

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>



## Fiscal Year 2017-18 Agency Budget Plan

### FORM A – SUMMARY

<b>RECURRING FUNDS (FORM B DECISION PACKAGES)</b>	<b>My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B):</b> 10413, 10463, 10466, 10469, 10408, 10405
	<b>For FY 2017-18, my agency is (mark "X"):</b>
	<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.

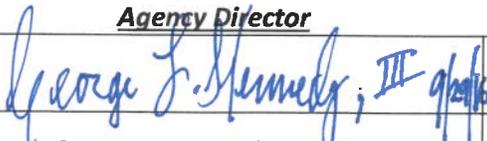
<b>CAPITAL &amp; NON-RECURRING FUNDS (FORM C DECISION PACKAGES)</b>	<b>My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):</b>
	<b>For FY 2017-18, my agency is (mark "X"):</b>
	<input type="checkbox"/> Requesting capital and/or non-recurring funds. <input checked="" type="checkbox"/> Not requesting capital and/or non-recurring funds.

<b>PROVISOS (FORM D)</b>	<b>For FY 2017-18, my agency is (mark "X"):</b>
	<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>
<b>PRIMARY CONTACT:</b>	George L. Kennedy, CPA	803-832-8929	gkennedy@osa.sc.gov
<b>SECONDARY CONTACT:</b>	Norma J. Dawkins	803-832-8238	ndawkins@osa.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.

<b>SIGN/DATE:</b>	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 George L. Kennedy, III, CPA	
<b>TYPE/PRINT NAME:</b>		

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

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10408</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>REQUEST TO ADJUST AUTHORIZED FTE POSITIONS</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>0</b>
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*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.*

<b>ENABLING AUTHORITY</b>	South Carolina Code of Laws, Chapter 7, Section 11-7-10 through Section 11-7-60 FY2016-17 Appropriations Act, Section 105
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<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 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.	

<b>RECIPIENTS OF FUNDS</b>	General funds were appropriated in FY17 but the FTE authorization was not aligned.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	Not applicable.
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	Not applicable.
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*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).*

<b>MATCHING FUNDS</b>	Not applicable.
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	Not applicable.
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>Through FY17 budget request the Office of the State Auditor received general funds for two vacant other funded auditor positions but the FTE authorization was not aligned.</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>Not applicable.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>If not approved could cause authorized positions count to be out of balance between general and other funds.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	<p>This request is priority number five (5).  This would not require new funding and would allow us to fill these positions and keep our FTE authorization in alignment.</p>
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*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.*

<b>INTENDED IMPACT</b>	<p>The impact of approving this decision package will allow the Office of the State Auditor to focus on fulfilling the agency's mission.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>The outcome of this request is to provide the state with more accountability of how state agency funds are utilized, ensuring proper procedures and reporting are being followed.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10466</b>
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*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

<b>TITLE</b>	<b>Funding Increase Property Lease</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>30,000</b>
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*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.*

<b>ENABLING AUTHORITY</b>	South Carolina Code of Laws, Chapter 7, Section 11-7-10 Through Section 11-7-60 FY2016-17 Appropriations Act – Section 105
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<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.	

<b>RECIPIENTS OF FUNDS</b>	The Office of the State Auditor would use these funds to meet current non-state property rental obligation for office space approved by the Department of Administration Real Property Services and the State Fiscal Accountability Authority.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Goal 2; Objective 2.4</p> <p>To create an environment that is recognized as a workplace of choice.</p>
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	<p>A vacated position could remain unfilled to offset increased office space rental cost.</p>
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*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).*

<b>MATCHING FUNDS</b>	<p>Not applicable.</p>
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>No other sources of funding have been identified.</p>
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>The Office of the State Auditor property lease expires 12/31/2016 and the agency is requesting to continue leasing at its current location. With the assistance of Real Property Services a solicitation was conducted. Nine proposals were received, with eight proposals meeting the minimum space requirements. One location was eliminated based on the building condition during the site visit. While the selected location did not represent the lowest bid, it was the lowest bid for space in the downtown area. Among our considerations were the proximity of the location to our clients, stakeholders and partners, and avoiding the estimated \$300,000 cost of moving and the associated loss of productivity.</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>The request amount was calculated using the terms of the new lease agreement approved by the Department of Administration Real Property Services, the Joint Bond Review Committee, and the State Fiscal Accountability Authority.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>A vacated position could remain unfilled to offset increased office space rental cost.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	<p>This funding request is priority number three (3) for the Office of the State Auditor. This request is necessary to ensure the Office of the State Auditor remains in close proximity to stakeholders and partners located in and around the Capitol Complex. Additionally the space and location best aligns with our recruiting and retention strategy for top accounting professionals. Carry forward could be utilized in the short-term if new funds were not available, however the agency would request action be deferred to the next fiscal year.</p>
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*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.*

<b>INTENDED IMPACT</b>	<p>The impact of approving this decision package will allow the Office of the State Auditor to remain in a location close to stakeholders and partners. Additionally the space offers flexibility to accommodate future growth.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>In occupying this space, the agency will be below the state’s space standards of 210 RSF/person, with an average of 184 RSF/person.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10405</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>FY 2016-17 State Funds Appropriations Allocation</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$107,918</b>
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*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.*

<b>ENABLING AUTHORITY</b>	South Carolina Code of Law, Chapter 7, Section 11-7-10 through Section 11-7-60 FY2016-17 Appropriations Act
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<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.	

<b>RECIPIENTS OF FUNDS</b>	The beneficiaries of this decision package will be current, full-time employees.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	Not applicable.
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	Not applicable.
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*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).*

<b>MATCHING FUNDS</b>	Matching funds were required to cover higher employer benefit costs for employees of the Office of the State Auditor paid for using other funds.
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	Not applicable.
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>This decision package is to push down the state funds appropriation allocations for the 3.25% Base Pay Increase (including related employer contributions), 0.5% employer retirement rate increase, and Health and Dental insurance employer increase.</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>The amount was calculated by the Executive Budget Office.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>This decision package is to push down the state appropriated allocations for FY 2016-17.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	This decision package is to push down the state appropriated allocations for FY 2016-17.
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*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.*

<b>INTENDED IMPACT</b>	This decision package is to push down the state appropriated allocations for FY 2016-17.
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	The Office of the State Auditor will maintain and monitor its current level personnel.
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10469</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Engagement Management Audit Software</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$30,000</b>
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*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.*

<b>ENABLING AUTHORITY</b>	South Carolina Code of Laws, Chapter 7, Section 11-7-10 through Section 11-7-60 FY2016-17 Appropriations Act – Section 105
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<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 checked="" type="checkbox"/> IT Technology/Security related
	<input checked="" 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.	

<b>RECIPIENTS OF FUNDS</b>	South Carolina Department of Administration Division of Technology Operations and Wolters Kluwer. Funds will be allocated based on price quotes for services.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Goal 3; Strategy 3.1; Objective 3.1.1          Goal 3; Strategy 3.2; Objective 3.1.2          Goal 3; Strategy 3.2; Objective 3.2.1          Implementation of audit software to include hosting, annual maintenance fees, staff training, etc. Once fully implemented the software will increase efficiency, allowing the agency to better manage capacity constraints and maintain stable FTE's.</p>
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	<p>A vacated position could remain unfilled to offset increased software related cost.</p>
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*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).*

<b>MATCHING FUNDS</b>	<p>Not applicable.</p>
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>No other sources of funding have been identified.</p>
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>Prior to this year the Office of the State Auditor prepared work papers and reports manually. Through review of processes, identified the critical need to implement audit software as discussed in previous budget briefing. The Office of the State Auditor utilized carry forward to purchase software and training. This request addresses recurring cost of maintaining software and updates, hosting, etc.</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>The request amount was calculated through price quotes from vendors for services needed.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>A vacated position could remain unfilled to offset increased software related cost.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	<p>This funding request is priority number four (4) for the Office of the State Auditor. This request is necessary in assisting the agency in modernizing its operations to maximize efficiency. Carry forward could be utilized in the short-term if new funds were not available, however the agency would request action be deferred to the next fiscal year.</p>
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*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.*

<b>INTENDED IMPACT</b>	<p>Assure work is performed in accordance with professional standards.</p> <p>Improve efficiency and effectiveness to carry out the agency’s mission. Assure deliverables are meaningful and improve timeliness of work product.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>Goal 1; Strategy 1.1; Objective 1.1.2-1.2.1</p> <p>Performance Measures #4 and #5 would increase percentage of target value.</p> <p>Performance Measure #7 would ensure more accountability/compliance and ease of communicating information.</p> <p>Performance Measure #15 would be recalibrated to include an increased percentage of target value for Performance Measure #21.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10463</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Internal Audit Services – SCDOT – General Fund</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$716,712</b>
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*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.*

<b>ENABLING AUTHORITY</b>	<b>S1258 Act 275 Section 57-1-360</b> <b>FY2016-17 Appropriations Act</b>
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<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 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.	

<b>RECIPIENTS OF FUNDS</b>	These funds will be used for personal services, employer contributions and other operating costs to support the Internal Auditor function.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Goal 1; Strategy 1.3; Objective 1.3.1-1.3.4</p> <p>Request funding change from other funds to general funds. This transfer of authorization and funding is necessary for the Office of the State Auditor to provide effective internal audit services for SCDOT.</p>
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	<p>This restructuring is mandated by Act 275.</p>
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*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).*

<b>MATCHING FUNDS</b>	<p>Not applicable.</p>
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>These funds would continue to be collected by SCDOT and transferred to the Office of the State Auditor per Act 275.</p>
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>This restructuring is mandated by:</p> <p>S1258 Act 275 Section 57-1-360</p> <p>FY2016-17 Appropriations Act</p> <p>Request funding change from other funds to general funds. Act 275 gives the State Auditor responsibility for managing the internal audit function of SCDOT, and internal audit no longer reports to SCDOT management and governance. Shifting funding to general funds will allow SCDOT to redeploy its funds to meet the agency's core mission.</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>SCDOT current year budget for Internal Audits division.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>Not applicable.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	<p>This funding request is priority number two (2).          If change in funding is not approved SCDOT would continue to transfer funds and authorization to the Office of the State Auditor each fiscal year. The Office of the State Auditor would create a new proviso outlining the details and timeline of the transfer of funds and authorization.</p>
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*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.*

<b>INTENDED IMPACT</b>	<p>Provide more efficient and effective internal audit services for SCDOT. Under Act 275 the State Auditor is responsible for the internal audit function for SCDOT. Internal audit no longer reports to SCDOT management or governance.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>The use of these funds would provide internal audit reports which will allow SCDOT management to strengthen accountability and transparency.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10413</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Internal Audit Services - SCDOT</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$716,712</b>
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*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.*

<b>ENABLING AUTHORITY</b>	<b>S1258 Act 275 Section 57-1-360</b> <b>FY2016-17 Appropriations Act</b>
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*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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input checked="" 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.	

<b>RECIPIENTS OF FUNDS</b>	These funds will be used for personal services, employer contributions and other operating costs to support the Internal Auditor function of transportation funds.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>ACCOUNTABILITY OF FUNDS</b>	<p>Goal 1; Strategy 1.3; Objective 1.3.1-1.3.4</p> <p>This transfer of authorization and funding is necessary for the Office of the State Auditor to provide effective internal audit services for SCDOT.</p>
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*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	<p>This restructuring is mandated by Act 275.</p>
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*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).*

<b>MATCHING FUNDS</b>	<p>Not applicable.</p>
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	<p>These funds are collected by SCDOT and transferred to the Office of the State Auditor per Act 275.</p>
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*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.*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>This restructuring is mandated by:</p> <p>S1258 Act 275 Section 57-1-360</p> <p>FY2016-17 Appropriations Act</p>
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*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.*

<b>METHOD OF CALCULATION</b>	<p>SCDOT current year budget for Internal Audits division.</p>
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*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?*

<b>FUTURE IMPACT</b>	<p>Not applicable.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>PRIORITIZATION</b>	<p>This funding request is priority number one (1). These funds are collected by SCDOT and transferred to the Office of the State Auditor to provide this function. If funds provided are no longer available the program would be eliminated.</p>
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*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.*

<b>INTENDED IMPACT</b>	<p>Provide more efficient and effective internal audit services for SCDOT.</p>
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*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>The use of these funds would provide internal audit reports which will allow SCDOT management to strengthen accountability and transparency.</p>
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*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?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

**FORM E – 3% GENERAL FUND REDUCTION**

<b>DECISION PACKAGE</b>	<b>10511</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Agency General Fund Reduction Analysis</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>-\$108,034</b>
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*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.*

<b>METHOD OF CALCULATION</b>	The amount was calculated by the Executive Budget Office.
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*Describe the method of calculation for determining the reduction in General Funds.*

<b>ASSOCIATED FTE REDUCTIONS</b>	None
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM/ACTIVITY IMPACT</b>	Audits Program
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*What programs or activities are supported by the General Funds identified?*

<b>AGENCY NAME:</b>	<b>SFAA-Office of the State Auditor</b>		
<b>AGENCY CODE:</b>	<b>F27</b>	<b>SECTION:</b>	<b>105</b>

<b>SUMMARY</b>	<p>A 3% reduction in general funds represents approximately 25% of operating budget therefore, the agency would need to take the reduction from personal services and associated employer contributions.</p> <p>In order to support a 3% general funds reduction the Office of the State Auditor would not fill all vacant positions. This could impact the agency's ability to deliver services in a timely manner.</p> <p>The Office of the State Auditor accountability report indicates a 100% target goal for state agency audits to be performed and this reduction could result in the agency failing to meet these goals, performance measures, and objectives.</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.*