

**SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION
BEST MANAGEMENT PRACTICES
SELF ASSESSMENT**

As required by Proviso 72.63, FY 2004-2005 Appropriations Act

Best Practices

Self Assessment

- 1) **Integration of Planning and Budgeting:** The agency employs a multi-year strategic planning process that links the planning process with the annual Budget review.

In Progress

- 2) **Internal Audit:** The agency utilizes an active internal audit process that includes: (a) programmatic reviews along with fiscal reviews; (b) consistent follow-up on audit findings; and (c) reporting of the internal audit function to the institutional head and/or to the governing board, if applicable. Agencies that cannot afford a separate internal audit staff should use internal reviews that serve the same function as an internal auditor.

In Compliance

The South Carolina Employment Security Commission has an active internal audit process, with primary focus on programmatic and financial review of federal funds. The process includes follow up procedures to ensure proper implementation of the corrective actions that are recommended. Status reports describing progress toward implementation are provided to the Executive Director and his Deputies. The Internal Audit and Review is also responsible for investigating and reporting alleged or suspected acts of frauds, program abuse, discrimination cases, or criminal misconduct on the part of employees of the agency.

The Internal Audit and Review Department reports administratively to the Executive Director and has full access to the three Commissioners elected by the South Carolina Legislators.

- 3) **Collaboration and Partnerships:** The agency demonstrates financially beneficial collaborative efforts with other public entities in performance of business functions including, as applicable, but not limited to, financial management, energy management, printing and publications, mail service, procurement, warehousing, public safety, security, space utilization, and parking.

In Progress

The Agency participates in collaborative efforts with other public entities (SCDOR, SCDHEC, Secretary of State, Labor and Licensing, Municipal Assoc.) in the performance of business functions such as registration of business entity and collection of fees and taxes through SCBOS - South Carolina Business One-Stop.

SCESC is an active member of the State Agency Training Consortium (SATC). By participating in SATC-sponsored events, opening up training slots within SCESC workshops to other state agencies, sharing training resources and accessing available training slots from other consortium members, SCESC is building collaborative alliances throughout state government.

SCESC office locations have become the expected one stop location in most areas of the state. The facilities open their doors to a myriad of public partners providing space and infrastructure for the delivery of employment and training services.

- 4) **Outsourcing and Privatization:** The agency examines opportunities for contracting out Various business functions, has preformed cost analyses, and has implemented, where Economically feasible, cost saving contracts.

In Compliance

The agency evaluates each opportunity for outsourcing and privatization on its own merits to determine the best agency approach. Internal resource needs are evaluated through the development of initial project plans and resource allocation. Upon completion of the initial project plans and resource allocation, a cost benefit analysis is prepared to determine the most cost effective approach to completing the project.

- 5) **Process Analysis:** The agency makes a critical examination of its business processes in an effort to increase productivity, reduce waste and duplication, and improve the quality of services provided to its internal customers.

In Compliance

The agency continually conducts examinations of its business processes through a Federally mandated annual State Quality Service Plan (SQSP) to ensure quality and timely services are provided to its customers of the Unemployment Insurance program.

SCESC recently developed a tactical planning model. A "best practices" workshop entitled: From Mission to Action: The Role of Tactical Planning is being offered by the agency through the State Agency Training Consortium to teams from throughout state government. The workshop focuses primarily on a replicable model designed to evaluate operational alternatives. During a time of budget cutbacks, staff reductions and the reengineering of much of state government, this workshop provides management with an evaluative process to support continuous improvement. The process involves some of the following tools: 360 degree feedback, the nominal group technique, internal and external evaluation matrices, and SWOT analysis.

Local workforce centers receive monthly performance results and quarterly notification of comparison with other offices, providing a benchmark of performance. Yearly cost center self appraisals are also performed.

Employees play a vital role in this process through participation in the Agency's Employee Innovation System. Employees develop and present ideas for improvement and/or cost savings in operations, whereby they receive recognition and share in the savings by receiving a cash or non-monetary award.

- 6) Use of Automation and Technology:** The agency uses a long range plan for improved use of technology to enhance business processes and takes deliberate efforts to implement this technology within budget constraints. **In Compliance**

Agency business processes are monitored and evaluated on an ongoing basis to determine the need and effectiveness of technological solutions. Cost Benefit Analysis and Return on Investment (ROI) studies are prepared to assist in the evaluation of the implementation of technology to improve, modify or streamline a given process. This approach enables the agency to gather the information necessary to determine the need for automation and provide the most cost effective technological solution.

- 7) Energy and Other Resource Conservation and Management:** The agency uses a plan to conserve energy and other resources and has demonstrated positive results from the plan. **In Compliance**

SCESC in conjunction with the State Budget and Control Board's Field Management Department have been partners in energy conservation for many years. A planned maintenance program for physical plant equipment, electrical replacement and repair, and general maintenance has resulted in cost savings. The B & CB Field Management Department has systematically replaced original T-12 fluorescent lamps with energy saving T-8 fluorescent lamps for several years. Additionally, electronic energy saving ballasts have been installed to replace older magnetic ballasts, resulting in additional cost savings. Where new facilities are being build, the agency is incorporating elements of the Leadership in Energy and Environmental Design (LEEDs) program to include monitoring light switches, indirect lighting, and day lighting views. Additionally, as part of the LEEDs process, facilities are being painted with low Volatile Organic Content (VOC) paint. Recyclable carpet, tile, and linoleum are also used and SEER levels of mechanical units are at a higher than acceptable level. In May 2003, the agency participated in an energy audit through the State Energy Office and where financially feasible, cost savings measures regarding lighting and HVAC disciplines, have been implemented. The agency participates in a statewide paper-recycling program. The agency manages and maintains a small motor pool consisting of 17 vehicles. The agency participates in a program managed by the Office of State Fleet Management where a certain percentage of new vehicles are configured to use alternative fuels. Of the 17 vehicles available, 4 are alternative fuel vehicles.

- 8) Preventative and Deferred Maintenance:** The agency uses a regular program of preventive maintenance to preserve its physical assets and has developed a plan to address overdue maintenance needs for its facilities. **In Compliance**

SCESC has a preventive maintenance program, which has been implemented for all our facilities. After two years (2001 & 2002) of extensive rehabilitation and up fit in our local facilities, we are able to address maintenance problems on an as-needed basis. Cost center managers arrange repairs through local vendors or can request assistance from our central office maintenance and construction staff. Additionally, a contract managed by the B& CB's Statewide Building Maintenance Program ensures the maintenance of all agency HVAC systems, as well as quality landscaping services. Since SCESC does not receive state appropriations, we rely on federal funding to fund maintenance programs. While we have never had to defer maintenance issues, should the need arise we would prioritize funding to accommodate the need.

9) Alternate Revenue Sources: The agency makes substantial efforts to identify and secure alternate revenue sources (excluding categorical grants for specific functions) to supplement funds available from state appropriations. **In Compliance**

10) External Annual Financial Audit Findings: The agency minimizes or avoids all management letter and single audit findings in the annual audit performed or supervised by the State Auditor, especially violations of state law, material weaknesses, and single audit "findings" and "questioned costs." **In Compliance**

11) External Review Findings: The agency minimizes or avoids all non-compliance findings related to its business practices in external reviews and audits. **In Compliance**

The agency takes a proactive approach to avoid and/or minimize any findings of non-Compliance or sub-standard performance related to its business practices pertaining to the Unemployment Insurance program, which are identified by an external review or audit.

We at the Internal Audit and Review Department diligently follow-up on issues of non-compliance noted through external reviews to ensure that an appropriate corrective action plan has been developed and implemented.

12) Long Range Capital Plan: The institution uses a long range (minimum three to five Years) capital improvement plan for major capital requirements for its buildings and has, Subject to fund availability, begun implementation of the plan. **In Progress**

An annual Comprehensive Permanent Improvement Plan (CPIP) is prepared and submitted to the State Budget and Control Board. The CPIP is used to plan long-range capital improvements. No state funding is appropriated for this purpose. Federal funding is the source for capital improvements. We anticipate replacing one owned and one leased facility in the next 1-3 years due to age, declining mechanical systems, and a need for additional space in order to accommodate increased program activities. Construction will begin in Beaufort and Summerville during the next three years.

13) Risk Management: The agency has an active risk management program in place to Minimize its losses. **In Compliance**

The agency has an aggressive and comprehensive risk management program in place relating to the Unemployment Insurance program. Methods for detection of fraud, including employers, claimants and Agency staff, are continually developed and/or updated as needed.

Over the past few years, SCESC has become increasingly aware of the risk of violence within their workforce centers. Recent incidents in North Carolina involving the shooting death of an Employment Service Office Manager highlight not only the danger but the frustration that exists as large numbers of unemployed citizens reach new levels of desperation. In response to this risk, SCESC is offering crisis prevention training to workforce center staff to enable them to diffuse potentially violent situations.

Industry standard risk management tools are used to monitor and mitigate risks throughout

the life cycle of agency projects. Specific risk items are tracked and ranked in each project so that mitigation strategies can be formulated. In a case where a risk cannot be mitigated, the risk is evaluated to determine the acceptability of the risk and the impact on the agency and its mission.