

<b>AGENCY NAME:</b>	<b>LEGISLATIVE AUDIT COUNCIL</b>		
<b>AGENCY CODE:</b>	<b>A200</b>	<b>SECTION:</b>	

## Fiscal Year 2016-17 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.
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<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.
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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.

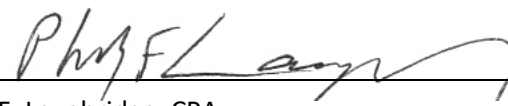
<b>RESTRUCTURING RECOMMENDATIONS:</b>	<b>Yes</b>	<b>No</b>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<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 2016-17 Accountability Report, which is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR (SIGN AND DATE):</b>	 9/15/2017
<b>(TYPE/PRINT NAME):</b>	K. Earle Powell

<b>BOARD/CMSN CHAIR (SIGN AND DATE):</b>	 9/15/2017
<b>(TYPE/PRINT NAME):</b>	Philip F. Laughridge, CPA

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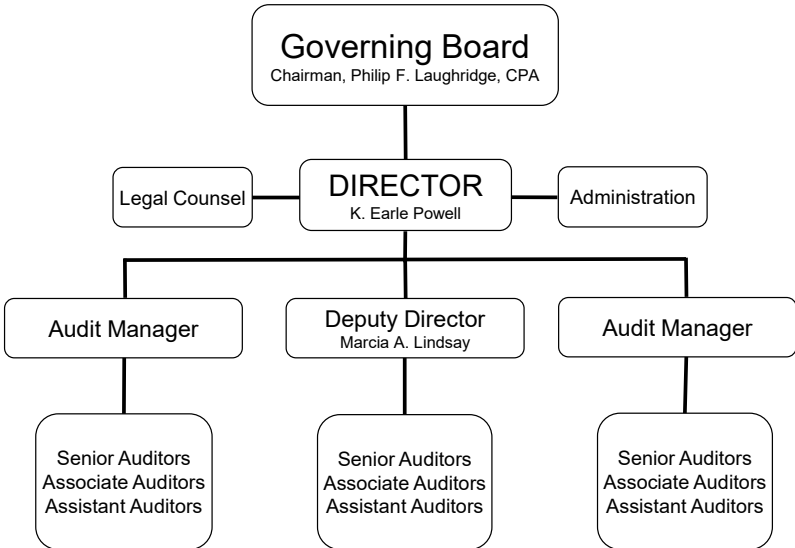
**AGENCY’S DISCUSSION AND ANALYSIS**

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.

The Legislative Audit Council adheres to *Generally Accepted Government Auditing Standards* (GAGAS) published by the Comptroller General of the United States. We contracted with the National Conference of State Legislatures (NCSL) in FY 16-17 to assess our system of quality control and overall quality of reports in a sample of performance audits completed during the period 2013 to 2016. This peer review compared our policies and performance to GAGAS requirements and the knowledge base of peers from similar offices. The review provided a collective assessment of the office’s quality assurance and review processes, how those quality processes were used to develop the office’s performance audits, and the qualifications and independence of staff. GAGAS issues one of three possible ratings — pass, pass with deficiencies, or fail. The peer review team issued the Legislative Audit Council a rating of “pass” based on its professional judgment.

In FY 16-17, we implemented an agency-wide upgrade of our Information Technology hardware, software, and security applications. This advancement has improved our processes and ensured reliable, secure, and cost-efficient delivery of services. In addition, we initiated a planning process to transition our Telecommunications to VoIP technology which will allow us to combine voice, data, and video services.

**ORGANIZATION CHART**



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**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 16-17, the Legislative Audit Council published three reports with a total of 135 recommendations for improvement in state government.

**A REVIEW OF THE SMALL BUSINESS DEVELOPMENT CENTERS PROGRAM (JULY 2016)**

In this audit we made 15 recommendations — 14 to the Small Business Development Centers (SBDC) program and 1 recommendation to the General Assembly. We did not identify specific financial benefits, but made recommendations regarding ways the program could implement cost savings.

Members of the General Assembly asked us to review the Small Business Development Centers (SBDC) program. The SBDC employs consultants who work with entrepreneurs and existing companies with the goal of advancing economic development in the state by supporting the growth of successful businesses.

Our objectives were to review the accuracy of the program’s reporting of its effectiveness, expenditures, and structure. We had a scope impairment in that we could not address the accuracy of the program’s effectiveness because the U.S. Small Business Administration (SBA), which provides a federal grant for the program, would not allow us unrestricted access to the client database records. We had explained the LAC’s access to records and confidentiality laws, SBA’s 2016 Cooperative Agreement with SBDC which allows, at SBA’s discretion, the release of these records for programmatic audits, and the precedent of a legislative audit agency in another state being allowed access to client records; however, we were not allowed to review the source evidence needed to address this objective.

In addition, we found that SBDC’s human resources practices could be improved, including staff qualifications, evaluations of business consultants, and training. Regarding revenues and expenditures, we found that SBDC has a donation fund about which the General Assembly should be informed and for which a complete accounting should be maintained. Improvements are also needed in travel expenditures and procurements. Lastly, we found that having employees report to four different universities allows for inconsistencies in hiring, differing policies, and not having a single oversight authority. We recommended that the General Assembly designate, in state law, Winthrop University as the host institution for SBDC and require USC, Clemson, and S.C. State to continue to maintain current levels of support, such as providing office space to the program.

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**A LIMITED REVIEW OF THE S.C. DEPARTMENT OF JUVENILE JUSTICE (JANUARY 2017)**

In this audit we made 74 recommendations — 71 to DJJ and 3 recommendations to the General Assembly. We identified potential financial benefits of \$925,000 if the DJJ police department were disbanded; however, some officers may be reassigned to other positions at the agency so the full cost savings would not be realized. Another potential financial benefit identified, but not quantified, was the cost savings per employee who is misclassified in the Police Officers Retirement System (PORS). Based on an estimate of average salary of \$35,000, approximately \$938 per employee annually could be saved if the employee participated in the SCRS instead of PORS.

Members of the House Legislative Oversight Committee asked the LAC to conduct an audit of S.C. Department of Juvenile Justice (DJJ) because they had concerns about safety and financial issues at the agency and whether DJJ is meeting its mission for providing services to juveniles.

We found that DJJ has made some changes to address security issues at its facilities; however, the agency may not be adequately prepared to respond to major disturbances. In addition, its juvenile correctional officers are not properly trained, the agency is not in compliance with the Federal Prison Rape Elimination Act, and the agency failed to properly investigate the death of a juvenile and did not report two juvenile deaths to the proper authorities.

DJJ has been inconsistent in its recording of some financial activity, making it difficult to budget, review, and monitor expenditures. The agency also lacks proper control of its capital assets.

We reviewed DJJ’s approach to evaluating the effectiveness of services, including those available to juveniles placed in wilderness camps, and those on probation and parole. DJJ’s county staff are not meeting agency standards in supervising juveniles and making the proper contacts. DJJ also collects data through Performance-based Standards; however, this information has not been recognized as having value by senior executive staff, nor has the agency conducted any analysis that would make the data more valuable to DJJ. We found that DJJ’s contracts with wilderness camps and marine institutes do not include outcome measures or penalties for noncompliance. DJJ could not document that teachers hired by the camps possess the proper credentials required by state law.

**A REVIEW OF THE S.C. CONSERVATION BANK (FEBRUARY 2017)**

In this audit we made 46 recommendations — 33 to the Bank and 13 to the General Assembly. We identified potential savings of approximately \$46,000 in annual savings if the Bank and SCDNR were merged, contingent on General Assembly action.

Members of the General Assembly asked the LAC to conduct the audit due to concerns that: the grant application process was not adequate, the Bank was overcommitting its authorized budget, there is not sufficient public access on conservation property given the public dollars spent, the LAC report to whom grants have been awarded.

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We found the application process is not adequate. Grant application scoring is subjective and ineffective. Scores are provided for each criteria on the application that pertain to the land; however, the scoring has no methodology, making it unclear as to how the score was obtained, documentation of the claims on the application is not required, and the score is not used to award/not award the application.

The Bank routinely overcommits its funds — awarding grants with insufficient funds in the current budget cycle to fund the grants. We listed 3 examples in our report where the Bank overcommitted its grants: \$7.8 million at the April 30, 2014 board meeting, the Bank planned to make half payments in the current year and the other half in the next year, at several meetings of the board since 2010, and at the November 2015 meeting the Bank acknowledged it had no funds available for grants, yet awarded 33 grants at that meeting totaling \$9.5 million.

The Bank has no particular methodology in how it determines how much to pay for a grant for a conservation easement. The Bank leaves it up to the landowner and the assisting qualified entity (the non-profit conservation group, such as Nature Conservancy, Ducks Unlimited, Congaree Land Trust, etc.) to determine the price/cost of the grant. The Bank pays what is proposed on the application, without negotiation. This had resulted in some grants for hunt clubs being paid at the rate of \$350 per acre and others, with similar land characteristics, being paid at the rate of \$499 per acre, simply by virtue of which qualified entity assisted the landowner. Therefore, some of these transactions may have been overpaid/could have been purchased for less.

The Bank does not give proper “weight” to the scoring of public access given the importance the General Assembly placed on public access in statute. Approximately 1/3 of all grants awarded allow no public access. The Bank does not ask the applicants why they cannot allow public access and make no demonstrated effort to encourage public access. This is left up to the landowner and the qualified entity to decide and there is no negotiation of it before the grant decision takes place. Conservation easements are often broadly written and may not be definitive on how much public access will be allowed. This makes it unclear what obligation the landowner has to allow public access (how much, how often, duration, etc.) and it is problematic for the Bank in classifying it for their agency reports as to how much public access is actually taking place — no one checks for this after the grant is awarded.

Hunting clubs have a combination of factors that bring into question the propriety of awarding these grants the way they are being awarded. The Threat of development is often not credible, hunting clubs allow no, or minimal public access, and grant awards for hunt clubs, on average, are \$250,000 more than other grant properties.

A merger with DNR could be beneficial to the Bank, providing needed assistance in its core function of scoring and evaluating grant applications, providing support for shared administrative services, may result in an increase in public access to state owned land, and save some rental expense.

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During FY 16-17, the Legislative Audit Council published one follow-up review of an audit that was published in 2013. A total of 20 (56%) of the 36 recommendations made in this audit were implemented.

**A FOLLOW-UP REVIEW OF A LIMITED-SCOPE REVIEW OF THE DEPARTMENT OF PROBATION, PAROLE AND PARDON SERVICES (DECEMBER 2016)**

The Legislative Audit Council published a limited-scope audit of the Department of Probation, Parole and Pardon Services in 2013. We submitted 36 recommendations to the agency, the General Assembly, and the S.C. Public Employee Benefit Authority of which 15 were implemented, 5 were partially implemented, 12 were not implemented, and 4 were no longer applicable. No financial benefits were realized.

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

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

**Obj. 1.1.1 *Undergo a peer review by NASACT/NCSL***

The LAC operates under the requirements of *Generally Accepted Government Auditing Standards* (GAGAS) 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 Conference of State Legislatures' National Legislative Program Evaluation Society reviews our compliance with GAGAS. We passed the most recent peer review conducted in FY 16-17. Because we are required to undergo a review every three years, our next peer review will be in FY 19-20.

**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 *Generally Accepted Government Auditing Standards* established by the Comptroller General of the United States. Topics include fraud prevention, policy analysis, general management, and accounting. In FY 16-17, 100% of our audit staff met the training requirement.

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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. This instrument is given to more than 200,000 employees throughout the federal government. We administer this survey every other year — our next survey is scheduled in FY 17-18. The results of our most recent employee survey are presented below. Indices are grouped by the OPM.

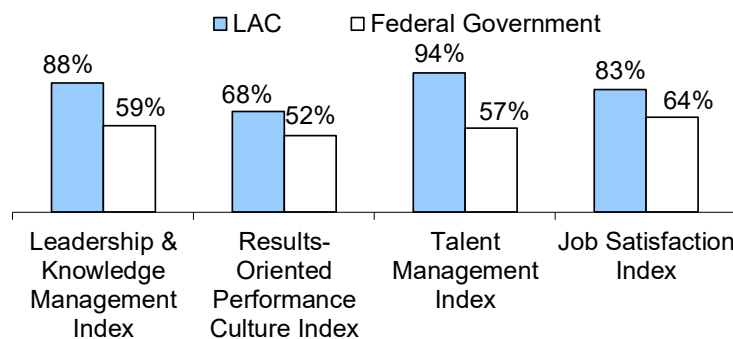
*Leadership & Knowledge Management Index* – Composite score of 12 questions indicating the extent to which employees hold agency leadership in high regard.

*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.

**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 16-17, we identified 135 recommendations to improve the performance and efficiency of state government. Quantified potential financial benefits identified were \$971,000.
- 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. We conducted one follow-up review in FY 16-17 — 56% of the 36 recommendations were implemented.
- 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. We conducted one follow-up review in FY 16-17 and identified no financial benefits realized.

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**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 16-17, 66% 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.

**Strategy 3.2 Ensure that hourly audit costs are minimal**

**Obj. 3.2.1 *Calculate cost per direct audit hour***  
 We began reporting our cost per audit hour in FY 01-02 as a new performance measure with a *target* hourly rate of \$55. In FY 04-05, the *target* hourly rate was adjusted to \$65. Over a 12-year period, despite some deep budget reductions, we maintained our *target* hourly rate of \$65. Beginning FY 17-18, we will adjust our *target* hourly rate to \$95. In FY 16-17, our direct audit cost per hour was \$76.66.

**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 16-17, legislative requesters were briefed periodically throughout each audit, 4 board meetings were conducted, and we responded to several inquiries.



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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
<b>G</b>	<b>1</b>			<b>Maintaining Safety, Integrity and Security</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/NCSL</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>

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Performance Measurement Template

Item	Performance Measure	Last Value	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)	Meaningful Use of Measure
1	Undergo a peer review by NASACT/NCSL	Passed	Pass	Passed	Pass	Every 3 years	NASACT/NCSL	Result of peer review conducted	1.1.1	Ensure quality control and overall quality of reports
2	Ensure auditors have the skills to effectively conduct performance audits	100%	100%	100%	100%	Two-year Period 7/1/15 - 6/30/17	GAO Training Requirements	Assessment of internal training database	1.2.1	Retain qualified, professional staff
3	Conduct employee survey	Yes	Yes	Yes	Yes	Biennial	OPM; LAC employee survey	Survey conducted, Y/N	1.2.2	Provide management with information to improve internal processes
4	Identify potential financial benefits in relation to total number of recommendations	\$0	not foreseeable	\$971,000	not foreseeable	7/1/16 - 6/30/17	LAC reports	Dollar value of savings	2.1.1	Ensure that state government operations are efficient and following the law to achieve desired results by providing analysis and recommendations for improvement
5	Determine percent of audit recommendations implemented	0%	not foreseeable	56%	not foreseeable	7/1/16 - 6/30/17	LAC follow-up reviews	Analysis of recommendations implemented during the follow-up process	2.1.2	Determine whether our recommendations for improvement have been addressed or implemented
6	Identify financial benefits realized	\$0	not foreseeable	\$0	not foreseeable	7/1/16 - 6/30/17	LAC follow-up reviews	Dollar value of savings	2.1.3	Determine savings for state government realized from implementing our recommendations
7	Determine whether audits are published by the dates projected	44%	80%	66%	80%	7/1/16 - 6/30/17	LAC internal reporting	Compare target dates to publish dates	3.1.1	Provide analysis and recommendations to legislators and the public in a prompt manner
8	Calculate cost per direct audit hour	\$69	\$65	\$77	\$95	7/1/16 - 6/30/17	LAC internal reporting	Divide total expenditures by direct audit hours spent	3.2.1	Ensure work performed at a competitive hourly rate
9	Determine customer satisfaction	Yes	Yes	Yes	Yes	7/1/16 - 6/30/17	Staff briefings	Meetings & conversations conducted, Y/N	3.3.1	Collect feedback from legislators and the public to identify ways to improve our processes

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Program Template

Program/Title	Purpose	<u>FY 2016-17 Expenditures (Actual)</u>				<u>FY 2017-18 Expenditures (Projected)</u>				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 <i>et seq</i> . Our sole program is performing audits of state agencies and programs to identify ways to reduce the cost and improve the performance of state agencies, and provide information to the General Assembly and the public.	\$ 1,724,867			\$ 1,724,867	\$ 1,879,575	\$ 400,000	\$-	\$ 2,279,575	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

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who (customer) the agency must or may serve? (Y/N)	Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N)
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.	Y	N
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.	Y	N
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.	N	N
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.	N	N
5	2-15-50	State	Statute	Defines "state agencies" for the purpose of LAC audits and defines "audit."	N	Y
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.	Y	Y
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.	N	N
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.	N	N
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.	Y	Y
10	2-15-64	State	Statute	Provides for triennial 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.	Y	Y

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Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who (customer) the agency must or may serve? (Y/N)	Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N)
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.	Y	Y
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.	N	N
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.	Y	Y
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.	Y	Y
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.	N	N
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.	N	Y
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.	Y	Y
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.	Y	Y
20	Proviso 117.121	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."	N	N

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who (customer) the agency must or may serve? (Y/N)	Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N)
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.	Y	Y
22	Proviso 91.21	State	Proviso	Suspends the requirement for the LAC to audit DMV every three years for FY 16-17. Any savings generated by not conducting the review shall be used to conduct audits required by Section 2-15-60.	Y	Y

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Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<i>Specify only for the following Segments: (1) Industry; Name; (2) Professional Organization; Name; (3) Public; Demographics.</i>
Administration	<p>We perform 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.</p> <p>We help ensure that operations are efficient and that agencies follow the law to achieve the desired results.</p>	<p>Written audit reports of state agencies and programs providing information, analysis, and recommendations to help the General Assembly improve state agencies and to help the general public oversee state government.</p>	<p>Legislative Branch</p> <p>Executive Branch/State Agencies</p> <p>General Public</p>	

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**Partner Template**

<b>Name of Partner Entity</b>	<b>Type of Partner Entity</b>	<b>Description of Partnership</b>	<b>Associated Objective(s)</b>
NASACT/NCSL	Professional Association	Undergo a Peer Review by NASACT/NCSL	1.1.1
NASACT/NCSL	Professional Association	Ensure auditors have the skills to effectively conduct performance audits	1.2.1
Division of State Human Resources	State Government	Ensure auditors have the skills to effectively conduct performance audits	1.2.1
U.S. Government Accountability Office	Federal Government	Ensure auditors have the skills to effectively conduct performance audits	1.2.1
U.S. Office of Personnel Management	Federal Government	Conduct employee survey	1.2.2
S.C. Dept. of Probation, Parole and Pardon Services	State Government	Identify potential financial benefits in relation to total number of recommendations	2.1.1
S.C. Dept. of Probation, Parole and Pardon Services	State Government	Determine percent of audit recommendations implemented	2.1.2
S.C. Dept. of Probation, Parole and Pardon Services	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



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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	September 30, 2016	Agency mission, objectives and performance measures	LAC.SC.GOV
2	Agency Budget Plan	Executive Budget Office	State	Annually	September 30, 2016	Annual agency budget submission	ADMIN.SC.GOV
3	Travel Report	Comptroller General's Office	State	Annually	September 23, 2016	Employee travel information	Legislative Audit Council
4	Actual Salaries	State Accident Fund	State	Annually	August 15, 2016	Employee salaries by category	Legislative Audit Council
5	Insurance Renewal	Insurance Reserve Fund	State	Annually	October 18, 2016	Tort Insurance Data Processing Insurance Personal Property Insurance	Legislative Audit Council
6	GAAP Reporting	Comptroller General's Office	State	Annually	July 1, 2016	Year-end reporting Agency expenditures	Legislative Audit Council
7	Contribution and Wage Report	Department of Employment and Workforce	State	Quarterly	June 30, 2016	Quarterly Wages	Legislative Audit Council
8	Audit and Certification	State Fiscal and Accountability Authority	State	Quarterly	June 30, 2016	Sole Source Procurements Emergency Procurements Illegal Procurements Record of Applied Preferences Procurements Using 10% Rule Trade-In Sales	Legislative Audit Council

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External Review Template

Item	Name of Entity Conducted External Review	Type of Entity	External Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the External Review Report
1	National Conference of State Legislatures (NCSL)	Outside Organization	2013 to 2016	LAC.SC.GOV

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