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CHAPTER 15

Legislative Audit Council

**SECTION 2‑15‑10.** Creation and membership of council.

There is created the Legislative Audit Council consisting of five members, one of whom must be a practicing certified public accountant or a licensed public accountant and one of whom must be an attorney. The council must be elected by the General Assembly in a joint session from the nominees presented by the nominating committee. The council also includes as ex officio members the following: the Chairmen of the Senate and House Judiciary Committees or a designee by either chairman from the membership of the respective committees and the Chairmen of the Senate Finance Committee and the House Ways and Means Committee or a designee by either chairman from the membership of the respective committees. The ex officio members, including their designees, are voting members on all matters except those pertaining to auditing functions and personnel matters. The council is directly responsible to the General Assembly and is independent of any other state agency, board, or department.

HISTORY: 1962 Code Section 30‑111; 1974 (58) 2608; 1975 (59) 178; 1990 Act No. 329, Section 1; 1995 Act No. 8, Section 1.

**SECTION 2‑15‑20.** Nominating committee.

The nominating committee must be composed of six members, three of whom must be appointed by the President of the South Carolina Senate and three of whom must be appointed by the Speaker of the South Carolina House of Representatives. The nominating committee shall present not more than three nominees for each vacancy. When a vacancy occurs, the director shall immediately notify those charged with appointing the nominating committee. If the General Assembly is in session at the time notice is given, a nominating committee must be appointed within fifteen days of the notification and the election must be held within forty‑five days of the notification and no later than sine die adjournment of the General Assembly. If the General Assembly is not in session and a vacancy exists in the non ex officio members of the council, the Speaker and President of the Senate, acting jointly, shall fill the vacancy until an election can be held.

HISTORY: 1962 Code Section 30‑112; 1974 (58) 2608; 1975 (59) 178; 1995 Act No. 8, Section 2.

**SECTION 2‑15‑30.** Terms of office; prohibition of membership to members of General Assembly; chairman.

The terms of office of the members of the Council shall be for six years and until their successors are appointed and qualify, except that of the initial members, one shall be elected for the term of two years, one for a term of four years and one for a term of six years. No person who is either a member of the General Assembly or has served in the General Assembly during the preceding two years shall be elected to the Council. Any member may succeed himself on the Council. The Council shall elect its own chairman.

HISTORY: 1962 Code Section 30‑113; 1974 (58) 2608; 1975 (59) 178.

**SECTION 2‑15‑40.** Election, qualifications and duties of Director.

The Council shall be in charge of a Director who shall be elected by a majority vote of the Council and he shall hold office for a term of four years and until his successor shall have been elected and qualifies. The Director shall be chosen solely on the grounds of fitness to perform the duties assigned to him and shall possess the following minimum qualifications: (a) a Baccalaureate Degree from an accredited college or university; (b) at least five years of experience in public, industrial or governmental accounting with at least three years in a responsible managerial capacity. No member of the General Assembly nor anyone who shall have been a member for two years previously shall be appointed as Director. The Director shall act as Secretary for the Council and he shall have authority to employ, with the approval of the Council, such technical, clerical, and stenographic assistance as may be necessary to carry out the duties of the office; provided, however, that at least one staff member shall be qualified to audit or to supervise the audit of State programs and activities in order to determine if funds have been used in a faithful, effective, economical and efficient manner.

HISTORY: 1962 Code Section 30‑114; 1974 (58) 2608; 1975 (59) 178.

**SECTION 2‑15‑50.** “State agencies”, “audit” defined.

For the purpose of this chapter “state agencies” means all officers, departments, boards, commissions, institutions, universities, colleges, bodies politic and corporate of the State and any other person or any other administrative unit of state government or corporate outgrowth of state government, expending or encumbering state funds by virtue of an appropriation from the General Assembly, or handling money on behalf of the State, or holding any trust funds from any source derived, but does not mean or include counties.

For the purposes of this chapter, “audit” means a full‑scope examination of and investigation into all state agency matters necessary to make a determination of:

(a)(1) whether the entity is acquiring, protecting, and using its resources, such as personnel, property, and space, economically and efficiently;

(2) the causes of inefficiencies or uneconomical practices; and

(3) whether the entity has complied with laws and regulations concerning matters of economy and efficiency; and

(b)(1) the extent to which the desired results or benefits established by the General Assembly or other authorizing body are achieved;

(2) the effectiveness of organizations, programs, activities, or functions and whether these organizations, programs, activities, or functions should be continued, revised, or eliminated; and

(3) whether the entity has complied with laws and regulations applicable to the program.

HISTORY: 1975 (59) 178; 1985 Act No. 201, Part II, Section 16A; 1990 Act No. 329, Section 2; 2014 Act No. 121 (S.22), Pt IX, Section 26.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 26.B, rewrote subsection (b)(2).

**SECTION 2‑15‑60.** Duties of council.

It is the duty of the council:

(a) To respond to any request concerning a fiscal matter or information related to the purposes set forth in Section 2‑15‑50 which may be referred to it by the General Assembly or any of its members or committees.

(b) To conduct audits, if authorized by the council, upon request of the General Assembly or either of its respective bodies, a standing committee, the Speaker of the House, the President Pro Tempore of the Senate, or not less than five members of the General Assembly, and to submit a report containing its findings and recommendations to the requesting entity or persons and to any member of the General Assembly who may request a copy.

(c) To assist the General Assembly in the performance of its official functions by providing its members and committees with impartial and accurate information and reports concerning the fiscal problems presented to them as members of the General Assembly.

(d) To establish a system of post audits for all fiscal matters and financial transactions for all state agencies of the state government.

HISTORY: 1962 Code Section 30‑115; 1974 (58) 2608; 1975 (59) 178; 1990 Act No. 329, Section 3.

**SECTION 2‑15‑61.** Access by Council to agency records and facilities; exception.

For the purposes of carrying out its audit duties under this chapter, the Legislative Audit Council shall have 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 South Carolina Department of Revenue as provided in Sections 12‑7‑1680 and 12‑35‑1530.

HISTORY: 1985 Act No. 201, Part II, Section 16B; 1993 Act No. 181, Section 26.

**SECTION 2‑15‑62.** Applicability of provisions relative to confidentiality of records.

In the performance of their audit duties, Legislative Audit Council staff members are subject to the statutory provisions and penalties regarding confidentiality of records of the agency under review.

HISTORY: 1985 Act No. 201, Part II, Section 16C.

**SECTION 2‑15‑63.** Management performance audit of Lottery Commission.

(A) Beginning in December 2004 and every three years after that, the Legislative Audit Council shall conduct a management performance audit of the South Carolina Lottery Commission. The cost of this audit is an operating expense of the commission.

(B) Nothing in this section limits, abridges, or otherwise affects the provisions of Section 2‑15‑60.

(C) The Legislative Audit Council may contract with an independent firm experienced in security procedures including, but not limited to, computer security and systems security, to periodically conduct a comprehensive study and evaluation of all aspects of security in the operation of the commission and the lottery. This firm mUst not have a financial interest in a lottery vendor with whom the commission is under contract. The cost of this evaluation is an operating expense of the commission. The commission shall pay directly to the Legislative Audit Council the cost of the evaluation.

HISTORY: 2001 Act No. 59, Section 6.

**SECTION 2‑15‑64.** Department of Social Services audits.

Beginning December 31, 2013, and every three years thereafter, the Legislative Audit Council shall conduct a management performance audit of a program of the South Carolina Department of Social Services. The program to be reviewed will be determined after consultation with the House of Representatives and the Senate. The Legislative Audit Council is authorized to charge the Department of Social Services for federal funds, if available, for the costs associated with this audit and shall provide certification to the Department of Social Services of certified public expenditures that are eligible for matching federal funds. The Department of Social Services shall remit the federal funds to the Legislative Audit Council as reimbursement for the costs of the audit.

HISTORY: 2014 Act No. 281 (H.3102), Section 3, eff June 10, 2014.

**SECTION 2‑15‑65.** Auditing for Title XX funds.

Notwithstanding any other provision of law, in order to further comply with federal requirements and increase the oversight abilities of the General Assembly, the Legislative Audit Council shall 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.

HISTORY: 1977 Act No. 219, Part II, Section 30.

**SECTION 2‑15‑70.** Use of facilities of State institutions of higher learning and other agencies.

The facilities of the State institutions of higher learning and any other tax supported agencies shall be available for use by the Council in carrying out its functions.

HISTORY: 1962 Code Section 30‑116; 1974 (58) 2608; 1975 (59) 178.

**SECTION 2‑15‑80.** Employees shall not urge or oppose legislation or give financial advice.

Neither the Director nor any other employee of the Council shall urge or oppose any legislation or give financial advice to any person except members of the legislature.

HISTORY: 1962 Code Section 30‑117; 1974 (58) 2608; 1975 (59) 178.

**SECTION 2‑15‑90.** Council shall not prepare legislation; relations with Legislative Council.

It shall not be a function of the Council staff to prepare legislation and all suggested legislation resulting from staff studies shall be channeled through the Legislative Council which shall cooperate with the staff.

HISTORY: 1962 Code Section 30‑118; 1974 (58) 2608; 1975 (59) 178.

**SECTION 2‑15‑110.** Expenses of members of nominating committee and Council.

The members of the nominating committee and the members of the Legislative Audit Council shall be entitled to per diem, mileage and subsistence as provided by law for members of boards, committees and commissions.

HISTORY: 1975 (59) 178.

**SECTION 2‑15‑120.** Confidentiality of records; penalty for violations.

All records and audit working papers of the Legislative Audit Council with the exception of its final audit reports provided for by Section 2‑15‑60 are confidential and not subject to public disclosure. The court in determining the extent to which any disclosure of all or any part of a council record is necessary shall impose appropriate safeguards against unauthorized disclosure.

As used in this section, “records” includes, but is not limited to books, papers, maps, photographs, cards, tapes, recordings, or other documentary materials regardless of physical form or characteristics prepared, owned, used, in the possession of, or retained by the Legislative Audit Council.

Any person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars or imprisoned not more than one year. If the person convicted is an officer or employee of the State, he must be dismissed from office or employment and is ineligible to hold any public office in this State for a period of five years after the conviction.

HISTORY: 1981 Act No. 29; 1998 Act No. 419, Part II, Section 35C; 2002 Act No. 244, Section 1.