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Chapter No. 189  
14/SS26/R959SG  
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**SENATE BILL NO. 2726**

Originated in Senate

Liz Welch

Secretary

SENATE BILL NO. 2726

AN ACT TO AMEND SECTION 7-7-81, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE STATE AUDITOR TO AUDIT PROGRAM FUNDS FROM THE FEDERAL RESTORE ACT, GULF ENVIRONMENTAL BENEFIT FUND, AND FEES DERIVED FROM THE NATURAL RESOURCES DAMAGES ASSESSMENT PURSUANT TO THE 2010 DEEPWATER HORIZON EXPLOSION AND OIL SPILL; AND FOR RELATED PURPOSES.

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

**SECTION 1.** Section 7-7-81, Mississippi Code of 1972, is amended as follows:

7-7-81. (1) The State Auditor shall have the authority to preaudit or postaudit, conduct performance audits and reviews, investigate projects, entities and their use of any funds provided to the state or any of its agencies or subdivision, or any nonprofit organization, from the federal American Recovery and Reinvestment Act of 2009, the federal RESTORE Act, the Gulf Environmental Benefit Fund, and fees derived from the Natural Resources Damages Assessment pursuant to the 2010 Deepwater Horizon explosion and oil spill, and \* \* \* their successors. If sufficient resources are available, the State Auditor shall

maintain an official Web site and provide public access to copies of audit reports of state and local government entities receiving funds from the American Recovery and Reinvestment Act, the federal RESTORE Act, the Gulf Environmental Benefit Fund, and fees derived from the Natural Resources Damages Assessment pursuant to the 2010 Deepwater Horizon explosion and oil spill, and \* \* \* their successors. The State Auditor shall have the authority to recover costs associated with auditing and investigating such projects and funds within the limits of federal law from any such entity that receives such funds. In addition, the State Auditor shall have the authority to contract with qualified certified public accounting firms to perform selected engagements under this section, if funds are made available for such contracts by the Legislature, the governmental entities covered by this section or by the federal government. All files, working papers, notes, correspondence and any other data compiled by the audit firms in connection with the engagements shall be available upon request, without cost, to the State Auditor for examination and abstracting during the normal business hours of any business day.

(2) A special fund, to be designated as the "Auditor's Enhanced Accountability Fund," shall be created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Within the limits of federal law, initial funds shall be deposited from each governing entity receiving

monies from the American Recovery and Reinvestment Act \* \* \*, the federal RESTORE Act, the Gulf Environmental Benefit Fund, and fees derived from the Natural Resources Damages Assessment pursuant to the 2010 Deepwater Horizon explosion and oil spill, based on a sliding scale to be determined by the State Auditor. Subsequent and additional funds may be deposited from any source made available to the Department of Audit for such purposes.

Unexpended monies from the American Recovery and Reinvestment Act \* \* \*, the federal RESTORE Act, the Gulf Environmental Benefit Fund, and fees derived from the Natural Resources Damages Assessment pursuant to the 2010 Deepwater Horizon explosion and oil spill, remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund, but shall be held to pay for postaudit and investigative costs for related \* \* \* expenditures and programs. Monies deposited into the fund shall be disbursed, in the discretion of the State Auditor, to pay the allowable costs of additional preaudit, postaudit, investigative, or other allowable or accountability requirements not funded through regular appropriations or special fund billing provided in this section. Monies in the special fund may be used to reimburse reasonable actual and necessary costs incurred by the State Auditor to accomplish objectives under this section. The State Auditor shall maintain a specific accounting of actual costs incurred for each

project for which reimbursements are sought and shall provide a report to the Legislature within sixty (60) days from the end of each fiscal year regarding the nature and amounts of all expenditures. The Department of Audit may escalate its budget and expend such funds in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.

**SECTION 2.** This act shall take effect and be in force from and after July 1, 2014.

PASSED BY THE SENATE  
April 1, 2014

  
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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
April 1, 2014

  
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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

  
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GOVERNOR

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