SOUTH CAROLINA GENERAL ASSEMBLY
Legislative Audit Council
Independence, Reliability, Integrity
LAC

June 25, 2008

RECEIVED
JUN 2 6 2008
DIRECTOR

Mr. Jon Ozmint, Director
SC Department of Corrections
4444 Broad River Road
Columbia, SC 29210

Dear Mr. Ozmint:

As you are aware, the Legislative Audit Council (LAC) planned to conduct a survey of S.C. Department of Corrections (SCDC) employees as part of its review of agency personnel practices in the areas of hiring and promotions. The audit requesters specifically asked the LAC to determine "... whether there is a perception by SCDC employees that a culture of harassment, intimidation, and favoritism pervade the employment practices of SCDC."

Part of the survey process included a pre-notification e-mail sent to SCDC staff on June 17 informing them that they may receive a survey. Subsequent to our e-mail, we learned you sent an e-mail to your staff which raised a number of objections to the survey. After reviewing the e-mail, we became concerned that it could affect the validity of survey responses and requested it be reviewed by our survey consultant. The consultant stated that your e-mail to SCDC employees will likely reduce the response rate and bias any resulting responses (please see attached letter from USC's Institute for Public Service and Policy Research). Based on the consultant's recommendation we will not proceed with the survey as its results would not be valid. As a result, we have concluded that we cannot fully address the audit objective concerning SCDC's personnel procedures and that this constitutes an external impairment to the audit.

The Legislative Audit Council operates under Government Auditing Standards as issued by the Comptroller General of United States (also known as the "yellow book" standards). According to the standards, audit organizations must be free from external impairments to independence. External impairments are:

> "Factors external to the audit organization (that) may restrict the work or interfere with auditors' ability to form independent and objective opinions and conclusions."

According to the standards:

> "External impairments to independence occur when auditors are deterred from acting objectively and exercising professional skepticism by pressures, actual or perceived, from management and employees of the audited entity or oversight organizations."

In accordance with audit standards, we must report this impairment in our audit. In addition, we are sending this letter to the audit requesters to notify them that we are unable to fully address one of our audit objectives. Also, because SCDC staff has already been informed that a survey was being conducted, we will need to inform the staff that we will not be conducting the survey. We are currently drafting a message to staff which will need to be distributed in the same manner as our pre-notification e-mail. Per your earlier instructions, we will consult with John Ward of your staff to distribute this message.

I regret this situation occurred. We plan to proceed with our audit work, and I hope that situations such as this can be avoided in the future. Please contact me if you have any questions.

Sincerely,

George L. Schroeder
Director

/mrw
Attachment

cc: Governor Mark Sanford
Senator Mike Fair
Senator Phil Leventis
Senator Kent Williams
Senator Lewis Vaughn
Senator Greg Ryberg
Senator Kay Patterson
Senator Jake Knotts
Mr. Scott English
Mr. Dan Murphy
Dr. Robert Oldendick
Public and ex-officio members of the Legislative Audit Council