



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

[WWW.RFA.SC.GOV](http://WWW.RFA.SC.GOV) • (803)734-3793

*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.*

---

|                        |                      |                                |
|------------------------|----------------------|--------------------------------|
| <b>Bill Number:</b>    | H. 3925              | Introduced on February 6, 2025 |
| <b>Subject:</b>        | State Finances       |                                |
| <b>Requestor:</b>      | House Ways and Means |                                |
| <b>RFA Analyst(s):</b> | Vesely               |                                |
| <b>Impact Date:</b>    | 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 31<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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