

# Office of the Inspector General

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*Brian D. Lamkin*



House Budget Briefing for  
Fiscal Year 2020-21



# State of South Carolina

## Office of the Inspector General

House Budget Briefing – Fiscal Year 2020-21

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## **Office of the Inspector General**

### **Officials Attending the Budget Hearing**

Brian D. Lamkin, Inspector General

Office: 803-896-1287

Cell: 803-605-3161

Email: [brianlamkin@oig.sc.gov](mailto:brianlamkin@oig.sc.gov)

George R. Davis, Investigator  
(collateral duty as financial mgr.)

Office: 803-896-4732

Cell: 803-622-8908

Email: [georgedavis@oig.sc.gov](mailto:georgedavis@oig.sc.gov)

Leslie G. Wiser, Deputy Inspector General

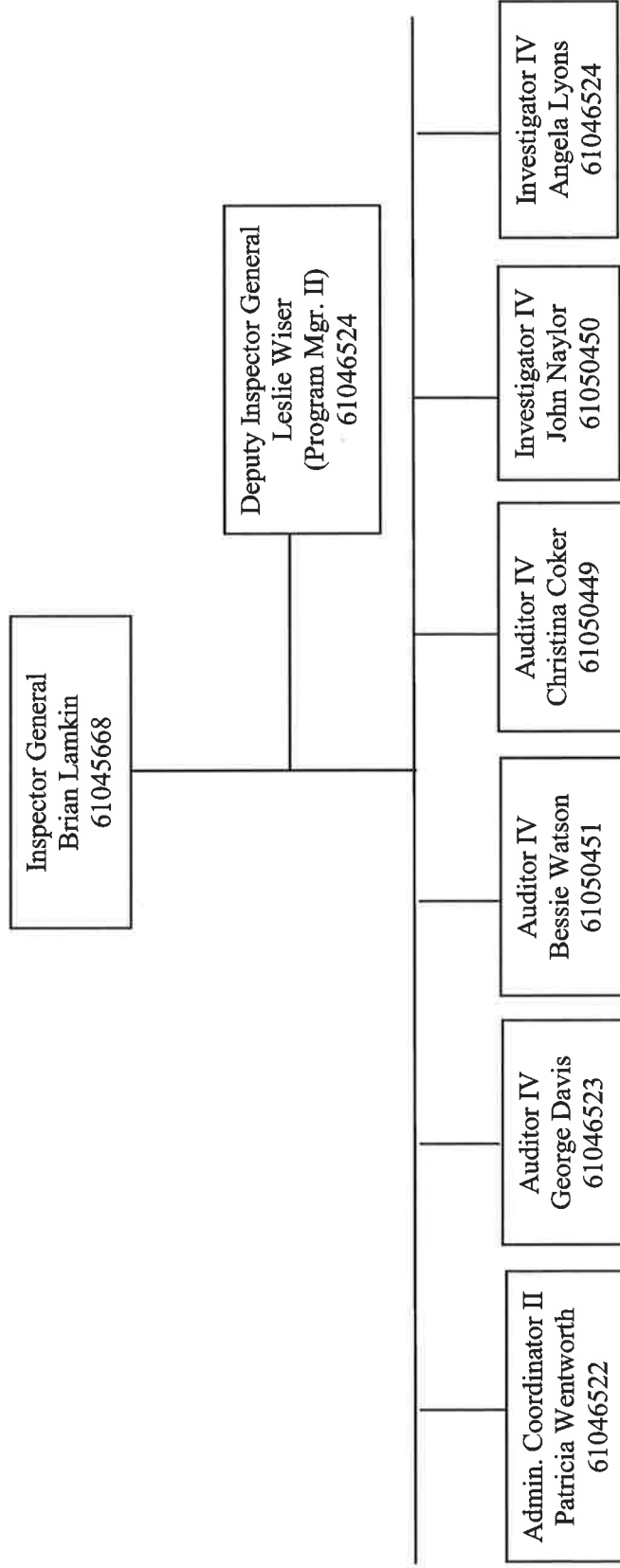
Office: 803-896-9500

Cell: 803-206-1741

Email: [lesliewiser@oig.sc.gov](mailto:lesliewiser@oig.sc.gov)

# Office of the Inspector General

## Organizational Chart



Address:  
111 Executive Center Drive, Suite 204  
Columbia, SC 29210  
Phone: (803) 896-4729

## Office of the State Inspector General

### Mission Overview:

The SC General Assembly created the State Inspector General's Office (SIG) in FY 2012 with the broad statutory mission found in SC Code of Laws §1-6-10 et seq., to address fraud, waste, abuse, and misconduct in the executive branch of state government. The SIG executes its mission through two strategic objectives by: 1) maintaining a high integrity workforce and 2) increasing the cost/effectiveness of executive branch operations. The SIG employs the following strategies to select cases with its current resource availability of eight total staff:

- Significant impact to the public's confidence in the integrity/effectiveness of state government and/or causing a significant disruption to an agency executing its mission
- Highest impact when considering the probable individual case outcomes in terms of effectiveness (dollars saved/waste prevented) or seriousness of integrity allegation
- Proactive risk assessments of waste in the executive branch
- Potential "lessons learned" to identify root causes of problems/deficiencies to drive positive change

### FY 2018-19 Accomplishments:

- Conducted four (4) high impact/time-sensitive reviews at the request of the General Assembly and the Governor's Office
- Conducted four (4) proactive risk assessments of waste and mismanagement in state government
- Conducted eight (8) serious misconduct investigations pertaining to senior agency officials
- Provided five (5) independent reviews to five statewide agencies at the agency head's request
- Produced seven (7) "lessons learned" for statewide officials
- Referred six (6) matters to law enforcement, State Ethics and/or State Auditor for further review
- Issued 30 recommendations, to include 12 statewide recommendations, all (100%) of which were adopted and implemented by agency officials
- SIG investigations, findings, and recommendations resulted in \$2.615M in economic loss prevented or recovered, a 29% increase over FY 2017-18 results (\$1.86M)
- Operated a toll-free "hotline" and a web-based reporting system for the public to report fraud and waste in government. The SIG received 338 complaints 44% decrease over FY 2017-18.

### Budget Requests (FY 2020-21) – Recurring:

- **Priority 1 - (\$3,918) Information Technology (IT):** Comprised of software subscription renewals/updates (\$3,330), and mobile device management (MDM) service (\$588) through Dept. of Admin-DTO. Maintaining current versions of software improves information security and assures the availability of technical support and the avoidance of incompatibility issues. The MDM service improves information security on the use of SIG-owned employee cell phones.
- **Priority 2 - (\$18,547) Increased Current Office Lease Cost and Increased Office Space:** Comprised of annual 3% increase (\$4,594) in current office lease (2018 renewal), and the anticipated cost (\$13,953) of acquiring a new office space with an additional 800 square feet of space to address unmet meeting, secure storage, and secure IT space needs as determined by the State Property Management Office and 2019 IT risk assessment.
- **Priority 3 - (\$6,873) Health Insurance Adjustment for Covered Employees:** Represents the employer portion of employee health insurance for one new employee where the employee's predecessor (a federal retiree) did not elect the state health insurance coverage. The amount requested is the composite annual employer premium as provided by PEBA.
- **Priority 4 - (\$4,800) Employee Training and Training-Related Travel:** Represents the establishment of recurring funding for SIG employees to obtain and maintain certifications with the Association of Inspectors General and the Association of Certified Fraud Examiners.

New Proviso Request: None

# Office of the Inspector General

## 2019 Accountability Report Summary

### Mission

The State Inspector General's (SIG) broad statutory mission translates into two strategic objectives: 1) maintaining a high integrity workforce, and 2) increasing the cost/effectiveness of executive branch operations. The SIG executes its mission through fraud, waste, abuse, and misconduct investigations using the following strategies to select cases consistent with resource availability:

1. Significantly impacting the public's confidence in the integrity/effectiveness of state government and/or causing a significant disruption to an agency carrying out its mission;
2. Consider the highest impact cases with probable individual case outcomes in terms of effectiveness (dollars saved/waste prevented) or seriousness of integrity allegation;
3. Proactive risk assessments of waste in the executive branch; and
4. Potential lessons learned to identify root causes of problems/deficiencies to drive positive change, preferably on a statewide basis.

### Vision

The SIG strives to utilize 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.

### Investigative Activities

The SIG accomplished its FY 2018-2019 strategies and measurements through four time-sensitive and high impact investigations at the request of the General Assembly and the Governor's Office, four proactive risk assessments of waste and mismanagement, eight reviews of serious misconduct by state employees, and the dissemination of seven statewide lessons learned in anti-fraud measures, and areas of waste and abuse.

### SIG "Hotline" Operation

The SIG operated a toll-free "hotline" and a web-based reporting system to provide the public the ability to report fraud and waste in government. The SIG logged 338 complaints through this "tip" system, which was a 44% decrease over FY 2017-2018 (601). The decrease in complaints was attributable to a February 2018 update to the SIG's online complaint form, which redirects non-jurisdictional complaints to the appropriate county, municipal, or other non-Executive Branch entity.

## 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 2018-2019.

Performance Measures	FY 2018-2019 Actual	FY 2018-2019 Target	FY 2017-2018 Actual
Forensic accounting investigations	8	6	12
Misconduct investigations	8	5	6
Economic recoveries (incl. waste prevented, based upon SIG findings & recommendations)	\$2,615,949	\$675,000	\$1,860,950
SIG recommendations (Statewide)*	12	15	22
SIG Alerts / "Lessons Learned"	7	6	7
SIG recommendations (Agency review)	30	30	67
SIG recommendations accepted by Agency as a percentage (%)	100%	80%	97%
Complaints received	338	400	601
SIG referrals to law enforcement, State Ethics Commission, or State Auditor***	6	0	4
Consultation Services/Voluntary Program Reviews**	5	New Measure	**

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

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

\*\*\*SIG referrals to law enforcement, State Ethics Commission, or the State Auditor's Office is a new internal measurement to provide feedback on 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.

## Risk Assessment, Mitigation Strategy and Recommendation (AAR Goal #3)

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.

To mitigate this risk, 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.

## Restructuring Recommendation (None)

**FY 20-21 Budget Priorities Summary  
Office of the Inspector General**

Budget Priorities		Funding							FTEs				
		Priority Type (non-recurring/other funds adjustment/federal funds adjustment)	Priority Title	Priority Description	Non - Recurring	Recurring	Other	Federal	Total	State	Other	Federal	Total
1	recurring	Information Technology Needs	Funding for software subscription/updates and mobile device management service.		3,918					3,918	0.00		0.00
2	recurring	Increased Office Lease Cost - Increased Space Need	Funding for annual lease cost increases and the additional lease cost associated with increased space needs.		18,547					18,547	0.00		0.00
3	recurring	Health Insurance Adjustment- Number of Covered Employees	The employer health insurance premium for a new employee where the employee's predecessor (federal retiree) had waived the coverage.		6,873					6,873	0.00		0.00
4	recurring	Employee Training and Training-Related Travel	Funding for employee training and training related travel to allow employees to obtain and maintain certifications.		4,800					4,800	0.00		0.00



AGENCY NAME:

Office of the State Inspector General (SIG)

AGENCY CODE:

D250

SECTION:

94



**Fiscal Year 2020-21  
Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

**OPERATING  
REQUESTS  
(FORM B1)**

**For FY 2020-21, my agency is (mark "X"):**

- Requesting General Fund Appropriations.
- Requesting Federal/Other Authorization.
- Not requesting any changes.

**NON-RECURRING  
REQUESTS  
(FORM B2)**

**For FY 2020-21, my agency is (mark "X"):**

- Requesting Non-Recurring Appropriations.
- Requesting Non-Recurring Federal/Other Authorization.
- Not requesting any changes.

**CAPITAL  
REQUESTS  
(FORM C)**

**For FY 2020-21, my agency is (mark "X"):**

- Requesting funding for Capital Projects.
- Not requesting any changes.

**PROVISOS  
(FORM D)**

**For FY 2020-21, my agency is (mark "X"):**

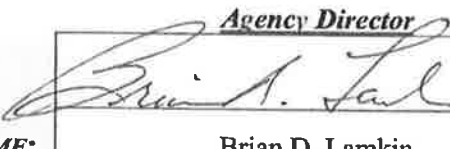
- Requesting a new proviso and/or substantive changes to existing provisos.
- Only requesting technical proviso changes (such as date references).
- Not requesting any proviso changes.

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

**PRIMARY  
CONTACT:  
SECONDARY  
CONTACT:**

<i>Name</i>	<i>Phone</i>	<i>Email</i>
George R. Davis	803-896-4732	georgedavis@oig.sc.gov
Brian D. Lamkin	803-896-1287	brianlamkin@oig.sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b>	<i>Agency Director</i> 	<i>Board or Commission Chair</i> N/A
<b>TYPE/PRINT NAME:</b>	Brian D. Lamkin	

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

<b>AGENCY NAME:</b>	Office of the State Inspector General (SIG)		
<b>AGENCY CODE:</b>	D250	<b>SECTION:</b>	94

**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	1
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Information Technology Needs
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$ 3,918</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$ 3,918</b>
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*What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	N/A
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" 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
	<input type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input checked="" type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

**ACCOUNTABILITY OF FUNDS**

The addition of these funds supports all of the Agency’s activities including the Agency’s investigative efforts and general operations under the Statewide Enterprise Strategic Objectives of “Maintaining Safety, Integrity and Security” (Strategies no. 1.1, 1.2, 2.1). This request supports all activities of the Agency and is evaluated through the overall performance of the Agency in assuring integrity within Executive Branch agencies through its investigations and reviews; identifying waste in Executive Branch agencies; and assisting the public in receiving and addressing complaints concerning Executive Branch agencies.

*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

**RECIPIENTS OF FUNDS**

The funds will be disbursed to state contract vendors who have provided software to the SIG, and the Division of Technology Operations (DTO) for the mobile device management service.

*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?*

**JUSTIFICATION OF REQUEST**

This request seeks an increase in appropriation for two information technology items.

The first item is funding for the purchase of updates to certain software and the renewal of other software that was purchased on a subscription basis, where it previously had been purchased on a one-time basis. The cost of the updates and subscriptions is \$3,330 annually. Maintaining up-to-date software assures the availability of technical support and avoids incompatibility situations between older application software and operating systems such as Windows 10, which is routinely updated.

The second item is funding for the purchase of the mobile device management service offered through DTO. The cost of the service is \$588 annually. The service will assure the SIG’s devices are configured according the SIG policies and bring the SIG into compliance with several information security and privacy state standards.

Software updates and subscription renewals	\$ 3,330
Mobile device management service	<u>588</u>
Total Funds Requested	\$ 3,918

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

## FORM B1 – RECURRING OPERATING REQUEST

<b>AGENCY PRIORITY</b>	<b>2</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Increased Office Lease Cost and Increased Office Space Need</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$ 18,547</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$ 18,547</b>
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*What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>N/A</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input checked="" 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
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input checked="" type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input type="checkbox"/> Government and Citizens	

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>The addition of these funds supports all of the Agency’s activities including the Agency’s investigative efforts and general operations under the Statewide Enterprise Strategic Objectives of “Maintaining Safety, Integrity and Security” (Strategies no. 1.1, 1.2, 2.1). This request supports all activities of the Agency and is evaluated through the overall performance of the Agency in assuring integrity within Executive Branch agencies through its investigations and reviews; identifying waste in Executive Branch agencies; and assisting the public in receiving and addressing complaints concerning Executive Branch agencies.</p>
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*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>The funds would be disbursed to a vendor providing commercial office space. The funds would be allocated through a competitive process conducted by the Department of Administration.</p>
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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?*

<b>JUSTIFICATION OF REQUEST</b>	<p>This request seeks an increase in appropriation for two purposes: first, to offset the 3% annual lease cost increases instituted in FY2019 under the agency’s present office space lease; and second to provide funds to allow the agency to acquire a larger office space to better meet its needs. The additional funds needed to offset the lease cost increases through FY2021 total \$ 4,594.</p> <p>During its first year of existence (FY2013), the SIG acquired the small office suite it presently occupies. The present office suite accommodates the staff but is inadequate in support space, particularly meeting space, storage for the growing numbers of files and supplies. Its small conference room was eliminated to provide an office for a new employee joining the agency with the increase in FTE staffing during the present fiscal year. In addition, information security and privacy needs have required the addition of equipment that is not adequately housed in the existing space.</p> <p>To address these space needs, funding is sought to acquire approximately 800 additional square feet of space. The cost of this increased space is projected at \$13,953 based on the FY2021 lease rate of \$16.44 under the current lease.</p> <p>Summary: Current lease cost increases - \$ 4,594  Additional Space Cost - <u>13,953</u>  Total Funds Requested - \$ 18,547</p>
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*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

<b>AGENCY NAME:</b>	Office of the State Inspector General (SIG)		
<b>AGENCY CODE:</b>	D250	<b>SECTION:</b>	94

**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>3</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Health Insurance Adjustment – Number of Covered Employees</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$ 6,873</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$ 6,873</b>
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*What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>N/A</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" 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
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input checked="" type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>The addition of these funds supports all of the Agency’s activities including the Agency’s investigative efforts and general operations under the Statewide Enterprise Strategic Objectives of “Maintaining Safety, Integrity and Security” (Strategies no. 1.1, 1.2, 2.1). This request supports all activities of the Agency and is evaluated through the overall performance of the Agency in assuring integrity within Executive Branch agencies through its investigations and reviews; identifying waste in Executive Branch agencies; and assisting the public in receiving and addressing complaints concerning Executive Branch agencies.</p>
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*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>These funds will be expended in premiums paid to the State Employee Health Plan. It will be allocated based on the insurance elections made by SIG employees.</p>
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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?*

<b>JUSTIFICATION OF REQUEST</b>	<p>Employee turnover in an agency can result in significant variation in employee health insurance expense where new employees elect different categories of coverage from their predecessors. Premiums vary from approximately \$4,800 annually for individual coverage to \$12,000 for full family coverage. These variations from year-to-year can have a greater proportional impact on a small agency’s budget than on a large agency with hundreds of employees.</p> <p>In addition to these cost variations, the SIG is somewhat unique in that during its first year of existence, three of the seven employees were federal retirees who elected not to take state health insurance. Going forward, the SIG’s budget included the savings from those employees not taking the coverage.</p> <p>Currently, one employee without state health insurance is leaving the agency and this request seeks an increase in the appropriation to provide for the potential the employee’s replacement will select state health insurance. The amount requested is the composite annual premium provided by PEBA - \$ 6,873 annually.</p>
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*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>4</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Employee Training and Training-Related Travel</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$ 4,800</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$ 4,800</b>
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*What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>N/A</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input checked="" 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
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input checked="" type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input type="checkbox"/> Government and Citizens	



<b>ACCOUNTABILITY OF FUNDS</b>	<p>The addition of these funds supports all of the Agency’s activities including the Agency’s investigative efforts and general operations under the Statewide Enterprise Strategic Objectives of “Maintaining Safety, Integrity and Security” (Strategies no. 1.1, 1.2, 2.1). This request supports all activities of the Agency and is evaluated through the overall performance of the Agency in assuring integrity within Executive Branch agencies through its investigations and reviews; identifying waste in Executive Branch agencies; and assisting the public in receiving and addressing complaints concerning Executive Branch agencies.</p>
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*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>The funds would be disbursed to vendors and organizations including governmental agencies providing job-specific training opportunities for SIG employees.</p>
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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?*

<b>JUSTIFICATION OF REQUEST</b>	<p>SIG employees have obtained or are in the process of obtaining certifications offered by two organizations, the Association of Inspectors General (IG Institute) and the Association of Certified Fraud Examiners (ACFE). The training and certifications offered by these two organizations provide a knowledge base directly related to the work of the SIG and benefit the agency through providing a better-equipped staff to address complaints involving fraud, waste, abuse and mismanagement in the Executive Branch. SIG employees also attend other job-related training such as performance auditing and various classes to maintain their certifications.</p> <p>Previously, the SIG funded the training and related travel costs with carryover funds. The purpose of this request is to establish a continuing source of funds to provide training to new employees, and for existing employees to further increase their job-specific knowledge and maintain their certifications.</p> <p>The funding will provide the following:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">One employee to the IG Institute annually</td> <td style="text-align: right;">\$ 2,150</td> </tr> <tr> <td style="padding-left: 20px;">One employee provided the ACFE course/exam annually</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td style="padding-left: 20px;">Other training for various employees</td> <td style="text-align: right;"><u>1,650</u></td> </tr> <tr> <td style="padding-left: 40px;">Total Funds Requested</td> <td style="text-align: right;">\$ 4,800</td> </tr> </table>	One employee to the IG Institute annually	\$ 2,150	One employee provided the ACFE course/exam annually	1,000	Other training for various employees	<u>1,650</u>	Total Funds Requested	\$ 4,800
One employee to the IG Institute annually	\$ 2,150								
One employee provided the ACFE course/exam annually	1,000								
Other training for various employees	<u>1,650</u>								
Total Funds Requested	\$ 4,800								

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

<b>AGENCY NAME:</b>	Office of the State Inspector General (SIG)		
<b>AGENCY CODE:</b>	D250	<b>SECTION:</b>	94

## FORM D – PROVISO REVISION REQUEST

**NUMBER** N/A – No revisions or new requests are made.

*Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").*

**TITLE**

*Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.*

**BUDGET PROGRAM**

*Identify the associated budget program(s) by name and budget section.*

**RELATED BUDGET REQUEST**

*Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.*

**REQUESTED ACTION**

*Choose from: Add, Delete, Amend, or Codify.*

**OTHER AGENCIES AFFECTED**

*Which other agencies would be affected by the recommended action? How?*

**SUMMARY & EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

**FISCAL IMPACT**

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

**PROPOSED  
PROVISO TEXT**

*Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*



**SUMMARY**

A 3% budget reduction would reduce employee hours devoted to the investigations from 11,700 hours annually to 11,003 hours, or a reduction of 697 hours annually - a 6% reduction in investigative capacity.

*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

**AGENCY COST SAVINGS PLANS**

A reduction in costs in excess of \$50,000 would amount to a reduction of 6% of the agency's budget, and could only be accomplished by eliminating a full time position, since 92% of the agency's budget is in the personnel area. There are no plans at present to implement a cost reduction of more than \$50,000.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

**FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	N/A. The SIG does not generate revenue or assess fees or fines through its statutory authority, and the SIG does not have the statutory authority to promulgate regulations on businesses and citizens in South Carolina. <i>Provide a brief, descriptive title for this request.</i>
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<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	
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*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<p><b>Mark "X" for all that apply:</b></p> <input type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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<b>METHOD OF CALCULATION</b>	
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

<b>REDUCTION OF REGULATION</b>	
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>AGENCY NAME:</b>	<b>Office of the State Inspector General (SIG)</b>		
<b>AGENCY CODE:</b>	<b>D250</b>	<b>SECTION:</b>	<b>94</b>

**SUMMARY**

*Provide an explanation of the proposal and its positive results on businesses or citizens.  
How will the request affect agency operations?*

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: D250  
 Agency Name: Office Of Inspector General  
 Section: 94

Priority	Request Type	Request Title	FUNDING				FTE'S				
			State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted
1	B1 - Recurring	Software Updates and Renewal Costs/Mobile Device Management	3,918				3,918				0.00
2	B1 - Recurring	Increased Office Lease Cost and Increased Office Space Need	18,547				18,547				0.00
3	B1 - Recurring	Health Insurance Adjustment-Number of Covered Employees	6,873				6,873				0.00
4	B1 - Recurring	Employee Training and Training-Related Travel	4,800				4,800				0.00
5							0				0.00
6							0				0.00
7							0				0.00
8							0				0.00
9							0				0.00
10							0				0.00
11							0				0.00
12							0				0.00
13							0				0.00
14							0				0.00
15							0				0.00
16							0				0.00
17							0				0.00
18							0				0.00
19							0				0.00
20							0				0.00
21							0				0.00
22							0				0.00
23							0				0.00
24							0				0.00
25							0				0.00
26							0				0.00
27							0				0.00
28							0				0.00
29							0				0.00
30							0				0.00
<b>TOTAL BUDGET REQUESTS</b>			34,138	0	0	0	34,138	0.00	0.00	0.00	0.00



**Constitutional Subcommittee Proviso Request Summary FY 2020-21**

Proviso # in FY 19-20 Act	Renumbered FY 20-21 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
94.1	94.1	Coordination with State Auditor	The Inspector General will prepare an annual report to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee and the Governor detailing all written referrals of fraud, waste and abuse from the State Auditor and all corresponding actions taken by the State Inspector General.	Keep

## **Office of the Inspector General**

### **All Provisos Including Those Referencing the Inspector General**

#### **SECTION 94 - D250 - OFFICE OF INSPECTOR GENERAL**

**Keep**

(FY19-20 94.1) **94.1.** (OIG: Coordination with State Auditor) The State Inspector General will prepare an annual report to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee and the Governor detailing all written referrals of fraud, waste, and abuse from the State Auditor and all corresponding actions taken by the State Inspector General.

#### **SECTION 105 - F270 - SFAA, STATE AUDITOR'S OFFICE**

**Keep**

(FY19-20 105.3) **105.3.** (SFAA-AUD: Coordination with Inspector General) In the event the State Auditor's Office identifies instances of fraud, waste, and abuse during any state agency audit, the State Auditor shall refer such instances to the State Inspector General for examination. The State Auditor shall prepare and submit an annual report to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee and the Governor detailing all written referrals of fraud, waste, and abuse submitted to the State Inspector General.

#### **SECTION 117 - X900 - GENERAL PROVISIONS**

**Keep**

(FY19-20 117.34) **117.33.** (GP: Debt Collection Reports) Each state agency shall provide to the Chairmen of the Senate Finance and House of Representatives Ways and Means Committees and the Inspector General a report detailing the amount of its outstanding debt and all methods it has used to collect that debt. This report is due by the last day of February for the previous calendar year. For purposes of this provision, outstanding debt means a sum remaining due and owed to a state agency by a nongovernmental entity for more than sixty calendar days.

**FM Budget vs Actual**

**Office of the Inspector General**

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**FY 2020 Budget with Carry Forward from FY 2019**

Chart Filter Information

**Table**

Fund	Commitment Items	Original Budget	Budget Adjustments	Current Budget	MTD Actual Expense	YTD Actual Expense	Balance Before Commitments	Commitments and Other Transactions	Remaining Balance
GENERAL FUND	Agency Head Salary	\$ 122,542.00	\$ 0.00	\$ 122,542.00			\$ 122,542.00		\$ 122,542.00
	Classified Salaries	\$ 344,394.00	\$ 0.00	\$ 344,394.00			\$ 344,394.00		\$ 344,394.00
	New FTE	\$ 84,300.00	\$ 0.00	\$ 84,300.00			\$ 84,300.00		\$ 84,300.00
	Other Expenses	\$ 69,572.00	\$ 0.00	\$ 69,572.00			\$ 69,572.00		\$ 69,572.00
	Employee Benefits	\$ 193,574.00	\$ 0.00	\$ 193,574.00			\$ 193,574.00		\$ 193,574.00
	Fraud Hotline	\$ 321.00	\$ 0.00	\$ 321.00			\$ 321.00		\$ 321.00
	Carry Forward-FY2019		\$ 36,833.43	\$ 36,833.43			\$ 36,833.43		\$ 36,833.43
	<b>Totals</b>	<b>\$ 814,703.00</b>	<b>\$ 36,833.43</b>	<b>\$ 851,536.43</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 851,536.43</b>	<b>\$ 0.00</b>	<b>\$ 851,536.43</b>

# Office of the Inspector General

## FTE Breakdown

	Authorized FTEs	Current FTEs	Vacant FTEs
Number of State FTEs	8	8	0
Number of Federal FTEs	0	0	0
Number of Other Funded FTEs	0	0	0
TOTAL FTEs	8	8	