To: Appropriations

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2002

By: Senator(s) Gordon, Thames, Farris, Kirby, Chaney, Frazier, Little, Walls, Williamson

SENATE BILL NO. 3133
(As Sent to Governor)


BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any funds in the State General Fund not otherwise appropriated, for the purpose of paying salaries and defraying the expenses of the State Department of Audit in making the audits and investigations of public offices of the state and counties as provided by Section 7-7-201 et seq., Mississippi Code of 1972, for the fiscal year beginning July 1, 2002, and ending June 30, 2003........ $ 5,853,200.00.

SECTION 2. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any special funds in the State Treasury to the credit of the State Department of Audit's special fund account for the purpose of paying salaries and defraying the expenses of the State Department of Audit in making the audits and investigations of public offices of the state and counties as provided by Section 7-7-201 et seq., Mississippi Code of 1972, for the fiscal year beginning July 1, 2002, and ending June 30, 2003................................. $ 4,243,158.00.

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

MAJOR OBJECTS OF EXPENDITURE:

Personal Services:
Salaries, Wages and Fringe Benefits... $ 8,359,734.00
Travel and Subsistence................ 821,564.00
Contractual Services..................... 808,937.00
Commodities................................ 86,123.00
Capital Outlay:
Other Than Equipment.................... 0.00
Equipment............................ 20,000.00
Subsidies, Loans and Grants............. 0.00
Total................................ $ 10,096,358.00

FUNDING:
General Funds............................ $ 5,853,200.00
Special Funds............................ 4,243,158.00
Total................................ $ 10,096,358.00

AUTHORIZED POSITIONS:
Permanent: Full Time........... 174
Part Time............... 1
Time-Limited: Full Time......... 0
Part Time............... 0

Funds are provided herein to adjust the Variable Compensation Plan to ensure that all full-time employees receive a pay increase equal to fifty percent (50%) of the realignment component of the Variable Compensation Plan or Six Hundred Dollars ($600.00), whichever is greater, beginning on January 1, 2003.

With the funds herein appropriated, it is the intention of the Legislature that it shall be the agency's responsibility to make certain that funds required to be appropriated for "Personal Services" for Fiscal Year 2004 do not exceed Fiscal Year 2003 funds appropriated for that purpose, unless programs, positions or pay increases are added to the agency's budget by the Mississippi Legislature. Based on data provided by the Legislative Budget Office, the State Personnel Board shall, on July 1, 2002, publish separate annual projection reports, based on July 1, 2002 data, for the period of July 1, 2002, through December 31, 2002, and
January 1, 2003, through June 30, 2003, that project the annual cost to fully fund all appropriated positions in compliance with the provisions of this act. It shall be the responsibility of the agency head to ensure that no single personnel action increases this projected cost and/or the Fiscal Year 2003 appropriation for "Personal Services," as annualized on a semi-annual basis in accordance with the provisions of this act. If, at the end of any calendar month, the State Personnel Board determines that the agency has taken action(s) which would cause the agency to exceed this projected annual cost or the Fiscal Year 2003 "Personal Services" appropriated level, when annualized in compliance with the provisions of this act, then only those actions which reduce the projected annual cost and/or the appropriation requirement will be processed by the State Personnel Board until such time as the requirements of this provision are met.

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

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

SECTION 4. In addition to the sums appropriated herein, the Office of the State Auditor is hereby authorized to receive, budget, and expend, with the approval of the Department of Finance and Administration, any special funds made available to comply with the Single Audit Act of 1984. These special funds may be used to employ staff, reallocate existing staff, and pay related expenses, or to engage private accountants, as necessary, to comply with the provisions of the Act.

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

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

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Target</th>
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<tbody>
<tr>
<td>Post Audit</td>
<td></td>
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<tr>
<td>Audits Completed (Engagements)</td>
<td>150</td>
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<tr>
<td>Billable Audit Hours (Hours)</td>
<td>155,300</td>
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<tr>
<td>Technical Assistance</td>
<td></td>
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<tr>
<td>Inquiries (Action)</td>
<td>10,000</td>
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<tr>
<td>Cost per Inquiry ($)</td>
<td>21.46</td>
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<tr>
<td>Technicalities (Actions)</td>
<td>4,000</td>
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<tr>
<td>Cost per Technicality ($)</td>
<td>0.38</td>
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<tr>
<td>Average Daily Attendance</td>
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<tr>
<td>ADA Examination (Actions)</td>
<td>10,240</td>
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<tr>
<td>Cost per Attendance Count ($)</td>
<td>48.87</td>
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A reporting of the degree to which the performance targets set above have been or are being achieved shall be provided in the agency's budget request submitted to the Joint Legislative Budget Committee for Fiscal Year 2004.

SECTION 7. Of the funds appropriated under the provisions of Section 2, Sixty-nine Thousand Seven Hundred Seventy-seven Dollars ($69,777.00) shall be derived from the Budget Contingency Fund created in Section 27-103-301, Mississippi Code of 1972.

SECTION 8. The money herein appropriated shall be paid by the State Treasurer out of any money in the State Treasury to the credit of the proper fund or funds as set forth in this act, upon warrants issued by the State Fiscal Officer; and the State Fiscal Officer shall issue his warrants upon requisitions signed by the proper person, officer or officers in the manner provided by law.

SECTION 9. This act shall take effect and be in force from and after July 1, 2002.