



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

NOTICE

The Office of the State Auditor has proposed adopting a new rule, Title 4, Rule 4.8.00. This rule requires qualified Certified Public Accountants or CPA firms which desire to be included on a list maintained by the Office of the State Auditor of CPAs/CPA firms interested in offering audit services to state agencies and local governmental entities to submit certain information annually. This "information only" list will be maintained by the Office of the State Auditor and published on the Office of the State Auditor's website.

Attached is a copy of the proposed rule for your review and comment in accordance with the Mississippi Administrative Procedures Law in Sections 25-43-1.101 through 2-43-3.114. In accordance with the Mississippi Administrative Procedures Law, an oral proceeding to hear comments may be requested by a political subdivision, an agency or ten (10) persons within twenty (20) days after the filing of this notice. Interested parties with comments or questions may contact Melissa Patterson, Special Assistant Attorney General, to request an oral proceeding at the phone number or address included on the Notice of Proposed Rule Adoption. This notice was filed with the Secretary of State's Office on October 31, 2006.

NOTICE OF PROPOSED RULE ADOPTION

STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

FILED
OCT 31 2006

MISSISSIPPI
SECRETARY OF STATE

Office of the State Auditor
c/o Melissa C. Patterson, Special Assistant
Attorney General
501 North West Street, Suite 801
Post Office Box 956
Jackson, Mississippi 39205
601-576-2800
Melissa@osa.state.ms.us

Specific Legal Authority authorizing the promulgation of
Rule: Mississippi Code Annotated § 7-7-211 (j) & (k)
Reference to Rules repealed, amended or suspended by the
Proposed Rule : NONE

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule:

Title 4, Rule 4.8.00: The rule requires qualified CPAs or CPA firms which desire to be included on a list maintained by the Office of the State Auditor of CPA/CPA firms interested in offering audit services to state agencies and local governmental entities to submit certain information annually. This "informational only" list will be maintained by the Office of the State Auditor and published on the Office of the State Auditor's website.

This rule is proposed as a Final Rule, and/or a Temporary Rule (Check one or both boxes as applicable.)

Persons may present their views on the proposed rule by addressing written comments to the agency at the above address. Persons making comments should include their name and address, as well as other contact information, and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Oral Proceeding: Check one box below:

An oral proceeding is scheduled on this rule on Date: {Insert Date} Time: {Insert Time}
Place: {Insert Place}

If you wish to be heard and present evidence at the oral proceeding you must make a written request to the agency at the above address at least ____ day(s) prior to the proceeding to be placed on the agenda. The request should include your name, address, telephone number as well as other contact information; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

An oral proceeding is not scheduled on this rule. Where an oral proceeding is not scheduled, an oral proceeding will be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address and telephone number of the person(s) making the request; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Economic Impact Statement: Check one box below:

The agency has determined that an economic impact statement is not required for this rule, or

The concise summary of the economic impact statement required is attached.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Date Rule Proposed: October 31, 2006

Proposed Effective Date of Rule: December 31, 2006

Rodney D. Zeagler / Deputy Auditor
Signature and Title of Person Submitting Rule for Filing

RULE 4.8.00: TITLE 4 -- OFFICE OF THE STATE AUDITOR'S ADMINISTRATIVE PROCEDURE REGULATING INCLUSION OF CPAs/CPA FIRMS ON A LISTING OF CPAs/CPA FIRMS INTERESTED IN OFFERING AUDIT SERVICES TO STATE AGENCIES AND LOCAL GOVERNMENTAL ENTITIES

1. AUTHORITY

Section 7-7-211 (j) of the Mississippi Code of 1972, Annotated, states the Office of the State Auditor (OSA) shall be in compliance with its statutory requirements to audit certain local governmental entities when the audit is made from the report of any audit certified by a certified public accountant and prepared by or under the supervision of such certified public accountant.

Section 7-7-211 (k) of the Mississippi Code of 1972, Annotated, states qualified public accounting firms may be contracted with to perform selected audits if funds are available from the governmental entity.

2. SCOPE

To better assist state agencies and local governmental entities, the OSA will maintain a list of CPAs/CPA firms that are interested in offering audit services to state agencies and local governmental entities. This list will be maintained on a calendar year basis and posted to the OSA website to allow easy access by state agencies and local governmental entities.

3. POLICY

A list of CPAs/CPA firms that are interested in offering audit services to state agencies and local governmental entities will be maintained on a calendar year basis and posted to the OSA website to allow easy access by state agencies and local governmental entities. The listing is a mechanism to notify state agencies and local governmental entities of CPAs/CPA firms that are interested in offering audit services and have certified to the OSA that they have meet certain requirements of regulator agencies and applicable auditing standards. A state agency or local governmental entity may select a CPA/CPA firm that is not included on the OSA listing. If a state agency or local governmental entity elects to enter into a contract with a CPA/CPA firm not included on the OSA list, the OSA recommends that the state agency or local governmental entity ask for this same type information.

To be included on this list CPAs/CPA firms must complete a registration form and return it along with the required attachment to the OSA. The following list applies to the registration process:

- CPAs/CPA firms must register annually with the OSA.
- If a CPA firm has multiple offices, each office wishing to be included on the list must register.
- To be included on the list of registered CPAs/CPA firms, all prior contract audits under the purview of the OSA must have been submitted within the contract requirements.
- Registration forms will not be processed by the OSA prior to November 1 preceding the calendar year of registration.

- Registration forms received by the OSA during a calendar year will be processed within 15 days of receipt and the CPA/CPA firm will be placed on the list of registered CPAs/CPA firms if warranted.
- Being placed on the OSA's list of registered CPAs/CPA firms in no way assures a CPA/CPA firm of being awarded a contract by a state agency or local governmental entity.
- The maintenance of a list of registered CPAs/CPA firms by the OSA in no way affects the method used by a state agency or local governmental entity to select an auditor.
- Multi-year contracts are not prohibited.
- While the registration form submitted by the CPA/CPA firm will be subject to the public information statutes, the only information that will be posted to the OSA website will be the CPA/CPA firm name, contact person, mailing address, phone number, fax number and e-mail address.
- Being included on the OSA list of registered CPAs/CPA firms does not signify any level of assurance of the quality of work of the CPA/CPA firm by the OSA.

4. CIRCUMSTANCES IN WHICH A CPA/CPA FIRM WILL NOT BE INCLUDED ON THE OSA LISTING

The OSA may, for good cause, not list a CPA/CPA firm on its list of CPAs/CPA firms interested in offering audit services to state agencies and local governmental entities. The circumstances leading to this decision include, but are not limited to:

- non-submission of registration form
- information on submitted registration form incomplete
- information on submitted registration form inaccurate
- required attachment to registration form not attached

5. WHERE TO SUBMIT THE CPA/CPA FIRM REGISTRATION FORM

All requests must be mailed, delivered or transmitted via facsimile to the OSA. They may also be submitted electronically via e-mail.