**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3430**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. B. Newton, Murphy, Caskey, Mitchell, Pope, W. Newton, Bannister, Sessions, Jordan, Robbins, Collins, Martin, Lawson, Wickensimer, Landing, Long, Hiott, Forrest, Sanders, Teeple, Oremus, Hartz, Guest, Pedalino, M.M. Smith, Schuessler, Chapman, Gatch, McGinnis, Neese, Hardee, Ligon, Taylor, Willis, Vaughan, Brittain, Erickson, Bradley, Rankin, Hager, Whitmire, Gilliam, Crawford, Hewitt, Yow, Hixon, Ballentine, Gagnon and Brewer

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Introduced in the House on January 14, 2025

Introduced in the Senate on February 26, 2025

Last Amended on April 30, 2025

Currently residing in the House

Summary: State Auditor

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 12/5/2024 House Prefiled

 12/5/2024 House Referred to Committee on **Judiciary**

 1/14/2025 House Introduced and read first time (House Journal‑page 199)

 1/14/2025 House Referred to Committee on **Judiciary** (House Journal‑page 199)

 1/16/2025 House Member(s) request name added as sponsor:
 Bannister, Sessions, Jordan, Robbins,
 Collins, Martin, Lawson, Wickensimer,
 Landing, Long, Hiott, Forrest, Sanders,
 Teeple, Oremus, Hartz, Guest, Pedalino,
 M.M. Smith, Schuessler, Hixon, Chapman,
 Gatch, McGinnis, Neese, Hardee, Ligon,
 Taylor, Willis, Vaughan, Brittain, Erickson,
 Bradley, Rankin, Hager, Whitmire, Gilliam,
 Crawford, Hewitt, Yow

 2/12/2025 House Committee report: Favorable **Judiciary** (House Journal‑page 7)

 2/18/2025 House Member(s) request name added as sponsor:
 Ballentine, Gagnon

 2/18/2025 House Debate adjourned (House Journal‑page 24)

 2/19/2025 House Member(s) request name added as sponsor: Brewer

 2/19/2025 House Read second time (House Journal‑page 20)

 2/19/2025 House Roll call Yeas-105 Nays-0 (House Journal‑page 20)

 2/20/2025 House Read third time and sent to Senate (House Journal‑page 14)

 2/26/2025 Senate Introduced and read first time (Senate Journal‑page 9)

 2/26/2025 Senate Referred to Committee on **Finance** (Senate Journal‑page 9)

 3/26/2025 Senate Committee report: Favorable with amendment **Finance** (Senate Journal‑page 21)

 4/1/2025 Senate Committee Amendment Adopted (Senate Journal‑page 29)

 4/1/2025 Senate Read second time (Senate Journal‑page 29)

 4/1/2025 Senate Roll call Ayes-45 Nays-0 (Senate Journal‑page 29)

 4/2/2025 Senate Read third time and returned to House with amendments (Senate Journal‑page 10)

 4/3/2025 Scrivener's error corrected

 4/3/2025 Scrivener's error corrected

 4/9/2025 House Debate adjourned until Thur., 4-10-25 (House Journal‑page 55)

 4/10/2025 House Debate adjourned

 4/23/2025 House Debate adjourned until Thur., 4-24-25 (House Journal‑page 19)

 4/24/2025 House Debate adjourned (House Journal‑page 69)

 4/30/2025 House Amended

 4/30/2025 House Debate adjourned

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**VERSIONS OF THIS BILL**

[12/05/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20241205.docx)

[02/12/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20250212.docx)

[03/26/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20250326.docx)

[04/01/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20250401.docx)

[04/03/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20250403.docx)

[04/03/2025-A](https://www.scstatehouse.gov/sess126_2025-2026/prever/3430_20250403a.docx)

Indicates Matter Stricken

Indicates New Matter

Committee Amendment Adopted

April 1, 2025

H. 3430

Introduced by Reps. B. Newton, Murphy, Caskey, Mitchell, Pope, W. Newton, Bannister, Sessions, Jordan, Robbins, Collins, Martin, Lawson, Wickensimer, Landing, Long, Hiott, Forrest, Sanders, Teeple, Oremus, Hartz, Guest, Pedalino, M. M. Smith, Schuessler, Chapman, Gatch, McGinnis, Neese, Hardee, Ligon, Taylor, Willis, Vaughan, Brittain, Erickson, Bradley, Rankin, Hager, Whitmire, Gilliam, Crawford, Hewitt, Yow, Hixon, Ballentine, Gagnon and Brewer

S. Printed 4/1/25--S. [SEC 4/3/2025 1:19 PM]

Read the first time February 26, 2025

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 11‑7‑70 SO AS TO PROVIDE THAT THE GOVERNOR SHALL APPOINT THE STATE AUDITOR WITH THE ADVICE AND CONSENT OF THE SENATE; BY AMENDING SECTION 1‑3‑240, RELATING TO REMOVAL OF OFFICERS BY THE GOVERNOR, SO AS TO ADD THE STATE AUDITOR; AND BY REPEALING SECTION 11‑7‑10 RELATING TO THE SELECTION OF THE STATE AUDITOR.

 Amend Title To Conform

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

SECTION 1. Section 11-7-10 of the S.C. Code is amended to read:

 Section 11-7-10. The State Fiscal Accountability Authority shall select the State Auditor, who shall select necessary assistants in conformity with the appropriations for the office. (A) There is established the Department of Governmental Auditing headed by the State Auditor. The State Auditor must be selected without regard to political affiliation and on the basis of integrity, capability for strong leadership, and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, criminal justice administration, or other closely related fields.

 (B) The State Auditor shall be appointed by the Governor with the advice and consent of the Senate for a term of six years. The State Auditor’s term shall commence on July first of the appointing year and expire on June thirtieth of the ending year. The State Auditor may be removed from office pursuant to Section 1-3-240(C). The Governor may reappoint the State Auditor for additional terms. The State Auditor may serve in a holdover capacity for a maximum of seven months past the expiration of their term.

 (C) The State Auditor’s annual compensation shall be set by the Agency Head Salary Commission and shall not be reduced during their term of office. The State Auditor shall receive compensation as established under the provisions of Section 8-11-160 and for which funds have been authorized in the general appropriations act.

 (D) The State Auditor shall employ a staff comprised of deputy auditors, accountants, and other professional staff necessary to carry out the duties of the department as authorized by law. The deputy auditors and all employees of the department who report directly to a deputy auditor serve at will and may be removed by the State Auditor. The Department of Administration’s Division of State Human Resources, in consultation with the State Auditor, shall establish appropriate classifications or unclassified position titles within each position category along with a salary range commensurate with the level of responsibility and duties of the position for the deputy auditors and all employees of the Department of Governmental Auditing who report directly to a deputy auditor. The State Auditor shall fix the salaries of all staff subject to the funds authorized in the annual appropriations act and in accordance with the position categories established pursuant to this paragraph of the state’s existing uniform classification and compensation plan as is appropriate. Deputy auditors and all employees of the Department of Governmental Auditing who report directly to a deputy auditor shall not be subject to the limitations of Section 8-11-165(B). The State Auditor shall provide requisite training and professional development pursuant to Section 8-15-60. All classified or unclassified personnel employed by the divisions, programs, services, or initiatives of the Office of the State Auditor, either by contract or by employment at will, become on the effective date of the act, employees of the Department of Governmental Auditing, with the same compensation, classification, and grade level, as applicable, subject to and until such time as the State Auditor acts to employ the staff and fix the salaries as provided for in this section.

 (E) The Department of Administration shall provide administrative support to the Department of Governmental Auditing for the performance of its duties including, but not limited to, information technology, shared services support, and logistical support. In a manner to be determined by the Department of Administration, the Department of Governmental Auditing shall reimburse the Department of Administration for personnel and operating expenses relating to the provision of administrative support pursuant to this section.

SECTION 2. Section 11-7-20 of the S.C. Code is amended to read:

 Section 11-7-20. (A) All state agencies and entities supported partially or entirely by public funds are subject to audit by or under the oversight of the State Auditor, except as otherwise specifically provided by law. The State Auditor, to the extent practicable and consistent with his overall responsibility, shall audit or cause to be audited each state agency and entity annually. These audits shall be made to assist in furnishing for the purpose of providing the General Assembly, the Governor, the executive departments and agencies of the State, the governing bodies and executive departments of the political subdivisions of the State, all state entities, and the public with an independent evaluation of whether public funds are managed according to the applicable financial reporting framework and may include an independent evaluation of public program performance.

 (B) Annually the State Auditor shall audit or cause to be audited the state's basic financial statements prepared by the Comptroller General of South Carolina.

 (C) The State Auditor shall examine as often the State Auditor deems appropriate the accounts kept by the State Treasurer, and if the auditor discovers any irregularity or deficiency in the accounts, unless the irregularity or deficiency is rectified or explained to the State Auditor’s satisfaction, report it in writing to the General Assembly and provide a copy of the report to the Governor and Attorney General. In addition to regular audits, the State Auditor shall audit the State Treasurer’s records at the time a new State Treasurer assumes office and the State Treasurer shall assume responsibility for the balances in the accounts, as determined by the audit. The State Auditor shall audit the State Treasurer's records at the end of the State Treasurer’s term of office or at the time the State Treasurer leaves office to determine that the accounts are in order.

 (D) The State Auditor may examine the accounts and records of any bank or financial institution relating to transactions with the State Treasurer, or with any state agency. The State Auditor may require banks or financial institutions doing business with the State to provide the State Auditor information relating to transactions with the State Treasurer or any state agency.

 (E) The State Auditor shall provide a report to the Governor and Attorney General, and other appropriate officials, of facts in the State Auditor's possession that pertain to the apparent violation of criminal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In the event the State Auditor identifies instances of fraud, waste, and abuse during any state agency audit, the State Auditor shall refer such instances to the State Inspector General for examination. If the Governor or Attorney General is the subject of the report, the report shall be made to the President of the Senate, the Speaker of the House, the Office of the Inspector General, and other appropriate officials.

 (C) (F) Annually the State Auditor shall audit or cause to be audited the compliance of the State of South Carolina with the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or its successor as applicable to major federal programs.

 (D) (G) Audits must be conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, the Uniform Guidance, Audits of States, Local Governments, and Nonprofit Organizations, or its successor.

 (H) The State Auditor shall, in the reports of audits, make any comments, suggestions, or recommendations the auditor deems appropriate concerning any aspect of the state agency’s activities and operations.

 (I) The State Auditor shall cooperate, act, and function with other audit or evaluation organizations in the State, with appropriate councils or committees of other states, with governing bodies of the political subdivisions of the State, and with federal agencies in an effort to maximize the extent of intergovernmental audit coordination and thereby avoid unnecessary duplication and expense of audit effort. Nothing in this section shall be construed to give the State Auditor control over the internal auditors of any agency, except those statutorily required in Section 57-1-360.

SECTION 3. Section 11-7-25 of the S.C. Code is amended to read:

 Section 11-7-25.  Division of Local Government Services

 (A) The department shall include a Division of Local Government Services headed by a deputy auditor.

 (B) The division To the extent practicable and consistent with his overall responsibility, the State Auditor periodically shall periodically audit or cause to be audited the financial records of the county treasurers, municipal treasurers, county clerks of court, magistrates, and municipal courts to report if whether fines and assessments imposed pursuant to Sections 14-1-205 through 14-1-208 are collected properly and remitted to the State Treasurer.

 (C) Upon the issuance of an audit report, the State Auditor immediately shall notify the State Treasurer, Division of Court Administration, and the chief administrator of the affected agency, department, county, or municipality. Such audit reports shall also be made available to the State Inspector General pursuant to Section 1-6-50 and to the Legislative Audit Council pursuant to Section 2-15-50.

 (D) The Division of Local Government Services may use funds appropriated to the department for innovative audit, accounting, or local government assistance services that improve the quality or increase the range of services offered to local governments to accomplish accurate, efficient, and transparent financial reporting.

SECTION 4. Section 11-7-30 of the S.C. Code is amended to read:

 Section 11-7-30. Reports of audit findings must be available to the Governor, State Fiscal Accountability Authority, General Assembly, and the general public. The State Auditor shall notify the Governor, the General Assembly, and the State Fiscal Accountability Authority immediately upon the issuance of an audit report. Such audit reports shall also be made available to the State Inspector General pursuant to Section 1-6-50 and to the Legislative Audit Council pursuant to Section 2-15-50.

SECTION 5. Section 11-7-55 of the S.C. Code is amended to read:

 Section 11-7-55. The State Auditor may obtain the services of independent public accountants as he considers necessary to carry out his duties and responsibilities. The State Auditor may use funds appropriated for personal services to contract with private firms, using a request for proposals, to perform audits. Notwithstanding this section, the State Auditor maintains sole responsibility for the audit of the state’s Annual Comprehensive Financial Report prepared by the Comptroller General’s Office.

SECTION 6. Section 11-7-60 of the S.C. Code is amended to read:

 Section 11-7-60. (A) Each State agency shall remit to the State Auditor an amount representing an equitable portion of the expense of contracting with a certified public accounting firm to conduct a portion of the audit of the state's Comprehensive Annual Financial Report Annual Comprehensive Financial Report prepared by the Comptroller General's Office. Each state agency's equitable portion of the expense must be determined by a schedule developed by the State Auditor. The remittance must be based upon invoices provided by the State Auditor upon completion of the annual audit. The audit must be rebid using a request for proposals no less frequently than every five years.

 (B) The auditor shall, through appropriate tests, satisfy himself or herself concerning the propriety of the data presented in the Annual Comprehensive Financial Report and shall express the appropriate auditor’s opinion in accordance with generally accepted auditing standards.

SECTION 7. Section 1-3-240(C) of the S.C. Code is amended to read:

 (C)(1) Persons appointed to the following offices of the State may be removed by the Governor for malfeasance, misfeasance, incompetency, absenteeism, conflicts of interest, misconduct, persistent neglect of duty in office, or incapacity:

 (a) Workers' Compensation Commission;

 (b) [Reserved] State Auditor;

 (c) Ethics Commission;

 (d) Election Commission;

 (e) Professional and Occupational Licensing Boards;

 (f) Juvenile Parole Board;

 (g) Probation, Parole and Pardon Board;

 (h) Director of the Department of Public Safety;

 (i) Board of the Department of Health and Environmental Control, excepting the chairman;

 (j) Chief of State Law Enforcement Division;

 (k) South Carolina Lottery Commission;

 (l) Executive Director of the Office of Regulatory Staff;

 (m) Directors of the South Carolina Public Service Authority appointed pursuant to Section 58-31-20;

 (n) State Ports Authority;

 (o) State Inspector General;

 (p) State Adjutant General;

 (q) South Carolina Retirement Investment Commission members appointed by the Governor or members of the General Assembly; and

 (r) South Carolina Public Benefit Authority members.

 (2) Upon the expiration of an officeholder's term, the individual may continue to serve until a successor is appointed and qualifies.

SECTION 8. On the effective date of this act, the interim State Auditor selected by the State Fiscal Accountability Authority shall continue in office in a holdover capacity until the Governor appoints a State Auditor as provided in this act. The interim State Auditor serving in holdover capacity shall be eligible for appointment by the Governor. A vacancy shall be filled in the same manner as appointment.

SECTION 9. Section 1-11-20(F) of the S.C. Code is amended to read:

 (F) The State Auditor is transferred to, and incorporated into, the State Fiscal Accountability Authority. [Reserved]

SECTION 10. Section 4-9-150 of the S.C. Code is amended to read:

 Section 4-9-150. The council shall provide for an independent annual audit of all financial records and transactions of the county and any agency funded in whole by county funds and may provide for more frequent audits as it considers necessary. Special audits may be provided for any agency receiving county funds as the county governing body considers necessary. The audits must be made by a certified public accountant or public accountant or firm of these accountants who have no personal interest, direct or indirect, in the fiscal affairs of the county government or any of its officers. The council may, without requiring competitive bids, designate the accountant or firm annually or for a period not exceeding three years. The designation for any particular fiscal year must be made no later than thirty days after the beginning of the fiscal year. The report of the audit must be made available for public inspection. A copy of the report of the audit must be submitted to the State Treasurer Department of Governmental Auditing no later than January first each year following the close of the books of the previous fiscal year. Upon a showing of proper cause, as determined by the State Treasurer department, the State Treasurerdepartment shall grant a county an extension of ninety days. To be considered, a request for extension must be signed by the chair of the council before the deadline for filing.

 If the report is not filed with the State Treasurer department by January first, or within the time extended for filing the report, the department shall notify funds distributed by the State Treasurer to withhold funds to the county in the current fiscal year must be withheld pending receipt of a copy of the report. The department shall post these audits in a conspicuous place on its website.

SECTION 11. Section 5-7-240(C) of the S.C. Code is amended to read:

 (C) The audit or compilation must be performed by an independent certified public accountant or a firm of certified public accountants. The report of the audit or compilation shall be made available for public inspection, and a copy must be provided to the Department of Governmental Auditing. Financial statements of municipalities with a court system must include the requirements of Section 14-1-208. The department shall post these audits and compilations of financial statements in a conspicuous place on its website.

 A municipality that exceeds the threshold in the current fiscal year but was below the threshold in the previous fiscal year must begin submitting audited financial statements annually beginning no later than the fiscal year following the year in which its total revenues exceed the threshold.

SECTION 12. Section 14-1-208(E) of the S.C. Code is amended to read:

 (E) To ensure that fines and assessments imposed pursuant to this section and Section 14-1-209(A) are properly collected and remitted to the State Treasurer, the audit or compilation performed for each municipality pursuant to Section 5-7-240 must include a Uniform Supplemental Schedule Form detailing all fines and assessments collected at the court level, the amount remitted to the municipal treasurer, and the amount remitted to the State Treasurer.

 (1) To the extent that records are made available in the format determined pursuant to subsection (E)(4), the Uniform Supplemental Schedule Form developed by the Office of the Attorney General, South Carolina Crime Victim Services Division, must be used by all counties and municipalities to report their crime victim services funds and must include the following elements:

 (a) all fines collected by the clerk of court for the municipal court;

 (b) all assessments collected by the clerk of court for the municipal court;

 (c) the amount of fines retained by the municipal treasurer;

 (d) the amount of assessments retained by the municipal treasurer;

 (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section; and

 (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

 (2) For municipalities required to provide for an annual audit of financial statements pursuant to Section 5-7-240, the Uniform Supplemental Schedule Form must be included in the external auditor's report as required by generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents.

 (3) For municipalities allowed to provide for a compilation of financial statements pursuant to Section 5-7-240, the Uniform Supplement Schedule Form must be included in the compilation report as supplemental information. In addition, the municipality is required to engage the external accountant to perform agreed upon procedures related to the supplemental schedule as established annually by the Office of the State Treasurer and approved by the Office of the State Auditor.

 (4) Within thirty days of issuance of the audited or compiled financial statement, the municipality must submit to the State Treasurer Department of Governmental Auditing a copy of the audited or compiled financial statement and a statement of the actual cost associated with the preparation of the Uniform Supplemental Schedule Form required in this section and, if applicable, the agreed upon procedures. Upon submission to the State Treasurer department, the municipality may retain and pay from the fines and assessments collected pursuant to this section the actual expense charged by the external auditor or accountant associated with the Uniform Supplemental Schedule Form required in this subsection, not to exceed two thousand dollars each year.

 (5) The clerk of court and municipal treasurer shall keep records of fines and assessments required to be reviewed pursuant to this subsection in the format determined by the municipal governing body and make those records available for review.

SECTION 13. This act takes effect upon approval by the Governor.

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