

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45218-MUa-41

Short Title: Increase Funding to State Auditor. (Public)

Sponsors: Senators Sawrey, Overcash, and Hanig (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE FUNDING FOR THE OFFICE OF THE STATE AUDITOR.

3 Whereas, the Office of the State Auditor is established under Section 7 of Article V
4 of the North Carolina Constitution to provide independent evaluations of the State's financial
5 records, compliance with statutory and regulatory requirements, and operational efficiency; and

6 Whereas, the statutory authority and responsibilities of the Office of the State Auditor
7 are outlined in Article 5A of Chapter 147 of the General Statutes, including the duty to audit all
8 State agencies, departments, and institutions to ensure accountability and transparency in the use
9 of public funds; and

10 Whereas, the Office of the State Auditor has the authority to conduct performance
11 audits, financial audits, and investigations to detect fraud, waste, and abuse within State
12 government; and

13 Whereas, recent audit findings have demonstrated the necessity for increased
14 oversight and resources to strengthen financial accountability and ensure the effective and
15 efficient use of taxpayer funds; and

16 Whereas, additional funding will enhance the Office of the State Auditor's capacity
17 to conduct timely and thorough audits, invest in advanced data analytics, recruit and retain skilled
18 personnel, and expand fraud detection efforts; Now, therefore,
19 The General Assembly of North Carolina enacts:

20 **SECTION 1.(a)** There is appropriated from the General Fund to the Office of the
21 State Auditor the following sums for the 2025-2026 fiscal year:

- 22 (1) Personnel expansion. – Ninety-five thousand dollars (\$95,000) in
23 nonrecurring funds for initial onboarding and recruitment costs for the
24 positions being added under subdivision (b)(1) of this section.
25 (2) Contract funding. – Three million dollars (\$3,000,000) in nonrecurring funds
26 to support critical short-term audit infrastructure.
27 (3) Construction needs. – One million dollars (\$1,000,000) in nonrecurring funds
28 for additional office space.

29 **SECTION 1.(b)** There is appropriated from the General Fund to the Office of the
30 State Auditor the following sums for each year of the 2025-2027 fiscal biennium:

- 31 (1) Personnel expansion. – Six million seven hundred thousand dollars
32 (\$6,700,000) in recurring funds to hire 70 additional full-time staff positions.
33 (2) Staff compensation increase. – Five hundred thousand dollars (\$500,000) in
34 recurring funds to provide a three percent (3%) increase in staff compensation
35 for recruitment and retention.



1 (3) Data analytics and technology upgrades. – Five million dollars (\$5,000,000)
2 in recurring funds for information technology modernization and security
3 upgrades for audit infrastructure.

4 **SECTION 2.** By December 31, 2025, the State Auditor shall submit a report to the
5 Joint Legislative Commission on Governmental Operations detailing the use of these funds,
6 including the number of audits conducted, findings related to fraud or financial mismanagement,
7 and the impact of technology investments on audit efficiency.

8 **SECTION 3.** This act becomes effective July 1, 2025.