

By: Senator(s) Hopson, Polk,
Blackwell, McLendon, Simmons
(13th)

To: Appropriations

SENATE BILL NO. 2042

1 AN ACT MAKING AN APPROPRIATION FOR THE PURPOSE OF DEFRAYING
2 THE EXPENSES OF THE STATE DEPARTMENT OF AUDIT FOR FISCAL YEAR
3 2026.

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

5 **SECTION 1.** The following sum, or so much thereof as may be
6 necessary, is hereby appropriated out of any funds in the State
7 General Fund not otherwise appropriated, for the purpose of paying
8 salaries and defraying the expenses of the State Department of
9 Audit in making the audits and investigations of public offices of
10 the state and counties as provided by Section 7-7-201 et seq.,
11 Mississippi Code of 1972, for the fiscal year beginning
12 July 1, 2025, and ending June 30, 2026.....\$ 8,149,947.00.

13 **SECTION 2.** The following sum, or so much thereof as may be
14 necessary, is hereby appropriated out of any special funds in the
15 State Treasury to the credit of the State Department of Audit's
16 special fund account for the purpose of paying salaries and
17 defraying the expenses of the State Department of Audit in making
18 the audits and investigations of public offices of the state and



19 counties as provided by Section 7-7-201 et seq., Mississippi Code
20 of 1972, for the fiscal year beginning July 1, 2025, and ending
21 June 30, 2026.....\$ 5,174,719.00.

22 **SECTION 3.** Of the funds appropriated under the provisions of
23 this act, not more than the following amount of funds, with the
24 exception of the provisions in this section, shall be expended
25 only for "Personal Services," which includes "Vacancy Funding,"
26 for the following authorized number of employment headcount:

27 FUNDING:

28	General Funds:	\$ 7,956,323.00
29	Special Funds:	\$ 4,684,387.00
30	Total Funds:	\$ 12,640,710.00

31 PERSONAL SERVICES:

32	Employee Salaries, Wages, and	
33	Fringe Benefits:	\$ 12,086,612.00
34	Progressions:	\$ 0.00
35	Vacancy Funding:	\$ 554,098.00
36	Total Personal Services:	\$ 12,640,710.00

37 AUTHORIZED HEADCOUNT:

38	Permanent:	147
39	Time-Limited:	0

40 As used in this section, the term "Personal Services" shall
41 mean funds provided under the major object of expenditure category
42 Personal Services for Salaries, Wages, and Fringe Benefits. Funds
43 in this category shall not be transferred to any other category.



44 It is the intention of the Legislature to ensure compliance
45 with the Variable Compensation Plan, as outlined in Section
46 25-9-147, Mississippi Code of 1972. Payment from these funds shall
47 be in accordance with the Variable Compensation Plan promulgated
48 by the Mississippi State Personnel Board. It is the Legislature's
49 intention that no employee's salary falls below the minimum salary
50 established by the Mississippi State Personnel Board.

51 The State Personnel Board shall determine and publish the
52 projected annual cost of "Personal Services" based on monthly and
53 year-to-date payroll expenditures in compliance with the
54 provisions of this act.

55 With the funds herein appropriated, it shall be the agency's
56 responsibility to ensure that no single personnel action or
57 combination of personnel actions, when annualized, exceeds the
58 Fiscal Year 2026 appropriation for "Personal Services" with the
59 exception of escalated funds. Further, it shall be the agency's
60 responsibility to ensure that funds required to be appropriated
61 for "Personal Services" for Fiscal Year 2027 do not exceed Fiscal
62 Year 2026 funds appropriated for that purpose unless programs or
63 positions are added to the agency's Fiscal Year 2026 budget by the
64 Mississippi Legislature.

65 If, at the time the agency takes any action to change
66 "Personal Services," the State Personnel Board determines that the
67 agency has taken or will take an action that would cause the
68 agency to exceed the funds appropriated in this act when



69 annualized for Fiscal Year 2026 or increase the need for "Personal
70 Services" for Fiscal Year 2027, when annualized, the State
71 Personnel Board shall process no salary actions until such time as
72 the requirements of the provisions of this section are met with
73 the exception of new hires determined to be essential for the
74 agency.

75 When used in this section, "Vacancy Funding" shall mean funds
76 included in the Total Personal Services amount listed above and
77 designated for approved vacancies in Fiscal Year 2026. These funds
78 are to be utilized to increase the number of filled headcounts
79 that were authorized but unfilled as of the last day of Fiscal
80 Year 2025. If the agency fills additional headcounts after May 1,
81 2025, until the end of Fiscal Year 2025, the amount of available
82 Vacancy Funding may be proportionally reduced to reflect the
83 updated number of filled headcounts. The agency shall be
84 responsible for ensuring that "Vacancy Funding" is used to
85 increase headcounts and not for promotions, title changes,
86 in-range salary adjustments, or any other mechanism for increasing
87 salaries for current employees.

88 Any transfers or escalations shall be made in accordance with
89 the terms, conditions, and procedures established by law or
90 allowable under the terms set forth within this act. The State
91 Personnel Board shall not escalate positions without written
92 approval from the Department of Finance and Administration. The
93 Department of Finance and Administration shall not provide written



approval to escalate any funds for salaries and/or headcounts without proof of availability of new or additional funds above the appropriated level. Unless specifically noted, all Fiscal Year 2025 escalated headcounts have been accounted for and shall be converted to authorized time-limited headcounts.

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

None of the funds herein appropriated shall be used in violation of the Internal Revenue Service's Publication 15-A relating to the reporting of income paid to contract employees, as interpreted by the Office of the State Auditor.

If the agency's total authorized headcount decreases from Fiscal Year 2025 to Fiscal Year 2026, it will be the agency's discretion as to what headcounts are removed.

SECTION 4. 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:

	FY2026
<u>Performance Measures</u>	<u>Target</u>



119	Finance & Compliance	
120	County Government Audits- Percent	
121	Audited by CPA Firms	60.00
122	County Government Audits- Percent	
123	Audited by OSA	40.00
124	Single Audit Federal Program Coverage -	
125	Percent Audited by CPA Firms	60.00
126	Single Audit Federal Program Coverage -	
127	Percent Audited by OSA	40.00
128	ACFR Opinion Units - Percent General	
129	Fund Assets	75.00
130	ACFR Opinion Units - Percent General	
131	Fund Reserves	75.00
132	Technical Assistance	
133	Number of Technical Assistance Inquiries	6,400
134	Cost per Technical Assistance Inquiry	15.00
135	Percent Customer Satisfaction Rating of	
136	70% or Higher	75.00
137	Investigations	
138	Recovered Embezzled and/or Misspent	
139	Funds as a Result of Investigations	
140	Conducted by this Office	600,000.00
141	Recovered Funds as a Percent of Total	
142	Misspent Funds	18.00
143	Performance Audits	



Number of Performance Audit Reports
Completed 10

Number of Positive Changes Recommended
in Performance Audits or Bond Monitoring
Reports 25

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 2027.

SECTION 5. It is the intention of the Legislature that
whenever two (2) or more bids are received by this agency for the
purchase of commodities or equipment, and whenever all things
stated in such received bids are equal with respect to price,
quality and service, the Mississippi Industries for the Blind
shall be given preference. A similar preference shall be given to
the Mississippi Industries for the Blind whenever purchases are
made without competitive bids.

SECTION 6. Of the funds appropriated in Section 2 of this
act, it is the intention of the Legislature that Thirty Thousand
Dollars (\$30,000.00) is provided for the purpose of paying fees
for a CPA Review Course for the Office of the State Auditor's
employees to be reimbursed over a 12-month period by the employee
taking the course.

SECTION 7. It is the intention of the Legislature that the
State Auditor is hereby authorized to escalate, budget and expend



169 funds from any source made available to comply with the Single
170 Audit Act of 1984 for the purpose of employing staff, paying
171 related expenses, or to engage private accountants, as necessary,
172 to comply with the provisions of the act, in accordance with rules
173 and regulations of the Department of Finance and Administration in
174 a manner consistent with the escalation of federal funds not to
175 exceed Four Hundred Thousand Dollars (\$400,000.00).

176 **SECTION 8.** No more than One Million Dollars (\$1,000,000.00)
177 may be provided to defray expenses incurred by the Office of the
178 State Auditor pursuant to the rules and regulations of the United
179 States Department of Justice Federal Equitable Sharing Program.
180 These funds may only be used for nonbudgeted law enforcement
181 purposes by the Office of the State Auditor.

182 **SECTION 9.** It is the intention of the Legislature that the
183 State Department of Audit shall maintain complete accounting and
184 personnel records related to the expenditure of all funds
185 appropriated under this act and that such records shall be in the
186 same format and level of detail as maintained for Fiscal Year
187 2025. It is further the intention of the Legislature that the
188 agency's budget request for Fiscal Year 2027 shall be submitted to
189 the Joint Legislative Budget Committee in a format and level of
190 detail comparable to the format and level of detail provided
191 during the Fiscal Year 2026 budget request process.

192 **SECTION 10.** Of the funds appropriated in Section 2 of this
193 act, it is the intention of the Legislature that Two Hundred



194 Thousand Dollars (\$200,000.00) is provided for the purpose of the
195 Accountancy Fellowship Program as provided by Section 7-7-204, et
196 seq., Mississippi Code of 1972.

197 **SECTION 11.** The money herein appropriated shall be paid by
198 the State Treasurer out of any money in the State Treasury to the
199 credit of the proper fund or funds as set forth in this act, upon
200 warrants issued by the State Fiscal Officer; and the State Fiscal
201 Officer shall issue his warrants upon requisitions signed by the
202 proper person, officer or officers in the manner provided by law.

203 **SECTION 12.** This act shall take effect and be in force from
204 and after July 1, 2025.

