

Agency Name:	SFAA - State Auditor's Office		
Agency Code:	F270	Section:	105



**Fiscal Year FY 2025-2026  
Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS</b>  <b>(FORM B1)</b>	<b>For FY 2025-2026, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS</b>  <b>(FORM B2)</b>	<b>For FY 2025-2026, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>CAPITAL REQUESTS</b>  <b>(FORM C)</b>	<b>For FY 2025-2026, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS</b>  <b>(FORM D)</b>	<b>For FY 2025-2026, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	George L. Kennedy, III, CPA	(803) 832-8929	gkennedy@osa.sc.gov
<b>SECONDARY CONTACT:</b>	Cindy Hoogenboom	(803) 832-8294	choogenboom@osa.sc.gov

I have reviewed and approved the enclosed FY 2025-2026 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
<b>SIGN/DATE:</b>	<i>George L. Kennedy, III 9/26/2024</i>	
<b>TYPE/PRINT NAME:</b>	George L. Kennedy, III	

*This form must be signed by the agency head – not a delegate.*

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## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	105.8
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	SFAA - AUD: Carry Forward
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	Section 105 II. Audits
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	None
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*Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.*

<b>REQUESTED ACTION</b>	Amend
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	None
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>We are requesting a technical change (FY) with this proviso only. We are requesting that this proviso be approved for an additional fiscal year - FY 2025-2026 - so that the agency can continue to perform operations without having to request recurring funds. By extending this proviso it would enable the agency to pay for legal expenses that are not recognized as normal expenses for our agency. As we continue to fill our open FTEs it will reduce the amount of funds we have to use for unexpected and unfunded expenses and reduce the amount we have to use for unknown legal fees. Having the carryforward for an additional year would enable us to plan for these additional expenses without reducing our workforce or audit programs and would continue to keep productivity at a high level.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

**FISCAL IMPACT**

With this proviso being approved for an additional fiscal year it would ensure that operations could continue without disrupting programs, personnel, or productivity.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**PROPOSED  
PROVISO TEXT**

105.8 (SFAA - AUD: Carry Forward) For Fiscal Year ~~2024-25~~ **2025-26**, the Office of the State Auditor is authorized to carry forward all funds from the prior fiscal year to ensure that the office can perform operations and conduct audits as needed.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

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## **FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings & General FUnd Reduction Contingency Plan
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<b>AMOUNT</b>	\$206,235 <i>What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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<b>ASSOCIATED FTE REDUCTIONS</b>	None - We would not reduce the number of FTEs for the agency.  <i>How many FTEs would be reduced in association with this General Fund reduction?</i>
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<b>PROGRAM / ACTIVITY IMPACT</b>	The Contingency Plan would impact the following program:  Audit Program - 10010000 - 0500,000000,000  This includes all audit divisions for the agency.  <i>What programs or activities are supported by the General Funds identified?</i>
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<b>SUMMARY</b>	<p>The Office of the Sate Auditor is mostly funded with general appropriations. 86% of these general funds consist of personnel and employer contributions. Because of this, the agency would need to reduce funds from personal services and the associated employer contributions. The reduction would need to come from tehse areas in order to preserve technology needs and support, continued training to maintain Certifications/CPE, to be able to stay up to date on federal and state regulations/laws, and to sustain operating expenses that are fixed and critical to the agency.</p> <p>To support the general funds reduction, the Office of the State Auditor would refrain from hiring vacancies for three entry-level positions. This would allow us to use the funds dedicated to those salaries and the anticipated fringe costs for each. Please note that this would not be done without limiting productivity. There would be great potential of creating work restraints that would need to be addressed through a reprioritization of overall duties within the agency. While service delivery timeliness and quality of services would be maintained, strategic initiatives important to the health and sustainability of the agency would receive little to no focus and would be impacted.</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

**AGENCY COST  
SAVINGS PLANS**

As stated above, our agency is primarily funding personal services and associated costs. Because this makes the budget lean, there is no cost savings plan in place currently or planned for FY26.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*