

SOUTH CAROLINA GENERAL ASSEMBLY  
**Legislative Audit Council**



**2025 ANNUAL AGENCY REPORT**



**K. Earle Powell, Director**

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## MESSAGE FROM THE DIRECTOR

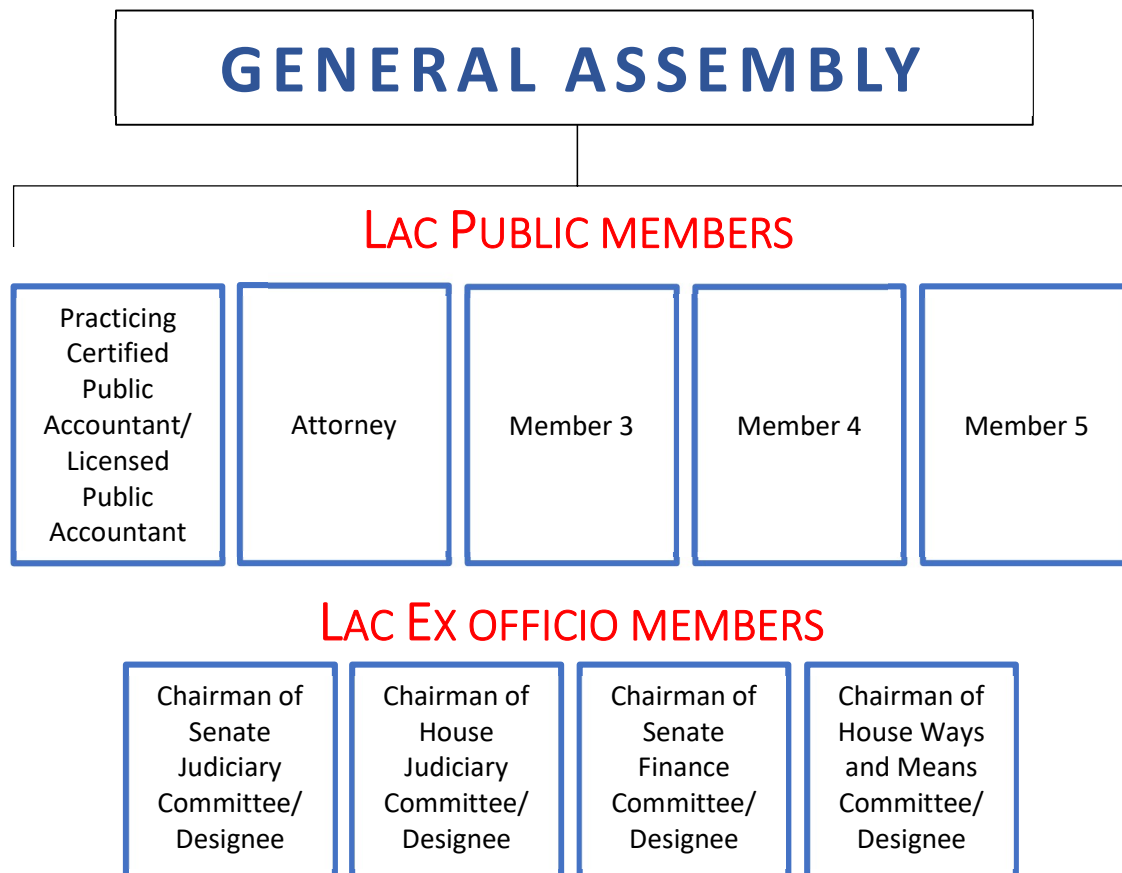
As the Director of the Legislative Audit Council, I am pleased to present to you this annual report of our 2025 activities. Over the past 50 years, the LAC has dedicated itself to bringing transparency and accountability to state government to render all state government “good” government. I am especially proud of our talented, hard-working staff, whose accomplishments continue to deliver tangible improvements to government services for South Carolina citizens and have garnered national accolades. I am also grateful for the continued support the agency receives from its Council members and members of the General Assembly. We remain committed to our principles of independence, reliability, and integrity and look forward to another 50 years of service.



K. Earle Powell

## ENABLING LEGISLATION

The Legislative Audit Council (LAC) is the State of South Carolina’s original performance auditing arm of state government and was established in 1975 under S.C. Code §2-15-10. The LAC is currently governed by a council consisting of five public members and four ex officio members.



## **MISSION**

The mission of the LAC is to perform independent, objective performance audits to help ensure that state agencies and programs are efficient, achieve desired outcomes, and comply with applicable laws. Our audits are conducted in accordance with generally accepted government auditing standards as set forth by the Comptroller General of the United States.

## **LAC JURISDICTION AND FUNCTION**

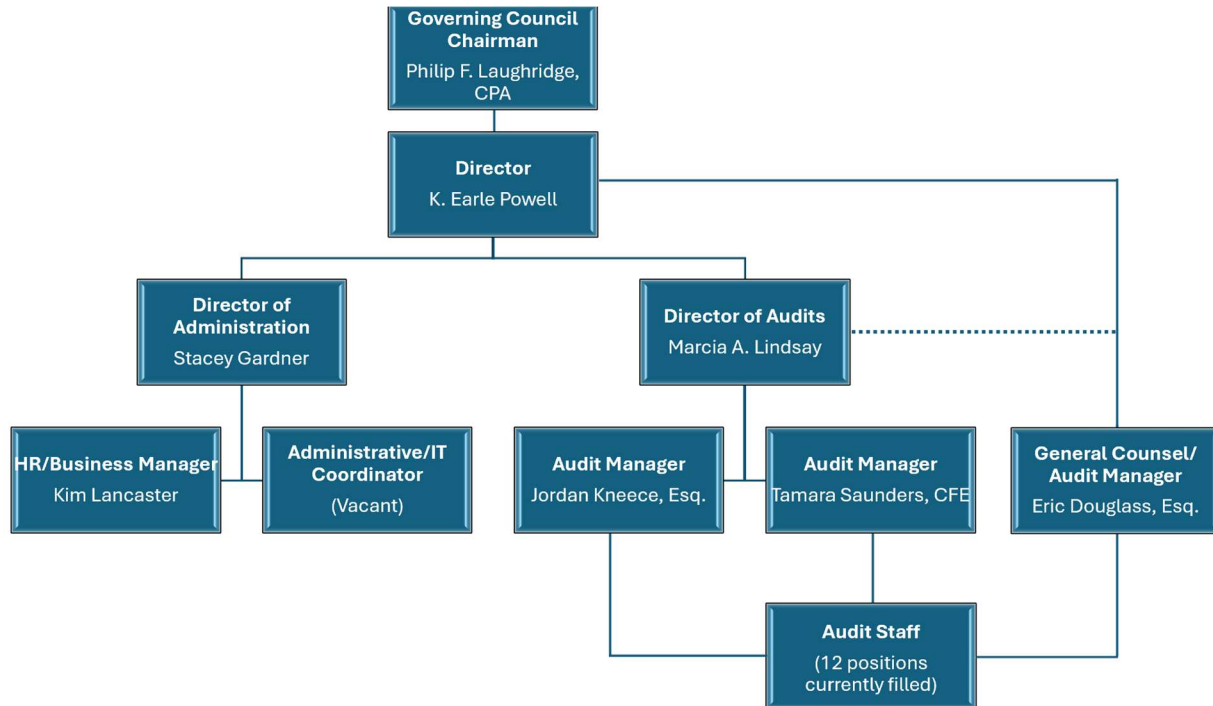
S.C. Code §2-15-50 outlines which agencies may be audited by the LAC and defines “state agencies” as “all officers, departments, boards, commissions, institutions, universities, colleges, bodies politic and corporate of the State and any other person or any other administrative unit of state government or corporate outgrowth of state government, expending or encumbering state funds by virtue of an appropriation from the General Assembly, or handling money on behalf of the State, or holding any trust funds from any source derived.” The LAC does not, however, have jurisdiction over local governments, school districts, or special purpose districts. State law requires that audits be requested by members of the General Assembly or as mandated by law.

Performance audits conducted by the LAC examine the efficiency and effectiveness of state government programs and endeavor to make programs better, determine if funds are spent appropriately, and determine whether programs achieve their intended purpose. Our aim is to ensure that state agencies comply with applicable laws, keep costs low, maximize available resources, and meet their objectives/goals.

The LAC follows U.S. Government Accountability Office Yellow Book standards and, in accordance with S.C. Code §2-15-120, maintains confidentiality of all records and working papers. In addition, each audit staff member completes an independence statement for each audit to ensure impartiality and reduce the threat of bias or any conflict of interest. Our audit staff complete 80 hours of Continuing Professional Education every two years in accordance with Generally Accepted Government Auditing Standards.

## ORGANIZATIONAL CHART AND FTEs

We currently have 26 authorized FTEs, of which 19 are filled and 7 are vacant.



## AGENCY RESTRUCTURING/CHANGES TO COUNCIL

In calendar year 2025, the LAC experienced the departure of two long-serving administrative staff members; this departure, in part, prompted a structural reorganization that was implemented in July 2025. The reorganization established two separate divisions within the agency—one dedicated solely to administration and one dedicated solely to audits—to ensure a clearer division of duties, to establish a more direct chain of command for the two sides of the agency, and to improve internal efficiencies and succession planning. This new structure is depicted in the organizational chart shown above.

At the beginning of 2025, the LAC’s public council members consisted of Philip F. Laughridge, CPA and Chairman; Jane P. Miller, Vice Chair; John B. Dangler, JSC (ret); Charles L. A. Terreni, Esquire; and Reverend Dennis P. Caldwell. In December 2025, Reverend Caldwell tendered his resignation from the Council. The agency is awaiting information from legislative nominating committees as to nomination of a potential replacement member.

## OUR STAFF

The LAC employs highly educated and skilled staff members that work collaboratively to produce expert performance audits. Our staff members include, but are not limited to, persons with the following educational and professional specialties:

- South Carolina Bar Association (Licensed Attorney)
- Certified Fraud Examiner
- Certified Public Manager
- Retired military/law enforcement officer/investigator
- Accounting expert
- Geographic Information Systems expert
- Nationally certified paralegal

In addition, more than 60% of our staff possess graduate-level degrees. We currently have one staff member working towards credentialing as a Certified Fraud Examiner, two staff members working towards credentialing as Certified Internal Auditors, and one staff member working to complete a doctoral degree.

## MANAGEMENT



**K. Earle Powell**  
Director

Director of LAC since 2015

Bachelor of Science, Political Science, University of South Carolina – Aiken

Master of Public Administration, University of South Carolina

Revenue and Fiscal Affairs Office (SC), 2014-2015

Office of State Budget (SC), 2007-2014; 1990-1994

Legislative Audit Council (SC), 1985-1988



**Marcia A. Lindsay**  
Director of Audits

Joined LAC in 1989

Bachelor of Arts, Business Administration, Columbia College

Master of Public Administration, University of South Carolina

State of South Carolina Certified Public Manager

Graduate of Executive Institute (SC)

Workers' Compensation Commission (SC), 1984-1988

State Accident Fund (SC), 1988-1989



**Stacey R. Gardner**  
Director of Administration

Joined LAC in 2022

Bachelor of Science., Biology, University of South Carolina

Master of Public Health, University of South Carolina

State of South Carolina Certified Public Manager

Graduate of Management Academy for Public Health, University of North Carolina

Department of Mental Health (SC), 2014-2021

Department of Health & Environmental Control (SC), 1996-2014

Office of the Adjutant General (SC), 1993-1994 (SC)

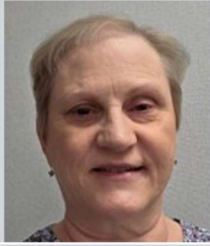


**Eric J. Douglass, Esq.**  
**General Counsel/  
Audit Manager**

Joined LAC in 2006

Bachelor of Arts, Political Science,  
University of South Carolina

Juris Doctor, University of South  
Carolina School of Law



**Tamara D. Saunders, CFE**  
**Audit Manager**

Joined LAC in 2016

Bachelor of Science, Accounting,  
West Virginia Institute of  
Technology

Bachelor of Science, Business  
Management, West Virginia  
Institute of Technology

Legislative Auditor's Office (WV),  
2009-2016

State Tax Division (WV),  
2006-2008



**Jordan E. Kneece, Esq.**  
**Audit Manager**

Joined LAC in 2020

Bachelor of Arts, English, Furman  
University

Bachelor of Arts, Music, Furman  
University

Juris Doctor, University of South  
Carolina School of Law

Department of Employment and  
Workforce (SC), 2017-2020

Office of the Governor (SC), 2013

## STAFF

### **Yolanda Wardlaw, Senior Financial Auditor**

- Joined LAC in 2015
- Bachelor of Science, Accounting, Clemson University
- Master of Professional Accountancy-Audit, Clemson University
- Prior state government service:
  - Department of Disabilities and Special Needs (SC)
  - Department of Health and Human Services (SC)
  - Comptroller General's Office (SC)

### **Trent Anderson, Senior Auditor**

- Joined LAC in 2018
- Bachelor of Arts, Political Science, West Virginia University
- Master of Business Administration, West Virginia University
- Certified Fraud Examiner
- Currently pursuing Certified Internal Auditor credential
- Previous state government experience:
  - Legislative Auditor's Office (WV)

**Katelyn Hulion, Senior Auditor**

- Joined LAC in 2019
- Bachelor of Arts, Business Accounting, Columbia College
- Master of Arts, Organizational Leadership, Columbia College
- Received Associate Public Manager credential from State of South Carolina
- Previous state government experience:
  - Department of Revenue (SC)

**Beth Lemmonds, Associate Auditor**

- Joined LAC in 2021
- Bachelor of Arts, Journalism and Mass Communications, University of South Carolina
- Currently pursuing Certified Fraud Examiner credential

**Rikki Harris, Esquire, Associate Auditor**

- Joined LAC in 2022
- Bachelor of Science, Sociology, College of Charleston
- Juris Doctor, Charleston School of Law
- Previous state government experience:
  - Department of Social Services (SC)
  - Texas Workforce Commission
  - Texas Office of the Attorney General

**Kelli Grant, Associate Auditor**

- Joined LAC in 2023
- Bachelor of Arts, Psychology, University of South Carolina-Aiken
- Previous state government experience:
  - Department of Employment and Workforce (SC)

**Joseph Koenig, Associate Auditor**

- Joined LAC in 2023
- Bachelor of Science, Workforce Education and Development, Southern Illinois University at Carbondale
- Master of Criminal Justice, University of South Carolina
- Member of National Association of Legal Assistants
- Society of Former Agents of SLED
- Nationally certified paralegal with advanced certification in trial practice
- Currently pursuing doctoral degree in Law and Policy, Liberty University
- Previous state government experience:
  - Department of Corrections (SC)
  - State Law Enforcement Division (SC)
  - South Carolina Highway Patrol
  - South Carolina National Guard

**Julia Buchanan, Associate Auditor**

- Joined LAC in 2023
- Bachelor of Science, Information Science, University of South Carolina
- Currently pursuing Certified Internal Auditor credential
- Previous state government experience:
  - Revenue and Fiscal Affairs Office (SC)
  - Legislative Council (SC)

**Courtney Rounds, Assistant Auditor**

- Joined LAC in 2024
- Bachelor of Arts, History, University of South Carolina
- Certificate of Graduate Study, Museum Management, University of South Carolina
- Master of Arts, Public History, University of South Carolina
- Master of Library and Information Science, University of South Carolina
- Previous state government experience:
  - Department of Cultural Resources (NC)

**Jessica Baxter, Assistant Auditor**

- Joined LAC in 2025
- Bachelor of Arts, Behavioral Science, Columbia College
- Bachelor of Science, Accounting, Columbia College
- Master of Social Work, University of South Carolina
- Master of Public Administration, University of South Carolina
- Previous state government experience:
  - Department of Education (SC)
  - Department of Revenue (SC)

**Adrienne Jorgensen, Assistant Auditor**

- Joined LAC in 2025
- Bachelor of Arts, Fine Art, University of Colorado at Boulder
- Bachelor of Arts, Geography, University of Colorado at Boulder
- Master's Certificate of Advanced Studies in Geographic Information Systems

**Stefanie Williamson, Assistant Auditor**

- Joined LAC in 2025
- Bachelor of Science, Microbiology, Clemson University
- Previous state government experience:
  - House of Representatives (SC)
  - Department of Social Services (SC)

**Kim Lancaster, HR/Business Manager**

- Joined LAC in 2019

- Human Resources Professional Development Program Certification
- Previous state government experience:
  - Legislative Council (SC)
  - Revenue and Fiscal Affairs Office (SC)
  - Office of State Budget (SC)
  - Department of Health and Environmental Control (SC)

## 2025 AUDITS PUBLISHED

### S.C. AERONAUTICS COMMISSION

The LAC’s report, *A Limited Review of the S.C. Aeronautics Commission (SCAC)*, was published on March 13, 2025. We concluded:

- The General Assembly should consider amending S.C. Code §13-1-1050 to provide for a term certain for the at-large commissioner/chairman of SCAC and to require a new Governor to appoint the at-large commissioner with the advice and consent of the Senate.
- The General Assembly should consider amending state law to allow the General Assembly a greater say in the nomination and confirmation process of the SCAC executive director.
- SCAC should clarify in its Airport Development Policies and Procedures Guide what acceptable “public use” is for projects funded by state grant and to clarify when updates to airport layout plans are necessary.

We also found that the General Assembly should consider codifying a mission statement for SCAC, clearly identifying what the agency is expected to accomplish. We found that the General Assembly should consider codifying the ability of SCAC to use the State Aviation Fund for aviation education programs and to formalize its education grant policies. We also recommended that SCAC should ensure compliance with the S.C. Freedom of Information Act at its meetings by announcing a specific purpose for its executive sessions.

Requestors:                      Sen. Josh Kimbrell  
    Sen. Michael Johnson  
    Sen. Rex F. Rice  
    Sen. Harvey S. Peeler  
    Sen. Brian Adams

Report Link:                      <https://lac.sc.gov/reports/reports-agency-a-k/scac-2025>

## FEDERAL EDUCATION FUNDING AND TESTING REQUIREMENTS IN SOUTH CAROLINA

The LAC's report, *A Limited Review of Federal Education Funding and Testing Requirements in South Carolina*, was published on September 25, 2025. The LAC audited the S.C. Department of Education (SCDE) regarding federal funding linked to testing/assessment requirements and the cost/benefit associated with accepting the funding. Our objective for this audit was to determine potential impacts if South Carolina chose not to accept federal funding and/or comply with federal education requirements. We found:

- The majority (69%) of South Carolina's assessments are based on state requirements, not federal requirements. South Carolina has had requirements for testing and accountability in state law since the late 1990s, prior to the implementation of federal testing requirements.
- The Every Student Succeeds Act (ESSA) codifies both the limited reach of the federal government in the state decision making process and the flexibility states have in testing requirements. ESSA encourages states and districts to improve and streamline assessments, which may include the elimination of unnecessary testing.
- Of SCDE's FY 23-24 expenditures, \$2.1 billion in federal funds were spent on education. The \$2.1 billion was comprised of approximately \$700 million in U.S. Department of Education grants, \$1 billion in temporary COVID-19 funding, \$481 million in U.S. Department of Agriculture grants, and \$1.7 million in other grants.

Based on our review of federal education law, we concluded that it is impossible to determine, with certainty, what ramifications and/or consequences would result from South Carolina refusing to accept federal education funding or not complying with federal education law, as no state has completely refused federal education funds. If South Carolina were to refuse federal education funds, additional state funding of at least \$411 million up to \$680 million (based on FY 23-24 SCDE expenditures) may be needed to cover the loss in federal education funds.

We also found that the General Assembly should establish a study committee to review S.C. Code §59-1-10 et seq. to identify opportunities for modernization and changes that may lead to positive educational outcomes for South Carolina's students, including the timeframe for how frequently academic areas should be reviewed and the necessity of each state-required assessment.

Requestors:                      Rep. Shannon S. Erickson  
   Rep. William R. Whitmire  
   Rep. Adam Morgan  
   Rep. Melissa Oremus  
   Rep. Jermaine Johnson  
   Rep. Rob Harris

Report Link:                      <https://lac.sc.gov/scde-2025>

**CHARTER INSTITUTE AT ERSKINE**

The LAC's report, *A Limited Review of the Charter Institute at Erskine* (the Institute), was published on November 20, 2025. We did not conclude that the Institute should be eliminated. However, we found numerous areas for potential improvement. We concluded:

- The Institute should ensure its travel for professional development is primarily dedicated to building and improving professional skills and should reduce the amount of time dedicated to recreational activities, such as sightseeing and visiting museums.
- The Institute should consider ceasing coverage of expenses for Teach Right USA (a non-profit that offers apprenticeship and alternative certification for future teachers) until such time as it can be established that state funds are not being used.
- The General Assembly should consider amending the Charter Schools Act to clarify whether or not charter school sponsors are exempt from the South Carolina Consolidated Procurement Code.
- The General Assembly should consider amending the Charter Schools Act to prohibit anyone other than the charter school board or its employees signatory authority over bank accounts into which state funds are deposited.
- The Institute should ensure that its purchases are limited to goods and services directly related to fulfilling its mission.
- The General Assembly should consider amending the Charter Schools Act to clarify how charter school sponsors can retain and spend state funds.

We also found that the Institute should have separate bank accounts for its intergovernmental funds and its donated funds and that the General Assembly should consider amending state law to clarify fundraising and donation practices for charter school sponsors. Additionally, we found that the General Assembly should consider amending the Charter Schools Act to clarify instances which constitute conflicts of interest.

Requestors:                      Rep. Shannon S. Erickson  
    Rep. John R. King  
    Rep. Kathy Landing  
    Rep. Bill Taylor  
    Rep. Jackie E. Hayes  
    Rep. Marvin M. Smith

Report Link:                      <https://lac.sc.gov/charter-institute-erskine-2025>

## AUDITS IN PROGRESS

### S.C. DEPARTMENT OF SOCIAL SERVICES

*Statutorily required*

We are conducting an audit of a DSS program, as required by S.C. Code §2-15-64; the topic is child care.

### S.C. VOCATIONAL REHABILITATION DEPARTMENT

*Requested by the House of Representatives Government Efficiency & Legislative Oversight Committee*

We were requested to conduct a performance audit of the S.C. Vocational Rehabilitation Department Disability Determination Services unit. The requestors asked us to review processing times for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) claims.

### S.C. DEPARTMENT OF PUBLIC HEALTH FOLLOW-UP REVIEW

We are conducting a follow-up review of our audit entitled *A Review of the S.C. Department of Health and Environmental Control Certificate of Need Program*, published in February 2022, to determine the status of the recommendations. In our 2022 audit, we made recommendations regarding, among other things, the certificate of need requirement for home health agencies and the certificate of need application process. The Department of Public Health now oversees the certificate of need program following the 2024 dissolution of the Department of Health and Environmental Control.

## PEER ORGANIZATIONS AND PEER REVIEW

### PEER ORGANIZATIONS

The LAC is a proud member of the National Association of State Auditors, Comptrollers and Treasurers (NASACT) and its secretariat, the National State Auditors Association (NSAA), as well as the National Conference of State Legislatures (NCSL) and its secretariat, the National Legislative Program Evaluation Society (NLPES). Both NASACT and NCSL support state audit organizations at the national level, and NLPES supports those state agencies responsible for conducting performance audits.

Our agency director, K. Earle Powell, is active on the board of NASACT and is the President-Elect of the NSAA. Our Director of Audits, Marcia A. Lindsay, served for six years on the Executive Committee of NLPES and is a member of the American Society for Public Administration. Ms. Lindsay has also participated as a member of NCSL in conducting peer review assessments of other state performance auditing agencies. Our Director of Administration, Stacey R. Gardner, currently serves as a member of the NSAA Education and Outreach Committee.

## 2025 PEER REVIEW

The LAC contracts with NCSL to “assess the office’s system of quality control and overall quality of reports in a sample of performance audits completed”<sup>1</sup> every three years. *Government Auditing Standards* Section 5.167, 2024 Revision (Yellow Book) establishes three peer review report ratings: pass, pass with deficiencies, or fail. In November 2025, the peer review team—consisting of representatives of NCSL, the Colorado Office of State Auditor, and the Joint Legislative Audit and Review Commission of Washington—completed its most recent peer review of LAC and assigned the LAC a pass rating. The LAC values its close relationship with NCSL and welcomes its input on issues of quality control and assurance.

## 2025 AWARDS

### NATIONAL LEGISLATIVE PROGRAM EVALUATION SOCIETY IMPACT AWARD

Each year, the NLPES accepts impact award applications from legislative offices that issue evaluations or audit reports when the recommendations from those reports result in cost savings, public policy changes, and/or program improvements. Since 1997, the LAC has received 14 NLPES Impact Awards, the most recent of which was issued in 2025 for the agency’s audit of the S.C. Department of Disabilities and Special Needs (DDSN). As a result of the LAC’s audit of DDSN, the agency updated its policies and directives, improved video surveillance, increased the number of homes for placement of individuals served, and implemented website upgrades.



<sup>1</sup> National Conference of State Legislatures, 2022. “Peer Review, South Carolina Legislative Audit Council.”

## 2025 STAFF SURVEY RESULTS

In 2025, the LAC conducted a newly designed staff satisfaction survey, which was evaluated on a 5-point Likert scale, encouraged optional comments, and included a number of open-ended questions. Through the results of the survey, we identified the following positive themes:

- Great flexibility and work/life balance
- Staff feel appreciated as employees
- Abundant training/development opportunities
- Fair pay for work performed
- Staff feel work is impactful
- Good collaboration between staff

The survey also revealed some areas of opportunity. Among the things we will be studying and considering for potential implementation are:

- Increasing our use of innovative tools
- Expanding our online and public presence
- Increasing mentoring and hands-on training for audit staff
- Continuing to evaluate our audit processes to maximize the efficiency of audit production time

## INITIATIVES/INNOVATION

The LAC endeavors to adopt innovations that drive efficiency and increase production and frequently collaborates with sister agencies in other states to discuss best practices and new technologies. In 2025, the agency began using a new data analysis platform designed to help financial and auditing agencies cross-reference and reconcile data, which has significantly reduced the time typically required for data review and validation. During 2026, the agency will be developing rapid-response audit procedures designed to assess the performance of state government agencies, programs, or processes using more narrowly focused objectives. We are also developing a policy regarding the use of artificial intelligence in our performance auditing process.

## AUDIT PRODUCTION COST

The LAC endeavors to keep audit production costs low. For FY 24-25, the agency's cost per audit hour was \$105.

## PENDING LEGISLATION

In the first year of South Carolina’s two-year FY 25-27 legislative session, the South Carolina House of Representatives passed H. 4337, which grants subpoena powers to the LAC in auditing state agencies, authorizes the LAC to apply to the circuit court for orders to hold individuals in contempt of court for failure or refusal to provide requested documentation, and specifies that state agencies must provide readily available records upon request. A person failing to comply with these provisions is guilty of a misdemeanor punishable by a fine of not more than \$1,000 or imprisonment for not more than one year. The bill currently resides in the Senate Finance subcommittee for consideration.

## 50<sup>TH</sup> ANNIVERSARY

The LAC recently celebrated its 50<sup>th</sup> anniversary. We were established as a state agency in 1975 and, at that time, were governed by a Council of three public members and six ex officio members. Our first director was the late George L. Schroeder, and our very first budget request totaled \$240,600. The LAC was originally conceived as a “watchdog and research arm of the General Assembly” and “an instrument of inquiry and accountability”<sup>1</sup> to ensure that state government agencies were doing what they said they were doing. Since our inception, the LAC has completed 120 sunset reviews, 20 white papers, and 264 audits of at least 70 different state government agencies.

## EDUCATION AND OUTREACH

The LAC routinely presents information to external entities in an effort to educate and inform others as to what we do. In 2025, representatives of the LAC spoke at or attended events sponsored by the following organizations:

LeadSC  
National Association of State Auditors  
National Association of State Auditors and Treasurers  
National Conference of State Legislatures  
National Legislative Program Evaluation Society

In addition, we provided information on our work to the following legislative committees, their subcommittees, or their members:

S.C. House of Representatives Education and Public Works Committee  
S.C. House of Representatives Government Efficiency and Legislative Oversight Committee  
S.C. House of Representatives Judiciary Committee  
S.C. House of Representatives Ways and Means Committee  
S.C. Senate Finance Committee  
S.C. Senate Judiciary Committee