the best practices identified and key differences. Forvis Mazars reviewed this document. Specifically, Eide Bailly indicated that South Carolina's longstanding, decentralized cash practices continue to slow reconciliation and reporting. While many states have moved to centralized, automated approaches, South Carolina is reviewing peer models to strengthen documentation, training, and coordination. Massachusetts offers a strong example of the advantages of fully centralized cash management, monthly reconciliations, and clear statutory rules for investment and component unit participation.

In January 2026, CGO, STO, Admin (SCEIS), and SAP participated in a joint meeting to review cash management capabilities within the S/4 HANA environment and to understand how other states that use SAP track budgetary cash at the fund level, as those may be options for the State.

Based on the work performed above, CGO drafted an evaluation of the configuration of cash in the budgetary General Fund. CGO, STO, and SCEIS will continue to collaborate on an evaluation, which is expected to be completed by December 2027. This extended timeline reflects the State's implementation of S/4 HANA. During this period, changes to SCEIS cannot be made.

Observations & Recommendations

The State is in the process of upgrading their SAP enterprise system to S/4 HANA, also an SAP product. This process and the evaluation are expected to be completed by December 2027. As a result, a review of the evaluation could not be completed prior to the date of this report. Because this recommendation enhances user convenience rather than fulfilling a critical need to confirm statewide General Fund cash, it was assigned a low priority. Forvis Mazars recommends review of the evaluation after it is completed in December 2027.

AP-24

Ensure that all agencies including the STO are using SCEIS for tracking cash in all CRAs. This will improve efficiency and accuracy when developing the yearly ACFR.

Primary Party: CGO

Secondary Parties: STO, SCEIS

Status: Complete, Pending Compliance Review

Background & Work Performed

Based on discussions between Forvis Mazars, AP, and Admin in December 2025, the purpose of this recommendation is to improve efficiency in the ACFR development process. That could be supported through consistent treatment of Composite Reservoir Accounts (CRA), whether inside or outside SCEIS.

CGO drafted a memorandum of statewide accounting guidance that provides for CRAs to be excluded from the State's accounting system, requiring entities that utilize CRAs to reconcile each account to the related monthly bank statement, and make these reconciliations available to their auditors. The subject line of this memorandum is: *"Important Update: Discontinuation of Composite Reservoir Account (CRA) Balances in SCEIS Effective July 1, 2026 – Official Notice and Guidance."*

Forvis Mazars reviewed the memorandum, noting it states the purpose of the notice to serve "as official notice of a significant change in the accounting treatment of Composite Reservoir Accounts (CRAs) in the South Carolina Enterprise Information System (SCEIS) and provides comprehensive background and ongoing requirements."

The memorandum explains that there is currently inconsistent treatment of CRAs across agencies and inconsistent accounting treatment for CRA activity. By removing CRA balances from SCEIS entirely, the State achieves uniform standards, eliminates duplication or misrepresentation, and is intended to support the inclusion of reconciled CRA amounts in statewide financial statements based on agency-submitted data. This guidance is scheduled to take effect July 1, 2026. This memorandum was first submitted to Forvis Mazars in February 2026 for review and approval, and was finalized by CGO in the same month.

Observations & Recommendations

The requirements set forth in the memorandum, *Discontinuation of Composite Reservoir Account (CRA) Balances in SCEIS*, will be effective July 1, 2026. As a result, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the CGO memorandum after July 1, 2026.

AP-25

Establish a mechanism by which the CGO is notified of any changes to the State's entity structure to ensure that all relevant AFS entities are captured in the State's ACFR.

Primary Party: CGO

Status: Complete Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address this recommendation, CGO and Eide Bailly developed the *Component Unit Inventory Checklist*. The checklist collects nine data points on entities affiliated with an agency and is aligned with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. Responses will help CGO determine whether an affiliated entity should be reported as a discretely presented or blended component unit.

State entities—both those submitting Reporting Packages and those submitting audited financial statements—must complete the form as part of the FY 2026 ACFR process. Beginning in FY 2027, entities will be required to confirm existing component units and identify any newly created entities.

This checklist was first submitted to Forvis Mazars in February 2026 for review and approval, and was finalized by CGO in March 2026.

Observations & Recommendations

The *Component Unit Inventory Checklist* is expected to be distributed in early summer 2026 and returned by mid-summer 2026. The information collected will be used in the FY 2026 ACFR development process. As a result, a compliance review could not be completed before the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *Component Unit Inventory Checklist* after the issuance of the June 30, 2026 ACFR.

MJ-1

The CGO should create a checklist(s) that are specific to AFS agencies and financial statement requirements to serve as guidance that is tailored to AFS agencies. The CGO should then require all AFS agencies to complete the checklist to acknowledge their understanding of all required financial statement components.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

CGO developed two Excel based checklists to address this recommendation. The first, *AFS Financial Statement Checklist*, is to be completed by an AFS agency. It contains a “Tailoring” tab on which the AFS representative (user) responds to 40 questions about their organization. For example, does the organization hold derivative instruments? Comments can be added as needed for each question. Based on these responses, a “Checklist” tab populates with only the topics relevant to the AFS agency. For example, derivative instrument disclosures are organized by governmental activities, business-type activities, and fiduciary funds. It includes a Present (Yes/No) column, references to recent GASB standards, a specific reference to the Government Finance Officers Association Financial Statement Checklist, a GASB citation, and a reference to the Governmental Accounting, Auditing, and Financial Reporting guide.

The second checklist, *AFS Financial Statement Checklist – Consolidation*, is to be prepared by the Deputy Comptroller General, Statewide Financial Reporting. This also contains a “Tailoring” tab with 40 questions related to the AFS agencies and a corresponding “Checklist” tab. The “Tailoring” tab includes a column for each AFS agency. Based on the responses of the Deputy Comptroller General, Statewide Financial Reporting, the “Checklist” tab populates with the ACFR disclosures needed for the State. This is to ensure that no relevant disclosures are omitted from the State’s ACFR. It is the intention of CGO that these checklists are planned to be added to Workiva, their ACFR development software.

These checklists were first submitted to Forvis Mazars in September 2025 for review and approval and were finalized by CGO in December 2025.

Observations & Recommendations

The *AFS Financial Statement Checklist* and *AFS Financial Statement Checklist – Consolidation* are scheduled for implementation during the FY 2026 ACFR development process. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *AFS Financial Statement Checklist* and *AFS Financial Statement Checklist – Consolidation* after the issuance of the June 30, 2026 ACFR.

MJ-2/3(a)/5(a)(b)

The CGO should integrate more detailed “how-to” guidance into GAAP reporting and GASB training. More detailed training material will assist agency staff in identifying the effective and efficient methods to obtain and report information required for deliverables. Also, establishing more baseline knowledge of agency personnel related to the ACFR may result in less questions and concerns from agencies directed towards CGO staff.

The CGO should lead additional training and Q&A sessions in-person in addition to virtually. When attending in-person sessions, agency personnel will have opportunities to share knowledge and learn new techniques or strategies for approaching the year-end ACFR development process.

The CGO should assess current communication to agencies and should attempt to communicate with agencies on a more regular basis. As such, the CGO should strive to be more proactive in contact with agencies when new GAAP or GASB guidance is released and in relation to the ACFR cycle. The CGO should initiate more contact with agencies to proactively answer questions or concerns or provide guidance throughout the fiscal year rather than solely during the ACFR cycle.

The CGO should aim to develop a more collaborative relationship with AFS agencies by providing more collaborative training and guidance specifically related to GASB procurements and implementation. Providing formal guidance in the form of training and materials to AFS agencies will help ensure that procedures are consistent among agencies related to GASB implementation. Additionally, increased communication will help to foster a collaborative relationship between the CGO and AFS agencies.

Primary Party: CGO

Status: Complete

Background & Work Performed

CGO Financial Reporting staff conducted training in May 2025, which included an overview of the Workiva ACFR development software and how AFS entities’ financials are compiled within the ACFR, as well as ACFR reporting for all Reporting Package preparers. CGO published Workiva instructional videos and updated cash and investment reconciliation training, which were posted to CGO’s website. The CGO participated in the Government Finance Officers Association of South Carolina, presenting a CGO Reporting Update in person, in May 2025.

Additional training was held in June 2025 on cash and investments, capital assets, and governmental fund balance. The sessions were recorded and uploaded to CGO’s website.

Forvis Mazars reviewed multiple training session videos and related PowerPoint presentations provided by CGO, as well as the office’s first statewide newsletter, *The Fiscal Compass*, released in October 2025. A second issue was released in January 2026.

Observations & Recommendations

No additional work is deemed necessary in relation to this recommendation.

MJ-3(b)

The CGO should employ a mechanism to receive feedback, related to what is working well and what could be enhanced, from agencies regarding the ACFR process. The mechanism may be in the form of a survey and/or a workshop to provide agencies the opportunity to share insight on leading practices, strengths, and opportunities for enhancement. Results of the survey/feedback and any CGO action items should be shared across all agencies to encourage communication and transparency. Benefits of the feedback mechanism include the creation of a more collaborative environment focused on continuous improvement.

Primary Party: CGO

Status: Complete

Background & Work Performed

In July 2025, CGO coordinated meetings between Eide Bailly and four agencies to identify areas of improvement and training needs. Forvis Mazars received the Teams Meeting attendee list noting that meetings were specifically held with the Department of Revenue, Admin, University of South Carolina, and the Judicial Department in July.

In September and October 2025, two sessions were held with all State agencies to obtain their feedback. Forvis Mazars received the Teams Meeting attendee list, noting 12 participants in September and 45 in October.

Additionally, CGO published the office's first statewide newsletter, *The Fiscal Compass*, in October 2025. A second issue was released in January 2026. Forvis Mazars received both newsletters and tested the "Submit Feedback" link included in the January 2026 newsletter. The following day, we received a response from the Public Information Director confirming receipt of our feedback. The feedback mechanism appears to function as intended.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

MJ-4

The CGO should continue its current path of procuring a technology solution(s) for managing and creating the ACFR. The technology solution(s) should manage communications and the transfer of files between the CGO and agencies. The technology solution(s) should also have the capability to show the status of requests from the CGO and communicate to agencies whether their submissions have been accepted and completed.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

CGO continues its implementation of Workiva. ACFR report writing functions were used in FY 2024. CGO indicated it is building workpapers within Workiva and that all 62 workpapers were completed and used in the FY 2025 ACFR development process. CGO noted that all agencies have access to the system and that 13 closing packages were used for the FY 2025 ACFR.

Forvis Mazars obtained the FY 2025 GAAP Calendar, noting that 13 reporting packages are submitted via Workiva. We selected Item 3.10 Loan Receivables for specific review. CGO provided a screen recording of this package. Per review of the screen recording, we observed that the Workiva Reporting Packages facilitate the transfer of files between agencies and CGO.

We also reviewed the submission of closing package 3.12 – *Accounts Payable FY2025 – E120* and 3.20 – *Governmental Fund Balance Classification FY2025 – E120*, noting that in both cases, Workiva displays a Status of ‘Not Started, In Progress, Submitted, or Revised’. Once a package has been Submitted, a lock icon with the word Submitted appears at the top of the screen. Once the lock icon is present, the submitting party can no longer make changes to the package.

In order to address the portion of the recommendation which suggests that the technology solution facilitate communication to agencies whether their submissions have been accepted and completed, CGO notes that, should Workiva be configured to display a fifth status, “Accepted,” CGO staff would be required to change the status nearly 1,000 times. That process would create inefficiencies in the ACFR development process and its value-add could not be justified.

Instead, the CGO has elected to post on its website an *ACFR Reporting Package Timeline* at the start of the ACFR development process, which instructs agencies to assume their submitted reporting packages have been accepted for usage in the State’s ACFR at the date in which the CGO’s review is estimated to be complete. It also advises agencies that the CGO reserves the right to ask questions regarding their reporting packages throughout the ACFR development process regardless of the dates included in the timeline.

By posting this timeline on the CGO’s website at the start of the ACFR development process, the CGO feels it has fulfilled recommendation MJ-4 which requires the technology solution to “...communicate to agencies whether their submissions have been accepted and completed.” This approach appears reasonable and efficient.

Looking forward, CGO is identifying areas for future improvement for the FY 2026 ACFR process.

Observations & Recommendations

The *AFS Reporting Package Timeline* is scheduled for implementation during the FY 2026 ACFR development process. Therefore, the compliance review could not be completed prior to the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *AFS Reporting Package Timeline* after the issuance of the June 30, 2026 ACFR.

MJ-6(a)(b)

The CGO should implement a checkpoint for all AFS agencies to check-in with the CGO regarding progress on financial statements prior to the deadline. The checkpoint should be a formal communication method between the AFS agency and CGO staff. The purpose of the checkpoint is for AFS agencies to provide an update regarding financial statement progress and to attest whether or not they will meet the deadline.

The CGO should implement and enforce a policy that requires AFS draft financial statements from all AFS organizations. The CGO will then have the opportunity to provide feedback on the presentation of the financial statement and use placeholder data as applicable before final statements are issued.

Primary Party: CGO

Status: Complete, Pending Compliance Review

Background & Work Performed

As previously mentioned, in April 2025, CGO engaged with Eide Bailly, LLP, to, among other assistance, assess the CGO's current policies, procedures, and processes for controls, risks, automation, and efficiency. Additionally, they were to develop, update or document meaningful policies, procedures, and processes that 1) align with the recommendations included in the AP and M&J reports, 2) comply with Generally Accepted Accounting Principles, Governmental Accounting Standards Board standards, and industry best practices, and 3) support efficiency.

To address these recommendations, which were combined due to their similar nature, CGO and Eide Bailly developed an *AFS Review Checklist*, an *AFS Submission Policy*, (including a Statement of Acknowledgment Form), and *AFS Intake Procedures*.

The *AFS Review Checklist* includes a column for each AFS agency and a series of tracking questions such as "What was the date of the draft received?" and "What was the date of the final received?" Completion of this checklist is intended to support CGO's monitoring of AFS agency progress of the during the ACFR preparation process. Forvis Mazars reviewed the checklist, initially in Excel and later through a screen recording of Workiva. We note that the FY 2026 version of this checklist included CGO's consideration of unusual activity—particularly related to cash and investments—included in the AFS entity's financial statement. See AP-13. In FY 2026, the checklist is planned for inclusion in Workiva.

The *AFS Submission Policy* "establishes clear expectations and responsibilities for the timely submission of both draft and final audited financial statements to ensure compliance with external reporting requirements and support the preparation of South Carolina's Annual Comprehensive Financial Report." It states Designated Financial Contacts should communicate anticipated delays as early as possible using the Statement of Acknowledgment (Appendix B). It also includes a list of AFS Entities (Appendix A) and a draft communication to be sent to AFS agencies to remind them of reporting timelines and requirements.

The *AFS Intake Procedures* document "outlines the internal process for receiving, reviewing, and managing annual financial statements submitted by external entities. Its purpose is to ensure timely documentation, accurate analysis, and consistency in the ACFR compilation process." This document details six steps: Receipt of Draft Financial Statements, Assignment of Review, AFS Review Process, Communication with the Entity, Follow-up and Finalization, and Archiving.

These items were first submitted to Forvis Mazars in September 2025 for review and approval and were finalized by CGO in December 2025.

Observations & Recommendations

The *AFS Review Checklist*, *AFS Submission Policy*, and *AFS Intake Procedures* are scheduled for implementation during the FY 2026 ACFR development process. As a result, a compliance review could not be completed before the date of this report. Forvis Mazars recommends evaluating the implementation of, and compliance with, the *AFS Review Checklist*, *AFS Submission Policy*, and *AFS Intake Procedures* after the issuance of the June 30, 2026 ACFR.

MJ-9(a)

The Treasurer is responsible for producing the necessary reports and records the CGO needs to compile the ACFR, as well as for any other purpose identified and communicated by the CGO. The CGO should not have to leverage information provided by the STO and make modifications for ACFR reporting purposes, as it creates the potential for conflicting official records of the State.

Primary Party: STO

Secondary Parties: CGO

Status: Complete

Background & Work Performed

The STO, annually or as requested by CGO, submits Form 4.1 *STO Reconciliation of Cash by Fund* to CGO, commonly referred to as the “Reporting Package”. The Reporting Package template is provided by CGO and includes tabs that enable STO to provide a comprehensive listing of general ledger bank accounts for pooled cash that STO reconciles, as well as a reconciliation of CGO book (cash by fund) to the Treasury, by agency and fund. There is additionally a tab labeled “Unreconciled Treasury Funds,” discussed below. During meetings held early in our engagement, it was noted by STO that, most recently, the Reporting Package was completed as of June 30, 2024, and as of December 31, 2024, the midpoint for FY 2025.

As noted above, the Reporting Package includes a tab labeled Unreconciled Treasury Funds. The contents of this tab is largely related to treatment of historical checks and investment management fees. Historical checks refers to checks defined in South Carolina Code Section 11-5-260:

SECTION 11-5-260. Check for payment of claim not presented for payment within two years; reissuance upon proof of nonpayment. If a check issued by the Treasurer for the payment of a claim is not presented for payment within two years from the date of the check, the amount of the check must be credited back into the State Treasury and the check written off the books of the Treasurer. However, a check may be reissued upon satisfactory proof of nonpayment. HISTORY: 1994 Act No. 497, Section 62A.

Several meetings to collaborate on this effort were held between CGO, STO, AlixPartners, and Admin in September 2025. Agreement on the FY 2025 treatment of these items was reached by all parties in October 2025. Further discussions will be needed to address the location of the funds that hold historical checks and potential automation through SCEIS of the accounting for investment management fees in FY 2026.

In November 2025, CGO acknowledged receipt of the Reporting Package and its inclusion in the CGO ACFR development workpapers. Forvis Mazars reviewed this email acknowledgment, dated November 13, 2025.

Observations & Recommendations

Forvis Mazars recommends the continued collaboration of CGO, STO, and Admin to address the location of the funds that hold historical checks and potential automation through SCEIS of the accounting for investment management fees before the close of FY 2026.

MJ-9(b)

The STO should be providing the CGO with requested information needed for ACFR reporting. If the STO is able to report cash and investments at the business area and fund level which reconciles to the G/L, and accounts for timing adjustments as opposed to the CGO (who prepares the ACFR) performing the reconciliation, there will be enhanced controls and quality assurance as one party can validate another party's work.

Primary Party: CGO

Secondary Parties: STO, SCEIS

Status: Complete

Background & Work Performed

STO and CGO each submitted proposals to leverage SCEIS to automate the recommendations made by AP and M&J. They are referred to as the *Cash Confirmation Report* for STO and the *Cash and Investments Reconciliation Report* for CGO. Forvis Mazars obtained these documents, signed by the Treasury Program Manager on May 15, 2025, and by the Comptroller General on May 20, 2025, respectively. By September 2025, both agencies had put their reports into production.

Forvis Mazars requested both agencies to run their respective reports as of Period 14 on October 20, 2025. On the report supplied by STO, balances were presented by business area and fund. With the assistance of the Treasury & Central Accounting Lead, SCEIS, and the Functional Director, SCEIS, Forvis Mazars compared these amounts to the CGO-supplied report for 16 unique business areas and funds. The reports appear to draw from common data and are designed to support STO's reporting of cash and investments at the business-area and fund level in a way that aligns with the GL, and reflects timing adjustments.

Observations & Recommendations

No additional work is considered necessary in relation to this recommendation.

Acknowledgements

Forvis Mazars extends sincere appreciation to the participating State agencies and departments and their leadership and staff for their cooperation and assistance throughout this engagement. Their provision of information and participation in discussions and monitoring was essential to the successful execution of the work. Their collaboration reflects a shared commitment to strengthening governance, enhancing financial reporting processes, and advancing sustainable compliance across the State.

Attachments

Attachment A

SCOPE OF WORK

The Contractor selected by Admin will be required to provide the compliance consulting services listed below.

Services

A. Basic Requirements of S.253

1) The Contractor must review and become familiar with the findings and recommendations contained in *AlixPartners' State Treasury Forensic Accounting Review Final Report*. The Forensic Accounting Final Report found at <https://www.admin.sc.gov/TreasuryRFP> and listed as "State Treasury Forensic Accounting Review Final Report" is incorporated into this RFP as if repeated herein verbatim.

2) The Contractor must review and become familiar with the findings and recommendations contained in the ACFR Development Process Assessment prepared for the South Carolina Office of the State Auditor by Mauldin & Jenkins in March 2024. The ACFR Development Process Assessment found at <https://admin.sc.gov/sites/admin/files/Documents/OED/final-m-j-acfr-development-assessment-report-3-20-24.pdf> is incorporated into this RFP as if repeated herein verbatim.

a) The Contractor must assess the recommendations contained in the ACFR Development Process Assessment to determine which such recommendations should be implemented in addition to the recommendations in the AlixPartners Forensic Accounting Final Report and do not create unnecessary redundancy with the implementation of the recommendations from the AlixPartners Forensic Accounting Final Report.

3) Within 8 business days of the effective date of the contract, the Contractor must prepare and provide to Admin a comprehensive listing of all recommendations (not to include Recommendation #1) contained in the AlixPartners' Forensic Accounting Final Report and all recommendations contained in the ACFR Development Process Assessment which Contractor believes are consistent with, enhance, further, or should be implemented in addition to the recommendations in the AlixPartners Forensic Accounting Final Report (Comprehensive List).

4) The Contractor must review and provide comment to Admin on the detailed timelines for implementation of all recommendations provided by the CGO, STO and OSA by close of business on July 15, 2025 (as amended by Amendment No. 1 Record of Negotiations and Award). These timelines are required to be prepared by the CGO, STO and OSA no later than ninety days after the effective date of S.253. As such, the Contractor must ensure that the various timelines prepared by the CGO, STO and OSA address all of the recommendations in the Comprehensive List prepared by the Contractor. It should be noted that it is the intent of S.253 that all recommendations that do not require statutory change be fully implemented no later than one year after its effective date.

5) The Contractor must assess and provide oversight of the compliance by the CGO, STO, and OSA in implementing all recommendations in the Comprehensive List that do not require statutory change to be fully implemented. The Contractor's assessment and oversight will include, but may not be limited to:

a) advising Admin on the process and proposed policies and procedures for implementing the recommendations and coordinating with Admin in the oversight of implementing the recommendations by the CGO, STO and OSA;

b) reviewing and opining to Admin in writing on the monthly implementation status reports that must be provided by the CGO, STO and OSA no later than thirty days following receipt of the status reports, including but not limited to expressing the Contractor's views on whether the CGO, STO, and OSA are, in good faith, fully and completely implementing and complying with the recommendations in the Comprehensive List. In addition, the Contractor shall opine on whether the proposed remediation actions adequately address the recommendations in the Comprehensive List. If in the Contractor's view they do not, the Contractor shall describe in what respect the proposed remediation actions are lacking.

c) assisting Admin and the AG's Office in identifying recommendations in the Comprehensive List that may not be feasible to be implemented absent potential statutory change, and assisting Admin and the AG's Office in communicating potential statutory changes to relevant stakeholders within the State legislature for consideration that would further enable efficient compliance with the recommendations in the Comprehensive List; and

d) attending monthly public meetings of the CGO, STO and OSA and providing input (written and verbal) at the meetings to those offices and Admin regarding the status of the implementation of the recommendations in the Comprehensive List. The Contractor must also provide a written update to Admin regarding the Contractor's opinion of progress in the implementation of the recommendations by each office within 3 business days of the monthly public meeting if information presented at the public meeting is inconsistent with the Contractor's most recent report provided pursuant to subsection 5(b) above.

6) The Contractor will be required to collect and review documents and interview relevant personnel as necessary to understand the State's Annual Comprehensive Financial Report (ACFR) process, the participation of the various agencies of the State in the ACFR process, the findings of the AlixPartners' Forensic Accounting Final Report, and the recommendations of the AlixPartners' Forensic Accounting Final Report and the ACFR Development Process Assessment.

7) The Contractor must provide a comprehensive report upon the completion of the implementation (or within one year of the effective date of S.253 if not complete) detailing the status of all recommendations in the Comprehensive List to the South Carolina Joint Bond Review Committee.

8) The Contractor must make any required presentations concerning the status, reports, or completed implementation of the recommendations in the Comprehensive List to the Governor, members of the General Assembly, and any other State or federal agency as may be necessary, including at in-person meetings with these parties.

9) The Contractor must appear before and be prepared to answer any questions related to the implementation process posed by the General Assembly or any legislative committee or subcommittee as may be required by Admin and may be required to attend in-person meetings of those bodies and committees.

10) The Contractor is expected to perform work on-site at designated state agency offices as is necessary as determined by Admin. Work not required to be performed on-site by Admin may be performed remotely by the Contractor.

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