

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

**RECURRING FUNDS
(FORM B
DECISION PACKAGES)**

My agency is submitting the following recurring decision packages listed in priority order (Form B):

9919, 10012

For FY 2017-18, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Requesting a net increase in recurring General Fund appropriations. |
| <input type="checkbox"/> | Not requesting a net increase in recurring General Fund Appropriations. |

**CAPITAL &
NON-RECURRING
FUNDS
(FORM C
DECISION PACKAGES)**

My agency is submitting the following one-time decision packages listed in priority order (Form C):

For FY 2017-18, my agency is (mark "X"):

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Requesting capital and/or non-recurring funds. |
| <input checked="" type="checkbox"/> | Not requesting capital and/or non-recurring funds. |

**PROVISOS
(FORM D)**

For FY 2017-18, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Requesting a new proviso and/or substantive changes to existing provisos. |
| <input type="checkbox"/> | Only requesting technical proviso changes (such as date references). |
| <input checked="" type="checkbox"/> | Not requesting any proviso changes. |

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	K. Earle Powell	253-7612	epowell@lac.sc.gov
SECONDARY CONTACT:	Marcia A. Lindsay	253-7612	mlindsay@lac.sc.gov

I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:

Agency Director

Board or Commission Chair

TYPE/PRINT NAME:

	9.29.16	
K. Earle Powell		Philip F. Laughridge, CPA

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	9919
-------------------------	-------------

Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Allocations
--------------	--------------------

Provide a brief, descriptive title for this request.

AMOUNT	\$68,394
---------------	-----------------

What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	FY 2016-17 Appropriations Act
---------------------------	--------------------------------------

What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

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

RECIPIENTS OF FUNDS	
----------------------------	--

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?

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

ACCOUNTABILITY OF FUNDS	N/A
--------------------------------	-----

What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
--------------------------	-----

For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	N/A
-----------------------	-----

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

FUNDING ALTERNATIVES	N/A
-----------------------------	-----

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

SUMMARY	N/A
----------------	-----

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	N/A
------------------------------	-----

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	N/A
----------------------	-----

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

PRIORITIZATION	N/A
-----------------------	-----

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	N/A
------------------------	-----

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

PROGRAM EVALUATION	N/A
---------------------------	-----

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	10012
-------------------------	--------------

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

TITLE	Staff Retention
--------------	------------------------

Provide a brief, descriptive title for this request.

AMOUNT	\$50,000
---------------	-----------------

What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package’s total in PBF across all funding sources.

ENABLING AUTHORITY	The work of the Legislative Audit Council (LAC) is authorized by S.C. Code §2-15-10 et seq.
---------------------------	--

What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<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.	

RECIPIENTS OF FUNDS	The Legislative Audit Council would be the recipient of these funds.
----------------------------	---

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?

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

ACCOUNTABILITY OF FUNDS	<p>1.2.1 Ensure auditors meet required minimum training. This request would advance the strategy to continue to employ a qualified staff.</p>
--------------------------------	--

What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>None.</p>
--------------------------	---------------------

For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>These funds could be used to match federal funds for audits of agencies that have Federal Funds available.</p>
-----------------------	--

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

FUNDING ALTERNATIVES	<p>The only other source of funds would be Other Funds obtained by billing other agencies for audits. Since we do not know which agencies the General Assembly will request us to review, or if they have Federal Funds available that we can match, we do not know if we will be able to obtain these funds. The amount of Other Funds received varies from year to year and would not be a stable source of funding. Recurring funds are a better source to address Personal Services matters.</p>
-----------------------------	---

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

SUMMARY	<p>A salary analysis for the LAC was conducted by an outside firm in 2014. The analysis noted some disparity in salaries, as well as some salary compression. In addition, the LAC has experienced a turnover in the audit staff of approximately 50% in the last 20 months. To maintain a well-qualified and productive audit staff and to reduce turnover, additional salary adjustments are needed.</p>
----------------	---

Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>The amount calculated includes salary adjustments and employer contributions.</p>
------------------------------	---

How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>The state will not incur any maintenance-of-effort requirements.</p>
----------------------	--

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

PRIORITIZATION	<p>If funds are not available, we would ask that action on this request be deferred.</p>
-----------------------	---

If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>These funds will allow the LAC to meet the various statutory requirements of the agency. In addition, these funds would make salaries competitive so that the LAC would retain qualified staff and reduce turnover. By reducing turnover, this would require less staff time training new employees which could be better served working on agency audits.</p>
------------------------	--

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

PROGRAM EVALUATION	<p>The use of funds would be evaluated using the measures currently in our accountability report and also through the publication of audits. An effective measure would be a reduction in the amount of turnover.</p>
---------------------------	--

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

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

FORM E – 3% GENERAL FUND REDUCTION

DECISION PACKAGE	10015
-------------------------	--------------

Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Agency General Fund Reduction Analysis
--------------	---

Provide a brief, descriptive title for this request.

AMOUNT	-\$56,387
---------------	------------------

What is the General Fund reduction amount (minimum based on the FY 2016-17 recurring appropriations)? This amount should correspond to the decision package's total in PBF.

METHOD OF CALCULATION	3% of FY 2016-17 Revised Base General Fund Appropriations
------------------------------	--

Describe the method of calculation for determining the reduction in General Funds.

ASSOCIATED FTE REDUCTIONS	0
----------------------------------	----------

How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	Administration
--------------------------------	-----------------------

What programs or activities are supported by the General Funds identified?

AGENCY NAME:	LEGISLATIVE AUDIT COUNCIL		
AGENCY CODE:	A200	SECTION:	91E

SUMMARY

Personal Services and Employee Benefits comprise 93.5% of the agency's budget. A base reduction of 3% should not result in any cuts in staff. However, cuts in personal services could hinder performance pay initiatives and staff retention.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.