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Subject: SCDOT Chief Internal Auditor

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By Date Action Description Jt. Res. No. Expiration Date

- 10/26/2007 Proposed Reg Published in SR

- 01/14/2008 Received by Lt. Gov & Speaker 05/13/2008

H 01/15/2008 Referred to Committee

S 01/15/2008 Referred to Committee

S 04/08/2008 Resolution Introduced to Approve 1264

H 04/16/2008 Committee Requested Withdrawal

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- 11/05/2008 Permanently Withdrawn

Document No. 3166

**DEPARTMENT OF TRANSPORTATION**

CHAPTER 63

Statutory Authority: 1976 Code Section 57-1-360

63-20. SCDOT Chief Internal Auditor

**Synopsis:**

The South Carolina Department of Transportation proposes to promulgate a new regulation numbered 63-20 setting forth the mission, functions, responsibilities, authorizations and standards of the Chief Internal Auditor. The promulgation of Regulation 63-20 will notify the public of the procedures already being implemented as required by Act 114 of 2007.

A Notice of Drafting and the Proposed Regulation were published in the State Register on July 27, 2007, and October 26, 2007, respectively. No public hearing was required pursuant to S.C. Code Section 1-23-110(b) and none was held.

Section-By-Section Discussion:

SECTION CITATION: EXPLANATION OF CHANGE:

63-20A. This section defines the mission and functions of SCDOT’s Chief Internal Auditor.

63-20B. This section requires that the Chief Internal Auditor report directly to the SCDOT Commission.

63-20C. This section defines the responsibilities of the Chief Internal Auditor.

63-20D.-E. These sections define the authority of the Chief Internal Auditor.

63-20F. This section provides that the Chief Internal Auditor will meet or exceed the *Government Auditing Standards* issued by the United States Government Accountability Office.

**Instructions:**

Insert a new regulation in S.C. Code of Regulations numbered 63-20 which reads as follows:

**Text:**

63-20. Chief Internal Auditor.

A. The SCDOT Chief Internal Auditor’s mission is to promote good management, enhance program effectiveness, and improve accountability within SCDOT. In order to carry out this mission, the functions of SCDOT’s Chief Internal Auditor shall include, but not be limited to, the following:

1. Conduct internal audits and reviews of SCDOT operations. The audits and reviews will provide objective appraisals concerning department programs and functions and shall include recommendations for necessary improvements. These audits and reviews will be designed to ensure:

a. Risks are appropriately identified and managed;

b. Interaction with the various regulatory groups occurs as required;

c. Significant financial, managerial, and operating information is accurate, reliable, and timely;

d. Employees’ actions are in compliance with policies, standards, procedures, and all applicable laws and regulations;

e. Resources are acquired economically, used efficiently, and adequately protected;

f. Programs, plans, and objectives are achieved;

g. Quality and continuous improvement are fostered in the SCDOT control process; and

h. Significant legislative or regulatory issues impacting the SCDOT are recognized and addressed appropriately.

2. Notify the Secretary of Transportation and appropriate department staff of any and all opportunities for improving efficiency, effectiveness, operations, and management control identified during audits.

3. Perform special reviews as requested by the SCDOT Commission.

B. The Chief Internal Auditor, in the discharge of his or her duties, will report directly to the SCDOT Commission.

C. The Chief Internal Auditor has the responsibility to:

1. Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the SCDOT Commission for review and approval;

2. Implement the annual audit plan, approved by the Commission, including any special tasks or projects requested by the Secretary of Transportation and approved by SCDOT Commission;

3. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications;

4. Provide information to the SCDOT Commission on the status and results of audits and the sufficiency of the Chief Internal Auditor’s resources;

5. Issue all final internal audit reports to the SCDOT Commission, the Secretary of Transportation, and others as required by law;

6. Consider the scope of work of other auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to SCDOT at a reasonable overall cost; and

7. Maintain confidentiality of information obtained during audits.

D. The Chief Internal Auditor and those acting on his or her behalf are authorized to:

1. Have unrestricted access to all SCDOT functions, records, property and personnel;

2. Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives; and

3. Obtain the necessary assistance of personnel in units of the SCDOT where audits are being performed, as well as other specialized services from within or outside SCDOT.

E. The Chief Internal Auditor is not authorized to:

1. Perform any operational duties for SCDOT or its affiliates;

2. Initiate or approve accounting transactions external to the Chief Internal Auditor; or

3. Direct the activities of any SCDOT employee not employed by the Chief Internal Auditor, except to the extent such employees have been appropriately assigned to the Auditor or to otherwise assist the Auditor.

F. The Chief Internal Auditor will meet or exceed the *Government Auditing Standards* issued by the United States Government Accountability Office.

**Fiscal Impact Statement:**

The costs associated with the office and duties described in this regulation are required by Act 114 of 2007.The South Carolina Department of Transportation estimates that there will be no additional costs incurred by the State or its political subdivisions in complying with the proposed regulations.

**Statement of Rationale:**

The purpose of this regulation is to set forth the mission, functions, responsibilities, authorizations and standards of the Chief Internal Auditor of the South Carolina Department of Transportation. The promulgation of these regulations is required by Act 114 of 2007. There are no scientific or technical studies necessary to promulgate these regulations.