

AGENCY NAME:	Office of the Inspector General		
AGENCY CODE:	D250	SECTION:	93



Fiscal Year 2015-16 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	My agency is submitting the following recurring decision packages (Form B):	
	For FY 2015-16, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.
	<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.

CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	My agency is submitting the following one-time decision packages (Form C):	
	For FY 2015-16, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting capital and/or non-recurring funds.
	<input checked="" type="checkbox"/>	Not requesting capital and/or non-recurring funds.

PROVISOS	For FY 2015-16, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	George Davis	803-896-4732	georgedavis@oig.sc.gov
SECONDARY CONTACT:	Patrick Maley	803-896-4721	patrickmaley@oig.sc.gov

I have reviewed and approved the enclosed FY 2015-16 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	<i>Patrick J. Maley</i> 4-23-14	N/A
TYPE/PRINT NAME:	Patrick J. Maley	

This form must be signed by the department head – not a delegate.

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	3168
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	FY 2014-15 Allocations Spread – To provide for the 2014-15 pay increase and employer contributions increase.
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Provide a brief, descriptive title for this request.

AMOUNT	14,029
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What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	N/A
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What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	N/A
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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RELATED REQUEST(S)	No
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Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	No
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	N/A
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	N/A
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Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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METHOD OF CALCULATION	<p>The amounts were provided based on the FY 2014-15 increases and there is no possibility of deviation.</p>
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>N/A</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>N/A</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?

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INTENDED IMPACT	N/A
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	N/A
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	
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Provide the decision package number issued by the PBF system (“Governor’s Request”).

TITLE	
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Provide a brief, descriptive title for this request.

AMOUNT	
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What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	
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What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
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RECIPIENTS OF FUNDS	
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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RELATED REQUEST(S)	
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Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	
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METHOD OF CALCULATION	
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	
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INTENDED IMPACT	
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	
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TITLE	
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Provide a brief, descriptive title for this request.

AMOUNT	
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ENABLING AUTHORITY	
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
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RECIPIENTS OF FUNDS	
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RELATED REQUEST(S)	
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Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	
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Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

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METHOD OF CALCULATION	
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	
-----------------------	--

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?

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INTENDED IMPACT	
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM D – PROVISO REVISION REQUEST

NUMBER	99.1
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Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").

TITLE	RSIC: Retirement Investment Commission Audit
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Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	Office of the Inspector General 0105.010000.000
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	No
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Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.

REQUESTED ACTION	Delete
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY	Requires the Inspector General to employ a private audit firm to perform a fiduciary audit of the Retirement System Investment Commission.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	Code Section 9-16-380 suspends the requirement for this audit.
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	None
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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~~98.1. (RSIC: Retirement Investment Commission Audit) For Fiscal Year 2014-15, the provisions of Section 9-16-380 requiring the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by Section 9-16-380 of the 1976 Code shall be suspended. Any savings generated by not conducting the audit shall be used to conduct audits required by Section 9-4-40 of the 1976 Code.~~

**PROPOSED
PROVISO TEXT**

Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	117.108
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Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").

TITLE	GP: Fiduciary Audit (PEBA)
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Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	Office of the Inspector General 0105.010000.000
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	No
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Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.

REQUESTED ACTION	Delete
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY	Requires the Inspector General to employ a private audit firm to perform a fiduciary audit of the Public Employees Benefit Authority.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	<p>SC Code Section 9-4-40 requires the Inspector General to employ a firm to perform a fiduciary audit of the Public Employees Benefit Authority each year. However, the Inspector General and subject matter experts recommend that an annual fiduciary audit is not necessary. Thus, the Inspector General requests that this proviso be eliminated and Code Section 9-4-40 be amended to require a fiduciary audit at a longer interval, generally recommended to be every five years.</p>
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	<p>N/A</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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~~117.114.~~ (GP: Fiduciary Audit) ~~Of the funds authorized for the Public Employee Benefit Authority, the authority shall transfer \$700,000 to the Office of Inspector General. The funds transferred shall be utilized by the Inspector General to employ a private audit firm to perform the fiduciary audit on the Public Employee Benefit Authority as required by Section 9-4-40 of the 1976 Code, as amended.~~

**PROPOSED
PROVISO TEXT**

Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	<input type="text"/>
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Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").

TITLE	<input type="text"/>
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Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	<input type="text"/>
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	<input type="text"/>
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Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.

REQUESTED ACTION	<input type="text"/>
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	<input type="text"/>
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Which other agencies would be affected by the recommended action? How?

SUMMARY	<input style="height: 200px;" type="text"/>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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PROPOSED PROVISO TEXT	
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Paste FY 2014-15 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.