

REPORT OF CONFERENCE COMMITTEE

MADAM PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 3133: Appropriation; Dept. of Audit.

We, therefore, respectfully submit the following report and recommendation:

- 1. That the House recede from its Amendment No. 1.
- 2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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, 2002, and ending June 30, 2003..... \$ 5,853,200.00.

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, 2002, and ending
21 June 30, 2003..... \$ 4,243,158.00.

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

26 **MAJOR OBJECTS OF EXPENDITURE:**

27	Personal Services:		
28	Salaries, Wages and Fringe Benefits..	\$	8,359,734.00
29	Travel and Subsistence.....		821,564.00
30	Contractual Services.....		808,937.00
31	Commodities.....		86,123.00
32	Capital Outlay:		
33	Other Than Equipment.....		0.00
34	Equipment.....		20,000.00
35	Subsidies, Loans and Grants.....		<u>0.00</u>
36	Total.....	\$	10,096,358.00

37 FUNDING:

38	General Funds.....	\$	5,853,200.00
39	Special Funds.....		<u>4,243,158.00</u>
40	Total.....	\$	10,096,358.00

41 AUTHORIZED POSITIONS:

42	Permanent:	Full Time	174
43		Part Time	1
44	Time-Limited:	Full Time	0
45		Part Time	0

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

51 With the funds herein appropriated, it is the intention of
52 the Legislature that it shall be the agency's responsibility to
53 make certain that funds required to be appropriated for "Personal
54 Services" for Fiscal Year 2004 do not exceed Fiscal Year 2003
55 funds appropriated for that purpose, unless programs, positions or
56 pay increases are added to the agency's budget by the Mississippi
57 Legislature. Based on data provided by the Legislative Budget
58 Office, the State Personnel Board shall, on July 1, 2002, publish
59 separate annual projection reports, based on July 1, 2002 data,
60 for the period of July 1, 2002 through December 31, 2002, and
61 January 1, 2003 through June 30, 2003, that project the annual
62 cost to fully fund all appropriated positions in compliance with

63 the provisions of this act. It shall be the responsibility of the
64 agency head to ensure that no single personnel action increases
65 this projected cost and/or the Fiscal Year 2003 appropriation for
66 "Personal Services," as annualized on a semi-annual basis in
67 accordance with the provisions of this act. If, at the end of any
68 calendar month, the State Personnel Board determines that the
69 agency has taken action(s) which would cause the agency to exceed
70 this projected annual cost or the Fiscal Year 2003 "Personal
71 Services" appropriated level, when annualized in compliance with
72 the provisions of this act, then only those actions which reduce
73 the projected annual cost and/or the appropriation requirement
74 will be processed by the State Personnel Board until such time as
75 the requirements of this provision are met.

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

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

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

90 **SECTION 5.** Within the funds provided herein, audits of the
91 Institute for Technology Development (ITD) are to be performed by
92 the State Auditor in accordance with Sections 31-29-3 and
93 31-29-25, Mississippi Code of 1972. In conducting these audits,
94 the State Auditor may rely to the maximum extent possible upon
95 audits of ITD conducted by independent auditors in accordance with
96 the provisions of the "Standards for Audit of Governmental
97 Organizations, Programs, Activities and Functions" published by
98 the Comptroller General of the United States and Circular A-133

99 "Audits of Institutions of Higher Learning and Other Non-Profit
 100 Institutions" published by the Office of Management and Budget.
 101 ITD shall present the results of any and all such audits to the
 102 State Auditor for review and incorporation into his reports to the
 103 Legislative Budget Committee. The audits to be provided to the
 104 State Auditor by ITD shall include at least one (1) annual
 105 financial and compliance audit and one (1) audit of its indirect
 106 costs and associated billing rate agreements.

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

	FY2003
<u>Performance Measures</u>	<u>Target</u>
116 Post Audit	
117 Audits Completed (Engagements)	150
118 Billable Audit Hours (Hours)	155,300
119 Technical Assistance	
120 Inquiries (Action)	10,000
121 Cost per Inquiry (\$)	21.46
122 Technicalities (Actions)	4,000
123 Cost per Technicality (\$)	0.38
124 Average Daily Attendance	
125 ADA Examination (Actions)	10,240
126 Cost per Attendance Count (\$)	48.87
127 Cost per School (\$)	574.54

128 A reporting of the degree to which the performance targets
 129 set above have been or are being achieved shall be provided in the
 130 agency's budget request submitted to the Joint Legislative Budget
 131 Committee for Fiscal Year 2004.

132 **SECTION 7.** Of the funds appropriated under the provisions of
 133 Section 2, Sixty-nine Thousand Seven Hundred Seventy-seven Dollars
 134 (\$69,777.00) shall be derived from the Budget Contingency Fund

135 created in Section 27-103-301, Mississippi Code of 1972.

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

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

CONFEREES FOR THE SENATE

X _____
Jack Gordon

X _____
Ron Farris

X _____
Dean Kirby

CONFEREES FOR THE HOUSE

X _____
Charlie Capps, Jr.

X _____
Percy W. Watson

X _____
Warner F. McBride