

**State of South Carolina
Office of the State Auditor
External Quality Review Report**

Year ended June 30, 2012



Richard H. Gilbert Jr., CPA
Deputy State Auditor
Office of the State Auditor
Columbia, South Carolina

We have reviewed the system of quality control of the South Carolina Office of the State Auditor (the Office) in effect for the period July 1, 2011 through June 30, 2012. A system of quality control encompasses the Office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with government auditing and attestation standards. The design of the system and compliance with it are the responsibility of the Office. Our responsibility is to express an opinion on the design of the system, and the Office's compliance with the system based on our review.

We conducted our review using various recommended procedures, checklists, questionnaires, and other documents developed by the National State Auditors Association (NSAA) and the American Institute of Certified Public Accountants (AICPA) National Peer Review Board. In performing our review, we obtained an understanding of the Office's system of quality control for engagements conducted in accordance with *Government Auditing Standards* and for engagements conducted in accordance with *Statements on Standards for Attestation Engagements* issued by the AICPA. In addition, we tested compliance with the Office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the Office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the Office's engagements conducted in accordance with the aforementioned professional auditing and attestation standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the South Carolina Office of the State Auditor in effect for the period July 1, 2011 through June 30, 2012 has been suitably designed and was complied with during the period to provide reasonable assurance of conforming with the aforementioned professional auditing and attestation standards.

A handwritten signature in cursive script that reads "Elliott Davis, LLC".

Greenville, South Carolina
March 25, 2013