



# 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.*

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**Bill Number:** S. 0253 Amended by the Senate on January 30, 2025  
**Subject:** Audit Support  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Tipton  
**Impact Date:** February 10, 2025

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### Fiscal Impact Summary

This joint resolution as amended directs the State Treasurer's Office (STO), Comptroller General's Office (CGO), and Office of State Auditor (OSA) to implement the recommendations made in the AlixPartners forensic accounting report and other relevant studies conducted in FY 2023-24 and FY 2024-25 that do not require statutory change, with coordination and oversight provided by the Department of Administration (Admin). The joint resolution as amended further states that STO, CGO, and OSA, no later than 90 days after the effective date, must provide a detailed timeline for implementation of all recommendations made in the AlixPartners forensic accounting report and other relevant studies conducted during FYs 2023-24 and 2024-25, including those that require statutory change, to the Governor, the President of the Senate, the Chairman of the Senate Finance Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, Admin, and an independent compliance monitor.

This joint resolution redirects funding currently appropriated pursuant to Proviso 117.186 of the FY 2024-25 General Appropriations Act in the amount of \$1,200,000 to be utilized by Admin to hire an independent compliance consultant to oversee compliance with all recommendations in the AlixPartners forensic accounting report. Admin reports that the funds available pursuant to the proviso will cover the expenses incurred by the agency during the remainder of FY 2024-25, with expenses to the agency to ensure that recommendations are implemented and monitored expected to total \$1,800,000 in FY 2025-26, \$1,000,000 in FY 2026-27, and \$500,000 in FY 2027-28. Admin indicates that additional appropriations will be required to cover the estimated expenses beginning in FY 2025-26.

CGO reports that the implementation of the requirements in the joint resolution as amended can be absorbed within existing resources but adds that additional General Funds will be requested by the office to engage a third-party accounting firm to assist with the implementation of the recommendations included in the report.

This joint resolution will have no impact on STO or OSA, as both offices indicate the provisions can be managed with existing staff and resources.

## Explanation of Fiscal Impact

**Amended by the Senate on January 30, 2025**

### **State Expenditure**

This joint resolution as amended directs STO, CGO, and OSA to implement the recommendations made in the AlixPartners forensic accounting report and other relevant studies conducted in FYs 2023-24 and 2024-25 that do not require statutory change, with coordination and oversight provided by Admin. The resolution further requires STO, CG, and OSA to provide monthly reports on the status of implementation of the recommendations made to their agencies to the Governor, the President of the Senate, the Chairman of the Senate Finance Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, Admin, and an independent compliance monitor beginning no later than March 31, 2025. Admin is required to convene a monthly public meeting of the agencies engaged to provide the input of the independent compliance monitor.

The joint resolution, as amended, further states that STO, CGO, and OSA, no later than 90 days after the effective date, must provide a detailed timeline for implementation of all recommendations made in the AlixPartners forensic accounting report and other relevant studies conducted during FYs 2023-24 and 2024-25, including those that require statutory change, to the Governor, the President of the Senate, the Chairman of the Senate Finance Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, Admin, and an independent compliance monitor.

This joint resolution specifies funding appropriated pursuant to Proviso 117.186 of the FY 2024-25 General Appropriations Act is to be utilized by Admin to hire an independent compliance consultant to monitor and oversee compliance with all recommendations in the AlixPartners forensic accounting report. According to the General Appropriations Act, \$1,200,000 was appropriated for this purpose. Admin reports that based on a consultation with the state's forensic accounting firm and the Attorney General's Office, the agency anticipates the potential expense and length of the monitoring process may take up to three additional years. The funds available pursuant to the proviso will cover the estimated expenses to the agency during the remainder of FY 2024-25. Admin further anticipates that this joint resolution will result in expenses to the agency of \$1,800,000 in FY 2025-26, \$1,000,000 in FY 2026-27, and \$500,000 in FY 2027-28 to ensure that the recommendations are implemented and to monitor the implementation process. Admin indicates that the agency is currently unable to absorb these anticipated costs, and additional appropriations will be needed beginning in FY 2025-26.

CGO reports that the implementation of the requirements in the joint resolution, as amended, can be absorbed within existing resources. The office notes, however, that hiring additional staff or outside support was a recommendation included in the AlixPartners forensic accounting report. As such, the CGO intends to request additional General Funds to engage a third-party accounting firm to assist with the implementation of the recommendations.

STO and OSA indicate the provisions of this joint resolution will be managed with existing staff and resources. Therefore, this joint resolution will have no impact on STO or OSA.

**State Revenue**

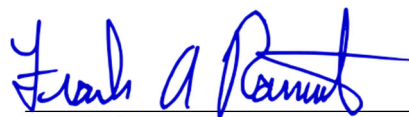
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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