

By: Representatives Zuber, Owen

To: Accountability,
Efficiency, Transparency

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 229

1 AN ACT TO REVISE THE MISSISSIPPI ACCOUNTABILITY AND
2 TRANSPARENCY ACT OF 2008; TO AMEND SECTION 27-104-153, MISSISSIPPI
3 CODE OF 1972, TO REVISE THE DEFINITION OF "AGENCY" TO INCLUDE
4 COUNTIES AND MUNICIPALITIES; TO AMEND SECTION 27-104-155,
5 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT BY JULY 1, 2021, EACH
6 COUNTY WITH A POPULATION OF 20,000 OR GREATER AND EACH
7 MUNICIPALITY WITH A POPULATION OF 10,000 OR GREATER SHALL CREATE
8 AND MAINTAIN AN ACCOUNTABILITY AND TRANSPARENCY WEBSITE FOR THE
9 COUNTY OR MUNICIPALITY OR SET UP A SEPARATE SECTION FOR THE COUNTY
10 OR MUNICIPALITY ON THE COUNTY'S OR MUNICIPALITY'S CURRENT WEBSITE;
11 TO AMEND SECTION 27-104-163, MISSISSIPPI CODE OF 1972, TO CONFORM
12 TO THE PROVISIONS OF THIS ACT; TO REQUIRE MUNICIPALITIES, COUNTIES
13 AND STATE AGENCIES TO LIST ANY EXPENDITURE OF PUBLIC FUNDS USED TO
14 PAY SETTLEMENTS FOR SEXUAL HARASSMENT; TO BRING FORWARD SECTIONS
15 27-104-161, 27-104-103 AND 7-7-211, MISSISSIPPI CODE OF 1972, FOR
16 THE PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** Section 27-104-153, Mississippi Code of 1972, is
19 amended as follows:

20 27-104-153. As used in Sections 27-104-151 through
21 27-104-159:

22 (a) "Searchable website" means an Internet site that:

23 (i) Allows the public to access information
24 identified in Sections 27-104-151 through 27-104-159 without any
25 fee or charge to the public for that access;



26 (ii) Provides keyword or other efficient search
27 capability to support the public's ability to find, aggregate and
28 display that information with reasonable ease by accessing a
29 single website; and

30 (iii) Allows the public to programmatically search
31 and access all data in a serialized machine readable format, such
32 as XML, via a Web-services application programming interface.

33 (b) "Agency" means a state agency, department,
34 institution, board, commission, council, office, bureau, division,
35 committee or subcommittee of the state. The term "agency"
36 includes individual agencies and programs as well as multiple
37 agencies whenever programs and activities involve more than one
38 (1) agency. The term "agency" includes all elective offices in
39 the executive, legislative and judicial branches of state
40 government. * * *

41 (c) "Entity" or "recipient" means a corporation,
42 association, union, limited liability company, limited liability
43 partnership, grantee, contractor, county, municipality or other
44 local government entity, or any other legal business entity,
45 including a nonprofit entity. The term "entity" or "recipient"
46 does not include an individual recipient of state public
47 assistance.

48 (d) "Expenditure of state funds" means the disbursement
49 or transfer of any funds, from any source or funds, whether
50 appropriated or nonappropriated, from any agency. The term



51 "expenditure of state funds" includes the expenditures from bond
52 proceeds.

53 (e) "Funding action" means the transfer of funds from a
54 state agency to another entity for a specific purpose. These
55 would include subgranting of funds for specific purposes or the
56 funding through bonds or other authority specific projects and
57 actions.

58 (f) "Funding source" means the state account against
59 which an expenditure is recorded.

60 (g) "State audit or report" means any audit or report
61 issued by the State Auditor, Joint Legislative Committee on
62 Performance Evaluation and Expenditure Review (PEER) or an
63 executive body relating to the entity or recipient of funds or to
64 the budget program or activity or agency.

65 **SECTION 2.** Section 27-104-155, Mississippi Code of 1972, is
66 amended as follows:

67 27-104-155. (1) The Department of Finance and
68 Administration shall develop and operate a searchable website that
69 includes information on expenditures of state funds from all
70 funding sources. The website shall have a unique and simplified
71 website address * * * and an easy-to-understand interface, and all
72 of the information on the website shall be in "plain English,"
73 well-organized, easy-to-navigate and without tedious plug-in
74 downloads. The department shall require each agency that
75 maintains a generally accessible Internet site or for which a



76 generally accessible Internet site is maintained to include a link
77 on the front page of the agency's Internet site to the searchable
78 website required under this section.

79 (a) With regard to disbursement of funds, the website
80 shall include, but not be limited to:

81 (i) The name and principal location of the entity
82 or recipients of the funds, excluding release of information
83 relating to an individual's place of residence, the identity of
84 recipients of state or federal assistance payments, and any other
85 information deemed confidential by state or federal law relating
86 to privacy rights;

87 (ii) The amount of state funds expended;

88 (iii) A descriptive purpose of the funding action
89 or expenditure;

90 (iv) The funding source of the expenditure;

91 (v) The budget program or activity of the
92 expenditure;

93 (vi) The specific source of authority and
94 descriptive purpose of the expenditure, to include a link to the
95 funding authorization document(s) in a searchable PDF form;

96 (vii) The specific source of authority for the
97 expenditure including, but not limited to, a grant, subgrant,
98 contract, or the general discretion of the agency director,
99 provided that if the authority is a grant, subgrant or contract,
100 the website entry shall include a grant, subgrant or contract



101 number or similar information that clearly identifies the specific
102 source of authority. The information required under this
103 paragraph includes data relative to tax exemptions and credits;

104 (viii) The expending agency;

105 (ix) The type of transaction;

106 (x) The expected performance outcomes achieved for
107 the funding action or expenditure;

108 (xi) Links to any state audit or report relating
109 to the entity or recipient of funds or the budget program or
110 activity or agency; * * *

111 (xii) Any other information deemed relevant by the
112 Department of Finance and Administration * * *; and

113 (xiii) A designation that indicates the
114 expenditure was used to pay a settlement for a sexual harassment
115 claim in accordance with Section 3 of this act.

116 (b) When the expenditure of state funds involves the
117 expenditure of bond proceeds, the searchable website must include
118 a clear, detailed description of the purpose of the bonds, a
119 current status report on the project or projects being financed by
120 the bonds, and a current status report on the payment of the
121 principal and interest on the bonds.

122 (c) The searchable website must include access to an
123 electronic summary of each grant, including amendments; subgrant,
124 including amendments; contract, including amendments; and payment
125 voucher that includes, wherever possible, a hyperlink to the



126 actual document in a searchable PDF format, subject to the
127 restrictions in paragraph (d) of this * * * subsection. The
128 Department of Finance and Administration may cooperate with other
129 agencies to accomplish the requirements of this paragraph.

130 (d) Nothing in Sections 27-104-151 through 27-104-159
131 shall permit or require the disclosure of trade secrets or other
132 proprietary information, including confidential vendor
133 information, or any other information that is required to be
134 confidential by state or federal law.

135 (e) The information available from the searchable
136 website must be updated no later than fourteen (14) days after the
137 receipt of data from an agency, and the Department of Finance and
138 Administration shall require each agency to provide to the
139 department access to all data that is required to be accessible
140 from the searchable website within fourteen (14) days of each
141 expenditure, grant award, including amendments; subgrant,
142 including amendments; or contract, including amendments; executed
143 by the agency.

144 (f) The searchable website must include all information
145 required by this section for all transactions that are initiated
146 in fiscal year 2015 or later. In addition, all information that
147 is included on the searchable website from the date of the
148 inception of the website until July 1, 2014, must be maintained on
149 the website according to the requirements of this section before
150 July 1, 2014, and remain accessible for ten (10) years from the



151 date it was originally made available. All data on the searchable
152 website must remain accessible to the public for a minimum of ten
153 (10) years.

154 (g) For the purposes of this subsection (1), the term
155 "contract" includes, but is not limited to, personal and
156 professional services contracts.

157 (2) The Board of Trustees of State Institutions of Higher
158 Learning shall create the IHL Accountability and Transparency
159 website to include its executive office and the institutions of
160 higher learning no later than July 1, 2012. This website shall:

161 (a) Provide access to existing financial reports,
162 financial audits, budgets and other financial documents that are
163 used to allocate, appropriate, spend and account for appropriated
164 funds;

165 (b) Have a unique and simplified website address;

166 (c) Be directly accessible via a link from the main
167 page of the Department of Finance and Administration website, as
168 well as the IHL website and the main page of the website of each
169 institution of higher learning;

170 (d) Include other links, features or functionality that
171 will assist the public in obtaining and reviewing public financial
172 information;

173 (e) Report expenditure information currently available
174 within these enterprise resource planning (ERP) computer
175 systems; * * *



176 (f) Design the reporting format using the existing
177 capabilities of these ERP computer systems * * *; and
178 (g) Include a designation that indicates the
179 expenditure was used to pay a settlement for a sexual harassment
180 claim in accordance with Section 3 of this act.

181 (3) The Mississippi Community College Board shall create the
182 Community and Junior Colleges Accountability and Transparency
183 website to include its executive office and the community and
184 junior colleges no later than July 1, 2012. This website shall:

185 (a) Provide access to existing financial reports,
186 financial audits, budgets and other financial documents that are
187 used to allocate, appropriate, spend and account for appropriated
188 funds;

189 (b) Have a unique and simplified website address;

190 (c) Be directly accessible via a link from the main
191 page of the Department of Finance and Administration website, as
192 well as the Mississippi Community College Board website and the
193 main page of the website of each community and junior college;

194 (d) Include other links, features or functionality that
195 will assist the public in obtaining and reviewing public financial
196 information;

197 (e) Report expenditure information currently available
198 within the computer system of each community and junior college;
199 and



200 (f) Design the reporting format using the existing
201 capabilities of the computer system of each community and junior
202 college * * *; and

203 (g) Include a designation that indicates the
204 expenditure was used to pay a settlement for a sexual harassment
205 claim in accordance with Section 3 of this act.

206 (4) Not later than January 1, 2016, the owner or owners of a
207 community hospital, as defined in Section 41-13-10, shall create
208 and maintain an accountability and transparency website for the
209 community hospital or set up a separate section for the community
210 hospital on the current website of the owner or owners. This
211 website of the community hospital or section of the website of the
212 owner or owners shall:

213 (a) Provide access to existing financial reports,
214 financial audits, budgets and other financial documents of the
215 community hospital that are used to allocate, appropriate, spend
216 and account for public funds;

217 (b) Have a unique and simplified website address if it
218 is a new website for the community hospital, or be an easily
219 accessible section of the website of the owner or owners;

220 (c) Include links, features or functionality that will
221 assist the public in obtaining and reviewing public financial
222 information of the community hospital;

223 (d) Report expenditure information of the community
224 hospital in functional expenditure categories that is currently



225 available within the computer system of the community
226 hospital; * * *

227 (e) Design the reporting format using the existing
228 capabilities of the computer system or systems of the owner or
229 owners of the community hospital * * *; and

230 (f) Include a designation that indicates the
231 expenditure was used to pay a settlement for a sexual harassment
232 claim in accordance with Section 3 of this act.

233 (5) By July 1, 2021, each county with a population of twenty
234 thousand (20,000) or more according to the latest federal
235 decennial census and each agency of the county, including, but not
236 limited to, bureaus, shall create and maintain an accountability
237 and transparency website for the county and agency or set up a
238 separate section on the county's or agency's current website.
239 This website of the county or agency or section of the website of
240 the county or agency shall:

241 (a) Provide access to existing financial reports,
242 financial audits, budgets and other financial documents of the
243 county or agency that are used to allocate, appropriate, spend and
244 account for public funds;

245 (b) Have a unique and simplified website address if it
246 is a new website, or be an easily accessible section of the
247 current website of the county or agency;



248 (c) Include links, features or functionality that will
249 assist the public in obtaining and reviewing public financial
250 information of the county or agency;

251 (d) Report expenditure information of the county in
252 functional expenditure categories that is currently available
253 within the computer system of the county or agency; and

254 (e) Design the reporting format using the existing
255 capabilities of the computer system or systems of the county or
256 agency.

257 (6) By July 1, 2021, each municipality with a population of
258 ten thousand (10,000) or more according to the latest federal
259 decennial census shall create and maintain an accountability and
260 transparency website for the municipality or set up a separate
261 section on the municipality's current website. This website of
262 the municipality or section of the website of the municipality
263 shall:

264 (a) Provide access to existing financial reports,
265 financial audits, budgets and other financial documents of the
266 municipality that are used to allocate, appropriate, spend and
267 account for public funds;

268 (b) Have a unique and simplified website address if it
269 is a new website, or be an easily accessible section of the
270 current website of the municipality;



271 (c) Include links, features or functionality that will
272 assist the public in obtaining and reviewing public financial
273 information of the municipality;

274 (d) Report expenditure information of the municipality
275 in functional expenditure categories that is currently available
276 within the computer system of the municipality; and

277 (e) Design the reporting format using the existing
278 capabilities of the computer system or systems of the
279 municipality.

280 **SECTION 3.** (1) Each board of supervisors of a county or
281 governing authority of a municipality shall have listed on the
282 official website of the county or municipality, any expenditures
283 of county, municipal or state funds from all funding sources,
284 including any insurance plan paid for by the taxpayers, in an
285 amount of One Hundred Fifty Thousand Dollars (\$150,000.00) or more
286 that are used to pay settlements for sexual harassment claims.
287 The official website of each county and municipality shall include
288 a link on the front page of its official website that includes the
289 required information.

290 (2) Each state agency shall have listed on its agency
291 website and in accordance with Section 27-104-155, the amounts of
292 all expenditures of state funds from all funding sources,
293 including any insurance plan paid for by the taxpayers, that are
294 used to pay settlements for sexual harassment claims in an amount
295 of One Hundred Fifty Thousand Dollars (\$150,000.00) or more.



296 **SECTION 4.** Section 27-104-163, Mississippi Code of 1972, is
297 amended as follows:

298 27-104-163. The Department of Finance and Administration
299 shall publish on its searchable website notice of any regular
300 meeting held by a state agency, other than a legislative
301 committee, in accordance with Section 25-41-13. For purposes of
302 this section, the term "state agency" means an agency, department,
303 institution, board, commission, council, office, bureau, division,
304 committee or subcommittee of the state. However, the term "state
305 agency" does not include institutions of higher learning * * * and
306 community and junior colleges * * *.

307 **SECTION 5.** Section 27-104-161, Mississippi Code of 1972, is
308 brought forward as follows:

309 27-104-161. No provision of Sections 27-104-151 through
310 27-104-159 shall be construed as conferring upon the Department of
311 Finance and Administration any authority to review, approve or
312 deny any expenditures or contracts entered into by the Legislature
313 or any of its committees, or to impose any requirement on the
314 Legislature or any of its committees to take any action other than
315 to disclose expenditures and contracts entered into on or after
316 July 1, 2011. For the purposes of this section, the term
317 "contract" includes, but is not limited to, personal and
318 professional services contracts.

319 **SECTION 6.** Section 27-104-103, Mississippi Code of 1972, is
320 brought forward as follows:



321 27-104-103. (1) The Department of Finance and
322 Administration shall have the following duties and powers:
323 (a) To provide administrative guidance to the various
324 departments and agencies of state government;
325 (b) To facilitate the expedient delivery of services
326 and programs for the benefit of the citizens of the state;
327 (c) To analyze and develop efficient management
328 practices and assist departments and agencies in implementing
329 effective and efficient work management systems;
330 (d) To conduct management review of state agencies and
331 departments and recommend a management plan to state departments
332 and agencies when corrective action is required;
333 (e) To, at least annually, report to the Governor and
334 the Legislature on programs and actions taken to improve the
335 conduct of state operations and to prepare and recommend
336 management programs for effective and efficient management of the
337 operations of state government;
338 (f) To allocate the federal-state programs funds to the
339 departments responsible for the delivery of the programs and
340 services for which the appropriation was made;
341 (g) To coordinate the planning functions of all
342 agencies in the executive branch of government and review any and
343 all plans which are developed by those agencies and departments;
344 (h) To collect and maintain the necessary data on which
345 to base budget and policy development issues;



346 (i) To develop and analyze policy recommendations to
347 the Governor;

348 (j) To develop and manage the executive budget process;

349 (k) To prepare the executive branch budget
350 recommendations;

351 (l) To review and monitor the expenditures of the
352 executive agencies and departments of government;

353 (m) To manage the state's fiscal affairs;

354 (n) To administer programs relating to general
355 services, public procurement, insurance and the Bond Advisory
356 Division;

357 (o) To administer the state's aircraft operation.

358 (2) The department shall have the following additional
359 powers and duties under Chapter 18 of Title 17:

360 (a) It shall acquire the site submitted by the
361 Mississippi Hazardous Waste Facility Siting Authority and, if
362 determined necessary, design, finance, construct and operate a
363 state commercial hazardous waste management facility;

364 (b) It may acquire by deed, purchase, lease, contract,
365 gift, devise or otherwise any real or personal property,
366 structures, rights-of-way, franchises, easements and other
367 interest in land which is necessary and convenient for the
368 construction or operation of the state commercial hazardous waste
369 management facility, upon such terms and conditions as it deems
370 advisable, hold, mortgage, pledge or otherwise encumber the same,



371 and lease, sell, convey or otherwise dispose of the same in such a
372 manner as may be necessary or advisable to carry out the purposes
373 of Chapter 18 of Title 17;

374 (c) It shall develop and implement, in consultation
375 with the Department of Environmental Quality, schedules of user
376 fees, franchise fees and other charges, including nonregulatory
377 penalties and surcharges applicable to the state commercial
378 hazardous waste management facility;

379 (d) It may employ consultants and contractors to
380 provide services including site acquisition, design, construction,
381 operation, closure, post-closure and perpetual care of the state
382 commercial hazardous waste management facility;

383 (e) It may apply for and accept loans, grants and gifts
384 from any federal or state agency or any political subdivision or
385 any private or public organization;

386 (f) It shall make plans, surveys, studies and
387 investigations as may be necessary or desirable with respect to
388 the acquisition, development and use of real property and the
389 design, construction, operation, closure and long-term care of the
390 state commercial hazardous waste management facility;

391 (g) It shall have the authority to preempt any local
392 ordinance or restriction which prohibits or has the effect of
393 prohibiting the establishment or operation of the state commercial
394 hazardous waste management facility;



395 (h) It may negotiate any agreement for site
396 acquisition, design, construction, operation, closure,
397 post-closure and perpetual care of the state commercial hazardous
398 waste management facility and may negotiate any agreement with any
399 local governmental unit pursuant to Chapter 18 of Title 17;

400 (i) It may promulgate rules and regulations necessary
401 to effectuate the purposes of Chapter 18 of Title 17 not
402 inconsistent therewith;

403 (j) If funds are not appropriated or if the
404 appropriated funds are insufficient to carry out the provisions of
405 Chapter 18 of Title 17, the department shall expend any funds
406 available to it from any source to defray its costs to implement
407 Chapter 18 of Title 17 through February 1, 1991.

408 (3) From and after July 1, 2016, the expenses of the
409 Department of Finance and Administration shall be defrayed by
410 appropriation from the State General Fund and all user charges and
411 fees authorized under law such as rents, MAGIC fees, and other
412 fees for services shall be deposited into the State General Fund
413 as authorized by law.

414 (4) From and after July 1, 2016, the Department of Finance
415 and Administration shall not charge another state agency a fee,
416 assessment, rent or other charge for services or resources
417 received by that state agency from the department.

418 **SECTION 7.** Section 7-7-211, Mississippi Code of 1972, is
419 brought forward as follows:



420 7-7-211. The department shall have the power and it shall be
421 its duty:

422 (a) To identify and define for all public offices of
423 the state and its subdivisions generally accepted accounting
424 principles or other accounting principles as promulgated by
425 nationally recognized professional organizations and to consult
426 with the State Fiscal Officer in the prescription and
427 implementation of accounting rules and regulations;

428 (b) To provide best practices, for all public offices
429 of regional and local subdivisions of the state, systems of
430 accounting, budgeting and reporting financial facts relating to
431 said offices in conformity with legal requirements and with
432 generally accepted accounting principles or other accounting
433 principles as promulgated by nationally recognized professional
434 organizations; to assist such subdivisions in need of assistance
435 in the installation of such systems; to revise such systems when
436 deemed necessary, and to report to the Legislature at periodic
437 times the extent to which each office is maintaining such systems,
438 along with such recommendations to the Legislature for improvement
439 as seem desirable;

440 (c) To study and analyze existing managerial policies,
441 methods, procedures, duties and services of the various state
442 departments and institutions upon written request of the Governor,
443 the Legislature or any committee or other body empowered by the



444 Legislature to make such request to determine whether and where
445 operations can be eliminated, combined, simplified and improved;

446 (d) To postaudit each year and, when deemed necessary,
447 preaudit and investigate the financial affairs of the departments,
448 institutions, boards, commissions, or other agencies of state
449 government, as part of the publication of a comprehensive annual
450 financial report for the State of Mississippi, or as deemed
451 necessary by the State Auditor. In complying with the
452 requirements of this paragraph, the department shall have the
453 authority to conduct all necessary audit procedures on an interim
454 and year-end basis;

455 (e) To postaudit and, when deemed necessary, preaudit
456 and investigate separately the financial affairs of (i) the
457 offices, boards and commissions of county governments and any
458 departments and institutions thereof and therein; (ii) public
459 school districts, departments of education and junior college
460 districts; and (iii) any other local offices or agencies which
461 share revenues derived from taxes or fees imposed by the State
462 Legislature or receive grants from revenues collected by
463 governmental divisions of the state; the cost of such audits,
464 investigations or other services to be paid as follows: Such part
465 shall be paid by the state from appropriations made by the
466 Legislature for the operation of the State Department of Audit as
467 may exceed the sum of Thirty-five Dollars (\$35.00) per man-hour
468 for the services of each staff person engaged in performing the



469 audit or other service plus the actual cost of any independent
470 specialist firm contracted by the State Auditor to assist in the
471 performance of the audit, which sum shall be paid by the county,
472 district, department, institution or other agency audited out of
473 its general fund or any other available funds from which such
474 payment is not prohibited by law. Costs paid for independent
475 specialists or firms contracted by the State Auditor shall be paid
476 by the audited entity through the State Auditor to the specialist
477 or firm conducting the postaudit.

478 Each school district in the state shall have its financial
479 records audited annually, at the end of each fiscal year, either
480 by the State Auditor or by a certified public accountant approved
481 by the State Auditor. Beginning with the audits of fiscal year
482 2010 activity, no certified public accountant shall be selected to
483 perform the annual audit of a school district who has audited that
484 district for three (3) or more consecutive years previously.
485 Certified public accountants shall be selected in a manner
486 determined by the State Auditor. The school district shall have
487 the responsibility to pay for the audit, including the review by
488 the State Auditor of audits performed by certified public
489 accountants;

490 (f) To postaudit and, when deemed necessary, preaudit
491 and investigate the financial affairs of the levee boards;
492 agencies created by the Legislature or by executive order of the
493 Governor; profit or nonprofit business entities administering



494 programs financed by funds flowing through the State Treasury or
495 through any of the agencies of the state, or its subdivisions; and
496 all other public bodies supported by funds derived in part or
497 wholly from public funds, except municipalities which annually
498 submit an audit prepared by a qualified certified public
499 accountant using methods and procedures prescribed by the
500 department;

501 (g) To make written demand, when necessary, for the
502 recovery of any amounts representing public funds improperly
503 withheld, misappropriated and/or otherwise illegally expended by
504 an officer, employee or administrative body of any state, county
505 or other public office, and/or for the recovery of the value of
506 any public property disposed of in an unlawful manner by a public
507 officer, employee or administrative body, such demands to be made
508 (i) upon the person or persons liable for such amounts and upon
509 the surety on official bond thereof, and/or (ii) upon any
510 individual, partnership, corporation or association to whom the
511 illegal expenditure was made or with whom the unlawful disposition
512 of public property was made, if such individual, partnership,
513 corporation or association knew or had reason to know through the
514 exercising of reasonable diligence that the expenditure was
515 illegal or the disposition unlawful. Such demand shall be
516 premised on competent evidence, which shall include at least one
517 (1) of the following: (i) sworn statements, (ii) written
518 documentation, (iii) physical evidence, or (iv) reports and



519 findings of government or other law enforcement agencies. Other
520 provisions notwithstanding, a demand letter issued pursuant to
521 this paragraph shall remain confidential by the State Auditor
522 until the individual against whom the demand letter is being filed
523 has been served with a copy of such demand letter. If, however,
524 such individual cannot be notified within fifteen (15) days using
525 reasonable means and due diligence, such notification shall be
526 made to the individual's bonding company, if he or she is bonded.
527 Each such demand shall be paid into the proper treasury of the
528 state, county or other public body through the office of the
529 department in the amount demanded within thirty (30) days from the
530 date thereof, together with interest thereon in the sum of one
531 percent (1%) per month from the date such amount or amounts were
532 improperly withheld, misappropriated and/or otherwise illegally
533 expended. In the event, however, such person or persons or such
534 surety shall refuse, neglect or otherwise fail to pay the amount
535 demanded and the interest due thereon within the allotted thirty
536 (30) days, the State Auditor shall have the authority and it shall
537 be his duty to institute suit, and the Attorney General shall
538 prosecute the same in any court of the state to the end that there
539 shall be recovered the total of such amounts from the person or
540 persons and surety on official bond named therein; and the amounts
541 so recovered shall be paid into the proper treasury of the state,
542 county or other public body through the State Auditor. In any
543 case where written demand is issued to a surety on the official



544 bond of such person or persons and the surety refuses, neglects or
545 otherwise fails within one hundred twenty (120) days to either pay
546 the amount demanded and the interest due thereon or to give the
547 State Auditor a written response with specific reasons for
548 nonpayment, then the surety shall be subject to a civil penalty in
549 an amount of twelve percent (12%) of the bond, not to exceed Ten
550 Thousand Dollars (\$10,000.00), to be deposited into the State
551 General Fund;

552 (h) To investigate any alleged or suspected violation
553 of the laws of the state by any officer or employee of the state,
554 county or other public office in the purchase, sale or the use of
555 any supplies, services, equipment or other property belonging
556 thereto; and in such investigation to do any and all things
557 necessary to procure evidence sufficient either to prove or
558 disprove the existence of such alleged or suspected violations.
559 The Department of Investigation of the State Department of Audit
560 may investigate, for the purpose of prosecution, any suspected
561 criminal violation of the provisions of this chapter. For the
562 purpose of administration and enforcement of this chapter, the
563 enforcement employees of the Department of Investigation of the
564 State Department of Audit have the powers of a law enforcement
565 officer of this state, and shall be empowered to make arrests and
566 to serve and execute search warrants and other valid legal process
567 anywhere within the State of Mississippi. All enforcement
568 employees of the Department of Investigation of the State



569 Department of Audit hired on or after July 1, 1993, shall be
570 required to complete the Law Enforcement Officers Training Program
571 and shall meet the standards of the program;

572 (i) To issue subpoenas, with the approval of, and
573 returnable to, a judge of a chancery or circuit court, in termtime
574 or in vacation, to examine the records, documents or other
575 evidence of persons, firms, corporations or any other entities
576 insofar as such records, documents or other evidence relate to
577 dealings with any state, county or other public entity. The
578 circuit or chancery judge must serve the county in which the
579 records, documents or other evidence is located; or where all or
580 part of the transaction or transactions occurred which are the
581 subject of the subpoena;

582 (j) In any instances in which the State Auditor is or
583 shall be authorized or required to examine or audit, whether
584 preaudit or postaudit, any books, ledgers, accounts or other
585 records of the affairs of any public hospital owned or owned and
586 operated by one or more political subdivisions or parts thereof or
587 any combination thereof, or any school district, including
588 activity funds thereof, it shall be sufficient compliance
589 therewith, in the discretion of the State Auditor, that such
590 examination or audit be made from the report of any audit or other
591 examination certified by a certified public accountant and
592 prepared by or under the supervision of such certified public
593 accountant. Such audits shall be made in accordance with



594 generally accepted standards of auditing, with the use of an audit
595 program prepared by the State Auditor, and final reports of such
596 audits shall conform to the format prescribed by the State
597 Auditor. All files, working papers, notes, correspondence and all
598 other data compiled during the course of the audit shall be
599 available, without cost, to the State Auditor for examination and
600 abstracting during the normal business hours of any business day.
601 The expense of such certified reports shall be borne by the
602 respective hospital, or any available school district funds other
603 than minimum program funds, subject to examination or audit. The
604 State Auditor shall not be bound by such certified reports and
605 may, in his or their discretion, conduct such examination or audit
606 from the books, ledgers, accounts or other records involved as may
607 be appropriate and authorized by law;

608 (k) The State Auditor shall have the authority to
609 contract with qualified public accounting firms to perform
610 selected audits required in paragraphs (d), (e), (f) and (j) of
611 this section, if funds are made available for such contracts by
612 the Legislature, or if funds are available from the governmental
613 entity covered by paragraphs (d), (e), (f) and (j). Such audits
614 shall be made in accordance with generally accepted standards of
615 auditing. All files, working papers, notes, correspondence and
616 all other data compiled during the course of the audit shall be
617 available, without cost, to the State Auditor for examination and
618 abstracting during the normal business hours of any business day;



619 (1) The State Auditor shall have the authority to
620 establish training courses and programs for the personnel of the
621 various state and local governmental entities under the
622 jurisdiction of the Office of the State Auditor. The training
623 courses and programs shall include, but not be limited to, topics
624 on internal control of funds, property and equipment control and
625 inventory, governmental accounting and financial reporting, and
626 internal auditing. The State Auditor is authorized to charge a
627 fee from the participants of these courses and programs, which fee
628 shall be deposited into the Department of Audit Special Fund.
629 State and local governmental entities are authorized to pay such
630 fee and any travel expenses out of their general funds or any
631 other available funds from which such payment is not prohibited by
632 law;

633 (m) Upon written request by the Governor or any member
634 of the State Legislature, the State Auditor may audit any state
635 funds and/or state and federal funds received by any nonprofit
636 corporation incorporated under the laws of this state;

637 (n) To conduct performance audits of personal or
638 professional service contracts by state agencies on a random
639 sampling basis, or upon request of the State Personal Service
640 Contract Review Board under Section 25-9-120(3);

641 (o) At the discretion of the State Auditor, the Auditor
642 may conduct risk assessments, as well as performance and
643 compliance audits based on Generally Accepted Government Auditing



644 Standards (GAGAS) of any state-funded economic development program
645 authorized under Title 57, Mississippi Code of 1972. After risk
646 assessments or program audits, the State Auditor may conduct
647 audits of those projects deemed high-risk, specifically as they
648 identify any potential wrongdoing or noncompliance based on
649 objectives of the economic development program. The Auditor is
650 granted authority to gather, audit and review data and information
651 from the Mississippi Development Authority or any of its agents,
652 the Department of Revenue, and when necessary under this
653 paragraph, the recipient business or businesses or any other
654 private, public or nonprofit entity with information relevant to
655 the audit project. The maximum amount the State Auditor may bill
656 the oversight agency under this paragraph in any fiscal year is
657 One Hundred Thousand Dollars (\$100,000.00), based on reasonable
658 and necessary expenses;

659 (p) To review and approve any independent auditor
660 selected by the Mississippi Lottery Corporation in accordance with
661 Section 27-115-89, to conduct an annual audit of the corporation;
662 and

663 (q) To conduct audits or investigations of the
664 Mississippi Lottery Corporation if in the opinion of the State
665 Auditor conditions justify such audits or investigations.

666 **SECTION 8.** This act shall take effect and be in force from
667 and after July 1, 2020.

