

**REPORT OF CONFERENCE COMMITTEE**

**MADAM PRESIDENT AND MR. SPEAKER:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 3094: Appropriation; Dept. of Audit.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
  
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and  
inserting in lieu thereof the following:

5           SECTION 1. The following sum, or so much thereof as may be  
6 necessary, is hereby appropriated out of any funds in the State  
7 General Fund not otherwise appropriated, for the purpose of  
8 paying salaries and defraying the expenses of the State  
9 Department of Audit in making the audits and investigations of  
10 public offices of the state and counties as provided by Section  
11 7-7-201 et seq., Mississippi Code of 1972, for the fiscal year  
12 beginning July 1, 2001, and ending June 30, 2002\$           6,145,015.00.

13           SECTION 2. The following sum, or so much thereof as may be

14 necessary, is hereby appropriated out of any special funds in the  
15 State Treasury to the credit of the State Department of Audit's  
16 special fund account for the purpose of paying salaries and  
17 defraying the expenses of the State Department of Audit in making  
18 the audits and investigations of public offices of the state and  
19 counties as provided by Section 7-7-201 et seq., Mississippi Code  
20 of 1972, for the fiscal year beginning July 1, 2001, and ending  
21 June 30, 2002..... \$ 4,197,885.00.

22 SECTION 3. Of the funds appropriated under the provisions  
23 of Sections 1 and 2, not more than the amounts set forth below  
24 shall be expended for the respective major objects or purposes of  
25 expenditure:

26 MAJOR OBJECTS OF EXPENDITURE:

27 Personal Services:

28	Salaries, Wages and Fringe Benefits . \$	8,358,414.00
29	Travel and Subsistence.....	846,657.00
30	Contractual Services.....	890,417.00
31	Commodities.....	86,412.00

32 Capital Outlay:

33	Other Than Equipment.....	0.00
34	Equipment.....	161,000.00
35	Subsidies, Loans and Grants.....	<u>0.00</u>

36 Total..... \$ 10,342,900.00

37 FUNDING:

38 General Funds..... \$ 6,145,015.00

39 Special Funds..... 4,197,885.00

40 Total..... \$ 10,342,900.00

41 AUTHORIZED POSITIONS:

42 Permanent: Full Time 181

43 Part Time 1

44 Time-Limited: Full Time 0

45

5

Part Time 0

6 With the funds herein appropriated, it is the intention of the Legislature  
7 that it shall be the agency's responsibility to make certain that funds  
8 required to be appropriated for "Personal Services" for Fiscal Year 2003 do  
9 not exceed Fiscal Year 2002 funds appropriated for that purpose, unless  
10 programs or positions are added to the agency's Fiscal Year 2003 budget  
11 by the Mississippi Legislature. Based on data provided by the Legislative  
12 Budget Office, the State Personnel Board shall determine and publish the  
13 projected annual cost to fully fund all appropriated positions in compliance  
14 with the provisions of this act. It shall be the responsibility of the agency  
15 head to insure that no single personnel action increases this projected  
16 annual cost and/or the Fiscal Year 2002 appropriation for "Personal  
17 Services" when annualized. If, at the end of any calendar month, the State  
18 Personnel Board determines that the agency has taken action(s) which  
19 would cause the agency to exceed this projected annual cost or the Fiscal  
20 Year 2002 "Personal Services" appropriated level, when annualized, then  
21 only those actions which reduce the projected annual cost and/or the  
22 appropriation requirement will be processed by the State Personnel Board  
23 until such time as the requirements of this provision are met.

24 Any transfers or escalations shall be made in accordance with the  
25 terms, conditions, and procedures established by law.

26 No general funds authorized to be expended herein shall be used to  
27 replace federal funds and/or other special funds which are being used for  
28 salaries authorized under the provisions of this act and which are withdrawn  
29 and no longer available.

30 SECTION 4. In addition to the sums appropriated herein, the Office of

31 the State Auditor is hereby authorized to receive, budget, and expend, with  
32 the approval of the Department of Finance and Administration, any special  
33 funds made available to comply with the Single Audit Act of 1984. These  
34 special funds may be used to employ staff, reallocate existing staff, and pay  
35 related expenses, or to engage private accountants, as necessary, to  
36 comply with the provisions of the Act.

37 SECTION 5. Within the funds provided herein, audits of the Institute  
38 for Technology Development (ITD) are to be performed by the State Auditor  
39 in accordance with Sections 31-29-3 and 31-29-25, Mississippi Code of  
40 1972. In conducting these audits, the State Auditor may rely to the  
41 maximum extent possible upon audits of ITD conducted by independent  
42 auditors in accordance with the provisions of the "Standards for Audit of  
43 Governmental Organizations, Programs, Activities and Functions" published  
44 by the Comptroller General of the United States and Circular A-133 "Audits  
45 of Institutions of Higher Learning and Other Non-Profit Institutions"  
46 published by the Office of Management and Budget. ITD shall present the  
47 results of any and all such audits to the State Auditor for review and  
48 incorporation into his reports to the Legislative Budget Committee. The  
49 audits to be provided to the State Auditor by ITD shall include at least one  
50 (1) annual financial and compliance audit and one (1) audit of its indirect  
51 costs and associated billing rate agreements.

52 SECTION 6. In compliance with the "Mississippi Performance Budget  
53 and Strategic Planning Act of 1994," it is the intent of the Legislature that  
54 the funds provided herein shall be utilized in the most efficient and effective  
55 manner possible to achieve the intended mission of this agency. Based on  
56 the funding authorized, this agency shall make every effort to attain the  
57 targeted performance measures provided below:

58		FY2002
59	<u>Performance Measures</u>	<u>Target</u>
60	Post Audit	
61	Audits Completed (Engagements)	165
62	Billable Audit Hours (Hours)	164,400
63	Technical Assistance	
64	Inquiries (Action)	10,000
65	Cost per Inquiry (\$)	23.47
66	Technicalities (Actions)	4,000
67	Cost per Technicality (\$)	0.38
68	Average Daily Attendance	
69	ADA Examination (Actions)	10,270
70	Cost per Attendance Count (\$)	53.56
71	Cost per School (\$)	617.24

72 A reporting of the degree to which the performance targets set above  
73 have been or are being achieved shall be provided in the agency's budget  
74 request submitted to the Joint Legislative Budget Committee for Fiscal Year  
75 2003.

76 SECTION 7. The money herein appropriated shall be paid by the  
77 State Treasurer out of any money in the State Treasury to the credit of the  
78 proper fund or funds as set forth in this act, upon warrants issued by the  
79 State Fiscal Officer; and the State Fiscal Officer shall issue his warrants  
80 upon requisitions signed by the proper person, officer or officers in the  
81 manner provided by law.

82 SECTION 8. This act shall take effect and be in force from and after  
83 July 1, 2001.

CONFEREES FOR THE SENATE

CONFEREES FOR THE HOUSE

X \_\_\_\_\_

X \_\_\_\_\_

—

Jack Gordon

Charlie Capps, Jr.

X \_\_\_\_\_

X \_\_\_\_\_

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Ron Farris

Percy W. Watson

X \_\_\_\_\_

X \_\_\_\_\_

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Dean Kirby

Warner F. McBride

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