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Fiscal Year 2018-2019 accountability report

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AGENCY NAME:

Office of the State Inspector General

AGENCY CODE:

D250

SECTION:

94

Fiscal Year 2018-19 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. 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 "*...any institution, corporation, university, let alone the institution of government, must build into itself a mechanism for self-criticism and self-correction.*" He further identified the IG's role as "*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].*"

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 operationalizes 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 and capabilities found in SC Code of Laws, §1-6-10 et seq., and its 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.

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.

RESTRUCTURING RECOMMENDATIONS:	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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 2018-19 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):  8/22/2019

(TYPE/PRINT NAME): BRIAN D. LAMKIN

BOARD/CMSN CHAIR (SIGN AND DATE): NOT APPLICABLE

(TYPE/PRINT NAME): NOT APPLICABLE

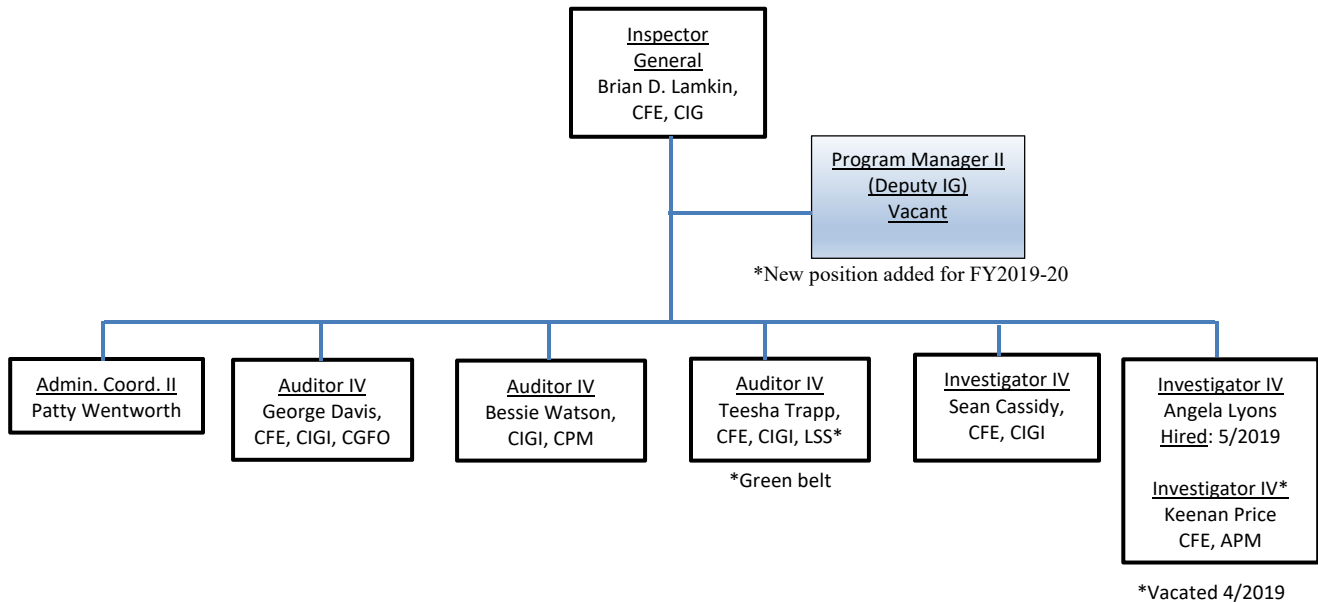
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AGENCY'S DISCUSSION AND ANALYSIS

The SIG executes its mission through fraud, misconduct, and waste/mismanagement 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 (EB) 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



During Fiscal Year (FY) 2018-19, the SIG was staffed with an Inspector General, three auditors, two investigators, and one administrative coordinator. Each auditor and investigator has extensive auditing and investigative experience, including law enforcement, 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). Three investigators attained CFE certification, and one attained Associate Public Manager (APM) 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. The annual training requirement for the CFE certification is 20 CPE credit hours, with at least ten hours in fraud examinations and two hours in ethics. The biennial training requirement for the CIG and CIGI certification is 40 CPE credit hours. Additionally, the SIG collaborates with the Legislative Audit Council to receive auditing training for all new SIG staff.

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During FY 2018-19, the SIG hired one investigator (May 2019) to fill a vacancy in April 2019. This brief vacancy had negligible impact on SIG operations and investigations. For FY 2019-20, the General Assembly and the Governor’s Office supported the SIG’s request with the addition of a Program Manager II / Deputy Inspector General position as a risk mitigation/restructuring strategy identified in prior Annual Accountability Reports (AAR).

SIG Investigative Activities – FY 2018-19

The SIG accomplished its FY 2018-19 strategic goals through numerous program reviews and investigations, which included four (4) time-sensitive and high impact investigations at the request of the General Assembly and the Governor’s Office, four (4) proactive risk assessments of waste and mismanagement, eight (8) reviews of serious misconduct by state employees, and the dissemination of seven (7) statewide lessons learned in anti-fraud measures. A new area of emphasis and engagement by the SIG was its ability to provide consulting services and voluntary program reviews for agency heads to gain insight into the efficiency and effectiveness of specific program areas at individual agencies. The SIG provided these services to five (5) EB agencies during FY 2018-19. In addition, the SIG provided four (4) training presentations on financial oversight responsibilities and managing fraud risk.

Reviews (4) Addressing High Impact / Time-Sensitive Issues in State Government

- [“Review of Hiring Process of the Executive Director for the South Carolina Commission on Higher Education.”](#) The SIG initiated this forensic accounting review at the request of the Senate Finance Committee, which pertained to the SC Commission on Higher Education’s hiring of a permanent executive director and the establishment of the salary at the maximum level of the pay band without going through the Agency Head Salary Commission.
- [“Review of the College of Charleston Freedom of Information Act Policy and Fee Schedule.”](#) The SIG initiated this forensic accounting review at the request of the Governor’s Office, which pertained to the College of Charleston’s (CofC) Freedom of Information Act (FOIA) policy and fee schedule, and the allegation the CofC’s FOIA policy did not conform to the state’s revised 2017 FOIA law when it received 16 FOIA requests in March 2018.
- [“Study of Executive Branch State Agencies Freedom of Information Act Policies and Fee Schedules.”](#) At the request of the Governor’s Office, the SIG initiated a statewide review/study of the FOIA compliance by a sampling group of 35 EB agencies and public higher education institutions. The SIG reported the study’s findings and recommendation to all 106 EB agencies and public higher education institutions with the recommendation that each agency review existing FOIA policies and make any necessary adjustments consistent with the 2017 FOIA statute. In June 2019, South Carolina Governor McMaster issued Executive Order 2019-21, which directed all state cabinet agencies to comply with the recommendations set forth in the study.
- [“Review of the South Carolina C Program and Road Project Selection and Prioritization Processes.”](#) 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 SIG identified five best practices in use by the CTCs and the South Carolina Department of Transportation (SCDOT), and made recommendations to improve the coordination between the SCDOT and county CTCs.

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Reviews (4) Based on SIG Proactive Risk Assessment of Waste / Mismanagement Review

- The SIG issued the FY 2018-19 annual fraud report titled, “[*Fraud Conducted by Executive Branch Employees.*](#)” The SIG received seven (7) notifications of potential fraud involving seven (7) EB employees at five (5) state agencies, which resulted in estimated losses of \$2,906. These losses could go higher due to a pending criminal investigation in one matter. Also included in the report is a recap of lessons learned, which 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 procedures, and state regulations.
- “[Supplemental Review and Financial Analysis of the South Carolina Governor’s School for Science and Mathematics and its Supporting Foundation.](#)” The SIG initiated a supplemental forensic accounting review of the school and the school’s non-profit foundation to provide transparency of financial support by the foundation at the request of a member of the Senate Education Committee. The review identified \$400,000 in state appropriations was required to address a shortfall in foundation allotments to the school. Pursuant to SC Code of Laws, §1-6-30(8), the SIG recommended General Assembly action to address the lack of coordination between the school and the private non-profit Foundation. In March 2019, Senate Bill S.613 was introduced and subsequently passed by the Senate. The bill is currently pending with the House of Representatives and would place the endowment fund of the foundation under the control of the school.
- “[Review of Military Tuition Assistance of the Technical College of the Lowcountry Program](#)” The SIG conducted an independent review of the Technical College of the Lowcountry’s (TCLC) Tuition Assistance (TA) program based on a credible complaint alleging numerous military student accounts were sent to third party collection agencies due to TCLC’s failure to process and transmit TA invoice paperwork to the United States Department of Defense. The review identified TCLC training deficiencies, and gaps in processes.
- The SIG initiated a study of the South Carolina Division of Technology (DTO) shared services program with the purpose of identifying the current expenditures by statewide agencies not utilizing DTO shared services, the pricing structure for agencies of varying sizes which conduct financial transactions online, and agencies in need of more sophisticated IT and InfoSec structure and services. The results of this study will be forthcoming in the SIG’s FY 2019-20 AAR.

Reviews (8) Based on Allegations of Serious Misconduct Pertaining to Agency Officials

By policy, the SIG does not publically release serious misconduct investigations. In matters determined to be criminal in nature, the SIG must refer these matters to law enforcement for further investigation pursuant to SC Code of Laws, §1-6-40(B). 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 improperly intervened in a law enforcement action. The SIG developed sufficient information to present the matter for a legal review to determine if the official engaged in criminal misconduct. As a result, the SIG referred the matter to SLED for further investigation.

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- The SIG referred a complaint received from an out-of-state citizen victimized in a financial fraud that utilized the name of a South Carolina agency official to the Federal Bureau of Investigation for further investigation.
- An agency official was alleged to have a conflict of interest and demonstrated favoritism in a procurement matter. While the SIG determined the official did not have a conflict of interest, it identified procurement calculation errors that resulted in the inaccurate awarding of a contract to the bidder.
- An agency employee was alleged to have utilized state resources for personal gain and that of a family member. The SIG determined there was sufficient evidence to support the allegation. The matter was declined for criminal prosecution. However, the individual was terminated from employment at the agency.
- An agency employee was alleged to have utilized state resources for personal gain in a private business. The SIG determined there was sufficient evidence to support the allegation and the results were referred to the agency for adjudication.
- An agency official was alleged to have provided favorable treatment to certain key persons for personal gain. The SIG determined the allegations were unfounded.
- The SIG initiated a forensic accounting review of an agency at the request of the Governor’s Office to determine the merits of a complaint that a former agency official engaged in a quid pro quo scheme for agency business. The SIG review resulted in a referral to the State Ethics Commission for further investigation.
- An agency official was alleged to have engaged in financial misconduct associated with a FOIA request. The SIG determined the allegation was unfounded.

Program Reviews / Consulting Services (5) Provided to Agency Heads

The SIG conducted five program reviews and consultations at the request of five EB agencies. The SIG emphasized these services to EB agencies to assist in improving EB operations and processes. In four of the five consultations, the SIG found deficiencies in maintaining proper procedures or memorandums of understanding, adherence to policies, training and gaps that caused inefficient and/or inaccurate processing of transactions/documents. In addition, the SIG identified potential conflicts of interest in processes, and outdated information made available to the public. For the fifth consultation, the SIG provided program support in a procurement development and evaluation matter. Recommendations were made to the agency heads to address the SIG’s observations and findings and improve individual agency operations.

Lessons Learned (7) Requiring Agency Head Attention

The SIG disseminated seven (7) “Lessons Learned” and alerts to all 106 EB agency heads, which included fraud prevention tips, fraud risks, and delinquent accounts receivables identified through the [2018 Debt Collection Report](#).

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SIG “Hotline” Operation and Complaint Filing Program

The SIG operated a toll-free “hotline” for the public to report fraud in state government. 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 state employees the ability to report fraud in a confidential manner directly to the SIG. The SIG received, reviewed, and assessed 338 complaints through this complaint reporting process, which was a 44% decrease over FY 2017-18 (602). The substantial decrease in complaints was directly attributable to a February 2018 update to the SIG’s online web complaint form, which redirects non-jurisdictional complaints to the appropriate county, municipal, or other non-Executive Branch entity, which heretofore the SIG had been tracking. The tracking of complaints acts as a barometer of the SIG’s communication efforts with the public and executive branch employees, as well as an intentional effort to have SIG staff triage complaint calls more thoroughly.

The SIG received an additional 901 “hotline” calls that were non-jurisdictional complaints, or misdirected calls, which were referred to the applicable agency or entity. The SIG initiated tracking of these calls in FY 2017-18.

SIG Annual Performance Measures

The SIG restructured and added internal 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 2018-19.

Performance Measures	Strategic Plan / Internal Metric	FY 2018-2019 Actual	FY 2018-2019 Target	FY 2017-2018 Actual
Forensic accounting investigations	Strategic	8	6	12
Misconduct investigations	Strategic	8	5	6
Economic recoveries (incl. waste prevented, based upon SIG findings & recommendations)	Strategic	\$2,615,949	\$675,000	\$1,860,950
SIG recommendations (Statewide)	Strategic / Internal	12	15	22
SIG recommendations (Agency review)	Strategic	30	30	67
SIG recommendations accepted / implemented by Agency as a percentage (%)	Strategic / Internal	100%	80%	97%
SIG Alerts / “Lessons Learned”	Strategic	7	6	7
Complaints received	Strategic	338	400	602
SIG referrals to law enforcement, State Ethics Commission, or State Auditor	Internal	6	0	4
Consultation Services / Voluntary Program Reviews	Strategic	5	New Measure	*

The following measures provide further insight into the SIG’s performance and processes:

- SIG recommendations (Statewide) are a sub-set of the SIG’s total agency recommendations.
- The SIG tracks the total complaints received to ensure the SIG’s outreach and communication with the public and state employees is effective.
- The SIG tracks referrals made to law enforcement, the State Ethics Commission, and the State Auditor’s Office. This internal measure provides feedback on SIG investigations, coordination

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and communication on possible criminal and ethics violations required by SC Code of Laws (§§1-6-40, 1-6-60, 1-6-80) and Proviso 94.1.

- The SIG implemented a new measure mid-year to capture proactive SIG efforts of engagement with EB agencies for business process improvement.

It should be emphasized that 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. The measure of economic recoveries/waste prevented, along with the percentage of recommendations accepted and implemented by an agency following a SIG review are indicators to the SIG on the thoroughness and relevance of its review and its findings and recommendations to the agency.

Consequently, the SIG recommendations regarding waste in government and reporting on fraud in state government, along with the AAR will potentially yield future savings, improved services, and prevent future waste in state government.

Additional Services Provided

The SIG provided four (4) training presentations on financial oversight responsibilities and managing fraud risk through developing, implementing, and enforcing policies and procedures to prevent or reduce the risk of fraudulent and wrongful acts. Upon request, the SIG provided these services to the SC Association of Title I Administrators, the SC Public Charter School Alliance, and the Charter Institute at Erskine charter schools.

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 the Executive Branch in both terms of integrity and effectiveness.
 - (2) Mitigated. The General Assembly authorized an increase to the SIG’s classified FTE staffing with a Program Manager II/Deputy IG with a legal background for FY 2019-20. This new position will increase the capacity for quality control and review of SIG reports.
- II. Restructuring Recommendations (None)

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	8	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 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	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							
	M		2.1.1	Misconduct Investigations identified & initiated through the SIG Hotline, open source reporting, agency liaison, regarding EB employees.	6	5	8	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							
	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	\$2,615,949	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	State-wide recommendations as a result of SIG investigative findings.	22	15	11	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	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 EB agencies' policies and processes							
	M		3.3.1	SIG recommendations implemented by agencies to improve policies and processes.	67	30	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%	100%	7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Indicate value / impact of SIG recommendations to agencies.	
	M		3.3.3	Establish baseline performance measure for voluntary program reviews & consulting services to EB agencies for program improvement. (New measure implemented mid-FY18-19)	*	*	5	7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Provide consulting services as an independent reviewer to EB agencies' leadership to drive program improvement and services.	
Government and Citizens	G	4			Involve EB employees and public to identify significant waste in EB operations							
	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. (*FY 2017-18 data updated)	602*	400	338	7/1/18 - 6/30/19	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Track the volume of complaints received by the SIG to ensure outreach & communication with agencies and public is effective.	

Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	2019-20			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.	8	6		7/1/19 - 6/30/20	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.	
	S	1.2			Provide "lessons learned" to agencies for EB employee awareness							
	M		1.2.1	SIG "lessons learned" and alerts made available to EB agency heads.	7	6		7/1/19 - 6/30/20	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.	
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							
	M		2.1.1	Misconduct Investigations identified & initiated through the SIG Hotline, open source reporting, agency liaison, regarding EB employees.	8	5		7/1/19 - 6/30/20	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							
	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.	\$2,615,949	\$815,000		7/1/19 - 6/30/20	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	State-wide recommendations as a result of SIG investigative findings.	12	15		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify trends in deficiencies across statewide operations and internal controls. This is a sub-set measure of 3.2.1.	
	S	3.2			Assess and improve EB agencies' policies and processes							
	M		3.2.1	SIG recommendations implemented by agencies to improve policies and processes.	30	30		7/1/19 - 6/30/20	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		3.2.2	Percentage of recommendations accepted and implemented by agencies as a result of SIG investigative findings.	100%	80%		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Indicate value / impact of SIG recommendations to agencies.	
	M		3.2.3	Voluntary program reviews / consulting services to EB agencies for program improvement.	5	3		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Provide independent consulting services to EB agencies' leadership to drive program improvement and services.	
	S	3.3			Assess and improve SIG investigative completion times							
	M		3.3.1	Establish baseline performance measure for time frame to complete SIG investigations (New measure for FY 2019-20)	*	90 business days		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Ensure SIG investigations are completed in a timely manner.	
	M		3.3.2	Establish baseline performance measure for processing, triage, and actioning all complaints (New measure for FY 2019-20)	*	30 calendar days		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	Calculation Method	Ensure complaints received by the SIG are processing, vetted and appropriate action taken in a timely manner.	
Government and Citizens	G	4			Involve EB employees and public to identify significant waste in EB operation							
	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.	338	350		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Track the volume of complaints to ensure SIG outreach & communication with agencies and public is effective.	

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Strategic Planning and Performance Measurement Template

Statewide Enterprise Strategic Objective	Type	Item #			Description	2019-20			Time Applicable	Data Source and Availability	Calculation Method	Meaningful Use of Measure
		Goal	Strategy	Measure		Base	Target	Actual				
	M			4.1.2	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		7/1/19 - 6/30/20	Data Source: SIG Case Tracking Availability: Ongoing	SIG manual count	Identify EB employee fraud committed against a state agency.

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Program Template

Program/Title	Purpose	<u>FY 2018-19 Expenditures (Actual)</u>				<u>FY 2019-20 Expenditures (Projected)</u>				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	\$ 534,024			\$ 534,024	\$ 621,129			\$ 621,129	All Measures
II Employee Benefits	Employer Contributions for Personnel - Taxes and Benefits	\$ 157,272			\$ 157,272	\$ 193,574			\$ 193,574	All Measures

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	Other service or product our agency must/may provide	Establish staff salaries for SIG employees.
2	§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		
3	§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		

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Customer Template

Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) Industry; Name; (2) Professional Organization; Name; (3) Public; Demographics.	Divisions or Major Programs	Description
Establish staff salaries for SIG employees - Investigator IV, Auditor IV, and Admin Coordinator II salaries.	Executive Branch/State Agencies		SIG Human Resources	Responsible for payment of salaries to SIG employees.
Annual report to the Governor - Annual summary report of SIG investigative activity	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Annual report to the President Pro Tempore of the Senate, and Speaker of the House of Representative - Annual summary report of SIG investigative activity	Legislative Branch		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Mandatory report to the General Assembly - Mandatory report to the General Assembly regarding case referrals from State Auditor. (Recurring proviso)	Legislative Branch		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Mandatory report of agency employee engaged in suspected misconduct (fraud, waste, abuse, mismanagement, misconduct, or wrongdoing) to Governor and the agency head	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Mandatory report to law enforcement - Criminal referral to state or federal law enforcement when criminal activity is identified.	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Mandatory report to State Attorney General resulting in financial loss to the State - 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.	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Mandatory report of documentary and testimonial evidence - Must certify to the appropriate prosecuting attorney and provide relevant documents and witness testimony evidence of criminal activity when it is discovered.	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Authority to provide consulting services to Executive Branch agencies - Provide advice or recommendations to an agency that remain confidential and are not issued as a report.	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Authority to file civil recovery on behalf of the State - File a civil action to recover funds if Attorney General chooses not to pursue civil action	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Authority to file an Ethics Complaint on behalf of the State - Refer or file an ethics complaint with the State Ethics Commission on behalf of the State	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Authority to institute forfeiture proceedings - Forfeiture proceedings to recover ill-gotten gains from unlawful use of state funds unless prosecutor has already initiated proceedings.	Executive Branch/State Agencies		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Maintain a toll-free "hotline" for the public to report fraud and wrongdoing at a state agency - 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.	General Public		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Provide confidentiality of persons reporting fraud - 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.	General Public		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.
Analysis of Executive Branch agencies' debt reports - 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)	Legislative Branch		SIG Investigations	Responsible for investigation of fraud, waste, abuse, mismanagement and misconduct among Executive Branch state agencies.

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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 agencies.	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 agencies.	1,2,3,4
Senate & House Oversight Committees	State Government	Exchange information on potential EB issues with opportunities to improve & facilitate oversight of EB agencies.	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, 2018	SC State Auditor's Office	State	Annually	March 1, 2019	Agreed - Upon Procedures audit of the SIG of: cash disbursements/non-payroll expenditures; payroll; journal entries; reporting packages; governance, risk and compliance SCEIS module; and Appropriation Act. <u>One finding</u> : Master Reporting Checklist one business day late.	State Auditor's Annual Audit Report/Office of the Inspector General - FY 2018
Annual Accountability Report	External Review and Report	FY 2018-19 Annual Accountability Report	General Assembly (SC Code of Laws, §§1-1-810; 1-1-820; and Proviso 117.29)	State	Annually	August 22, 2019	Annual Accountability Report of the SIG's goals, strategies, measurements, and accomplishments for FY 2018-19 required by state law.	https://oig.sc.gov/reports
Annual SIG Fraud Report of EB Employees	External Review and Report	Annual Report of Fraud Conducted by Executive Branch State Employees for FY 2018-19	General Assembly (SC Code of Laws, §1-6-10 et seq.)	State	Annually	August 5, 2019	Annual compilation of fraud and misconduct reports by EB agencies.	Annual Report of Fraud Conducted by Executive Branch State Employees for FY 2018-19
Annual Report of SIG Activities	External Review and Report	Annual Report of State Inspector General Activities for FY 2018-19	General Assembly (SC Code of Laws, §1-6-30 (9))	State	Annually	August 22, 2019	Summary of investigations and program reviews conducted of EB agencies during FY 2018-19. 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	2018 Debt Collection Report	General Assembly pursuant to Proviso 117.34	State	Annually	May 2, 2019	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)	2018 Debt Collection Summary 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 3, 2019	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 2018-19.	Hard Copy upon request from the State Inspector General's Office