CHAPTER 7

State Auditor

**SECTION 11‑7‑10.** Selection; assistants.

 The State Fiscal Accountability Authority shall select the State Auditor, who shall select necessary assistants in conformity with the appropriations for the office.

HISTORY: 1962 Code Section 1‑881; 1952 Code Section 1‑881; 1942 Code Section 3222‑1; 1933 (38) 297; 1950 (46) 2353; 2005 Act No. 164, Section 1; 2014 Act No. 121 (S.22), Pt V, Section 7.S.1, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.S.1, substituted “Fiscal Accountability Authority” for “Budget and Control Board”.

CROSS REFERENCES

Constitutional provisions regarding public officers, see SC Const, Art 6.

Transfer of offices, divisions, other agencies from State Budget and Control Board to appropriate entities, see Section 1‑11‑20.

Library References

States 46.

Westlaw Topic No. 360.

C.J.S. States Sections 88, 158 to 161, 163 to 165, 195.

**SECTION 11‑7‑20.** Annual audits of state agencies.

 (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.

 (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) 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 as applicable to major Federal programs.

 (D) 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, Audits of States, Local Governments, and Nonprofit Organizations.

HISTORY: 1962 Code Section 1‑882; 1952 Code Section 1‑882; 1942 Code Section 3222‑2; 1932 Code Section 7846; Civ. C. ‘22 Section 3979; 1915 (29) 162; 1933 (38) 297; 1950 (46) 2353; 2005 Act No. 164, Section 1.

CROSS REFERENCES

Annual audit of South Carolina Jobs ‑ Economic Development Authority, see Section 41‑43‑260.

Prohibition against any agent or employee of the Department of Revenue and Taxation or the state auditor’s office disclosing any records of and reports and returns filed with the commission, see Section 12‑54‑240.

Library References

States 121.

Westlaw Topic No. 360.

C.J.S. States Sections 322 to 323, 372.

Attorney General’s Opinions

Personnel Division may disclose salary of State employees to: the Comptroller General, the State Auditor, the Budget and Control Board, the Legislators, the State Reorganization Commission and the Legislative Audit Council. 1978 S.C. Op.Atty.Gen. 223, 1978 S.C. Op.Atty.Gen. No. 78‑199, (Nov. 27, 1978) 1978 WL 22667.

**SECTION 11‑7‑25.** Periodic audits of county and municipal treasurers, county court clerks, magistrates, and municipal courts as to imposition, collection, and remittance of fines and assessments.

 To the extent practicable and consistent with his overall responsibility, the State Auditor periodically shall 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 fines and assessments imposed pursuant to Sections 14‑1‑205 through 14‑1‑208 are collected properly and remitted to the State Treasurer. 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.

HISTORY: 1994 Act No. 497, Part II, Section 36G; 2005 Act No. 164, Section 1.

Library References

Counties 94(4).

Municipal Corporations 172.

Westlaw Topic Nos. 104, 268.

C.J.S. Counties Section 197.

C.J.S. Municipal Corporations Sections 406 to 408.

**SECTION 11‑7‑30.** Audit reports.

 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.

HISTORY: 1962 Code Section 1‑883; 1952 Code Section 1‑883; 1942 Code Section 3222‑2; 1932 Code Section 7846; Civ. C. ‘22 Section 3979; 1915 (29) 162; 1933 (38) 297; 1950 (46) 2353; 2005 Act No. 164, Section 1; 2014 Act No. 121 (S.22), Pt V, Section 7.S.2, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.S.2, twice substituted “State Fiscal Accountability Authority” for “Budget and Control Board”, and made other nonsubstantive changes.

Library References

States 121.

Westlaw Topic No. 360.

C.J.S. States Sections 322 to 323, 372.

**SECTION 11‑7‑35.** Access to records and facilities of state and private agencies receiving appropriated state monies; confidentiality.

 In order to carry out his duties, the State Auditor and his assistants or designees must have access to all records and facilities of every state agency during normal operating hours. The State Auditor and his assistants or designees shall have access to all relevant records and facilities of a private organization receiving appropriated state monies, relating to the management and expenditures of these state monies, during the organization’s normal operating hours. In the performance of his official duties, the State Auditor and his assistants or designees are subject to the statutory provisions and penalties regarding the confidentiality of records of the agency or organization under review. All audit working papers and memoranda of the State Auditor, except final audit reports, are confidential and not subject to public disclosure.

HISTORY: 2002 Act No. 356, Section 1, Part IX.G; 2005 Act No. 164, Section 1.

Library References

States 68.

Westlaw Topic No. 360.

C.J.S. States Sections 224 to 225, 240 to 249, 252.

**SECTION 11‑7‑40.** Cost of medical assistance audits; South Carolina Department of Health and Human Services to be billed.

 The State Auditor shall bill the South Carolina Department of Health and Human Services monthly for fifty percent of the costs incurred by the State Auditor in conducting the medical assistance audit. The amount billed by the State Auditor must include those appropriated salary adjustments and employer contributions allowable under the Medicaid program. The Department of Health and Human Services shall remit the amount billed to the credit of the general fund of the State.

HISTORY: 2002 Act No. 356, Section 1, Part IX.H; 2005 Act No. 164, Section 1.

Library References

States 111.

Westlaw Topic No. 360.

C.J.S. States Sections 311 to 312.

**SECTION 11‑7‑45.** Guarantee of independence.

 As required by professional auditing standards, the State Auditor shall maintain independence in the performance of his authorized duties. Neither the Governor nor an agency or entity of the executive or judicial branches of state government has the authority to limit the scope, direction, or report content of an audit undertaken by the State Auditor.

HISTORY: 2005 Act No. 164, Section 1.

**SECTION 11‑7‑50.** Service on board or commission prohibited; management responsibility of program by auditor or staff prohibited.

 (A) To preserve the independence and objectivity of the audit function, the State Auditor or his employees may not serve in any capacity on an administrative board, commission, or other organization that they have the responsibility or authority to audit, and they may not have a material, direct or indirect, financial or other economic interest in the transactions of a state agency.

 (B) The State Auditor or a member of his staff may not conduct an audit of a program, activity, or agency for which he had management responsibility or by which he has been employed during the last two years.

HISTORY: 2005 Act No. 164, Section 1.

Library References

States 73.

Westlaw Topic No. 360.

C.J.S. States Sections 229, 240 to 249, 253.

**SECTION 11‑7‑55.** Use of services of independent public accountants.

 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.

HISTORY: 2005 Act No. 164, Section 1.

**SECTION 11‑7‑60.** Cost of preparing Comprehensive Annual Financial Report; requests for proposal.

 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 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.

HISTORY: 2005 Act No. 164, Section 1.

Library References

States 111.

Westlaw Topic No. 360.

C.J.S. States Sections 311 to 312.