

By: Representatives Criswell, Williamson

To: Accountability,  
Efficiency, Transparency

HOUSE BILL NO. 599

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, 2023, 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  
199 college; \* \* \*





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, 2023, 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, 2023, 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, 2022.

