



SPECIAL LETTER

February 25, 2019

The Honorable Henry McMaster, Governor
and
Members of the Commission
South Carolina Department of Transportation
Columbia, South Carolina

We are required by Section 12-28-2725 of the 1976 South Carolina Code of Laws, as amended, to annually audit regional transit authorities and eleemosynary organizations receiving funds from the South Carolina Department of Transportation. To meet this requirement in the most efficient and economical way, knowing that each of the regional transit authorities and eleemosynary organizations is audited annually by independent Certified Public Accountants, we arranged for the South Carolina Department of Transportation's Office of Public Transit to perform the following procedures:

- Receive and review each authority's Single Audit or Financial Audit report for the fiscal year ending June 30, 2017, March 31, 2017 or December 31, 2017.
- Follow-up and resolve with written documentation any findings of noncompliance or internal control weaknesses.
- Maintain a written summary of Single Audit or Financial Audit reports received and reviewed.
- Perform monitoring procedures as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

We reviewed documentation demonstrating that the Office of Public Transit was performing reviews of the Single Audit or Financial Audit reports and performing procedures to ensure timely follow-up and resolution of findings reported in the Single Audit or Financial Audit reports of the regional transit authorities and eleemosynary organizations.

Of thirty-four audit reports received by the Department, we found twenty instances of reviews and follow-up on findings of noncompliance or internal control weaknesses not being performed within six months of receipt of the audit report. We recommend the Office implement procedures to ensure audit reports submitted by regional transit authorities and eleemosynary organizations are reviewed in a timely manner.

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State Auditor