

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

## Fiscal Year 2015-16 Accountability Report

### SUBMISSION FORM

<b>AGENCY MISSION</b>	The LAC's mission is to help ensure that state agencies and programs are efficient and that they achieve their performance goals and comply with the law.
-----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------

<b>AGENCY VISION</b>	Our vision is for our performance audits to become a primary source of information for legislative decision makers and the citizens of South Carolina in their efforts to improve state government. A key part of this vision is for the LAC to uphold the values of independence, reliability, accuracy, and thoroughness.
----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------


Please state 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.

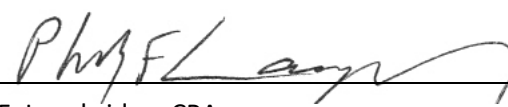
<b>RESTRUCTURING RECOMMENDATIONS:</b>	No
---------------------------------------	----

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	K. Earle Powell	803.253.7612	<a href="mailto:EPowell@lac.sc.gov">EPowell@lac.sc.gov</a>
<b>SECONDARY CONTACT:</b>	Andrew M. Young	803.253.7612	<a href="mailto:AYoung@lac.sc.gov">AYoung@lac.sc.gov</a>

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

<b>AGENCY DIRECTOR (SIGN AND DATE):</b>	 9/30/2016
<b>(TYPE/PRINT NAME):</b>	K. Earle Powell

<b>BOARD/CMSN CHAIR (SIGN AND DATE):</b>	 9/30/2016
<b>(TYPE/PRINT NAME):</b>	Philip F. Laughridge, CPA

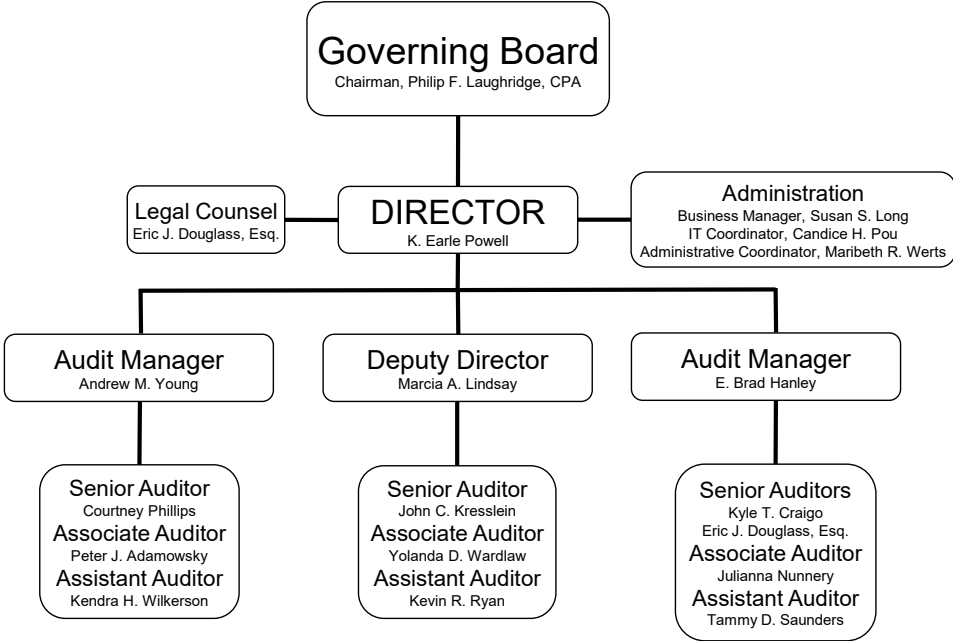
<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>	
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>

**AGENCY’S DISCUSSION AND ANALYSIS**

The Legislative Audit Council performs audits of state agencies and programs, in which we identify ways to reduce the cost and improve the performance of state agencies, and provide information to the General Assembly and the public. We help ensure that operations are efficient and that agencies follow the law to achieve the desired results. We provide information, analysis, and recommendations to help the General Assembly improve state agencies and to help the citizens of South Carolina oversee state government. Because the LAC is part of the legislative branch of state government, it is organizationally independent of the executive branch agencies it audits.

FY 15-16 was the first fiscal year that we published reports requested by the Oversight Committees of the South Carolina House of Representatives and Senate. These reports included an extensive review of the South Carolina Department of Transportation. In addition, we began a planning process to upgrade our information technology hardware, software, and security applications. Finally, we are continually improving the skills of our auditors in areas including research, data analysis, finance, research, and writing.

**ORGANIZATION CHART**



<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

**RISK ASSESSMENT AND MITIGATION STRATEGIES**

Because the LAC is not an operational agency and provides no direct services to the public, the extent to which we accomplish our goals and objectives has no immediate effect on the public. Nonetheless, through our audits we make recommendations to significantly improve the agencies and programs on which the public depends. If the LAC did not exist or failed to meet its objectives, the General Assembly and the public would lose an independent source of information and advice to use in its efforts to improve state government.

Above all other factors, it is important that state law continue to protect the LAC’s independence from the political process. Second, it is important that state law continue to protect the LAC’s unrestricted access to state agency documents, personnel, and all other information necessary to conduct performance audits in a thorough manner. Third, it is important that the LAC continue to be allocated the resources necessary to attract and retain the number and quality of staff required to achieve our objectives.

During FY 15-16, the Legislative Audit Council published five reports with a total of 225 recommendations for improvement in state government.

**A REVIEW OF THE FARMERS’ MARKET LAND DEAL, LEASES, REVENUES, AND EXPENDITURES (AUGUST 2015)**

In this audit we made 13 recommendations — 12 to the S.C. Department of Agriculture (SCDA) and 1 general recommendation to elected officials. Although financial benefits will result from implementing these recommendations, we did not quantify those benefits.

We found that SCDA can improve by:

- Considering commissioning at least two appraisals when purchasing properties at the Farmers’ Market or similar projects because we identified deficiencies in the appraisal process.
- Ensuring that lease agreements include specific information on when rental payments must be made and recourse for SCDA if rental payments are not made on time. We asked for documentation of some rental payments and no documentation was provided.
- Implementing a plan to better coordinate with private property owners and ensure that covenants restricting the use of the property are enforced.
- Utilizing the Corbett Building and horticulture building to produce revenue, as well as collecting restaurant rent owed SCDA and possibly charging an admission fee for attendees of special events at the Farmers’ Market.

We also made a recommendation that donations made by parties to elected officials who have projects before the Joint Bond Review Committee be disclosed publicly by the elected official.

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

**A REVIEW OF THE PUBLIC PENSIONS ADMINISTERED BY THE STATE OF SOUTH CAROLINA (DECEMBER 2015)**

In this audit we made 11 recommendations — 1 to the S.C. Public Employee Benefit Authority (PEBA), 2 to the S.C. Retirement System Investment Commission (RSIC), and 8 to the General Assembly. Although financial benefits will result from implementing these recommendations, we did not quantify those benefits.

We reviewed the five public pensions administered by PEBA and RSIC. This system is comprised of approximately 70% local public employees and 30% state employees. We identified the following issues:

- South Carolina’s state-administered pensions have been significantly underfunded for more than a decade and are projected to remain underfunded for more than 30 years.
- At the end of fiscal year 2014, the pensions had approximately \$49 billion in pension liabilities and \$30 billion in assets, resulting in \$19 billion in unfunded liabilities. Because state law allows unfunded liabilities to be paid off over 30 years, future generations of public employees and taxpayers are being required to pay a significant portion of the obligations of current generations.
- Severe downturns in the investment markets could cause the already low-funded status of the pensions to decline to significantly lower levels.
- The returns on pension investments have been below the assumed rate of return established by state law and below the returns in other states.
- Over the last decade, an increasing percentage of pension dollars has been placed in investments with higher expected rates of return and higher fees. The risks associated with these investments have not been fully stated in the annual reports of the pension system.
- When selecting an assumed rate of return on pension investments, the General Assembly is not required by state law to consider the impact of its decision on asset allocation, various forms of investment risk, probability of success, or pension liabilities.
- Public pensions nationwide may be underreporting their liabilities based on a comparison of their calculation methods with those used by a major bond credit rating agency, corporations, and financial economists.
- Controls regarding potential conflicts of interest could be improved.

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

**A LIMITED REVIEW OF ISSUES AT THE S.C. DEPARTMENT OF MENTAL HEALTH (MARCH 2016)**

In this audit we made two recommendations — 1 to the Department of Mental Health and 1 to the General Assembly.

Our review included the organizational structure of the Department of Mental Health and the Department of Alcohol and Other Drug Abuse Services. It also included the forensics program operated by DMH. We identified the following issues:

- As of September 2015, DMH had been paid \$4,419,183 from the sale of certain parcels of land and the DMH Commission voted to use all of the proceeds as one-time matching funds for the development of new affordable housing for patients.
- Given constitutional concerns and the practice of most states in having a mental health department administer the sexually violent predator program, we found no compelling reason for an agency other than DMH to administer this program.
- We discussed various issues which should be considered if these two agencies were consolidated and found that collaboration could be increased.
- We reviewed the timeframes relating to initial evaluations and restoration of mentally ill individuals regarding competency to stand trial. We recommended that the General Assembly amend state law to increase the maximum time limit that DMH has to restore defendants to competency to stand trial from 60 days to 6 months.

**A REVIEW OF THE S.C. DEPARTMENT OF TRANSPORTATION (APRIL 2016)**

We made 172 recommendations — 148 were agency specific. SCDOT agreed with 123 recommendations. Although financial benefits will result from implementing these recommendations, we did not quantify those benefits.

We found that:

- South Carolina’s roads deteriorated significantly from 2008 through 2014. The department continues to add lane miles despite continued increases in miles in poor condition. The department does not have an effective process to identify proper treatment timing. Poor road conditions cause increased auto repair and maintenance costs for drivers.
- SCDOT does not have a single prioritization list for projects, has put lower-ranked projects over higher-ranked projects without written justification, could not provide raw data used to calculate scores for criteria used to rank projects, and could not provide a methodology to determine criteria scores.
- SCDOT does not re-evaluate its project priority lists to determine if more pressing needs exist or if the rankings are still valid. The prioritization process is not transparent.
- The presence of a Commission appointed by the General Assembly and a department head appointed by the Governor creates confusion and undermines the authority of both. Changing the governance structure of

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

SCDOT could promote greater decision-making efficiency, clearer lines of authority, stronger oversight, and increased accountability.

- SCDOT’s internal auditing function is ineffective due to the impaired independence of the chief internal auditor.
- SCDOT limits state revenue deposited into the Non-Federal Aid Highway Fund to a minority of roads that carry less than 10% of the state’s traffic.
- In 2015, SCDOT provided approximately \$182 million to Metropolitan Planning Organizations and Councils of Governments; approximately \$36 million was required by federal law. These projects generally focus on expanded capacity instead of maintenance and may not address statewide needs.
- Overall revenues are not keeping pace with inflation. Over one-quarter of SCDOT’s total revenues in FY 14-15 were dedicated to debt service or allocated to other entities.
- SCDOT is heavily reliant on state gas tax revenues and federal transportation funding. Reliance on a per-gallon fuel tax can be problematic since it does not self-adjust for inflation and because of decreased fuel consumption by fuel-efficient cars and a disproportionate impact on low-income consumers. The S.C. General Assembly should consider other revenue sources.

**A REVIEW OF THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK (MAY 2016)**

We made 27 recommendations in this audit, 15 directed to SCTIB and 12 directed to the General Assembly. Although financial benefits will result from implementing these recommendations, we did not quantify those benefits.

Since its inception in 1997, SCTIB has awarded approximately \$3.8 billion in grants and \$1.0 billion in loans for transportation projects initiated primarily by local governments and the South Carolina Department of Transportation. In our review, we found that:

- Increased coordination and prioritization of projects and centralized accountability would result if SCTIB were discontinued and its funds transferred to SCDOT.
- South Carolina’s transportation infrastructure bank is significantly larger than those in other states and, unlike other states, primarily issues grants instead of loans.
- The SCTIB process for awarding grants and loans is loosely structured and contains inadequate assurance that applications for funds are considered in an analytical and evenhanded manner.
- State law requires revenue bonds issued by SCTIB to be repaid indirectly with tax funds, which may be inconsistent with the South Carolina Constitution.
- State law is inadequate because it allows public officials to accept gifts or any dollar value as a result of their positions in government as long as there is no intent to influence public decisions.

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

**GOAL 1: IMPROVE THE PERFORMANCE OF STATE GOVERNMENT**

**Strategy 1.1 Conduct audits in compliance with Government Auditing Standards**

**Obj. 1.1.1 *Undergo a peer review by NASACT/NLPES***  
 The LAC operates under the requirements of Government Auditing Standards established by the Comptroller General of the United States because they are recognized as a national benchmark for government performance auditing. A team of out-of-state auditors sent by the National Association of State Auditors, Comptrollers, and Treasurers or the National Legislative Program Evaluation Society reviews our compliance with Government Auditing Standards. We passed the most recent peer review conducted in FY 12-13. We are scheduled for another peer review in FY 16-17.

**Strategy 1.2 Employ qualified staff**

**Obj. 1.2.1 *Ensure auditors have the skills to effectively conduct performance audits***  
 To ensure that the LAC attracts and retains qualified staff, our auditors have relevant degrees and professional licenses. We also require that auditors undergo continuing education of 80 hours every two years in accordance with Government Auditing Standards established by the Comptroller General of the United States. Topics such as fraud prevention, policy analysis, general management, and accounting are covered. In FY 15-16, 100% of our audit staff met the training requirement.

**Obj. 1.2.2 *Conduct employee survey***  
 We administer the “Federal Employee Viewpoint Survey” developed by the United States Office of Personnel Management (OPM) to our employees every other year. This instrument is administered to more than 200,000 employees throughout the federal government. In FY 15-16, LAC staff completed the survey. The results of our most recent employee survey are presented below. Indices are grouped by the OPM.

*Leadership & Knowledge Management Index* – Composite score of 12 questions indicating the extent to which employees hold agency leadership in high regard.

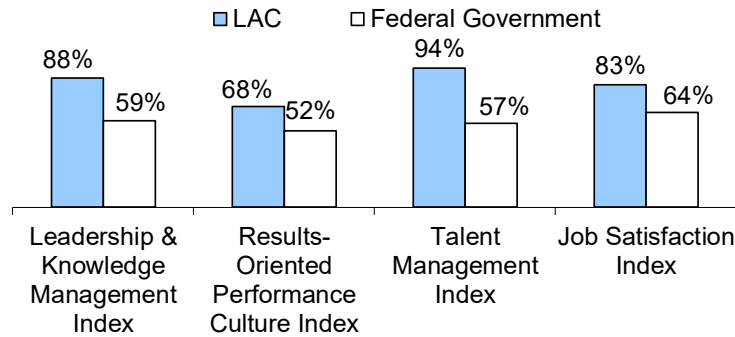
*Results-Oriented Performance Culture Index* – Composite score of 13 questions indicating the extent to which employees believe the organizational culture promotes improvement in processes, products and services, and organizational outcomes.

*Talent Management Index* – Composite score of 7 questions indicating the extent to which employees think the organization has the talent necessary to achieve its organizational goals.

*Job Satisfaction Index* – Composite score of 7 questions indicating the extent to which employees are satisfied with their jobs.

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>	
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>

**FY 15-16 LAC BIENNIAL EMPLOYEE SURVEY RESULTS**  
**PERCENTAGE OF POSITIVE RESPONSES**



**GOAL 2: MAINTAIN OR REDUCE THE COST OF STATE GOVERNMENT**

**Strategy 2.1 Make recommendations and determine level of implementation**

- Obj. 2.1.1 *Identify potential financial benefits in relation to total number of recommendations*  
 In FY 15-16, we identified 225 recommendations to improve the performance and efficiency of state government. None of these recommendations were based on quantified potential financial benefits.
- Obj. 2.1.2 *Determine percent of audit recommendations implemented*  
 When we have available resources, we conduct follow-up reviews to determine the extent to which our recommendations have been implemented from prior years. Due to competing audit priorities, we conducted no follow-up reviews in FY 15-16.
- Obj. 2.1.3 *Identify financial benefits realized*  
 When we have available resources, we conduct follow-up reviews to determine the financial benefits that have been realized from implementing our recommendations from prior years. Due to competing audit priorities, we conducted no follow-up reviews in FY 15-16.

**GOAL 3: PROVIDE INFORMATION TO THE GENERAL ASSEMBLY AND THE PUBLIC**

**Strategy 3.1 Ensure audits are published in a punctual manner**

- Obj. 3.1.1 *Determine whether audits are published by the dates projected*  
 During the preliminary phase of an audit, we establish a target date for publication of the report. Our target is to publish within 60 days of that date. In FY 15-16, 44% of our reports were published within that timeframe. Estimating target dates is an imprecise process because each audit is unique with its own objectives and unpredictable external factors.



<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A20</b>	<b>SECTION:</b>	

Strategy 3.2 Ensure that hourly audit costs are minimal

Obj. 3.2.1 *Calculate cost per direct audit hour*

The LAC's target cost per audit hour is \$65. In FY 15-16, the direct audit cost per hour was \$69.

Strategy 3.3 Ensure audits meet the needs of legislators and the general public

Obj. 3.3.1 *Determine customer satisfaction*

The LAC informally determines the satisfaction of legislators through face-to-face conversations. Staff provide briefings to legislators who request audits to ensure that the independent information we provide is useful. We also make presentations to legislative committees. During these meetings, staff will often receive feedback concerning the audits and overall agency performance. Staff also receive feedback through meetings of our organizational board from LAC's public and legislative members. In addition, staff receive and respond to inquiries from legislators, citizens, and the media. In FY 15-16, legislative requesters were briefed periodically throughout each audit, 6 board meetings were conducted, and we responded to several inquiries.

Agency Name: **Legislative Audit Council**

Fiscal Year 2015-16  
 Accountability Report

Agency Code: **A20**

Section:

Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
<b>G</b>	<b>1</b>			<b>Government and Citizens</b>	<b>IMPROVE THE PERFORMANCE OF STATE GOVERNMENT</b>
<b>S</b>		<b>1.1</b>			<b>Conduct audits in compliance with Government Auditing Standards</b>
<i>O</i>			<i>1.1.1</i>		<i>Undergo a peer review by NASACT/NLPES</i>
<b>S</b>		<b>1.2</b>			<b>Employ qualified staff</b>
<i>O</i>			<i>1.2.1</i>		<i>Ensure auditors have the skills to effectively conduct performance audits</i>
<i>O</i>			<i>1.2.2</i>		<i>Conduct employee survey</i>
<b>G</b>	<b>2</b>			<b>Government and Citizens</b>	<b>MAINTAIN OR REDUCE THE COST OF STATE GOVERNMENT</b>
<b>S</b>		<b>2.1</b>			<b>Make recommendations and determine level of implementation</b>
<i>O</i>			<i>2.1.1</i>		<i>Identify potential financial benefits in relation to total number of recommendations</i>
<i>O</i>			<i>2.1.2</i>		<i>Determine percent of audit recommendations implemented</i>
<i>O</i>			<i>2.1.3</i>		<i>Identify financial benefits realized</i>
<b>G</b>	<b>3</b>			<b>Government and Citizens</b>	<b>PROVIDE INFORMATION TO THE GENERAL ASSEMBLY AND THE PUBLIC</b>
<b>S</b>		<b>3.1</b>			<b>Ensure audits are published in a punctual manner</b>
<i>O</i>			<i>3.1.1</i>		<i>Determine whether audits are published by the dates projected</i>
<b>S</b>		<b>3.2</b>			<b>Ensure that hourly audit costs are minimal</b>
<i>O</i>			<i>3.2.1</i>		<i>Calculate cost per direct audit hour</i>
<b>S</b>		<b>3.3</b>			<b>Ensure audits meet the needs of legislators and the general public</b>
<i>O</i>			<i>3.3.1</i>		<i>Determine customer satisfaction</i>

**Agency Name:** Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

**Agency Code:** A20 **Section:** 000

Performance Measurement Template

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	Undergo a peer review by NASACT/NLPES	Pass	Passed	Pass	Every 3 years	NASACT/NLPES	Result of peer review conducted	1.1.1
2	Ensure auditors have the skills to effectively conduct performance audits	100%	100%	100%	7/1/15 - 6/30/17	GAO Training Requirements	Review of internal training database	1.2.1
3	Conduct employee survey	Yes	Yes	Yes	Biennial	OPM; LAC employee survey	Survey conducted, Y/N	1.2.2
4	Identify potential financial benefits in relation to total number of recommendations	not foreseeable	\$0	not foreseeable	7/1/15-6/30/16	LAC reports	Dollar value of savings	2.1.1
5	Determine percent of audit recommendations implemented	not foreseeable	0%	not foreseeable	7/1/15-6/30/16	LAC follow-up reviews	Dollar value of savings	2.1.2
6	Identify financial benefits realized	not foreseeable	\$0	not foreseeable	7/1/15-6/30/16	LAC follow-up reviews	Dollar value of savings	2.1.3
7	Determine whether audits are published by the dates projected	80%	44%	80%	7/1/15-6/30/16	LAC internal files	Compare target dates to publish dates	3.1.1
8	Calculate cost per direct audit hour	\$65	\$69	\$65	7/1/15-6/30/16	LAC internal reporting	Divide total expenditures by direct audit hours spent	3.2.1
9	Determine customer satisfaction	Yes	Yes	Yes	7/1/15-6/30/16	Staff briefings	Meetings & conversations conducted, Y/N	3.3.1

**Agency Name:** Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

**Agency Code:** A20      **Section:** 000

Program Template

Program/Title	Purpose	<i>FY 2015-16 Expenditures (Actual)</i>				<i>FY 2016-17 Expenditures (Projected)</i>				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
Administration	The work of the Legislative Audit Council is authorized by S.C. Code §2-15-10 et seq. Our sole program is conducting performance audits to find ways to improve the performance of state agencies and programs, reduce the cost of state government, and to provide information to the General Assembly and the public.	\$ 1,390,317	\$ 204,918	\$-	\$ 1,595,235	\$ 1,811,181	\$ 400,000	\$-	\$ 2,211,181	1.1.1 1.2.1 1.2.2 2.1.1 2.1.2 2.1.3 3.1.1 3.2.1 3.3.1

Agency Name: **Legislative Audit Council**

Fiscal Year 2015-16  
Accountability Report

Agency Code: **A20** Section: **000**

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
1	2-15-10	State	Statute	Creates the Legislative Audit Council consisting of five members, which must be elected by the General Assembly in a joint session from the nominees presented by the nominating committee. Also lists ex officio members. Makes the LAC directly responsible to the General Assembly and makes the LAC independent of any other state agency, board, or department.	General Assembly
2	2-15-20	State	Statute	Establishes the LAC's nominating committee, three of whom are appointed by the President of the Senate and three of whom are appointed by the Speaker of the House. Provides for the filling of vacancies.	General Assembly
3	2-15-30	State	Statute	Establishes the terms of office of members of the Council for six years. Prohibits a member of the General Assembly or someone who has served in the General Assembly during the preceding two years from being elected to the Council. Provides for the Council to elect its own chairman.	General Assembly
4	2-15-40	State	Statute	Provides for the election, qualification, and duties of the Director of the LAC. Director elected by a majority vote of the LAC and shall hold a term of four years.	
5	2-15-50	State	Statute	Defines "state agencies" for the purpose of LAC audits and defines "audit."	
6	2-15-60	State	Statute	Establishes the duties of the LAC. Duties include responding to requests, conducting audits authorized by the Council, assisting the General Assembly, and establishing a system of post audits. Establishes the guidelines for audit requests.	General Assembly
7	2-15-61	State	Statute	Gives the LAC access to the records and facilities of every state agency during that agency's operating hours with the exception of reports and returns of the S.C. Department of Revenue.	Department of Revenue
8	2-15-62	State	Statute	States that LAC staff members are subject to the statutory provisions and penalties regarding confidentiality of records of the agency under review.	

Agency Name: Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

Agency Code: A20 Section: 000

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
9	2-15-63	State	Statute	Provides for triannual audits by the LAC of the South Carolina Lottery Commission. The cost of these audits are an operating expense of the Lottery Commission. Allows the LAC to contract with an independent firm to conduct a study into the security of the Commission and the lottery.	South Carolina Lottery Commission
10	2-15-64	State	Statute	Provides for triannual audits of the South Carolina Department of Social Services. The program to be reviewed will be determined after consultation with the House and Senate, and the LAC is authorized to charge DSS for federal funds, if available, for the costs associated with these audits.	Department of Social Services
11	2-15-65	State	Statute	Requires the LAC to ensure that an appropriate amount is budgeted for audit purposes in all Title XX federal programs and shall designate and assign audit responsibility in accordance with state and federal laws and regulations and the intent of the General Assembly.	Title XX Federal Programs
12	2-15-70	State	Statute	Provides for the LAC's use of the facilities of State institutions of higher learning and any other tax supported agencies for carrying out the LAC's functions.	
13	2-15-80	State	Statute	Prohibits the Director or any other employee of the LAC from urging or opposing any legislation or giving financial advice to any person except members of the Legislature.	
14	2-15-90	State	Statute	Prohibits the LAC from preparing legislation. All suggested legislation from staff studies shall be channeled through the Legislative Council.	Legislative Council
15	2-15-110	State	Statute	Entitles members of the nominating committee and members of the LAC to per diem, mileage, and subsistence as provided by law.	
16	2-15-120	State	Statute	Establishes that all records and audit working papers of the LAC, with the exception of its final audit reports, are confidential and not subject to public disclosure. Any person guilty of violating this section is guilty of a misdemeanor.	

Agency Name: Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

Agency Code: A20 Section: 000

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
17	Section 112 of Act 146 of 2010	State	Statute	Provides for the LAC to conduct three audits of the Department of Employment and Workforce, the last to be completed by July 1, 2018. The costs of these audits are an operating expense of DEW and DEW shall pay directly to the LAC the cost of the audits.	Department of Employment and Workforce
18	Proviso 36.16	State	Proviso	Requires the South Carolina Department of Disabilities and Special Needs to provide a status report on the implementation of recommendations contained in the LAC's report "S.C. Department of Disabilities and Special Needs' Process to Protect Consumers from Abuse, Neglect, and Exploitation, Administrative Issues, and a Follow Up to Our 2008 Audit."	Department of Disabilities and Special Needs
19	Proviso 91.19	State	Proviso	Authorizes the LAC to use funds appropriated in the appropriations act as state matching funds for federal funds available for audits and reviews. Authorizes the Council to charge state agencies for federal funds, if available, for the costs associated with audits and reviews. Requires agencies to remit the federal funds to the LAC as reimbursement for the costs of audits and reviews.	
20	Proviso 117.130	State	Proviso	Requires the Department of Social Services, State Child Fatality Advisory Committee, State Law Enforcement Division, Dept. of Health and Environmental Control, and Department of Public Safety to implement certain recommendations contained in the LAC's October 2014 report "A Review of Child Welfare Services at the Department of Social Services."	Department of Social Services State Child Fatality Advisory Committee State Law Enforcement Division Dept. of Health and Environmental Control Department of Public Safety
21	2-2-60(D)	State	Statute	Allows the chairman of the investigating committee to direct the LAC to perform a study of the program evaluation report and report its findings to the investigating committee. The chairman also may direct the LAC to perform its own audit of the program or operations being studied or investigated by the investigating committee.	General Assembly
22	Proviso 91.22	State	Proviso	Suspends the requirement for the LAC to audit DMV every three years for FY 15-16. Any savings generated by not conducting the review shall be used to conduct audits required by Section 2-15-60.	Department of Motor Vehicles

Agency Name: Legislative Audit Council

Agency Code: A20 Section: 0

Divisions or Major Programs Description Service/Product Provided to Customers Customer Segments *Specify only for the following Segments: (1) Industry: Name; (2) Professional Organization: Name; (3) Public: Demographics.*

Administration

The work of the Legislative Audit Council is authorized by S.C. Code §2-15-10 *et seq.* Our sole program is conducting performance audits to find ways to improve the performance of state agencies and programs, reduce the cost of state government, and to provide information to the General Assembly and the public.

The Legislative Audit Council performs audits of state agencies and programs, in which we identify ways to reduce the cost and improve the performance of state agencies, and provide information to the General Assembly and the public.

Legislative Branch  
  
Executive Branch/State Agencies  
  
General Public



**Agency Name:** Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

**Agency Code:** A20 **Section:** 000

Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
NASACT/NLPES	Professional Association	Peer Review	1.1.1
NASACT/NLPES	Professional Association	Ensure auditors have required skills	1.2.1
Division of State Human Resources	State Government	Ensure auditors have required skills	1.2.1
U.S. Government Accountability Office	Federal Government	Ensure auditors have required skills	1.2.1
U.S. Office of Personnel Management	Federal Government	Conduct employee survey	1.2.2
S.C. Department of Transportation	State Government	Identify potential financial benefits in relation to total number of recommendations	2.1.1
S.C. Department of Transportation	State Government	Determine percent of audit recommendations implemented	2.1.2
S.C. Department of Transportation	State Government	Identify financial benefits realized	2.1.3
General Assembly	State Government	Determine customer satisfaction	3.3.1
Legislative Committees	State Government	Determine customer satisfaction	3.3.1
State Agencies	State Government	Determine customer satisfaction	3.3.1

Agency Name: **Legislative Audit Council**

Fiscal Year 2015-16  
Accountability Report

Agency Code: **A20** Section: **000**

Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Fiscal Year Accountability Report	Executive Budget Office	State	Annually	October 1, 2015	Agency mission, objectives and performance measures	LAC.SC.GOV
2	Agency Budget Plan	Executive Budget Office	State	Annually	September 30, 2015	Annual agency budget submission	ADMIN.SC.GOV
3	Travel Report	Comptroller General's Office	State	Annually	September 23, 2015	Employee travel information	Legislative Audit Council
4	Actual Salaries	State Accident Fund	State	Annually	August 15, 2015	Employee salaries by category	Legislative Audit Council
5	Insurance Renewal	Insurance Reserve Fund	State	Annually	October 18, 2015	Tort Insurance Data Processing Insurance Personal Property Insurance	Legislative Audit Council
6	Minority Utilization Plan and Goals	Small and Minority Business	State	Annually	August 31, 2015	Minority Utilization Plan and Goals	Division of Small and Minority Business Contracting and Certification
7	GAAP Reporting	Comptroller General's Office	State	Annually	July 1, 2015	Year-end reporting Agency expenditures	Legislative Audit Council
8	Contribution and Wage Report	Department of Employment and Workforce	State	Quarterly	June 30, 2015	Quarterly Wages	Legislative Audit Council
9	Audit and Certification	State Fiscal and Accountability Authority	State	Quarterly	June 30, 2015	Sole Source Procurements Emergency Procurements Illegal Procurements Record of Applied Preferences Procurements Using 10% Rule Trade-In Sales	Legislative Audit Council

**Agency Name:** Legislative Audit Council

Fiscal Year 2015-16  
Accountability Report

**Agency Code:** A20      **Section:** 000

Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
------	-------------------------------------------	----------------	------------------------------------------------------	----------------------------------------------