**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 1‑6‑35 SO AS TO AUTHORIZE THE STATE INSPECTOR GENERAL TO CONDUCT FINANCIAL AND FORENSIC AUDITS OF SCHOOL DISTRICTS AND TO PROVIDE A PENALTY FOR AN EMPLOYEE WHO REFUSES TO COOPERATE WITH THE AUDIT; AND TO AMEND SECTION 1‑6‑10, RELATING TO DEFINITIONS APPLYING TO THE OFFICE OF THE STATE INSPECTOR GENERAL, SO AS TO MAKE A CONFORMING CHANGE.

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

SECTION 1. Chapter 6, Title 1 of the 1976 Code is amended by adding:

“Section 1‑6‑35. (A) In addition to all duties, powers, and responsibilities conferred upon the State Inspector General by this chapter, the State Inspector General, for good cause shown upon request of a state or local public official or entity, may conduct financial and forensic audits of school districts to investigate and address allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing in the school district. The audit must be completed and copies furnished to the relevant parties at the conclusion of the fiscal year following when the request was made unless the State Inspector General explains in writing to the requesting parties compelling reasons why the audit cannot be completed during this time frame.

(B) An employee who refuses to cooperate or provide requested information to the Inspector General is guilty of a misdemeanor and, upon conviction, must be fined not more than five hundred dollars or imprisoned not more than thirty days, or both.”

SECTION 2. Section 1‑6‑10(1) of the 1976 Code is amended to read:

“(1) ‘Agency’ means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive department of state government, including administrative bodies. ‘Agency’ includes a body corporate and politic established as an instrumentality of the State. ‘Agency’ does not include:

(a) the judicial department of state government;

(b) quasijudicial bodies of state government;

(c) the legislative department of state government; or

(d) political subdivisions, except for school districts for purposes of financial and forensic audits pursuant to Section 1‑6‑35.”

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

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