

Agency Heads & POCs,

The State Inspector General (SIG) began operations in August 2012 under State statute as an independent agency to conduct unbiased fraud, waste, and abuse investigations in the operations of the Executive Branch. A legislative mandate in the SIG's mission is to pass "lessons learned" from our investigations and management reviews to all state agencies to stimulate Agency Heads to reflect on how their respective agencies may handle similar issues, which at a minimum is a soft quality control and at its best, inspires positive change. The following is the SIG's eleventh "Lessons Learned Alert."

SIG Lessons Learned Alert No. 11: Process Protects

Attached to this email is a SIG report titled, "*Fraud Risk Assessment of South Carolina's Statewide Procurement System.*" In an era of public skepticism towards government, it is refreshing to report the Statewide Procurement System (SPS) operates in a low fraud risk environment due to a well-designed process, controls, and leadership. This report should also provide a level of assurance to Agency Heads when assessing their risk controls for their respective procurement functions, as well as two recommendations to re-examine controls on the higher risk procurements (sole source; emergency; information technology; and indefinite delivery contracts) and consider enhancing individual agency codes of conduct.

This positive review of the SPS can be a lesson for all of us. The SPS was built upon a fundamental management foundation of clear objectives (lower costs through competition and fairness), standardized procedures, quality/monitoring controls (delegation based on competency; appeal processes; and continuous audits), and leadership oversight (Procurement Services Division, Budget and Control Board). The standardized approach with built-in quality controls emphasizing transparency at each step created a process that protects stakeholders, participants, and the public. Based on this review's results, the rigorous SPS may occasionally frustrate some for lacking instantaneous speed, but emphasis on process with transparency has served the state well in transforming the SPS into a function of government meriting the public's trust.