## CONTENTS

| I. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES | 1 |
| II. ACCOUNTANT'S COMMENTS | |
| **SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS** | 5 |
| PARKING | 6 |
| GAAP CLOSING PACKAGES | |
| Introduction | 7 |
| Compensated Absences | 7 |
| Accounts Payable | 8 |
| Fixed Assets | 9 |
| Refund Receivables | 10 |
| Recommendations | 10 |
| ACCOUNTING SYSTEM | 11 |
| ACCOUNTING FOR INDIGENT DEFENSE FUNDS | 13 |
| **SECTION B - STATUS OF PRIOR FINDINGS** | 17 |
| MANAGEMENT'S RESPONSE | 18 |
INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

July 7, 2000

The Honorable James H. Hodges, Governor
and
Members of the Commission
South Carolina Commission on Indigent Defense
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the governing body and management of the South Carolina Commission on Indigent Defense, solely to assist you in evaluating the performance of the Commission for the fiscal year ended June 30, 1999, in the areas addressed. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and the associated findings are as follows:

1. We tested selected recorded receipts to determine if these receipts were properly described and classified in the accounting records and internal controls over the tested receipt transactions were adequate. We also tested selected recorded receipts to determine if these receipts were recorded in the proper fiscal year. We compared amounts recorded in the general ledger and subsidiary ledgers to those in the State's accounting system (STARS) as reflected on the Comptroller General's reports to determine if recorded revenues were in agreement. We made inquiries and performed substantive procedures to determine if revenue collection and retention or distribution were supported by law. We compared current year recorded revenues from sources other than State General Fund appropriations to those of the prior year to determine the reasonableness of collected and recorded amounts by revenue account. The individual transactions selected for testing were chosen randomly. Our finding as a result of these procedures is presented in Accounting for Indigent Defense Funds in the Accountant’s Comments section of this report.
2. We tested selected recorded non-payroll disbursements to determine if these disbursements were properly described and classified in the accounting records, were bona fide disbursements of the Commission, and were paid in conformity with State laws and regulations and if internal controls over the tested disbursement transactions were adequate. We also tested selected recorded non-payroll disbursements to determine if these disbursements were recorded in the proper fiscal year. We compared amounts recorded in the general ledger and subsidiary ledgers to those on various STARS reports to determine if recorded expenditures were in agreement. We compared current year expenditures to those of the prior year to determine the reasonableness of amounts paid and recorded by expenditure account. The individual transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Parking, Accounting System, and Accounting for Indigent Defense Funds in the Accountant’s Comments section of this report.

3. We tested selected recorded payroll disbursements to determine if the tested payroll transactions were properly described, classified, and distributed in the accounting records; persons on the payroll were bona fide employees; payroll transactions, including employee payroll deductions, were properly authorized and were in accordance with existing legal requirements; and internal controls over the tested payroll transactions were adequate. We tested selected payroll vouchers to determine if the vouchers were properly approved and if the gross payroll agreed to amounts recorded in the general ledger and in STARS. We compared amounts recorded in the general ledger and subsidiary ledgers to those on various STARS reports to determine if recorded payroll and fringe benefit expenditures were in agreement. We performed other procedures such as comparing current year payroll expenditures to those of the prior year and comparing the percentage change in recorded personal service expenditures to the percentage change in recorded employer contributions to determine if recorded payroll and fringe benefit expenditures were reasonable by expenditure account. The individual transactions selected for testing were chosen randomly. We found no exceptions as a result of the procedures.

4. We tested all recorded journal entries, operating transfers, and appropriation transfers to determine if these transactions were properly described and classified in the accounting records; they agreed with the supporting documentation, were adequately documented and explained, were properly approved, and were mathematically correct; and the internal controls over these transactions were adequate. We found no exceptions as a result of the procedures.

5. We tested selected entries and monthly totals in the subsidiary records of the Commission to determine if the amounts were mathematically accurate; the numerical sequences of selected document series were complete; the selected monthly totals were accurately posted to the general ledger; and the internal controls over the tested transactions were adequate. The transactions selected for testing were chosen randomly. Our finding as a result of these procedures is presented in Accounting System in the Accountant’s Comments section of this report.
6. We obtained all monthly reconciliations prepared by the Commission for the year ended June 30, 1999, and tested selected reconciliations of balances in the Commission's accounting records to those in STARS as reflected on the Comptroller General's reports to determine if they were accurate and complete. For the selected reconciliations, we recalculated the amounts, agreed the applicable amounts to the Commission's general ledger, agreed the applicable amounts to the STARS reports, determined if reconciling differences were adequately explained and properly resolved, and determined if necessary adjusting entries were made in the Commission's accounting records and/or in STARS. The reconciliations selected for testing were chosen randomly. Our finding as a result of these procedures is presented in Accounting System in the Accountant's Comments section of this report.

7. We tested the Commission's compliance with all applicable financial provisions of the South Carolina Code of Laws, Appropriation Act, and other laws, rules, and regulations for fiscal year 1999. Our findings as a result of these procedures are presented in Parking, GAAP Closing Packages, Accounting System, and Accounting for Indigent Defense Funds in the Accountant’s Comments section of this report.

8. We reviewed the status of the deficiencies described in the findings reported in Sections A and B of the Accountant’s Comments section of the State Auditor’s Report on the Commission resulting from our engagement for the fiscal year ended June 30, 1998, to determine if adequate corrective action has been taken. Our findings as a result of these procedures are presented in Parking, GAAP Closing Packages, and Accounting Systems in the Accountant’s Comments section of this report.

9. We obtained copies of all closing packages as of and for the year ended June 30, 1999, prepared by the Commission and submitted to the State Comptroller General. We reviewed them to determine if they were prepared in accordance with the Comptroller General’s GAAP Closing Procedures Manual requirements; if the amounts were reasonable; and if they agreed with the supporting workpapers and accounting records. Our findings as a result of these procedures are presented in GAAP Closing Packages in the Accountant’s Comments section of this report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Further, we were not engaged to express an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express such opinions. Had we performed additional procedures or had we conducted an audit or review of the Commission’s financial statements or any part thereof, other matters might have come to our attention that would have been reported to you.
The Honorable James H. Hodges, Governor
and
Members of the Commission
South Carolina Commission on Indigent Defense
July 7, 2000

This report is intended solely for the information and use of the Governor and of the governing body and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Thomas L. Wagner, Jr., CPA
State Auditor
ACCOUNTANT’S COMMENTS
SECTION A - MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.
The following is a portion of the comment which was included in the State Auditor’s Report on the Commission for fiscal year 1998. As of the date of this report, the following condition still existed.

During our review of the Commission’s disbursement vouchers, we noted that the Commission made two payments to a lessor each month, one for office space and another for parking. Upon further investigation, we found that the Commission has been paying for parking for its employees with State General Fund appropriations. Based on our review of the lease agreement, parking is not included with the rental of office space and is therefore an unallowable expenditure of the Commission. During fiscal year 1998, the Commission paid $2,200 in parking rental for its employees. The Commission has been paying these expenditures since it was created in 1993.

During fiscal year 1999, the Commission paid $2,520 in parking rental for its employees.

Part IB, Proviso 72.29. of the 1999 Appropriation Act contains the following requirement: “That salaries paid to officers and employees of the State . . . shall be in full for all services rendered and no perquisites of office or of employment shall be allowed in addition thereto . . .” Furthermore, Proviso 72.37.I. states, “No expense shall be allowed an employee either at his place of residence or at the official headquarters of the agency by which he is employed . . .” Similar requirements and prohibitions are in the Appropriation Act for each fiscal year.

We again recommend the Commission immediately end its practice of paying parking rental for its employees.
GAAP CLOSING PACKAGES

Introduction

The Commission is required to submit GAAP (generally accepted accounting principles) closing packages to the Comptroller General’s Office at the end of each fiscal year. The requirements and instructions for completing the closing packages are included in the GAAP Closing Procedures Manual (GAAP Manual). Section 1.8 of the GAAP Manual provides, “Each agency’s executive director and finance director are responsible for submitting . . . closing package forms . . . that are: ●Accurate and completed in accordance with instructions.” The Commission submitted inaccurate closing packages for compensated absences, accounts payable, and fixed assets for both fiscal years 1998 and 1999 and also for refund receivables in fiscal year 1999.

Compensated Absences

The annual leave liability was calculated using incorrect leave balances as follows:

1) The Commission included the sick leave balances for all five employees overstating the liability $44,714.

2) The agency used the maximum annual leave allowed to be carried forward from one calendar year to the next (337.5 hours) for two employees rather than their actual annual leave balances at June 30, 1999. As a result, the reported liability was understated by $6,110. A similar deficiency was noted in the prior State Auditor’s report.

The errors resulted in a net overstatement of the agency’s annual leave liability of $38,604. GAAP Manual Section 3.17 provides guidance on the valuation of the compensated absences liability and specifically states that the value of the actual annual leave balance should be reported.
During our review of employee leave balances and detail leave records for individual employees, we found that the Commission does not formally document the hours or dates that leave is taken. The Commission told us that employees verbally communicate leave time and that leave of less than one day is usually not recorded because employees may make up the time outside their normal working hours.

Section 19-703.03 of the Office of Human Resources manual of State Human Resources Regulations requires the following regarding attendance, hours of work, leave, and record keeping:

1. The minimum full-time workweek is 37.5 hours.
2. Each agency must keep an accurate record of all hours worked and all leave taken. Leave shall be recorded in the appropriate categories and shown as either paid leave or leave without pay.
3. The ultimate responsibility for the accuracy and proper maintenance of attendance and leave records rests with the agency head.
4. Falsification of any attendance or leave record is cause for disciplinary action up to and including dismissal.
5. Each agency may develop and implement a variable work schedule for individual employees but the core hours that an agency shall be open for business are 8:30 a.m. to 5:00 p.m.

In addition, Sections 19-703.07 C. 1. and 19-703.08 B. 7. of the manual require leave records to be maintained by the agency for each employee and to be supported by individual leave forms signed by the employee and supervisor.

Accounts Payable

The Commission did not report any accounts payable for fiscal years 1998 and 1999. However, our testwork revealed that the Commission paid $225,129 in fiscal year 2000 for services received in fiscal year 1999. The GAAP Manual defines accounts payable. These items should have been included on the Accounts Payable Closing Package as explained in Section 3.12 of the GAAP Manual.
Fixed Assets

In our prior report, we stated that the Commission entered corrections on its fiscal year 1998 closing package to reduce its June 30, 1997, equipment balance to remove costs of fixed assets which don’t meet the threshold of the Commission’s increased capitalization limit and that the corrected total was not supported by the Commission’s detail fixed assets listing. In an attempt to rectify the inconsistencies, the Commission revised its fixed assets listing and, in the process, made the following errors which, in some cases, misstated equipment:

1. The historical costs of certain equipment items greater than the capitalization limit were inadvertently changed (resulting in overstatement of $14,793).

2. Two equipment items on the prior year’s listing were omitted from the revised listing (resulting in understatement of $12,264).

3. Groups of similar items that have individual values less than the Commission’s new capitalization limit were included on the updated listing (resulting in overstatement of $7,622).

4. The asset identification number on one item was changed on the revised listing from that item’s number on the prior year’s listing.

5. An item purchased in fiscal year 1998 was added as a fiscal year 1999 transaction to the revised listing. Because the item was not properly reported in the year of acquisition, it should have been reported in the net correction to the prior year balances column on the 1999 closing package.

6. An additional reduction of $37,238 to the equipment balance was reported as a correction on the Commission’s fiscal year 1999 closing package. The agency recorded the reduction to make the June 30, 1999, balance on the closing package agree with the year-end balance on the Commission’s revised fixed assets listing. However, the Commission had no documentation to support the adjustment.
Sections 3.7 through 3.11 of the GAAP Manual provide guidance for properly reporting fixed asset additions, corrections, etc transactions on closing packages. Those sections and Section 1.9 provide guidance on the preparation and retention of adequate supporting documentation for each amount on each closing package for preparing and retaining adequate supporting documentation.

Refund Receivables

The Commission received $120,500 in refunds during fiscal year 1999 of funds advanced to outside parties for the defense of indigents. This amount was incorrectly reported to the State Comptroller General’s Office on the closing package as refund receivables at June 30, 1999. Because the Commission had collected these amounts and recorded them as reductions of expenditures when the funds were deposited during fiscal year 1999, none of the $120,500 was receivable at June 30, 1999. This error overstated accounts receivable and understated expenditures on the State’s financial statements by $120,500.

Section 3.5b of the GAAP Manual defines refund receivables and prescribes the related reporting treatment.

Recommendations

We recommend the Commission carefully review and follow applicable GAAP Manual instructions for completing all closing packages. The Commission should ensure that employees who complete and independently review the closing packages are properly trained in and knowledgeable of GAAP and GAAP Manual guidance and instructions for preparation of closing packages. We further recommend that the Commission establish procedures to ensure that all absences from work during scheduled work hours are properly documented by leave records that are supported by leave slips signed by both the employee and the supervisor. The agency should also implement procedures to ensure that each full-time
employee reports a minimum of 37.5 hours of work plus approved leave each workweek. Also, the Commission should make corrections to its fixed assets listing and make appropriate correcting entries to its fiscal year 2000 fixed assets closing package for the errors described above which affect the beginning balance. Finally, we recommend that the agency prepare and retain adequate supporting documentation for all amounts recorded on closing packages.

**ACCOUNTING SYSTEM**

We reviewed the Commission’s accounting records and noted gaps in the numerical sequences as follows:

1. For the selected month of March 1999, we found ten unexplained gaps in the numerical sequence of the disbursement voucher document series.

2. For the entire year’s journal voucher document series, there was one gap in the numerical sequence.

We obtained the Commission’s monthly reconciliations between balances in its internal accounting records and those in the State’s accounting system (STARS) as reflected on Comptroller General reports. We noted the following deficiencies in the Commission’s reconciliation procedures:

1. Reconciliations lacked evidence (signature and date) of independent reviews by a responsible, knowledgeable agency employee other than the person who prepared the analysis.

2. The Commission did not identify and explain all reconciling items. We found several expenditure variances which were not explained and resolved. We reviewed supporting documentation and determined that the variances resulted from timing differences, errors made by the Commission, or errors made by the Comptroller General’s Office. Correcting entries for some of the errors we
identified had not always been made to the Commission’s and/or STARS records.

The Commission still does not maintain a double entry accounting system. Its current accounting system consists of a database software program that assigns numbers to vouchers and journal vouchers and a series of spreadsheets used for recording transaction data. These spreadsheets are not linked and integrated. We determined that this system is inadequate because it lacks the built-in controls of a governmental accounting software program which prevent unauthorized entry, offer error detection capability, provide automatic numbering of documents, and aid in the monthly reconciliation process. Under its current accounting system, the Commission does not always use journal entries to correct recorded information (although it uses journal vouchers to correct STARS). Instead, the Commission replaces the incorrect information in the spreadsheet cell with other data. This practice does not provide an adequate audit trail and may lead to additional errors. We described similar deficiencies regarding the Commission’s accounting system and reconciliation process in our prior reports on the Commission’s controls and records.

An effective internal control system requires the entity to have an appropriate and adequate accounting system for the proper recording, processing, summarization, reporting, and reconciliation of transactions and balances. For there to be accurate and adequate financial information and communication thereof, the system must include appropriate methods and records, such as the use of sequentially numbered documents with separate series by type of document/transaction, to identify, capture, and exchange information in a form and time frame that enable people to carry out their responsibilities.

For timely detection and correction of errors, Section 2.1.7.20 of the Comptroller General’s Policies and Procedures Manual (STARS Manual) requires monthly reconciliations to be timely prepared, adequately documented, and independently reviewed; all reconciling
items to be explained; and all errors detected through the reconciliation process to be promptly corrected in the Commission’s internal accounting records and/or in STARS, as appropriate.

We again recommend that the Commission analyze its needs and then select and implement an accounting system that is appropriate for a state agency and the Commission’s specific needs and enables the Commission to timely comply with State laws and regulations and State requirements for reconciliations, GAAP closing packages, etc. In that process, the Commission should contact other State agencies of similar size to determine what accounting systems are available and their features and capabilities. We also recommend that the Commission implement procedures to use separate document series and to ensure that documents are properly numbered and used in sequence (e.g., through the use of a document number control list). Finally, we again recommend that the Commission implement procedures to ensure that monthly reconciliations are performed and reviewed on a timely basis in accordance with the STARS Manual requirements.

ACCOUNTING FOR INDIGENT DEFENSE FUNDS

The Commission receives a set portion of certain application fees and court fines to be used for the defense of indigents and operating expenses of the Commission. The Death Penalty Trial Fund pays for fees and expenses related to defense in capital cases. The balance in that fund may never exceed $2,750,000. Fees and expenses for all other cases are paid from the Conflict Fund. Regarding the distribution of specified monies, Proviso 35.1 of the fiscal year 1999 Appropriation Act required the Commission to deposit, on a monthly basis, 50% into the Death Penalty Trial Fund until that fund received $2,750,000 and 15% to the Conflict Fund until that fund received $1,500,000 for the year. Each month the remaining revenue collections have to be apportioned among the counties’ public defender offices based on the most recent official United States Census. (The Commission uses the County Public
Defender Fund for those transactions.) When either fund is fully funded to the required level of deposit, the monthly revenue being set aside for that fund has to be directed to the other fund until it is completely funded. At the end of each fiscal year, any unobligated funds remaining in the Conflict Fund must roll over to the Death Penalty Trial Fund provided that fund has been exhausted. At the end of each fiscal year, any leftover funds carryover to the next fiscal year.

Section 14-1-204 of the 1976 South Carolina Code of Laws requires the State Treasurer to deposit to the Commission’s accounts a specified portion of certain court filing fees for it to distribute semi-annually in amounts proportionate to each recipient county’s share of the State’s poverty population. These fees are deposited in the Commission’s Legal Aid Fund.

We reviewed the Commission’s accounting for the Death Penalty Trial, Conflict, County Public Defender, and Legal Aid funds and noted the following deficiencies. The Commission records its revenues from the application fee, court fine, and court filing fee as restricted funds in subfund 4313. Interest earnings on these deposits are credited by the State Treasurer’s Office to this subfund. The Commission maintains an internal spreadsheet showing collections from the legally required apportionments separately for each of the four funds but the spreadsheet does not account for interest earnings, expenditures, or remaining balances on an individual fund basis. In an attempt to determine the balance for each individual fund, we reviewed the STARS reports and found that expenditures are reported separately by fund but revenues and fund balances are reported only in the aggregate for subfund 4313. Without knowing the balance for each individual fund at all times, the Commission is unable to comply with the dollar limits, distribution requirements, and carryover provisions of the law; cannot document compliance; and cannot accurately determine the availability of funds to pay legally mandated costs for defense of indigents and the Commission’s operating expenditures.
In fiscal year 1999, the above conditions caused the Commission to make late payments of vouchers and payments of expenditures in the next fiscal year, rather than the year in which the costs were incurred. The Commission failed to timely pay 6 of the 25 vouchers in our disbursements test and 18 of the 25 vouchers in our year-end expenditure cutoff test. Also, the Commission paid 13 of the 25 vouchers in our year-end expenditure cutoff test in the wrong fiscal year. Additionally, we scanned the Commission’s voucher listing for significant expenditures recorded in fiscal months 01 and 02 of fiscal year 2000 and identified five voucher payments for fiscal year 1999 costs. In total, we found that the Commission had paid $225,129 from fiscal year 2000 appropriations for services provided in fiscal year 1999. Commission personnel told us that these conditions occurred because the Commission had exhausted its funds in both the Death Penalty Trial Fund and Conflict Fund and because the Commission’s policy is to maintain a balance of funds even when invoices remain unpaid for months at a time. We determined, however, that the Commission carried forward the $1,168,523 balance in subfund 4313 at year-end 1999 to fiscal year 2000. Commission personnel explained that balance related to the Legal Aid Fund but its accounting records don’t support that explanation. The Commission’s records show that $1,403,704 in filing fees was received in fiscal year 1999 for Legal Aid Fund expenditures and a single allocation of $1,361,135 was made to recipients in fiscal month 13 of fiscal year 1999. The difference equals an unallocated balance of $42,569. By making one allocation, the Commission did not comply with State law which requires semi-annual allocations.

Proviso 72.3 of Part IB of the 1998-99 Appropriation Act states, “Subject to the terms and conditions of this act, the sums of money set forth in this Part, if so much is necessary, are appropriated . . . to meet the ordinary expenses of the state government for Fiscal Year 1998-99, and for other purposes specifically designated.” Furthermore, Section 11-35-45 of the Code of Laws of South Carolina requires all vouchers to be delivered to the Comptroller General’s Office within 30 work days from the later of acceptance of the goods/services or
receipt of a proper invoice. Section 2.1.7.20 of the STARS Manual requires agencies to perform “Monthly reconciliations for revenues, expenditures, and ending cash balances . . . at the level of detail in the Appropriation Act.” Section 35 of the 1999 Appropriation Act authorizes non-State General Fund transactions separately for the four funds of the Commission. Furthermore, good accounting practice and governmental accounting principles require that funds be maintained separately in order to ensure and demonstrate compliance with applicable laws and regulations.

We recommend that the Commission establish individual funds in its accounting system for the Death Penalty Trial Fund, Conflict Fund, County Public Defender Fund, and Legal Aid Fund in order to properly record all transactions [revenues (including interest earnings), expenditures, and transfers] and to maintain cash and fund balances separately for each of the four individual funds. Also, the Commission should consult with the appropriate central State agencies in order to have the same level of detail in the State’s accounting system (STARS). Once these separate funds are established, the Commission should monitor these funds to ensure compliance with all legal and budgetary requirements. In addition, we recommend that the Commission implement procedures to ensure that it makes the required distributions from the County Public Defender Fund on a monthly basis and from the Legal Aid Fund semi-annually on the dates specified in the law and pays invoices for goods/services timely and in the proper fiscal year in accordance with State requirements to the extent of available cash.
SECTION B - STATUS OF PRIOR FINDINGS

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in Section A and on each of the findings referred to in Section B of the Accountant’s Comments section of the State Auditor’s Report on the Commission for the fiscal year ended June 30, 1998, and dated July 1, 1999. We determined that the Commission has taken adequate corrective action on the findings regarding Payroll, Revenues and Receipts, and Post-Conviction Relief Case Expenditures but not for the Parking, GAAP Closing Packages, Reconciliations, and General Ledger deficiencies which we have repeated in Section A of the Accountant’s Comments section of this report. Note: The Reconciliations and General Ledger deficiencies comments presented in our report on the Commission for fiscal year 1997 and repeated in Section B of our fiscal year 1998 report are presented in this report in the Accounting Systems comment.
September 19, 2000

Thomas L. Wagner, Jr., CPA
State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

RE: Preliminary Draft of Audit Report covering Fiscal Year 1998-1999

Dear Mr. Wagner:

This letter will acknowledge receipt of the above document and will acknowledge that our review of the report has been completed. You are authorized to release the final version of this report. I am enclosing a listing of the names and addresses of our present Commissioners as you requested. This office has discussed the preliminary findings of the above audit with personnel from your office and I do not believe that it will be necessary to request a formal exit conference.

I have reviewed the Accountant’s Comments in the draft and have no objection to their release. We will follow the recommendations made in the Draft Report. I might point out that this agency has already obtained a copy of the “BARS” software program and has it installed and the staff is currently undergoing training on it. Hopefully, this use will alleviate a number of the current problems. We would have purchased it last year, but the vendor informed us that it was coming out with a Windows version. The current version is MS-DOS based. They have still not developed or released that version so we went ahead and purchased the other although it will require a duplication of effort by our staff.

As I stated above, I am also including a listing of the present Commissioners with their mailing addresses. Please note that there is a vacancy for the position of Commissioner from the Fifth Congressional District.

If you have any questions, please feel free to contact me.

With best regards, I remain

Very truly yours,

Tyre D. Lee, Jr.,
Executive Director

TDL/cp
ENCLOSURE:
List of Commissioners