

REPORT OF THE CONSTITUTIONAL SUBCOMMITTEE

(Reps. Murphy, Caskey, Yow – Staff Contact: Ryan Tooley)

HOUSE BILL 3925

State Finances

Summary of Bill:

Requires The State Treasurer's Office (STO) to maintain accounting of cash and investments by agency and fund in a form required by The Comptroller General's Office (CGO) (per recommendation #4 in the AlixPartners, LLP report). On August 31st, the STO must submit a report of this accounting to the CGO, which shall then ensure the accuracy of cash and investments (per recommendation #5 in the AlixPartners, LLP report).

The bill further expands upon the STO reporting requirements in statute (11-5-185) to include a reporting on:

- The amount of revenue or losses from investments for the previous fiscal year; and,
- Any other amount, account, fund or combination, which is new, missing, or otherwise unaccounted for, to the General Assembly.

Additionally, the bill requires the STO to ensure:

- The accuracies of reports including any systems or book-of-records that are used to display the information, such as SCEIS;
- Inform the General Assembly of any substantive concern regarding accuracy of cash and investments; and,
- Take appropriate steps to protect the state's financial information.

Finally, the bill requires The Office of State Auditor (OSA) to have JBRC review any rebidding of the ACFR audit with the same external auditing firm in the previous five years.

Estimated Fiscal Impact:

RFA conducted a fiscal impact on March 20, 2025, which determined there is no fiscal impact from this bill. OSA did state a concern that the JBRC review process may disincentivize external auditing firms from bidding on the ACFR audit.

Subcommittee Action/Explanation:

The subcommittee adopted an amendment that incorporates feedback from the STO and CGO on technical language and nomenclature used within their agencies.

The bill was reported favorable as amendment.

Full Committee Action/Explanation:

N/A

Other Notes/Comments:

[CLICK HERE](#) to Enter Notes/Comments

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

David Good
March 24, 2025

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: H. 3925

(Reference is to the original version)

The Constitutional Subcommittee proposes the following amendment (LC-3925.DG0001H):

Amend the bill, as and if amended, SECTION 1, by striking Section 11-3-250 and inserting:

Section 11-3-250. By November first of each year, the Comptroller General shall confirm the accuracy of cash and investments in the treasury for the previous fiscal year as reported by the State Treasurer by agency and [South Carolina Enterprise Information System \(SCEIS\)](#) fund, as required in Section 11-5-290, within ~~the South Carolina Enterprise Information System~~ [SCEIS](#) or the state's book of record. [Any unreconciled differences must be made known to the State Treasurer, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.](#)

Amend the bill further, by adding an appropriately numbered SECTION to read:

SECTION X. Section 11-5-120 of the S.C. Code is amended to read:

Section 11-5-120. The State Treasurer shall publish, quarterly, by electronic means and in a manner that allows for public review, a statement showing the amount of money on hand and in what financial institution it is deposited and the respective funds, as defined by governmental accounting standards, to which it belongs.

Amend the bill further, SECTION 2, by striking Section 11-5-290 and inserting:

Section 11-5-290. The State Treasurer shall maintain an accounting of cash and investments in the treasury by agency and South Carolina Enterprise Information System(SCEIS) fund, as defined by governmental accounting standards, in a form required by the Comptroller General. By August thirty-first of each year, the State Treasurer shall produce a report of ~~such~~ the accounting ~~of~~ for the previous fiscal year to the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The State Treasurer shall confirm the accuracy and completeness of the report and inform the General Assembly of any substantive concern regarding the accuracy.

Amend the bill further, SECTION 3, by striking Section 11-5-185(A) and inserting:

(A)In addition to other reports required by law to be made, by the State Treasurer, he shall also submit a report annually to the General Assembly ~~in the month of~~ by the second Tuesday in January on the following matters:

- ~~—(1) The amount of state revenue collected in the previous fiscal year.~~
- ~~—(2) The amount of such revenue deposited in the state general fund.~~
- ~~—(3)(1)–~~The location of ~~general fund revenue~~ cash and investments custodied by the State Treasurer in banks and other financial institutions ~~including invested funds~~, as of the end of the previous fiscal year.

~~(4)(2)~~ The gross interest and fees accrued and earned from deposits and investments for the previous fiscal year and the use of such interest.

~~(5)(3)~~ The amount of realized revenue or losses from investments, and the amount of unrealized revenue or losses from investments for the previous fiscal year.

~~(5)(6)(4)~~ The amount expended for debt service in the previous fiscal year.

~~(6)(7)(5)~~ The current status of the general fund reserve including any expenditure or reimbursement thereof.

~~(7)(8)(6)~~ Any other information relating to state revenue which the Treasurer deems pertinent and of value to the General Assembly amount, account, fund or combination, which is new, missing, or otherwise unaccounted for, including such items as special state funds, treasury funds, the highway fund and other funds not specified herein, as may be deemed appropriate by the Treasurer.

Amend the bill further, SECTION 3, by striking Section 11-5-185(B)(1) and inserting:

(1) ~~ensure~~ confirm the accuracy of treasury cash and investment data in the reports required pursuant to subsection (A) including the accuracy of such data in any systems or books-of-records;

Amend the bill further, SECTION 3, by striking Section 11-5-185(C) and inserting:

(C) The General Assembly shall provide in the annual general appropriations act for the reasonable cost of preparing this report.

(D) The annual report required by this section also must be made available to the State Auditor, Comptroller General, the Revenue and Fiscal Affairs Office, and the Executive Budget Office.

Renumber sections to conform.

Amend title to conform.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3925	Introduced on February 6, 2025
Subject:	State Finances	
Requestor:	House Ways and Means	
RFA Analyst(s):	Vesely	
Impact Date:	March 20, 2025	

Fiscal Impact Summary

This bill changes state financial recording and reporting requirements. This bill would require the State Treasurer's Office (STO) to maintain an accounting of cash and investments by agency and fund and provide a report to the Comptroller General (CG), the Chairman of the Senate Finance Committee, and Chairman of the House Ways and Means Committee by August 31st of each year for the prior fiscal year. In turn, the CG is responsible for confirming the accuracy of the cash and investments in this report by November 1st of each year. The bill expands STO's reporting responsibilities to specify STO must ensure the accuracy of cash and investment data, inform the General Assembly of any substantive concerns, and take appropriate steps to ensure sensitive financial information remains confidential. Further, the bill specifies that the State Auditor may not contract with the same external auditing firm that was hired in the previous five years without prior review by the Joint Bond Review Committee (JBRC).

STO, the CG, and the Office of the State Auditor indicate that this bill would have minimal to no impact on their agencies and can be managed with existing staff and resources. Therefore, there is no fiscal impact from this bill. However, the Office of the State Auditor expressed concern that the provisions of the bill that disallow for hiring an external auditing firm that has been used in the past five years without authorization from the JBRC may lead to auditing firms with recent history of working with the State not submitting a proposal.

Explanation of Fiscal Impact

Introduced on February 6, 2025

State Expenditure

This bill changes state financial recording and reporting requirements. This bill would require STO to maintain an accounting of cash and investments by agency and fund and provide a report to the CG, the Chairman of the Senate Finance Committee, and Chairman of the House Ways and Means Committee by August 31st of each year for the prior fiscal year. The CG is responsible for confirming the accuracy of the cash and investments in this report by November 1st of each year. The bill expands STO's reporting responsibilities to specify STO must ensure the accuracy of cash and investment data, inform the General Assembly of any substantive concerns, and take appropriate steps to ensure sensitive financial information remains confidential. Further, the bill specifies that the State Auditor may not contract with the same external auditing firm that was hired in the previous five years without prior review by JBRC.

STO, the CG, and the Office of the State Auditor indicate that this bill would have minimal to no impact on the agencies and expect to handle the provisions of this bill with existing staff and resources. Therefore, there is no fiscal impact on the agencies. However, the Office of the State Auditor expressed concern that the provisions of the bill that disallow for hiring an external auditing firm that has been used in the past five years without authorization from the JBRC may lead to auditing firms with recent history of working with the State not submitting a proposal.

State Revenue

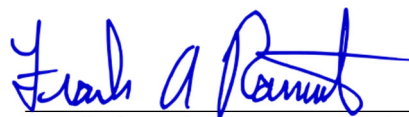
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

South Carolina General Assembly
126th Session, 2025-2026

H. 3925

STATUS INFORMATION

General Bill

Sponsors: Reps. Bannister, Murphy, G.M. Smith, Caskey, Yow and B. Newton

Document Path: LC-0220SA25.docx

Introduced in the House on February 6, 2025

Currently residing in the House

Summary: State Finances

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
2/6/2025	House	Introduced and read first time (House Journal-page 30)
2/6/2025	House	Referred to Committee on Ways and Means (House Journal-page 30)
2/12/2025		Scrivener's error corrected

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

02/06/2025

02/12/2025

1
2
3
4
5
6
7
8
9 **A BILL**
10

11 TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 11-3-250 SO AS
12 TO PROVIDE THAT THE COMPTROLLER GENERAL SHALL CONFIRM THE ACCURACY OF
13 CASH AND INVESTMENTS IN THE TREASURY FOR THE PREVIOUS FISCAL YEAR
14 ANNUALLY; BY ADDING SECTION 11-5-290 SO AS TO PROVIDE THAT THE STATE
15 TREASURER SHALL MAINTAIN AN ACCOUNTING OF CASH AND INVESTMENTS IN THE
16 TREASURY BY AGENCY AND FUND; BY AMENDING SECTION 11-5-185, RELATING TO
17 THE TREASURER'S ANNUAL REPORT TO THE GENERAL ASSEMBLY, SO AS TO PROVIDE
18 THAT THE STATE TREASURER SHALL ENSURE ACCURACY OF CERTAIN FINANCIAL
19 DATA AND INFORM THE GENERAL ASSEMBLY OF ANY SUBSTANTIVE CONCERNS; AND
20 BY AMENDING SECTION 11-7-60, RELATING TO THE COMPREHENSIVE ANNUAL
21 FINANCIAL REPORT, SO AS TO PROVIDE THAT THE STATE AUDITOR MAY NOT
22 CONTRACT WITH THE SAME EXTERNAL AUDITING FIRM WITHOUT PRIOR REVIEW BY
23 THE JOINT BOND REVIEW COMMITTEE.
24

25 Be it enacted by the General Assembly of the State of South Carolina:
26

27 SECTION 1. Chapter 3, Title 11 of the S.C. Code is amended by adding:
28

29 Section 11-3-250. By November first of each year, the Comptroller General shall confirm the
30 accuracy of cash and investments in the treasury for the previous fiscal year as reported by the State
31 Treasurer by agency and fund, as required in Section 11-5-290, within the South Carolina Enterprise
32 Information System or the state's book of record.
33

34 SECTION 2. Article 1, Chapter 5, Title 11 of the S.C. Code is amended by adding:
35

36 Section 11-5-290. The State Treasurer shall maintain an accounting of cash and investments in the
37 treasury by agency and fund in a form required by the Comptroller General. By August thirty-first of
38 each year, the State Treasurer shall produce a report of such accounting of the previous fiscal year to
39 the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the
40 House Ways and Means Committee.
41

42 SECTION 3. Section 11-5-185 of the S.C. Code is amended to read:
43

1 Section 11-5-185. (A)In addition to other reports required by law to be made, by the State Treasurer,
2 he shall also report annually to the General Assembly ~~in the month of~~ by the second Tuesday in January
3 on the following matters:

4 (1) The amount of state revenue collected in the previous fiscal year.

5 (2) The amount of such revenue deposited in the state general fund.

6 (3) The location of general fund revenue in banks and other financial institutions including invested
7 funds, as of the end of the previous fiscal year.

8 (4) The interest accrued from deposits ~~and investments~~ for the previous fiscal year and the use of
9 such interest.

10 (5) The amount of revenue or losses from investments for the previous fiscal year.

11 ~~(5)(6)~~ (6) The amount expended for debt service in the previous fiscal year.

12 ~~(6)(7)~~ (7) The current status of the general fund reserve including any expenditure or reimbursement
13 thereof.

14 ~~(7)(8)~~ (8) Any other ~~information relating to state revenue which the Treasurer deems pertinent and of~~
15 ~~value to the General Assembly~~ amount, account, fund or combination, which is new, missing, or
16 otherwise unaccounted for, including such items as special state funds, treasury funds, the highway
17 fund and other funds not specified herein, as may be deemed appropriate by the Treasurer.

18 (B) The State Treasurer shall:

19 (1) ensure the accuracy of treasury cash and investment data in the reports required pursuant to
20 subsection (A) including the accuracy of such data in any systems or books-of-records;

21 (2) inform the General Assembly of any substantive concern regarding the accuracy of the state's
22 treasury cash and investments; and

23 (3) take appropriate steps to ensure the state's sensitive financial information contained in the
24 reports required pursuant to subsection (A) remains confidential.

25 (C) The General Assembly shall provide in the annual general appropriations act for the cost of
26 preparing this report.

27
28 SECTION 4. Section 11-7-60 of the S.C. Code is amended to read:

29
30 Section 11-7-60. Each State agency shall remit to the State Auditor an amount representing an
31 equitable portion of the expense of contracting with a certified public accounting firm to conduct a
32 portion of the audit of the State's Comprehensive Annual Financial Report prepared by the Comptroller
33 General's Office. Each state agency's equitable portion of the expense must be determined by a
34 schedule developed by the State Auditor. The remittance must be based upon invoices provided by the
35 State Auditor upon completion of the annual audit. The audit must be rebid using a request for proposals
36 no less frequently than every five years, however the State Auditor may not contract with the same

1 external auditing firm that was hired in the previous five years without prior review by the Joint Bond
2 Review Committee.

3
4 SECTION 5. This act takes effect upon approval by the Governor.

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