

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

S

1

SENATE BILL 376

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

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

Referred to: Rules and Operations of the Senate

March 24, 2025

A BILL TO BE ENTITLED

AN ACT TO INCREASE FUNDING FOR THE OFFICE OF THE STATE AUDITOR.

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

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

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

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

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

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

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

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

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