

AGENCY NAME:	Office of the State Inspector General		
AGENCY CODE:	D250	SECTION:	94

Fiscal Year 2017-18 Accountability Report

SUBMISSION FORM

AGENCY MISSION	The South Carolina Office of the Inspector General’s (SIG) statutory mission is to investigate and address allegations of “fraud, waste, abuse, mismanagement, misconduct, and wrongdoing” within the Executive Branch consisting of 106 separate agencies, commissions, boards, and public universities; annual expenditures exceeding \$27 billion; and 60,000 employees. John Ward, the father of the first state Inspector General’s (IG) office (Massachusetts – 1981), best described the general mission and concept of the IG as “<i>...any institution, corporation, university, let alone the institution of government, must build into itself a mechanism for self-criticism and self-correction.</i>” He further identified the IG’s role as “<i>that vast middle ground between the ability to review all state transactions to a limited degree without the power to investigate [i.e., the Auditor], and the power to investigate allegations of fraud on a case-by-case basis [i.e., the Attorney General].</i>” The SIG approaches this broad mission by two strategic objectives: 1) maintain a high integrity workforce; and 2) increase the cost/effectiveness of Executive Branch operations. The SIG <u>operationalizes</u> these strategic objectives through a tactical process of selecting fraud, misconduct, and waste investigations with the broadest impact, based on: 1) The significance of the impact to the public’s confidence in the integrity or effectiveness of State government, and/or disruption to an agency fulfilling its mission; 2) The broadest impact (statewide) when considering the probable individual case outcomes in terms of effectiveness (dollars saved/waste prevented) or seriousness of integrity allegation; 3) Proactive risk assessments of waste among Executive Branch agencies; and 4) Potential lessons learned to identify root causes of problems or deficiencies in order to drive positive change within an agency, preferably on a statewide basis.
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AGENCY VISION	The SIG utilizes its statutory authorities, capabilities, and proactive posture to: • Provide the State with a unique investigative/audit asset to objectively and independently address integrity or ineffectiveness issues impacting the public's confidence in State government and disruption to an agency fulfilling its mission; • Demonstrate a willingness to engage integrity and ineffectiveness issues as a deterrence for misconduct and mismanagement among Executive Branch employees and leaders; as well as providing an effective tool to address issues previously unaddressed by affixing accountability with recommendations to drive positive change; and • Steer the Executive Branch management culture towards an environment of continuous improvement using the simple benchmark of taxpayer value, and challenge State government's greatest risk of complacency, which can easily seep into a governmental environment.
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Please select yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

	Yes	No
RESTRUCTURING RECOMMENDATIONS:	☒	☐

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Brian D. Lamkin	(803) 896-1287	BrianLamkin@oig.sc.gov
SECONDARY CONTACT:	George Davis	(803) 896-4701	GeorgeDavis@oig.sc.gov

I have reviewed and approved the enclosed FY 2017-18 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	
(TYPE/PRINT NAME):	BRIAN D. LAMKIN
BOARD/CMSN CHAIR (SIGN AND DATE):	NOT APPLICABLE
(TYPE/PRINT NAME):	NOT APPLICABLE

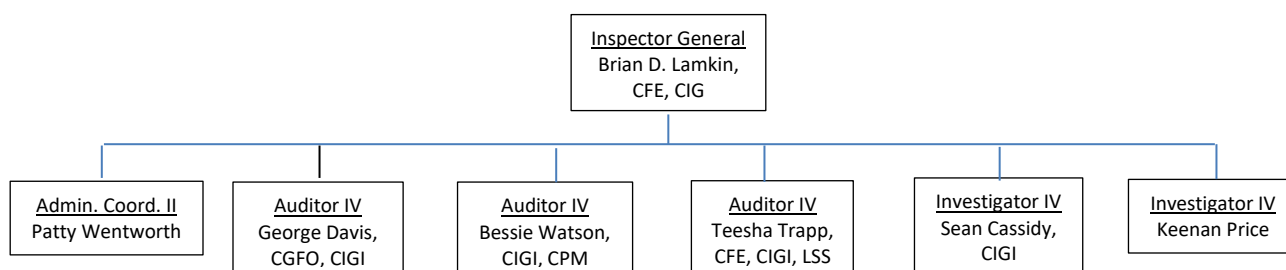
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AGENCY'S DISCUSSION AND ANALYSIS

The SIG executes its mission through fraud, misconduct, and waste case selections using the following strategies, consistent with available resources:

- 1) The significance of the impact to the public's confidence in the integrity or effectiveness of State government, and/or disruption to an agency fulfilling its mission;
- 2) The broadest impact (statewide) when considering the probable individual case outcomes in terms of effectiveness (dollars saved/waste prevented) or seriousness of integrity allegation;
- 3) Proactive risk assessments of waste among Executive Branch agencies; and
- 4) Potential lessons learned to identify root causes of problems or deficiencies in order to drive positive change within an agency, preferably on a statewide basis.

AGENCY ORGANIZATIONAL CHART



The SIG is staffed with an Inspector General, three auditors, two investigators, and one administrative coordinator. Each auditor and investigator has extensive auditing and law enforcement experience, respectively. The SIG emphasized the professional development and continuing education (CPE) of its staff in the specialized areas of certified fraud examiner (CFE), certified inspector general (CIG), certified inspector general investigator (CIGI), certified public manager (CPM), certified government finance officer (CGFO), and Lean Six Sigma (LSS). Two investigators are currently pursuing CFE, CIGI, and/or CPM certification. The SIG's emphasis in providing opportunities for its staff to maintain these specialized skills ensures the broadest perspective is given in SIG investigations, reviews, and audits. Annual CPE requirements for the CFE is 20 hours, with at least ten hours in fraud examinations and two hours in ethics. The bi-annual requirements for the CIG and CIGI are 40 CPE credits.

During Fiscal Year (FY) 2017-18, the SIG hired two investigators with one vacancy occurring in November 2017. As a result, the SIG operated at 10% below its investigative strength during this period.

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SIG Investigative Activities – FY2017-18

The SIG accomplished its FY 2017-18 strategies and measurements through seven (7) time-sensitive and high impact investigations at the request of the General Assembly and the Governor’s Office, eight (8) proactive risk assessments of waste and mismanagement, six (6) reviews of serious misconduct by state employees, and the dissemination of seven (7) statewide lessons learned in anti-fraud measures, and areas of waste and abuse identified through SIG reviews.

Reviews (7) Addressing High Impact / Time-Sensitive Issues in State Government

- “[South Carolina Department of Public Safety Process Review](#),” pertained to reviewing the agency’s human resource and internal investigative processes due to a prior study evidencing mismanagement. The SIG initiated this review at the request of the Governor’s Office.
- “[Review of Earnings on Investment Deposits to the State's General Fund](#),” pertained to a review of state general fund deposits from earnings on investments by the South Carolina State Treasurer’s Office for the fourth quarter of FY 2016-17. The SIG initiated this forensic accounting review at the request of the Senate Finance Committee.
- “[Review of the South Carolina Conservation Bank’s Accounting Practices and Grant Funding Procedures](#),” pertained to assessing the Bank’s accounting practices and processes in connection with the funding of grants for land conservation efforts throughout the state. The SIG initiated this forensic accounting review at the request of the Governor’s Office.
- “[Limited Review of John De La Howe School Operations and 2017 Feasibility Report](#),” pertained to a review of the school’s management and fiscal accountability, as well as, an assessment of information included in the school’s feasibility study. The SIG initiated this forensic accounting review at the request of members of the Senate Education Committee.
- “[Investigation of Alleged Excessive Travel and Event Expenses by the Board of Trustees, University of South Carolina and Review of Management Controls of Related Foundations](#),” pertained to travel and event expenses made by the USC Board of Trustees. The SIG initiated this forensic accounting investigation at the request of the Commission on Higher Education.
- “[SC Department of Transportation \(SCDOT\) Structural Efficiencies Study](#),” pertained to the SIG’s role established under the FY 2017 Proviso 117.145, to conduct a national search, in conjunction with the Secretary of Transportation, to contract with a renowned firm specializing in governmental structural efficiencies to study the internal structure of SCDOT and make recommendations on improvements to make the department operate more effective and cost-efficient.
- Review of the impact to PEBA statewide programs for the non-remittance of state funds collected by the Town of Clio, SC. The SIG initiated this forensic accounting review at the request of members of the General Assembly.

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Reviews (8) Based on SIG Proactive Risk Assessment of Waste / Management Review

- The SIG issued the FY 2017-18 annual fraud report titled, “[*Fraud Conducted by Executive Branch Employees*](#),” which identified a combined \$2,281 in losses from five potential frauds in five statewide agencies involving five executive branch employees. Lessons learned were shared with State agencies along with recommendations on improving the key internal control at the center of these frauds – existence of internal controls and adherence to internal policies and state regulations.
- The SIG conducted a forensic accounting review of the vocational rehabilitation services program provided by the South Carolina Vocational Rehabilitation Department (SCVRD) based on a prior case identifying the possible practice of counselors misrepresenting or embellishing documentation in client case files and case closures to meet annual SCVRD goals. The SIG’s review was to determine if this was a widespread practice among SCVRD counselors or an isolated practice. This type of review impacts agencies whose staff are evaluated based on quantitative performance measures. ([*Vocational Rehabilitation Services at the SCVRD*](#))
- The SIG conducted a forensic accounting review of the South Carolina Governor’s School for Science and Mathematics (SCGSSM) and the SCGSSM Foundation, Inc. to determine the appropriateness of the delegation of oversight of publicly funded programs and state employees to a private nonprofit entity, as well as, provide observations on the appropriateness of the blended organizational structure. One discovery with a potential impact on other agencies is that use of a non-profit for financial transactions can also become a method of circumventing normal state disbursement procedures, thus resulting in an open door for wasteful spending and misappropriation of funds. ([*SCGSSM and the Organizational Relationship to its Supporting Foundation*](#))
- The SIG conducted a review of four public charter schools’ processes for entering student attendance data into the PowerSchool Student Information System (PS), verified the accuracy of enrollment and attendance data related to student participation records, and evaluated each school’s compliance with state and federal reporting requirements. Although the SIG found no intentional wrongdoing on the part of the four public charter schools, the SIG determined the need for regular and consistent communication and reconciliation of PS data between the charter schools and South Carolina Public Charter School District program managers. ([*Independent Review of Attendance and Truancy Recordkeeping at Four Public Charter Schools*](#))
- The SIG initiated a management review of the SC Department of Juvenile Justice Division of Administrative Services, specifically regarding its Human Resources operations and policies at the request of the agency head. The SIG referred the results of the review to the agency head for administrative action.
- The SIG initiated a supplemental forensic accounting review of the SCGSSM and the SCGSSM Foundation, Inc. to provide transparency of financial support by the foundation. The results of this review will be in the FY 2018-19 annual accountability report.
- The SIG initiated a review of the South Carolina C Program and County Transportation Committees (CTCs) at the request of the Governor’s Office to identify “best practices” common among the state’s CTCs. The results of this study will be in the FY 2018-19 annual accountability report.

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- The SIG initiated a study of the South Carolina Division of Technology (DTO) shared services program based upon recommendations from the SIG’s annual survey of agency heads for statewide programs to review for waste in state government. The purpose of this review was to identify the current expenditures by statewide agencies not utilizing DTO shared services, as well as assess the pricing structure for agencies of varying sizes based on personnel, those which conduct financial transactions online, and those in need of more sophisticated IT and InfoSec structure and services. The results of this study will be in the FY 2018-19 annual accountability report.

Reviews (6) Based on Allegations of Serious Misconduct Pertaining to Agency Officials

By policy, the SIG does not publically release serious misconduct investigations. However, the SIG is also accountable to oversight and the public, so the following summaries of misconduct investigations are presented in a non-attributable format:

- An agency official was alleged to have engaged in an identity theft/fraudulent check scheme utilizing client(s) information. The SIG determined there was insufficient evidence to support involvement of the agency official. However, sufficient information was developed regarding illegal activity by non-agency persons, which the SIG referred to law enforcement.
- An agency official was alleged to have falsified agency records for end-of year program results. The agency official admitted to creating false documentation. The SIG referred the results of the investigation to the agency head for administrative action.
- An agency official was alleged to have engaged in a fake invoice scheme with an agency vendor. The SIG forensic accounting review determined the complaint was without merit.
- An agency official was alleged to have a conflict of interest in a procurement matter. The SIG investigation determined the complaint was without merit. The SIG identified non-compliance with state procurement code, and the agency’s policies and regulations.
- An agency employee was alleged to have diverted state resources through a purchasing fraud scheme for use in a private business. The SIG’s forensic accounting review determined there was insufficient evidence to support the allegation. The SIG identified non-compliance with the agency’s secondary employment policy.
- The SIG initiated an investigation into an alleged conflict of interest involving a senior agency official related to oversight of an agency program.

(The SIG is not an adjudicative or recommending authority in misconduct investigations. The SIG provides the results of a misconduct investigation to the agency head for adjudication and disciplinary action, if any.)

Lessons Learned (7) and Requiring Agency Head Attention

The SIG disseminated seven “Lessons Learned” to all 106 Executive Branch Agency Heads, as well as courtesy copies to the legislature, which included fraud prevention tips, fraud risks, secondary

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employment policy concerns; and delinquent accounts receivables identified through the [2017 Debt Collection Summary report](#).

SIG “Hotline” Operation and Complaint Filing Program

The SIG operated a toll-free “hotline” for the Executive Branch of state government to report fraud. In addition to receiving complaints through the SIG’s hotline and the traditional method of in-person or direct correspondence with the SIG, the SIG also utilized a web-based reporting system, which provided the public and executive branch employees the ability to report fraud in a confidential manner directly to the SIG. The SIG received, reviewed, and assessed 601 complaints through this complaint reporting process, which was a 12% increase over FY 2016-17 (539). The vast majority of calls are personnel/ leadership issues or customer service complaints for state agencies, which the SIG delegated to the agency for management action. The tracking of complaints acts as a barometer of the SIG’s communication efforts with executive branch employees and the public, as well as an intentional effort to have staff triage complaint calls more thoroughly, and redirect calls to the appropriate agency, if possible, for all individual customer service type complaints.

SIG Annual Performance Measures

The SIG reconstructed and added additional performance metrics to provide insight into the effectiveness and impact of SIG investigations. Below are the quantitative metrics developed specifically in the SIG’s strategic plan to provide outcome indicators that address the stated objectives for FY 2017-18.

Performance Measures	FY 2017-2018 Actual	FY 2017-2018 Target	FY 2016-2017 Actual
Forensic accounting investigations	12	4	10
Misconduct investigations	6	5	9
Economic recoveries (incl. waste prevented, based upon SIG findings & recommendations)	\$1,860,950	\$662,000	\$1,610,198
SIG recommendations (Statewide)*	22	15	10
SIG Alerts / “Lessons Learned”	7	6	2
SIG recommendations (Agency review)	67	30	10
SIG recommendations accepted by Agency as a percentage (%)	97%	73%	67%
Complaints received	601	400	539**
SIG referrals to law enforcement, State Ethics Commission, or State Auditor***	4	0	2

*Metric designed to encourage SIG reviews to look at statewide issues, which will generally have a higher level and broader potential positive impact.

**Final adjusted number for FY2016-17. This measure provides feedback on the SIG’s outreach efforts to the public and executive branch employees.

***SIG referrals to law enforcement, State Ethics Commission, or the State Auditor’s Office is a new internal measurement to provide feedback on the thoroughness of SIG investigations and ensure the SIG’s coordination and communication on possible criminal conduct and ethics violations as required by SC Code of Laws (§§1-6-40, 1-6-60, 1-6-80) and Proviso 94.1.

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It should be emphasized waste in state government is essentially mismanagement. While it is generally not recoverable, the SIG focused its efforts at preventing future waste by recommending policy and process changes to exploit an opportunity to improve service quality or cost savings in the future. This is measured by the percentage of the recommendations accepted and implemented by an agency following a SIG review. A secondary benefit to this measure is the feedback to the SIG on the thoroughness and relevance of its review and its findings and recommendations to the agency.

During FY 2017-18, the SIG recommendations regarding waste in government will yield future savings from the following reviews: SC Vocational Rehabilitation Department, Department of Juvenile Justice, SC Emergency Management Division, John De La Howe School, the University of South Carolina, and Annual Accountability Reports (statewide). Most of the residual reviews will improve services and prevent future waste.

REQUIRED SUBSECTIONS

I. Risk Assessment and Mitigation Strategies

A. Reduce Waste in Executive Branch Operations (AAR Goal #3)

- (1) The SIG's greatest risk is losing its credibility and confidence with the public and stakeholders by releasing an inaccurate report, which in turn, negatively affects the public by losing a critical asset in objectively investigating/auditing the Executive Branch in both terms of integrity and effectiveness.
- (2) The SIG currently mitigates this risk by the Inspector General's direct involvement in the draft report process, while serving as the first line supervisor to five investigators in addition to his executive role.
- (3) An option for the General Assembly to authorize and appropriate funding for an increase of one classified FTE position for a Deputy IG/attorney for the FY 2019-20 budget. SC Code of Laws, §1-6-20(A) authorizes the SIG to have a deputy inspector general position. This FTE will increase the capacity for quality control and legal review of SIG reports.

II. Restructuring Recommendations

A. Recommendation #1 (AAR Goal #3)

- (1) Description: Increase and fund a Deputy IG/Attorney position for the SIG.
- (2) Anticipated Benefit: Risk mitigation set forth in the "Risk Assessment" subsection.
- (3) Stage of Change Analysis: Based on current SIG review process and workload.
- (4) Presented & Approved by Board/Commission: To be included in SIG budget request to the Executive Budget Office for FY 2019-20.
- (5) Needed to implement change: Inclusion in Governor's budget request to the General Assembly, and General Assembly approval through the appropriations process.

Agency Name:		STATE INSPECTOR GENERAL					Fiscal Year 2017-2018 Accountability Report							
Agency Code:		D250		Section:		94		Strategic Planning and Performance Measurement Template						
Statewide Enterprise Strategic Objective	Type	Item #			Description	2017-18			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure		
		Goal	Strategy	Measure		Base	Target	Actual						
Maintaining Safety, Integrity and Security	G	1			Reduce Incidents of Fraud Conducted EB Employees									
Government and Citizens	S	1.1			Investigate incidents of fraud by EB employees									
	M			1.1.1	Forensic accounting investigations identified and initiated regarding fraud conducted by EB employees.	10	4	12	7/1/17 - 6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Effective use of accounting and financial analysis on complex investigations to show trends within an agency's operations.		
	M			1.1.2	Fraud reporting from agency heads / POCs of Executive Branch employees to transparently report to the public to maintain its confidence in the integrity of State government. (New SIG internal measure for FY 2017-18)	4	5	5	7/1/17 - 6/30/18	Data Source: SIG Fraud Program Report Availability: Ongoing	SIG manual count	Identify EB employee fraud committed against a state agency.		
Maintaining Safety, Integrity and Security	G	2			Enhance Integrity in the Executive Branch									
	S	2.1			Investigate incidents of allegations of misconduct in EB with emphasis on managers									
	M			2.1.1	Misconduct Investigations identified & initiated through the SIG Hotline, open source reporting, agency liaison, regarding EB employees.	9	5	6	7/1/17 - 6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify trends and deficiencies within an agency's operations, internal controls and employee integrity.		
Government and Citizens	G	3			Reduce Waste in the Executive Branch Operations									
Public Infrastructure and Economic Development	S	3.1			Investigate incidents of EB waste having the highest impact									
	M			3.1.1	Economic recoveries (including waste prevented) based upon SIG investigative findings and recommendations.	\$1,610,198	\$662,000	\$1,860,950	7/1/17 - 6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Provide economic impact & recoveries of implemented policy and process changes based on SIG recommendations.		
	M			3.1.2	Agency-wide recommendations as a result of SIG investigative findings.	10	15	22	7/1/17-6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify trends in deficiencies across statewide operations and internal controls.		
	S	3.2			Provide a "lessons learned" to agencies to improve EB operations									
	M			3.2.1	SIG "lessons learned" and alerts made available to agency heads and POCs.	2	6	7	7/1/17 - 6/30/18	Data Source: SIG Alert Tracking Availability: Ongoing	SIG manual count	Provide notification to agency heads & POCs on fraud trends and anti-fraud measures to improve EB operations.		
	S	3.3			Assess and improve agencies' policies and processes									
	M			3.3.1	SIG recommendations implemented by agencies to improve policies and processes.	10	30	67	7/1/17-6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Indicate relevance & impact of SIG recommendations to agencies, and provide feedback on thoroughness of SIG reviews.		
	M			3.3.2	Percentage of recommendations accepted and implemented by agencies as a result of SIG investigative findings. (New SIG internal measure for FY 2017-18)	67%	73%	97%	7/1/17 - 6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Indicate value / impact of SIG recommendations to agencies.		
Government and Citizens	G	4			Involve EB Employees and Public to Identify Significant Waste in EB Operations									
Public Infrastructure and Economic Development	S	4.1			Operate a tip "hotline" and comprehensive fraud reporting program									
	M			4.1.1	Complaints received, reviewed, and addressed from 1-800-Hotline, website online complaint form, official request from Governor's Office and General Assembly, general correspondence, and walk-in complaints.	539*	400	601	7/1/17 - 6/30/18	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Gauge the volume of complaints received by the SIG to ensure outreach & communication with agencies and public is effective.		
	-				(*) Revised from FY 2016-17 value to include all forms of complaints									

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Strategic Planning and Performance Measurement Template												
Statewide Enterprise Strategic Objective	Type	Item #			Description	2018-19			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure		Base	Target	Actual				
Maintaining Safety, Integrity and Security	G	1		Reduce incidents of fraud conducted EB employees								
	S	1.1		Investigate incidents of fraud by EB employees								
	M		1.1.1	Forensic accounting investigations identified and initiated regarding fraud conducted by EB employees.		12	6		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Effective use of accounting and financial analysis on complex investigations to show trends in within an agency's operations.
	M		1.1.2	Fraud reporting from agency heads / POCs of Executive Branch employees to transparently report to the public to maintain its confidence in the integrity of State government.		5	5		7/1/18 - 6/30/19	Data Source: SIG Fraud Program Report Availability: Ongoing	SIG manual count	Identify EB employee fraud committed against a state agency.
Maintaining Safety, Integrity and Security	G	2		Enhance Integrity in the Executive Branch								
	S	2.1		Investigate incidents of allegations of misconduct in EB with emphasis on managers								
	M		2.1.1	Misconduct Investigations identified & initiated through the SIG Hotline, open source reporting, agency liaison, regarding EB employees.		6	5		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify trends and deficiencies within an agency's operations, internal controls and employee integrity.
Government and Citizens	G	3		Reduce Waste in the Executive Branch Operations								
Public Infrastructure and Economic Development	S	3.1		Investigate incidents of EB waste having the highest impact								
	M		3.1.1	Economic recoveries (including waste prevented) based upon SIG investigative findings and recommendations.		\$1,860,950	\$675,000		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Provide economic impact & recoveries of implemented policy and process changes based on SIG recommendations.
	M		3.1.2	Agency-wide recommendations as a result of SIG investigative findings.		22	15		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify trends in deficiencies across statewide operations and internal controls.
	S	3.2		Provide a "lessons learned" to agencies to improve EB operations								
	M		3.2.1	SIG "lessons learned" and alerts made available to agency heads and POCs.		7	6		7/1/18 - 6/30/19	Data Source: SIG Alert Tracking Availability: Ongoing	SIG manual count	Provide notification to agency heads & POCs on fraud trends and anti-fraud measures to improve EB operations.
	S	3.3		Assess and improve agencies' policies and processes								
	M		3.3.1	SIG recommendations implemented by agencies to improve policies and processes.		67	30		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Indicate relevance & impact of SIG recommendations to agencies, and provide feedback on thoroughness of SIG reviews.
	M		3.3.2	Percentage of recommendations accepted and implemented by agencies as a result of SIG investigative findings.		97%	80%		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Indicate value / impact of SIG recommendations to agencies.
Government and Citizens	G	4		Involve EB employees and public to identify significant waste in EB operations								
Public Infrastructure and Economic Development	S	4.1		Operate a tip "hotline" and comprehensive fraud reporting program								
	M		4.1.1	Complaints received, reviewed, and addressed from 1-800-Hotline, website online complaint form, official request from Governor's Office and General Assembly, general correspondence, and walk-in complaints.		601	400		7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Gauge the volume of complaints received by the SIG to ensure outreach & communication with agencies and public is effective.

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STATE INSPECTOR GENERAL

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Program Template										
Program/Title	Purpose	FY 2017-18 Expenditures (Actual)				FY 2018-19 Expenditures (Projected)				Associated Measure(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Office of the Inspector General	General operating budget-personnel and non-personnel - for investigations	\$	538,500		\$ 538,500	\$	519,061		\$ 519,061	All
II. Employee Benefits	Employer contributions for personnel taxes and benefits	\$	144,568		\$ 144,568	\$	155,678		\$ 155,678	All

Agency Name:		STATE INSPECTOR GENERAL				Fiscal Year 2017-2018 Accountability Report			
Agency Code:		D250	Section:		094	Legal Standards Template			
Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who your agency must or may serve? (Y/N)	Does the law specify a product or service your agency must or may provide?	If yes, what type of service or product?	If other service or product, please specify what service or product.	
1	1-6-20(A)	State	Statute	The State Inspector General (SIG) shall fix the salaries of all staff subject to the funds authorized in the annual general appropriation act.	Yes	Yes	Other service or product our agency must/may provide	Establish staff salaries for SIG employees.	
3	1-6-20(E)	State	Statute	Authority to request records, documents, reports, answers, accounts, papers and other necessary data and documentary evidence from all State agencies.	Yes	No - Does not relate directly to any agency deliverables			
2	1-6-30(9)	State	Statute	Annual report to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives detailing the State Inspector General's activities.	Yes	Yes	Report our agency must/may provide		
4	§1-6-40(A)	State	Statute	Mandatory reporting of misconduct to Governor and the agency head of agency employee engaged in suspected conduct (fraud, waste, abuse, mismanagement, misconduct, or wrongdoing).	Yes	Yes	Report our agency must/may provide		
5	§1-6-40(B)	State	Statute	Mandatory reporting to law enforcement (state or federal) of a crime committed.	Yes	Yes	Report our agency must/may provide		
6	§1-6-50(A); (B)	State	Statute	Authorities and investigative powers to administer oaths, examine witnesses under oath, issue subpoenas /subpoenas duces tecum; examine records, reports, documentation, etc., maintained by an agency. Apply to a circuit court to enforce a subpoena or testimony.	No	No - Does not relate directly to any agency deliverables			
7	§1-6-50(C)	State	Statute	Authority to determine if an investigation requires the issuance of a report. SIG may give an agency advice or recommendations that remain confidential and are not issued as a report.	Yes	Yes	Other service or product our agency must/may provide	Provide advice or recommendations to an agency that remain confidential and are not issued as a report.	
8	§1-6-50(D)	State	Statute	Authority to file a civil action to recover funds misappropriated, diverted, missing, or unlawfully gained if the State Attorney General chooses not to pursue a civil action.	Yes	Yes	Other service or product our agency must/may provide	File a civil action to recover funds.	
9	§1-6-60	State	Statute	Authority to file a complaint with the State Ethics Commission and represent the State in any proceeding before the Ethics Commission.	Yes	Yes	Other service or product our agency must/may provide	Authority to file a complaint with the State Ethics Commission and represent the State before the Ethics Commission.	
10	§1-6-70(B)	State	Statute	Must certify a report to the State Attorney General upon finding evidence of misfeasance, malfeasance, nonfeasance, misappropriation, fraud or other misconduct resulting in a financial loss to the State.	Yes	Yes	Report our agency must/may provide		
11	§1-6-70(D)	State	Statute	Authority to institute forfeiture proceedings to recover property derived from or realized through unlawful gain of state funds unless a prosecutor has already instituted forfeiture proceedings.	Yes	Yes	Other service or product our agency must/may provide	Authority to institute forfeiture proceedings to recover ill-gotten gains from unlawful use of state funds.	
12	§1-6-80	State	Statute	Must certify to the appropriate prosecuting attorney and provide relevant documents and witness testimony evidence of criminal activity when it is discovered.	Yes	Yes	Report our agency must/may provide		
13	§1-6-90	State	Statute	Must establish a toll-free public telephone number ("hotline") for the public to report fraud, waste, abuse, mismanagement, misconduct, and violations of state or federal law and wrongdoing at an agency.	Yes	Yes	Other service or product our agency must/may provide	Establish a toll-free "hotline" for the public to report fraud and wrongdoing at a state agency.	
14	§1-6-100	State	Statute	Must maintain confidentiality of individuals reporting fraud with three exceptions: (1) individual provides written consent to release name; (2) SIG makes a written determination disclosure of identity is in the public interest; or (3) the Governor authorizes the disclosure of identity in the public interest.	Yes	Yes	Other service or product our agency must/may provide	Must maintain confidentiality of persons reporting fraud with three exceptions.	
15	Proviso 94.1	State	FY 2018-19 Proviso	Mandatory report to the General Assembly regarding case referrals from State Auditor. (Recurring proviso)	Yes	Yes	Report our agency must/may provide		
16	Proviso 117.34	State	FY 2018-19 Proviso	Annual outstanding debt reported to SIG by agencies; no action required other than analytical review and ensure accuracy of data aggregated by DOA. (Recurring Proviso)	Yes	No - But relates to manner in which one or more agency deliverables is provided			
17	Proviso 117.127 (deleted for FY 2018-19)	State	FY 2017-18 Proviso	Provide oversight of procurement for DOT efficiency study and the delivery of the final report to the Senate Finance Committee in 2017.	Yes	No - Does not relate directly to any agency deliverables			

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Customer Template

Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<i>Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.</i>
State Inspector General (SIG) Operations	The SIG conducts fraud, misconduct, and waste investigations and audits of the Executive Branch of state government to improve operational effectiveness and accountability for integrity violations.	The SIG conducts independent and objective investigations and audits to improve operations and accountability of EB agencies.	Executive Branch/State Agencies	
SIG	The SIG conducts fraud, misconduct, and waste investigations and audits of the Executive Branch of state government to improve operational effectiveness and accountability for integrity violations.	Results of investigations and audits to facilitate oversight of the EB.	Legislative Branch	
SIG	The SIG conducts fraud, misconduct, and waste investigations and audits of the Executive Branch of state government to improve operational effectiveness and accountability for integrity violations.	Results of investigations and audits publicly provided to taxpayers to provide a level of assurance and accountability of the EB.	General Public	

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				Partner Template
Name of Partner Entity		Type of Partner Entity	Description of Partnership	Associated Goal(s)
Governor's Office		State Government	Exchange information on potential EB issues with opportunities to improve & facilitate oversight of EB.	1,2,3,4
Senate Finance & House Ways and Means		State Government	Exchange information on potential EB issues with opportunities to improve & facilitate oversight of EB.	1,2,3,4
Senate & House Oversight Committees		State Government	Exchange information on potential EB issues with opportunities to improve & facilitate oversight of EB.	1,2,3,4
State Law Enforcement Division		State Government	Exchange information on potential frauds and coordinate investigations to mutually support both agencies' missions.	1,2,3,4
SC Attorney General's Office		State Government	Exchange information on potential frauds and coordinate investigations to mutually support both agencies' missions; obtain legal guidance and opinions as needed.	1,2,3,4
State Ethics Commission		State Government	Exchange information on potential misconduct and ethics issues identified in the course of SIG investigations.	1,2,3,4
State Auditor's Office		State Government	Exchange information on potential issues in Executive Branch agencies and coordinate reviews as needed.	1,2,3,4
Comptroller General's Office		State Government	Exchange information on potential issues in Executive Branch agencies and coordinate reviews as needed.	1,2,3,4
Legislative Audit Council		State Government	Exchange information on potential issues in Executive Branch agencies and coordinate reviews as needed.	1,2,3,4
106 Executive Branch agencies, commissions, and public universities		State Government	Facilitate communication among all EB agencies to identify fraud and provide guidance to improve EB operations.	1,2,3,4
Association of Certified Fraud Examiners		Professional Association	Professional certification and training opportunities for SIG staff, and key partner in anti-fraud matters.	1,2,3,4
Association of Inspectors General		Professional Association	Professional certification and training opportunities for SIG staff, and key partner in IG matters.	1,2,3,4

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Report and External Review Template								
Item	Is this a Report, Review, or both?	Report or Review Name	Name of Entity Requesting the Report or Conducting Review	Type of Entity	Reporting Frequency	Current Fiscal Year: Submission Date or Review Timeline (MM/DD/YYYY)	Summary of Information Requested in the Report or Reviewed	Method to Access the Report or Information from the Review
Annual Financial Audit	External Review and Report	South Carolina Office of the State Inspector General - State Auditor's Report - June 30, 2017	SC State Auditor's Office	State	Annually	April 6, 2018	<u>Agreed - Upon Procedures audit of the SIG</u> of: cash disbursements/non-payroll expenditures; payroll; journal entries and transfers; Appropriation Act; reporting packages; and status of prior findings. <u>No exceptions found.</u>	State Auditor's Annual Audit Reports/Office of the Inspector General-FY2017
Annual Accountability Report	External Review and Report	FY 2017-18 Annual Accountability Report	General Assembly (SC Code of Laws, §§1-1-810; 1-1-820; and Proviso 117.29)	State	Annually	August 27, 2018	Annual Accountability Report of the SIG's goals, strategies, measurements, and accomplishments for FY 2017-18 required by state law.	FY 2017-18 Annual Accountability Report
Annual SIG Fraud Report of EB Employees	External Review and Report	Annual Report of Fraud Conducted by Executive Branch State Employees for FY 2017-18	General Assembly (SC Code of Laws, §1-6-10 et seq.)	State	Annually	August 9, 2018	Annual compilation of fraud and misconduct reports by EB agencies.	Annual Report of Fraud Conducted by Executive Branch State Employees for FY 2017-18
Annual Report of SIG Activities	External Review and Report	Annual Report of State Inspector General Activities for FY 2017-18	General Assembly (SC Code of Laws, §1-6-30 (9))	State	Annually	August 27, 2018	Summary of investigations and program reviews conducted of EB agencies during FY 2017-18. Required reporting to the Governor, Senate President Pro Tempore, and Speaker of the House of Representatives.	Hard Copy upon request from the State Inspector General's Office
Annual Debt Collection Summary Report	External Review and Report	2017 Debt Collection Report	General Assembly pursuant to Proviso 117.34	State	Annually	June 5, 2018	Each EB agency is required to submit a debt collection report of delinquent A/R's (over 60 days) to the Senate Finance, House Ways & Means, and the State Inspector General. (Compiled and analyzed by SIG)	2017 Debt Collection Report
State Auditor Fraud Referral Report	External Review and Report	Annual Report of Fraud Referrals to the SIG from the State Auditor	General Assembly pursuant to Proviso 94.1	State	Annually	July 9, 2018	Letter to the Governor and the chairmen for the Senate Finance and House Ways & Means committees that the SIG did not receive any fraud referrals from the State Auditor during FY 2017-18.	Hard Copy upon request from the State Inspector General's Office