

Senate Finance Committee
Constitutional Subcommittee

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February 1st, 2024

VIA ELECTRONIC MAIL & HAND DELIVERY

The Honorable Curtis M. Loftis
1200 Senate Street – Suite 214
Wade Hampton Building
Columbia, SC, 29201

Dear Treasurer Loftis:

Providing the people of South Carolina with complete and accurate reporting of our State's financial position requires open communication and careful collaboration between the Office of the Comptroller General and the Office of the Treasurer. The Subcommittee recalls your testimony of February 23rd, 2023, during which you said that you and your Office stand ready to cooperate with, and answer any question from, the Office of the Comptroller General. You further stated that the Office of the Comptroller General would receive from your Office "any information" that it requested relating to the State's financial operations.

Your public assurances were appreciated. The veracity of the State's financial position in general, and that of the State's Annual Comprehensive Financial Report in particular, requires a foundation of trust and open communication between the two offices.

The Subcommittee was informed that the Comptroller requested financial information from the Treasurer. The Subcommittee wants to ensure that this information has been fully provided.

Accordingly, the Subcommittee asks you to provide answers to the following questions:

1. The 2023-2024 General Appropriations Act includes Proviso 98.14. Written to ensure the integrity of future financial reporting, the Proviso stipulates that:

For the current fiscal year, the Office of the State Treasurer shall provide the Office of the Comptroller General all cash and investment fund balances by aggregation of funds by unique disclosure entity for the purposes of cash reconciliation and annual comprehensive financial report compilation. Further, the Office of the State Treasurer shall fully comply with information requested in the form of closing packages from the Office of the Comptroller General for the same purposes.

This Proviso was reported favorably by the Senate Finance Committee on April 12th, 2023; adopted by the Senate on April 19th, 2023; adopted, and ordered enrolled for ratification by the General Assembly on June 14th, 2023; signed by the Governor on June 20th, 2023, and became effective on June 26th, 2023.

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Is your office in full compliance with Proviso 98.14? If so, provide supporting documentation. If not, provide documentation explaining the reason why your office is not in compliance.

2. In a letter to you dated October 31st, 2023, the Comptroller General wrote that Fund 30350993 arose during the conversion of the Statewide Accounting and Reporting System to the South Carolina Enterprise Information System. What documentation, information, or other knowledge do you and your office have about this fund, including but not limited to, the origin and purpose of this fund?

Please respond in writing to these questions not later than noon on Thursday, February 8th, 2024. If you have questions, contact Jessica Wigington, Staff Analyst for the Subcommittee, at jessicawigington@scsenate.gov.

Thank you for your timely response.



cc: The Honorable Henry McMaster, Governor
The Honorable Brian Gaines, Comptroller General
The Honorable Harvey Peeler, Senate Finance Chairman
The Honorable Bruce Bannister, House Ways & Means Chairman
The Honorable Thomas McElveen
The Honorable Mike Fanning
The Honorable Stephen Goldfinch
The Honorable Tom Young
The Honorable Margie Bright Matthews
George Kennedy, SC State Auditor