

By: Senator(s) Blackwell, Younger,
Chassaniol, Polk

To: Universities and
Colleges

SENATE BILL NO. 2811

1 AN ACT TO AMEND SECTIONS 25-65-7 AND 25-65-9, MISSISSIPPI
2 CODE OF 1972, TO REQUIRE INTERNAL AUDIT OFFICES TO BE ESTABLISHED
3 IN THE UNIVERSITIES AND CERTAIN STATE AGENCIES; TO PROVIDE FOR AN
4 INTERNAL AUDIT UNIT TO BE ESTABLISHED AT THE MISSISSIPPI COMMUNITY
5 COLLEGES BOARD TO SERVE THE INTERNAL AUDIT NEEDS OF THE STATE'S
6 COMMUNITY COLLEGES; TO PRECONDITION THE ESTABLISHMENT OF A
7 COMMUNITY COLLEGE INTERNAL AUDIT FUNCTION ON THE SPECIFIC
8 APPROPRIATION OF FUNDS FOR THAT PURPOSE TO THE STATE BOARD FOR
9 COMMUNITY COLLEGES; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 25-65-7, Mississippi Code of 1972, is
12 amended as follows:

13 25-65-7. (1) The provisions of this chapter shall only
14 apply (a) to the following universities: (i) Alcorn State
15 University, (ii) Delta State University, (iii) Jackson State
16 University, (iv) Mississippi State University, (v) Mississippi
17 State University Agriculture and Forestry Experiment Station, (vi)
18 Mississippi State University Cooperative Extension Service, (vii)
19 Mississippi State University Forest and Wildlife Research Center,
20 (viii) Mississippi State University State Chemical Laboratory,
21 (ix) Mississippi University for Women, (x) Mississippi Valley



22 State University, (xi) The University of Mississippi, (xii)
23 University of Mississippi Medical Center and * * * (xiii) The
24 University of Southern Mississippi; * * * and (* * *b) to the
25 following agencies: (i) the Department of Finance and
26 Administration, (ii) the * * * Department of Revenue, (iii) the
27 Department of Education, (iv) the State Department of Health, (v)
28 the Department of Mental Health, (vi) the Department of
29 Agriculture and Commerce, (vii) the Mississippi Development
30 Authority, (viii) the Department of Environmental Quality, (ix)
31 the Department of Wildlife, Fisheries and Parks, (x) the
32 Department of Corrections, (xi) the Division of Medicaid, (xii)
33 the Department of Rehabilitation Services, (xiii) the Department
34 of Public Safety, (xiv) the Mississippi Employment Security
35 Commission, (xv) the Mississippi Department of Information
36 Technology Services, (xvi) the Public Employees Retirement System,
37 (xvii) the Mississippi Department of Transportation, (xviii) the
38 Mississippi Gaming Commission and (xix) the Mississippi Department
39 of Human Services.

40 (2) If the conditions of Section 25-65-9 are met, the
41 requirements of this chapter shall also apply to the following
42 community/junior colleges: (i) Coahoma Community College, (ii)
43 Copiah-Lincoln Community College, (iii) East Central Community
44 College, (iv) East Mississippi Community College, (v) Hinds
45 Community College, (vi) Holmes Community College, (vii) Itawamba
46 Community College, (viii) Jones County Junior College, (ix)



47 Meridian Community College, (x) Mississippi Delta Community
48 College, (xi) Mississippi Gulf Coast Community College, (xii)
49 Northeast Mississippi Community College, (xiii) Northwest
50 Mississippi Community College, (xiv) Pearl River Community College
51 and (xv) Southwest Mississippi Community College.

52 **SECTION 2.** Section 25-65-9, Mississippi Code of 1972, is
53 amended as follows:

54 25-65-9. (1) Except as otherwise provided by subsection (2)
55 of this section, each university * * * and state agency shall,
56 subject to specific appropriation of available funding, employ an
57 agency internal audit director who shall be appointed by the
58 university president or chancellor * * * or the elected official
59 or executive director or his counterpart of a state agency without
60 a governing board or commission. The university president or
61 chancellor * * * or the agency head shall ensure that the
62 university * * * or agency shall employ, subject to specific
63 funding being appropriated, a sufficient number of professional
64 and support staff to implement an effective program of internal
65 auditing. Compensation, training, job tenure and advancement of
66 internal auditing staff shall be based upon the rules of the State
67 Personnel Board for other business employees in the system. The
68 internal audit organization shall have organizational status
69 outside the agency's staff or line management functions or units
70 subject to audit, and shall be free of operational and management
71 responsibilities that would impair the ability to make independent



72 audits of any aspects of the agency's operations. An agency * * *
73 or university * * * internal audit director may be terminated by
74 the appointing authority in accordance with State Personnel Board
75 rules and regulations for any state employee after a
76 seven * * *_-day notification period to the State Auditor.

77 (2) The university president or chancellor * * * or
78 the * * * agency head of a university * * * or state agency,
79 respectively, may outsource the internal audit function if he
80 determines that it is more cost efficient than establishing the
81 audit personnel and procedures provided in subsection (1) of this
82 section. Internal audit services may not be outsourced to the
83 same firm or individual who performs independent audit or other
84 consulting services to the university * * * or agency.

85 (3) (a) Internal auditing of all community and junior
86 colleges is mandatory if the Legislature appropriates funds to the
87 State Board for Community Colleges specifically for the purpose of
88 staffing and maintaining an internal audit unit charged with the
89 responsibility of scheduling and conducting audits of the
90 community colleges and reporting their findings, conclusions and
91 recommendations to the presidents of the community colleges. If
92 the Legislature funds the internal audit function, internal
93 auditors shall work with the presidents of each community college
94 to establish schedules, priorities, and other practices necessary
95 to make internal auditing effective.



96 (b) An internal audit unit established by authority of
97 this section shall be headed by an internal auditor appointed by
98 the Mississippi Community Colleges Board. The internal auditor
99 and staff shall meet all qualifications set out for internal
100 auditors in this chapter, and shall have the duties and
101 responsibilities of internal auditors set out by this chapter.
102 Any reference in this chapter to a community or junior college
103 internal auditor shall mean the internal audit unit established by
104 authority of this section.

105 **SECTION 3.** This act shall take effect and be in force from
106 and after July 1, 2022.

