

# OFFICE OF THE STATE AUDITOR

Stacey E. Pickering, State Auditor



POLICIES AND PROCEDURES MANUAL

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## INTRODUCTION

The Office of the State Auditor serves to protect the public's trust by assessing state and local governmental entities to ensure that public funds are properly received; legally, effectively and efficiently spent; and accounted and recorded accurately.

The Office of the State Auditor of Mississippi is empowered by the Mississippi Constitution and state statutes to perform certain duties related to the financial integrity of the various political subdivisions and certain other publicly financed entities within the state.

These duties include auditing state agencies, county governments, and school districts; providing technical assistance to all governmental entities; prescribing or identifying financial accounting systems for governmental entities in accordance with generally accepted accounting principles; reviewing audits of municipalities, public hospitals and school districts; maintaining a master inventory of state fixed assets; verifying the validity and accuracy of the process and internal controls used for all student transactions in the public schools of Mississippi; and investigating and reporting instances of impropriety by those persons entrusted with public funds.

The Office of the State Auditor of Mississippi, which employs over 130 persons including approximately 25 certified public accountants, comprises one of the largest auditing firms in the state. The Office is widely regarded as the definitive authority in matters pertaining to the use of public funds, and the recommendations offered by its auditors and other expert personnel are readily accepted and respected throughout the state. The employees of the Office of the State Auditor are mindful of the grave responsibility of upholding the public trust and strive to maintain the level of competence expected of them by virtue of their positions.

Stacey E. Pickering took the oath of office as Mississippi State Auditor on January 10, 2008. The position is one of 14 elected executive offices of state government and was established by the Mississippi State Constitution of 1890. The State Auditor is one of the chief financial officers of the State of Mississippi.

The Office of the State Auditor, as organized under the Pickering administration, consists of the Auditor's Executive Support Staff and seven divisions.

THE AUDITOR'S EXECUTIVE SUPPORT STAFF assists the State Auditor in directing and supervising activities of the Office, maintains the State Auditor's calendar, and schedules appointments and speaking engagements. Mr. Pickering will designate a Deputy Director to coordinate and direct the action within the Office and acts as State Auditor in his absence.

THE ADMINISTRATIVE SERVICES DIVISION is charged with the responsibility for certain accounting functions such as the processing of invoices, travel vouchers and purchase orders. It performs other activities such as (1) procurement of equipment and supplies; (2) billing of entities for services rendered; (3) preparing and administering the agency's annual budget; (4) and preparing payroll.

THE FINANCIAL AND COMPLIANCE AUDIT DIVISION is divided into four sections: Education Audit Section, State Agency Audit Section, County Audit Section, and Electronic Data Processing (EDP) Audit Section. This division is responsible for conducting and overseeing audits of public entities. Sections are responsible for the post-auditing of public entities and reviewing auditee computer operations.

THE INFORMATION TECHNOLOGIES DIVISION provides technical support to the Office of the State Auditor. This Division is responsible for in-house design and installation of information systems. Its primary duty is to provide intra-agency technical support and training access related to the agency's information management activities.

THE INVESTIGATIONS DIVISION is responsible for the investigation of alleged or suspected violations of the laws of the State of Mississippi dealing with any state, county or other public office in the purchase, sale or use of any supplies, services, equipment or other property belonging thereto. Complaints are received from private citizens, elected officials, public employees and/or auditors.

THE PERFORMANCE AUDIT DIVISION conducts programmatic and performance audits and reviews to evaluate selected operations of government, making recommendations aimed at enhancing efficiency, effectiveness and economy in government. In addition, the division verifies the validity and accuracy of the process and internal controls used for all student transactions in the public schools of Mississippi using the Mississippi Student Information System (MSIS).

THE PROPERTY DIVISION conducts fixed asset audits in state agencies and universities. The division is responsible for maintaining a master inventory of fixed assets for all state agencies and universities. In addition, it is the responsibility of this division to assure that state statutes, regulations and procedures are followed in regard to fixed assets accountability.

THE TECHNICAL ASSISTANCE DIVISION provides accounting and legal compliance assistance to the Office of State Auditor's staff, state and local officials, and their employees throughout Mississippi. Other responsibilities include conducting training seminars for Office personnel and local governments and designing uniform accounting systems for local governments.

The Office of the State Auditor is housed at four locations. The Central office is located in Jackson, Mississippi. Satellite offices are located in Laurel, Hattiesburg, and Waveland.

This Manual is general in its scope and does not preclude individual divisions/sections within the Office of the State Auditor from having separate policies and procedures that facilitate the function of that particular division so long as they do not conflict with this Manual or other applicable state law, policies, or procedures.

## PUBLIC RELATIONS POLICIES AND PROCEDURES

### **MEDIA CONTACTS**

Only the State Auditor and the Director of Communications are authorized to answer inquiries and release information concerning matters pertaining to the Office of the State Auditor to a member of the news media. All OSA divisions will work together with the State Auditor and Director of Communications to gather information and prepare statements and press releases.

All media inquiries are to come through the Director of Communications. **Employees who receive calls directly from the media are to refer those calls to the Director of Communications and are not to speak on behalf of the Office of the State Auditor.** This policy is in place to preserve the integrity of the Office of the State Auditor and ensure that OSA is communicating a consistent message.

The following policy is in effect concerning all contacts made to OSA by a member of the media:

1. Initial contacts by a member of the media will be directed to the Director of Communications.
2. If the Director of Communications is not in the office, the cell phone number of the Director of Communications should be given to the media representative.
3. Division directors and other personnel may be requested to assist preparing information to be released to the media.
4. Should any employee receive a direct call from a member of the media, the employee should refer the call to the Director of Communications.
5. Media interviews with the State Auditor are conducted by appointment and are scheduled through the Director of Communications.

## CONFIDENTIALITY

Due to the sensitive nature of much of the work conducted by the Office of the State Auditor, unauthorized access to information is prohibited. Therefore, it is necessary that the release of information be restricted by policy and procedure.

The published documents of the Office of the State Auditor in and of themselves represent the official statements of the Office of the State Auditor. Any elaboration on the written documentation is restricted by policy and procedure published elsewhere in this manual and/or instituted through subsequent inter-office written communication.

The Office of the State Auditor has a policy in effect, published elsewhere in this manual, covering the release of Public Records.

No employee, except under court order, is authorized to release the name and/or address of any person making a complaint to the Office of the State Auditor to any person or group. The release of the actual identity or descriptive information about any person filing a complaint with the Office of the State Auditor is strictly prohibited. The failure to keep such information confidential undermines the efforts of this Office and can cause serious hardship to the person who has voluntarily come forward with information concerning waste, fraud and abuse of public funds. **Any breach of this rule will be considered immediate grounds for dismissal.**

## **OPEN MEETINGS POLICIES**

It is the opinion of the State Auditor, with the exception of preliminary investigative findings, that there is no subject which could be discussed with a public body at an exit conference that would qualify as an exemption to the Open Meetings Law, Mississippi Code of 1972 (Annotated), Section 25-41-1 through 25-41-17, and thus allow the public body to enter into a closed or executive session. The procedure for discussing preliminary investigative findings is outlined below.

In order to comply with the law, auditors conducting exit conferences with the public bodies are not authorized to participate knowingly in a meeting held in violation of the Open Meetings Law. If asked by a public official to do so, an auditor must decline and agree to participate only if the meeting is held in accordance with the law. Further inquiries from a public official about this policy can be directed to the Director of Communications.

The Open Meetings Law allows public bodies to hold executive sessions for the reasons set forth in Mississippi Code of 1972 (Annotated), Section 25-41-7 (4). Should a public body choose to exercise its option and enter into a closed meeting for one of the statutory reasons, an auditor should ask to be excused from the meeting and then leave.

An auditor is not authorized to release to the general public or the media materials given to members of public bodies during an exit conference, unless authorized by the appropriate section director. If members of the general public or representatives of the media wish to secure copies of the materials, an auditor should refer them to the Director of Communications of the Office of the State Auditor in Jackson or to the public body.

The Deputy Director over the Investigations Division, or his/her designee, may be authorized by the State Auditor to meet in a closed session with a public body to discuss preliminary investigative findings, to give public officials notice of demands for recovery of public funds or to seek information regarding investigations.

## **PUBLIC RECORDS POLICIES**

The policy of the Office of the State Auditor is one of full and responsible disclosure of its records consistent with the Mississippi Public Records Act of 1983, Mississippi Code of 1972 (Annotated), Section 25-61-1, et seq., hereinafter referred to as “the Public Records Act.” All records and portions of records not exempt from disclosure will be made available for inspection or copying.

Moreover, records exempt from mandatory disclosure may be made available when applicable where disclosure is not prohibited by law and is not against the public interest.

The following definitions will be utilized for the purpose of this policy:

Public Record: A public record shall mean all books, records, papers, accounts, letters, maps, photographs, films, cards, tapes, recordings, or reproductions thereof, and any other documentary materials, regardless of physical form or characteristics, having been used, being in use or prepared, possessed or retained for use in the conduct, transaction or performance of any business, transaction, work, duty or function of the Office of the State Auditor, or required to be maintained by the Office of the State Auditor. There is no requirement for lists of documents to be created if they do not exist in the normal course of business or are not required by law.

Incident Report: A narrative description, if such narrative description exists and if such narrative description does not contain investigative information, of an alleged offense, and at a minimum shall include the name and identification of each person charged with and arrested for the alleged offense, the time, date and location of the alleged offense, and the property involved, to the extent this information is known.

Investigative Report: Records of a law enforcement agency containing information beyond the scope of the matters contained in an incident report, and generally will include, but not be limited to, the following matters if beyond the scope of the matters contained in an incident report:

- (1) Records that are compiled in the process of detecting and investigating any unlawful activity or alleged unlawful activity, the disclosure of which would harm the investigation which may include crime scene reports and demonstrative evidence;
- (2) Records that would reveal the identity of informants and/or witnesses;
- (3) Records that would prematurely release information that would impede the public body’s enforcement, investigative or detection efforts;
- (4) Records that would disclose investigatory techniques and/or results of investigative techniques;
- (5) Records that would deprive a person of a right to a fair trial or an impartial adjudication;
- (6) Records that would endanger the life or safety of a public official or law enforcement personnel, or confidential informants or witnesses;
- (7) Records pertaining to quality control or PEER review activities; or
- (8) Records that would impede or jeopardize a prosecutor’s ability to prosecute the alleged offense.

Identifiable Record: A record is identifiable if a reasonably specific description of the record has been given, such as the date of the record, the subject matter, division or person involved which will permit location or retrieval of the record.

Working Day: A working day is any day other than a weekend, state holiday, or other day on which by executive order the Office of the State Auditor's Office is authorized to be closed or all the employees of the Office are authorized to be absent.

All requests for information will be in writing, specifically identify the nature of the records requested, be signed by the person(s) making the request, and provide the requester's address and telephone number. All requests shall be addressed to the Office of the State Auditor, Attn: Staff Attorney, P.O. Box 956, Jackson, Mississippi 39205-0956. Any employee who receives a written or oral request for Office of the State Auditor records will direct the requester to the Staff Attorney. Requests for published audits or work papers will be directed to the Director of the Financial and Compliance Audit Division. Public records requests will be received during normal working hours. The Director of Communications will maintain a file of all requests and the reply to each. The Director of Administrative Services will maintain a file of fees collected which involve Public Records Act requests.

The Office of the State Auditor will notify the requester in writing no later than seven (7) working days from the date of the request whether production will be made or if the request is denied, or any combination thereof. If the records are to be released, an estimate of total cost, if any, will be given with the notification. Upon receipt of payment in full for the estimated cost, the records will be produced within a reasonable time in relation to the extent of records to be produced. Should the amount of production time exceed ten (10) working days after receipt of payment, the requester will be notified in writing of the reason. If a request is denied, the written notification will contain the basis for the denial.

## **EXEMPT RECORDS**

Records Exempt by Law: Any record expressly exempt from the Records Act or any record specifically declared to be confidential or privileged by any other Mississippi statute or constitutional provision shall not be subject to mandatory inspection and copying. Those records which are specifically exempt by statute and which fall within the jurisdiction of the Office of the State Auditor include the following:

1. Personnel records and applications for employment, except those which may be released to the person who made the application or with the prior written consent of the person who made the application. This shall not be construed to prohibit the disclosure of the following information about employees: name, address, date of employment, length of employment, qualification, and salary.
2. Test questions and answers which are to be used in employment examinations.
3. Letters of recommendation respecting any application for employment.
4. Records which represent and constitute the work product of any attorney and which are related to litigation made by or against the Office of the State Auditor or in anticipation

of prospective litigation, including all Public Relations communications between such attorney made in the course of an attorney-client relationship.

5. Appraisal information which concerns the sale or purchase of real or personal property for public purposes prior to the announcement of the purchase or sale, where the release of such records would have a detrimental effect on such sale or purchase.
6. Investigative reports contained in the investigative files of the Investigative Division.
7. Personal information of victims, law enforcement officers, judges, or district attorneys or their spouses contained in the investigative files of the Investigative Division.

Work Papers: The Mississippi Code gives special protection to work papers associated with an audit. Section 7-7-125 provides that all work papers associated with an audit prepared by the Department of Audit shall be confidential, but shall be available to subsequent auditors engaged in performing a subsequent audit of an entity. If a request for work papers is received, it must be forwarded to the Director of the Financial and Compliance Audit Division.

Trade Secret Notice: For the purpose of providing advance notice to providers of trade secret or confidential commercial or financial information, twenty-five (25) days from the provider's receipt of written notice shall be deemed a reasonable time for the disclosure of the requested records in the absence of a court order to the contrary.

If any public record contains material which is not exempted under the Public Records Act, the exempted material shall be redacted and the nonexempt material shall be made available for examination.

## **FEES**

Costs: A fee covering the direct cost of search and reproduction to comply with the request shall be charged. The following charges and collections shall be made and collected prior to producing the records:

1. There shall be a reproduction charge of ten cents per page and actual cost per hour or any part thereof for personnel time for the reproduction of the documents requested.
2. Certification of authenticity shall be \$3.00 for each certificate. Certification shall be provided by the Director of Administrative Services.
3. Search/collation of records by staff personnel shall be at the actual cost per hour for any man hour or part thereof for search/collation of the documents requested. Personnel hours will be calculated cumulatively with each employee involved keeping account of time expended to be turned into the Director of Administrative Services.
4. Other direct costs related to the request may be charged for, including such items as mailing and computer search.
5. Charges for bound documents shall be determined by the length of the document, number of file copies available, and the method used to print the document. There shall be a

standard charge of \$15.00 for each regular audit report reproduced. However, if the audit report is available on the OSA website, the reproduction charge will be \$25.00.

6. The Staff Attorney may, at his/her discretion, allow the person making a request to review the records requested after such records are compiled at the Office of the State Auditor.
7. Fees and charges shall be paid by check or money order made payable to the Office of the State Auditor. The Director of Administrative Services shall be responsible for the receipt and proper disposition of such, and shall provide a receipt for every separate payment.

Free Services: There shall be no charge if the record requested is not found or is determined to be completely exempt from public disclosure. No charge shall be made for staff hours spent in resolving any legal or policy question concerning the request.

Public Interest Waiver: Fees established by this rule may be waived or reduced upon a determination by the Staff Attorney or the State Auditor that such waiver or reduction is in the public interest because furnishing the information is considered as primarily benefiting the general public. Persons seeking such waiver or reduction of fees may be required to submit a statement setting forth the intended purpose for which the records are requested or otherwise indicate how disclosure will primarily benefit the public, and, in appropriate cases, explain why the volume of records requested is necessary. Determinations pursuant to this subsection are solely within the discretion of the Office of the State Auditor.

## **ETHICS POLICY**

### **DECLARATION OF PUBLIC POLICY**

Mississippi Code of 1972 (Annotated), Section 25-4-101 states: The Legislature declares that elective and public office and employment is a public trust and any effort to realize personal gain through official conduct, other than as provided by law, or as a natural consequence of the employment or position, is a violation of that trust. Therefore, public servants shall endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of this trust and which will not reflect unfavorably upon the state and local governments.

### **CONFLICT OF INTEREST**

Employees of the Office of the State Auditor should have no contractual, financial, fiduciary or agential interest in or with any entity that is subject to the authority of the Office of the State Auditor, and especially any entity that is subject to being audited by the Office of the State Auditor. Employees of the Office of the State Auditor should be especially careful to avoid using, or appearing to use, an official position for personal gain, giving unjustified preferences, or losing sight of the need for efficient and impartial decision making in the Office's method of operation. No act should be committed which could result in questioning the integrity of the Office of the State Auditor.

Employees are not to engage in any activity in either a private or official capacity where a conflict of interest may exist. An employee's first loyalty should be to the public's interest. Associations, dealings or interests that could affect an employee's objectivity in performing the employee's job or in making the decisions required of the employee's position should be avoided. However, employees are encouraged to participate in professional and civic organizations if such participation does not adversely affect the employee's role as a public employee.

### **POLITICAL ACTIVITY**

Employees should work in an atmosphere that is free from political influence or coercion. Mississippi Code of 1972 (Annotated), Section 25-9-145, provides for specific legal penalties for certain politically coercive actions by state officials.

#### **Political Contributions and Services**

No official or employee in a state service status position, as defined in Mississippi Code of 1972 (Annotated), Section 25-9-107, shall, directly or indirectly, give, render, pay, offer, solicit or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion or proposed promotion, or any employment advantage in a state service status position.

An employee in a state service status position is not obliged by reason of employment to contribute to a political fund or render political services and may not be removed or otherwise prejudiced for refusal to do so.

### **Political Use of Authority or Influence**

No employee may request or accept from any elected official any advantage relating to employment status or compensation in the state service.

### **Use of Official Authority to Influence an Election**

The official authority of any employee shall not be used for the purpose of interfering with or affecting the result of an election or a nomination for office.

### **Grievance and Appeals Regarding Political Activity**

Any applicant or employee has the right to grieve and appeal any action which is believed to be discriminatory or which otherwise adversely affects employment status or compensation, where such action is believed to be taken on the basis of political opinion or illegal political activity.

### **Violations of Provisions Governing Political Activity**

Any employee in a state service status position who violates any of the provisions governing political activity may be subject to appropriate disciplinary action, including dismissal.

### **DISCRIMINATION DISCLAIMER**

Each publication of the Office of the State Auditor shall bear the following disclaimer: The Office of the State Auditor does not discriminate on the basis of race, religion, national origin, sex, age or disability.

## **OUTSIDE EMPLOYMENT**

All employees must be available for and devote their full attention to their assigned duties and responsibilities during scheduled working hours. Further, employees having emergency response responsibilities must be reasonably available during non-scheduled hours. Each employee must ensure that his or her off-the-job activities do not adversely affect job performance with and are not contrary to the interests of the Office of the State Auditor. For this reason, the following guidelines and rules are established for all employees:

Employment with the Office of the State Auditor will be the employee's primary job responsibility and obligation any other employment will be deemed secondary.

An employee should not seek or accept outside or secondary employment that may negatively impact or affect the employee's punctual and consistent attendance, ability to satisfactorily and efficiently perform his or her duties or that creates a conflict of interest.

The demands or requirements of outside or secondary employment may not be considered as excusable reasons for absences, tardiness, poor performance or other areas of concern from a personnel perspective.

Prior to seeking or accepting outside employment, full-time regular employees must discuss a secondary job with his or her division/section director to determine whether or not the job is considered a "conflict of interest" as previously defined herein.

Outside employment refers to a job or task performed for which any form of compensation is received. This includes the receipt of a benefit as opposed to monetary compensation; for example, performing a service and receiving goods for the task performed instead of receiving a salary or wage. Outside employment does not refer to being a member of a reserve component of the military.

Employees engaging in any outside employment must submit a request for approval to his or her division/section director prior to employment. This request must be completed if an outside activity exists at the time the employee is hired by the Office of the State Auditor; when an outside employment activity previously approved is being discontinued or the nature or scope of the activity is being changed; or, when the employee plans to enter into any outside employment. If the outside employment constitutes a conflict of interest, detracts from the employee's responsibilities, or has an appearance of a conflict of interest, the request will be denied.

## **EMPLOYMENT AND ORIENTATION POLICIES**

The Office of the State Auditor seeks to recruit, select and advance its employees on the basis of their relative ability, knowledge and skill, and ensures that all employment practices, including recruitment, selection, appointment, training, promotion, retention, discipline or any aspects of personnel administration, are administered without regard to race, religion, national origin, sex, age or disability.

Employees are selected from the State Personnel Board's certificate of eligible applicants or from the agency's maintained list of eligible applicants.

The Office of the State Auditor actively recruits persons through job interviews at colleges and universities and by personal contacts with other public entities and private businesses. Recruitment may at times be accomplished by advertising vacancies in local newspapers and trade journals.

Prospective employees may submit applications, resumes or make inquiries directly to the Office of the State Auditor related to agency maintained lists. Other prospective employees will be asked to contact the State Personnel Board. Prospective applicants may be sent an application form and a letter from the Director of Human Resources explaining employment policy.

The Mississippi State Personnel Board has published the Mississippi State Employee Handbook. This publication, which has been made available to you through the Mississippi State Personnel Board's website, gives employees information regarding state-wide policies and procedures. You should also familiarize yourself with these policies.

### **INTERVIEW PROCESS**

Contact for Interview - The division or section director, as described under the "Conducting Initial Interview" section below, will notify the applicants chosen for interview. Notification of interview will be by telephone. After three unsuccessful attempts of notification for interview, the prospective applicant may receive written notice. The notification for interview, whether by telephone or letter, should contain a brief description of the position and its duties.

Conducting Initial Interview - Interviews will be conducted by the director of the division or section where the vacancy occurs. The interviews will be based upon job-related information. This information will include a description of the job based upon the job content questionnaire and performance appraisal duties and standards. Every effort shall be taken to ensure that no questions considered discriminatory are asked during the interview.

Additional Interviews - Additional interviews may be conducted with those applicants receiving a satisfactory initial interview. The additional interviews should be conducted in the manner described in the section above entitled "Conducting Initial Interview."

### **INTERVIEW FOLLOW-UP**

Upon completion of a satisfactory background check, the applicant selected to fill the position will be notified orally by the division or section director initiating the interview.

Prospective applicants will not be removed from the list of eligible applicants unless one or more of the following conditions apply:

1. The applicant failed to reply to written inquiry.
2. The applicant declined an interview or failed to report for an interview.
3. The applicant was not available for consideration.
4. The applicant declined an offered job.
5. The applicant was appointed but failed to report for work.

## **EMPLOYMENT POLICY AND PROCEDURES RESPONSIBILITY**

The Director of Human Resources shall have the responsibility of coordinating the various divisions' recruitment and employment of prospective employees. This responsibility shall include coordinating recruitment efforts, confirming that appropriate vacancies exist, acting as a liaison with the State Personnel Board to assure the applicant is qualified, monitoring each prospective applicant's process through the recruitment and selection process established by the Office of the State Auditor, ensuring that budget constraints do not prohibit filling the position, notifying applicants as required, and handling grievances. After receiving authority to fill a position, division/section directors are to take action to employ the applicant who best fits their needs. Before an applicant is offered employment, the State Auditor or a Deputy Director will review his/her qualifications; meet with him/her, if considered necessary; and authorize employment.

## **EMPLOYEE ORIENTATION**

After an applicant is selected for employment, an employment date will be chosen. A division/section director is responsible for making any orientation arrangements for a new employee and for providing the Director of Human Resources with advance notice of the first workday of a new employee.

A new employee of the Office of the State Auditor should report on the first work day to his/her division/section director or designee. After initial introduction to fellow staff members, the director will introduce the new employee to the Director of Human Resources and the Director of Payroll who will have the new employee complete all required forms. The Director of Human Resources, the Director of Payroll or the employee's supervisor will discuss the following materials:

- The Mississippi State Employee Handbook as published by the Mississippi State Personnel Board.
- The Office of the State Auditor Policies and Procedures Manual.
- Various forms for the new employee to complete, including, but not limited to, information on insurance, worker's compensation, confidentiality, etc.

- Various other information on optional insurance and other benefits.

Supplies such as work papers, calculators, pencils, adding machine tape and erasers will be provided by the employee's division/section director. Issuance of a personal computer and OSA identification card will be coordinated with the Information Technologies Division.

A new employee's division/section director, or designee, will review all of these handouts with him/her, will explain the Performance Appraisal Review System and will provide the new employee with a complete set of duties and standards for his/her position. Refer to the Mississippi State Employee Handbook for more information regarding the Performance Appraisal Review System (PAR).

## **PROBATIONARY PERIOD**

All full-time state service employees are on probationary status for a period of one year. During this period, the employee's supervisor will observe, evaluate and counsel the employee. In the month prior to the end of this period, the supervisor can recommend the employee for permanent employee status. An employee may be terminated at any time during the probationary period with or without cause.

## **EMPLOYEE TERMINATIONS**

A permanent status employee can expect to be employed with the Office of the State Auditor unless there is just cause for removal. In the event an employee resigns, he/she should provide the State Auditor with a formal resignation letter. Any employee leaving the employment of the Office of the State Auditor should give the immediate supervisor written notice two weeks prior to the last working day.

Usage of leave beyond the last working day will not be allowed. On the last day of work, an employee should turn in all of his/her equipment, supplies and identification materials to the appropriate division. At that time, arrangements will be made as to when the employee can receive his/her final paycheck and any accumulated personal leave.

## **GRIEVANCE PROCEDURES**

Refer to the Mississippi State Employee Handbook regarding grievance procedures.

## **EQUAL EMPLOYMENT OPPORTUNITY**

The policy of the Office of the State Auditor is to work continually toward improving recruitment, employment, training and promotional opportunities for each significant segment group in the labor force of the state of Mississippi.

The Office of the State Auditor will seek to provide equal access to all opportunities within the jurisdiction of the Office without regard to race, religion, national origin, sex, age or disability. This applies to applicants for employment and those persons eligible to participate in any program administered by the Office of the State Auditor.

## **RECRUITMENT AND PROMOTION MOBILITY**

Non-promotional recruitment efforts will include contacting colleges and universities, contacting employment agencies, placing advertisements in newspapers and trade journals, and working with other state agencies. The Office of the State Auditor will consider qualified applicants for vacancies in all job classifications in conjunction with established policy of advancement and promotion from within on the basis of individual qualifications, potential and job performance.

## **COLLEGE INTERNSHIP PROGRAM**

In addition to traditional full-time employment, state law authorizes the Office of the State Auditor to execute a college internship program for students who are classified as a junior or higher and majoring in accounting at a college or university in Mississippi. The program is based upon available funding. Please contact the Human Resources Division for more information.

## **WORK TIME POLICIES**

Employees are expected to work a 40 hour week. Employees who have their residences as their official duty stations are expected to be at their temporary place of work by 8:00 a.m. and stay until 5:00 p.m., if the one-way travel distance is less than 60 miles. For situations in which one-way travel exceeds 60 miles, employees should arrange their schedules with their division/section directors.

All other employees are expected to work from 8:00 a.m. to 5:00 p.m. each day or the hours of the auditee, unless other working hours have been approved. Division/section directors are authorized to approve different flexible working hours provided the 40 hours of work per week is achieved. An employee wishing to take advantage of this policy must receive prior approval from his/her director and must discuss how his/her time will be accounted for on the monthly time sheets.

Employees are encouraged to complete their assignments during normal working hours. However, division/section directors are authorized to approve accumulation of compensatory leave when an employee is specifically assigned overtime work. All accumulation of compensatory leave must be recorded to the nearest one-half of an hour (.5 hour).

### **TIME REPORTING**

All employees are required to complete monthly time reports utilizing the codes established by each division/section which detail the number of hours worked and the type of work performed. Employees whose time is considered billable may include travel time as billable work. All time should be reported in increments not less than one-half of an hour (.5 hour).

Time reports should be mailed or delivered on the last working day of the reporting period and directed to the employee's immediate supervisor or division/section director, as the case may be, who will approve and then forward the reports for processing. All time reports should be turned into the Administrative Services Division by division/section directors by the fifth (5<sup>th</sup>) working day of the month. The monthly travel expense report should be delivered at the same time as the monthly time report. Additional reporting requirements may be required by division/section directors.

## **LEAVE POLICIES**

Employees should make a request for any leave as far in advance as is practicable. The method of leave notification may be either oral or written, or both, subject to the discretion of the division/section director, or his/her designee. If an oral notification system is used, the division/section director is responsible for verifying the orally approved leave with the monthly time report and reporting this verification to the Director of Human Resources. Employees shall report personal leave involving illnesses and major medical leave to the Office of the State Auditor no later than 8:30 a.m. on the day of the sickness, unless an emergency situation prevents such notification. Each division/section director, or his/her designee, is authorized to require additional notification procedures. All paid personal, major medical and compensatory leave shall be charged and recorded to the nearest one-half hour (.5 hour).

Each division/section is given the authority to establish specific work rules; such as use of "request for leave" forms, the person responsible for approving leave and who should be contacted when an employee will not be able to report to work.

### **TYPES OF LEAVE**

#### **Personal/Major Medical Leave**

Refer to the Mississippi State Employee Handbook regarding personal and major medical leave accrual and use policies.

#### **Administrative Leave**

In an effort to promote employees' service when called for jury duty, the State Auditor will authorize administrative leave in addition to any fees paid for such service as a juror. The employee must attach his or her summons or other proof of jury service to his or her timesheet. The policy is in accordance with Mississippi Code of 1972 (Annotated), Section 25-3-92 (2) (a). In addition, an employee serving as a witness or party litigant in a work-related matter may use administrative leave. The employee should attach a subpoena or notice of hearing to his or her timesheet as proof of attendance.

#### **Compensatory Leave**

The use of compensatory leave should be for the benefit of the Office of the State Auditor. The accumulation of compensatory time must be reasonable and approved by the division/section director or his or her designee. In addition, the use of compensatory time must be approved by the division/section director or his or her designee.

The Office of the State Auditor is covered by the Fair Labor Standards Act, which governs overtime pay and compensatory time. This policy is developed in accordance with the Fair Labor Standards Act (FLSA) and its definition of exempt and non-exempt employees. The overwhelming majority of employees in this Office are "exempt" employees. If an employee is not aware of his or her status, please contact the Director of Human Resources or his or her division/section director.

Compensatory time is not considered accumulated until 40 hours have been worked in the work period. For the non-exempt employee, hours worked in excess of 40 hours per week will be considered compensatory time and will be accumulated at one and a half times the number of hours worked in compliance with FLSA. It should be understood that if the employee is allowed to take time off within the same work period, the time and a half rule does not apply and compensatory time will be hour for hour.

Exempt employees will earn compensatory time on an "hour-for-hour" basis.

The maximum amount of compensatory time an exempt employee can accumulate will be limited to 240 hours. Any time off, with the exception of approved major medical leave, will be first charged against the employee's compensatory leave. FLSA compensatory leave will be used first followed by Agency compensatory leave. The maximum amount a non-exempt employee can accumulate is 240 hours under the FLSA regulations. It is the intent of this Office that accumulated amounts be limited to the minimum practicable amount.

Upon termination of employment, the non-exempt employee shall be paid for unused FLSA compensatory time at a rate of compensation not less than: (a) the average regular hourly rate received by the employee during the last three years of employment, or (b) the final regular rate received by such employee, whichever is higher.

Exempt employees shall not be paid for compensatory time upon termination or retirement.

#### Family and Medical Leave Act

Refer to the Mississippi State Employee Handbook regarding the Family and Medical Leave Act. Refer to Appendix A-6 through A-17 for more information and sample forms when requesting leave under the Family and Medical Leave Act.

#### Leave Without Pay

Leave without pay usage is discouraged because of intricate work scheduling required of this Agency. However, when this situation cannot be avoided, the leave request should be submitted to the division/section director three days in advance for his/her approval. This leave request must include the day on which the leave is to begin, the expected date of return to duty and the reason for the request. Where three days advance notice is not possible, the employee must notify the division/section director as soon as the need for leave without pay arises. Approval will be granted only in cases where it is in the best interest of all concerned.

Leave without pay for medical reasons must be documented by a doctor's excuse. With the exception of when FMLA leave has been approved, generally leave without pay will not be granted for a period exceeding ten working days. Where the request is granted, employees are subject to a pro rata reduction of their salaries and leave accrual for the length of time or number of days in excess of accumulated leave.

Payment for holidays occurring during the interim of leave without pay shall not be allowed, except in those instances where the employee works either the day before the holiday occurs or the next working day after the holiday occurs. Leave without pay shall not, under any

circumstances, be considered as time for purposes of leave accrued, retirement or other compensable considerations of employment.

An employee may retain insurance benefits while on leave without pay provided the employee bears the cost of the insurance unless the absence is due to leave covered under the Family and Medical Leave Act (See information on FMLA on page 20). Usage of leave without pay which has not been approved may be dealt with through the discipline and grievance procedure.

### Miscellaneous

Refer to the Mississippi State Employee Handbook for discussions of other types of leave, including Military Leave, Educational Leave, and Living Organ Donor Leave.

Employees begin to earn leave on the first working day of each month the employee works or receives paid leave. Leave is available for use on the first day of the month after the leave is earned. Leave is not earned and credited until the end of the month (e.g., during the first month of employment, no leave may be taken; at the beginning of the second month of employment, the leave earned during the prior month may be taken.)

The monthly leave statement included with each payroll check stub reflects the leave earned and taken for the prior month. No leave may be taken until the time that it is earned.

Part-time and temporary employees who work less than a full work week will be allowed credit for personal leave and major medical leave computed on a pro rata basis. A schedule of how leave is earned for temporary employees may be obtained from the Administrative Services Division.

### **ACCESS CHANNEL FOR EMPLOYEES**

The Department of Finance and Administration (DFA) makes available to all state employees an Internet based service called ACE - Ace Channel for Employees. ACE is a secure service protecting state employees' personal information through the use of a username and password. Services offered through ACE allow state employees to access, print and/or save their W-2 tax forms rather than waiting for a paper mailed copy. Employees who take advantage of direct deposit may also view pay stubs through the ACE system. Employees may also view monthly leave balances and time taken. The Mississippi Enterprise Learning Management System (MELMS) is also accessed through ACE. Through MELMS/ACE, employees can view course descriptions, class calendars, their personal transcripts, and after receiving approval, register for training classes through the State Personnel Board.

## FRINGE BENEFITS

### INSURANCE

As a benefit to its employees, the State of Mississippi provides a life and health insurance plan to assist its employees with the cost of such insurance. Mississippi Code of 1972 (Annotated), Section 25-15-15 changed the State of Mississippi's plan creating **Legacy employees (initially hired before 01/01/06)** and **Horizon employees (initially hired on or after 01/01/06)** effective January 1, 2006. Rates for the plan may be found at the DFA website at [www.dfa.state.ms.us](http://www.dfa.state.ms.us). All new employees must enroll in the Plan or waive coverage. Enrollment is effective on an employee's first day of employment, and the paperwork must be completed within thirty-one days of his or her hire date. Additionally, there is an annual Open Enrollment period for coverage effective the following plan year.

However, all employees, no matter Legacy or Horizon, must bear the cost of the health insurance premium whenever compensation is received for less than one-half of the month (except as noted in the Federal "Family and Medical Leave Act"). If an employee is paid for at least one-half of the month, the Office of the State Auditor will bear the cost of the insurance premium. Additional coverage for the employee or family members is available through the insurance company. Premiums for additional coverage or for life insurance are handled through payroll deduction.

Additional types of insurance are available from various companies. While this Office does not endorse any company, it does provide payroll deductions for insurance of this nature in order to participate in group rates.

### WORKER'S COMPENSATION

All employees are covered by worker's compensation insurance. An employee injured on the job or while on travel status is entitled to financial and medical aid under this insurance program in accordance with state law. Workers' Compensation is administered by the Mississippi Workers' Compensation Commission. The purpose of workers' compensation is to provide fixed benefits to employees in the event an employee is injured in the course of employment.

Workers' compensation wage loss benefits are not payable for the first through fifth days of disability unless the disability extends to fourteen days or more. The workers' compensation benefit is payable at 2/3 the average weekly wage or, in some cases, to a weekly maximum set by law. Wage benefits are payable in addition to any accrued leave the employee may be entitled to use. **It is the employee's responsibility to ensure that payment of accrued Personal Leave and/or Major Medical Leave and the receipt of workers' compensation benefits simultaneously do not result in the employee being paid a total amount that exceeds 100% of his wages earned in his or her employment at the time of injury.**

### SOCIAL SECURITY

Every employee is required to participate in the Federal Social Security Program. Employees are provided old age, survivors and disability insurance coverage by the Federal Social Security Administration. For additional information, please contact the Social Security Administration at 1-800-772-1213.

## **RETIREMENT**

All full-time employees are covered by the Mississippi Public Employees' Retirement System. Mandatory retirement contributions are deducted monthly from the employee's salary. A member handbook, which explains how maximum benefits can be obtained, may be obtained from the Public Employees' Retirement System online at [www.pers.state.ms.us](http://www.pers.state.ms.us) or from the Human Resources Division.

## **DEFERRED COMPENSATION**

A tax sheltered annuity plan is available, which enables an employee to postpone paying federal and state income tax on his contributions toward the annuity until after retirement, disability or time of severe financial need. There is no waiting period for participation in this plan.

## **OTHER**

Payments to the Mississippi Public Employee Credit Union, Mississippi Prepaid Affordable College Tuition (MPACT) or Mississippi Affordable College Savings Program (MACS) may be made through payroll deductions.

All State employees are eligible to join the Public Employees' Credit Union. The Public Employees' Credit Union may be contacted at 601-948-8191.

An employee may apply for an American Express Corporate Card. The card is to be used for business travel purposes only. The employee is not permitted to use the Corporate Card to incur charges for other purposes including any personal purposes. The employee, as the Corporate Cardmember, is accountable directly to American Express. Failure to follow the terms of the agreement could jeopardize the corporate card program through this office.

Should suspected non-compliance charges be detected, the employee will receive correspondence reflecting the charges and be given the opportunity to respond addressing the charges. Should the Office of the State Auditor receive no response to address the charges or verification that the charges were not business related within seven days, the card will be cancelled and a Group 2 Reprimand will be placed in the employee's personnel file.

## **CAFETERIA PLAN**

The Section 125 Plan, or "Cafeteria Plan" is for the exclusive benefit of eligible employees and their dependents. Through participation in the plan, the employee may choose to deposit payments for certain eligible benefits into flexible spending accounts to be deducted pre-tax from an employee's earnings. The results of participation are greater flexibility in benefit selection for family needs and more spendable income. Please contact Human Resources for more information.

## **HOLIDAYS**

Holidays granted to employees of the Office of the State Auditor shall be those designated as official state holidays, if approved by the State Auditor. If the State Auditor does not approve an official holiday or if an employee with prior approval works a holiday, the employee who works will receive compensatory time. Compensatory time for holidays may not be taken prior to the time it is earned.

## **EMPLOYEE ASSISTANCE PROGRAM**

### Purpose and Application

The Office of the State Auditor (OSA) values each employee. The well-being of our employees is important to us. We recognize that employees have various personal concerns that can affect the quality of their performance at work. To assist employees, the OSA has established an Employee Assistance Program (EAP). The availability of appropriate employee assistance program services is beneficial to both the employee and the agency. Confidential assistance is available for issues related to stress, relationship or family conflicts, alcoholism or drug addiction, anxiety/depression, child or adolescent problems, grief and workplace conflict. The objectives of the employee assistance program are to help employees become healthy and productive, reduce problems in the workforce, and retain valued employees.

### Policy and Procedure

1. The EAP shall not disclose to the OSA the identity of any individual who contacts the EAP provider and/or receives services. All EAP client records are kept strictly confidential to the extent provided by statute and regulation, and will not be noted in any official agency record or in the employee's personnel file. Information from the EAP may be released only with the written permission of the employee, or, in response to state or federal statutes/regulations, or as otherwise provided by law.
2. The EAP is a benefit available to all employees and immediate family members on a self-referral basis or as otherwise may be required by the employer. Employees who want EAP services can voluntarily seek assistance by contacting the provider directly, or they can be referred to the EAP by their supervisor based only on observation and documentation by the supervisor of job performance problems, and/or a positive result of a drug test. Referral by a supervisor will be both orally and in writing.
3. EAP utilization or refusal thereof is not, in itself, a cause for disciplinary action or loss of job security. Request for or usage of EAP does not jeopardize an employee's job security, performance appraisal rating or promotional opportunity.
4. An employee with an unsatisfactory job performance record will be subject to the normal standard disciplinary procedure, whether he/she accepts or refuses referral to the EAP or follows prescribed treatment.

5. The number and type of services to be provided at no cost to the employee are limited by the OSA's contract with the external EAP provider. The EAP provider will inform the employee of the services available to him/her under the contract. In the event the employee or family member needs services beyond that covered by the EAP's contract with the OSA, payment for additional services shall be subject to the provisions of the employee's health insurance plan.
6. The EAP provider is responsible and reliable for all of its actions. The OSA is not liable for anything the EAP provider does.

### General

1. All services provided are confidential as between the employee and the provider, unless otherwise provided in writing. The EAP provider will send periodic utilization reports to the OSA which provides the number of contacts, number of persons served and type of services. No names of employees or family members seeking services will be provided to the OSA. The OSA will not receive medical reports from the provider.
2. The implementation of this EAP policy does not interfere with or negate any other standard practices, or procedures. Nothing in this policy is to be interpreted as constituting any waiver of the responsibility of management to maintain discipline or does it waive management's right to carry out disciplinary measures.
3. Use of the EAP does not negate leave policy. Employees must follow established leave policies and procedures.
4. The Office of the State Auditor's EAP Coordinators are the Director of Administrative Services and the Director of Human Resources.
5. Summit Counseling is the EAP provider for OSA. They can be reached at 601-949-1949 or 1-877-EAP-1949.

## **CONTINUING PROFESSIONAL EDUCATION**

The Office of the State Auditor will provide training for all staff auditors which will enable them to meet the Continuing Professional Education requirements as prescribed by Government Auditing Standards. Additionally, the Office goal is to provide each CPA in the Office the 40 hours per year required by the State Board of Public Accountancy. The Office will pay the cost and allow time and travel for each CPA to attend external continuing professional education seminars on a limited basis, as needs are determined and approved by one's division/section director. The Office will pay the cost and allow time and travel for each CPA to attend CPA conventions, as determined and approved by the State Auditor and/or a Deputy Director of Audit.

If additional training or education is required (such as auditing electronic data processing systems), arrangements will be made to ensure the employee training is received. The Office will be responsible for all costs associated with the training, provided the expenses are approved in advance.

## **EMPLOYEE TRAINING**

The Training Officer, as a part of the Technical Assistance Division, has overall responsibility for coordinating continuing professional education for all staff members of the Office of the State Auditor. This will be accomplished primarily through agency-wide, in-house training and individual division training.

A training committee, chaired by the Training Officer, will be responsible for the planning and direction of the continuing education function. Names of the members of the committee are available from the Training Officer.

All employee training must be approved and coordinated through the Training Officer and the appropriate division/section director.

A member of the audit staff who wishes to attend a course or training session outside the agency and who wishes to be reimbursed for this cost must submit in advance a written request stating the specifics of the training. The request, if approved, must be signed by the employee's division/section director. If the employee wishes to attend a training session, exclusive of preparatory classes for professional certification at his/her own expense, the employee will be allowed time off to attend if he/she provides a written request detailing the specifics of the programs and has it approved by the division/section director and the Training Officer. Final approval in each case will be made only after consultation with the Deputy Director over Financial & Compliance.

The Training Officer will maintain individual records of all courses attended. Each division/section director will provide proper documentation to the Training Officer for maintenance of records.

## **PROFESSIONAL IMPROVEMENT**

Professional development and improvement is an essential part of employment in the Office of the State Auditor. From continuing education credits to advanced degrees and certifications, the State Auditor's Office will make every effort to support employees in their professional improvement through flexible work schedules and other accommodations as requested and approved by management. A 40-hour work week must be met; however, arrangements to allow for course attendance, etc. are allowed. Employees are offered an opportunity to participate in the Becker ® CPA Review with the cost of the course payroll deducted over a 12-month period along with a significant discount. In addition, employees may earn compensatory time for the hours spent using the Becker Review, either through live courses or courses offered over the Internet. Compensatory time is available during the first review up to 104 hours. Compensatory time is not available for repeated sections. With the exception of CPE sponsored by the Office of the State Auditor, all registration fees and travel expenses related to professional development and improvement will be incurred by the employee.

## PROMOTIONAL OPPORTUNITIES

### PROMOTIONS

An employee may be promoted to another position by one of three methods:

1. Reorganization of positions within the Office of the State Auditor (what the State Personnel Board calls a position reallocation). This occurs when an existing position is upgraded to reflect additional duties and increased responsibilities. In this case the title of the position is changed and a salary increase may be offered to the person obtaining the promotion (for example, changing the position title of a senior clerk to an administrative assistant or a senior auditing accountant to a supervising auditing accountant).
2. Career ladder plan (what the State Personnel Board calls a position reclassification). This occurs when a position has a built-in promotional capability. An example is in the auditor career ladder plan when an assistant auditing accountant has completed two years of satisfactory work and thus is eligible to be promoted to an intermediate auditing accountant or when an intermediate auditing accountant has completed one year of satisfactory work and thus is eligible to be promoted to a senior auditing accountant. Prior experience may be utilized to meet the time requirements for the next career ladder step. Passage of the CPA examination may substitute for two years of experience in the auditor career ladder plan, and passage of the CIA examination may substitute for one year of experience. The employee's supervisor must request approval for this action and have it approved by the appropriate section and/or division director and a Deputy Director of Audit. Additionally, the employee must have a current evaluation (within ninety days) on file.
3. The filling of a higher level position that becomes vacant or that becomes available as the result of new positions added by the Legislature.

Promotions are made on the basis of merit. An employee is recommended for promotion by his/her immediate supervisor, through the section and/or division director, or, when applicable, to a Deputy Director of Audit. An employee will be promoted to another position if that person can satisfactorily perform the duties and discharge the responsibilities of the position to which he/she is being promoted. **None of these three promotional opportunities is automatic but is based on performance of present job (through PAR evaluations) and ability to perform at the higher position** (for example, an assistant auditing accountant will be promoted to intermediate only if he/she has demonstrated that he/she can perform as an intermediate).

### SALARY INCREASES

Salary increases are available in one of five ways:

1. Through promotions based on the Performance Appraisal Review System (PAR) and discipline records.
2. Across the board cost-of-living increases approved by the Legislature.

3. Productivity awards based on the PAR and discipline records when money is made available by the Legislature.
4. Educational benchmark awards when money is made available by the Legislature; these awards are granted when an employee passes the CPA examination, the CIA examination, receives a degree beyond the minimum required for initial employment, or an approved certification and can amount to an increase of up to five percent of one's salary.
5. Increases in selected positions made by the State Personnel Board to realign position pay with its counterpart in the private sector.

## **EDUCATIONAL BENCHMARK POLICIES**

The Office of the State Auditor recognizes the value of continuing professional education and development of its staff members and encourages employees to seek degrees and relevant professional certifications which will result in salary increases and enhanced eligibility for promotion.

Benchmarks will be awarded in accordance with current Mississippi State Personnel Board policies.

An employee is eligible to receive a benchmark award for obtaining a degree beyond the minimum required for initial employment into the employee's current position. The cumulative award for an Associate's degree and a Bachelor's degree is 5%. An Associate's degree will qualify for a maximum of 2%.

Provided funds are available, benchmark awards will be made upon official notification to the agency that requirements have been met.

No benchmark awards will be made for certifications, degrees, etc., that are received by an employee through a "grandfather clause" by the designating organization.

Employees who intend to pursue a benchmark award must receive written approval for the designation from their supervisor and Deputy Director prior to beginning the program. After all authorization signatures are obtained on the benchmark application form, the completed form will be sent to the Human Resources Director to verify program is an eligible benchmark. The Human Resources Director is also responsible for obtaining verification of funds to pay for the training and the salary increase, if applicable.

The employee is responsible for communicating all program/course requirements and dates of training with his or her supervisor a minimum of two weeks in advance, as well as developing a plan with the supervisor to fulfill work responsibilities while attending training. Employees are responsible for the satisfactory completion of work while participating in training. Should work performance fall below the satisfactory level, approval for additional training may be terminated.

The supervisor is responsible for developing a plan with employee to fulfill work requirements of division. He or she is also responsible for reviewing training and leave requests from other employees to ensure appropriate staffing to accomplish work requirements of the division.

Notification from the certifying body, or in the case of an advanced degree, from a college or university, must be received by the Director of Human Resources prior to implementation of award.

## **TRAVEL POLICIES**

The Department of Finance and Administration's State Travel Policy can be found at the DFA website at <http://www.dfa.state.ms.us/Purchasing/Travel/Travel.html>. The State Travel Policy provides more detail about the policies and procedures which must be followed when traveling on official state business. Please familiarize yourself with this policy.

## **IN-STATE TRAVEL**

Certain travel expenditures must be approved in advance. Prior written approval must be received for all out-of-state travel and for any attendance (in-state or out-of-state) to any convention, association or meeting.

### **Meals and Lodging**

Employees will be allowed reimbursement for meals only when overnight travel is involved (i.e., non-taxable meals). Employees will be reimbursed for the actual cost of meals not to exceed the Department of Finance and Administration's (DFA) limit of \$41.00 per day. The limit is increased in designated "high cost" areas. Contact the Administrative Services Division for this information. Meals shall not be claimed as a separate item of expense on the travel voucher when meals are included in conference registration fees. DFA policy does not allow the reimbursement of alcoholic beverages with a meal.

Reimbursement for overnight lodging will be made when travel circumstances prevent departure and return travel to the official duty station in one day. Generally, any time the employee is at a one-way distance greater than 75 miles from his/her official duty station, he/she would be eligible for overnight lodging. Reimbursement for lodging expenses will be made for the amount actually paid, up to a maximum of \$70.00 per night excluding taxes. Exceptions to this maximum are on the DFA listing of state employee rates at Mississippi hotels/motels. When a meeting or convention is held at hotels exceeding the limit, the Office will pay the convention/meeting rate if conference literature detailing the hotel rate is provided and approved by the supervisor. When an employee has a choice, good judgment should be exercised in selecting the lodging to avoid unreasonable charges.

### **Employee-Paid Hotels**

Only standard single room rates are allowable. All expenses for lodging should be billed to the employee and not the Office of the State Auditor. The lodging receipt shall be marked paid or a credit card slip attached.

The State Travel Office maintains an updated agreement with various Mississippi hotels for state employee rates for official business travel. You should always be prepared to show identification when using the hotels listed. A business card, employee I.D., or letter from your supervisor should be adequate.

If you have difficulty obtaining the listed rate, advise the desk clerk of the published state contract rate. If you are still unsuccessful, ask to speak with the Manager and advise him/her of the published rate. If you are still unsuccessful, call the Administrative Services Division for guidance.

### Direct-Billed Hotels

The Office of the State Auditor has set up direct billing for hotels in certain areas. When staying in a direct-billed hotel room, the employee should tell the hotel when making a reservation that he or she wants the State rate for the room and that the room will be direct billed to the Office of the State Auditor. The employee will need to present an official ID at check-in and check out to insure only our staff is using the account. The employee will need to request a copy of the receipt upon checkout to attach to his or her travel voucher if he or she is requesting reimbursement for meals.

Employees should only use the hotels on the direct billing list when traveling to the areas where the Office of the State Auditor has made arrangements for direct billing. If you need to use a different hotel for some reason, such as safety concerns, much lower prices, etc., make your supervisor aware of this fact prior to checking in to the hotel. If you have a hotel or hotels you would like to use that are not on the direct billing list, please let the Administrative Services Division know so that arrangements can be made. Please contact Administrative Services for the list of hotels that are available for direct billing.

### Private Automobile Usage

For the purpose of this policy, in determining whether travel reimbursement will be made for private automobile usage, the following definitions will be utilized:

**Official Residence** - The city, town, or other location where an employee maintains a residence which is used as a primary domicile by the officer/employee. Determination by the agency head or authorized designee regarding an employee's residence is to be based on items such as voter registration, ownership, or long-term rental of a personal residence, and the permanent address carried in the officer/employee's personnel file.

**Official Duty Station** - The city, town, or other location where the employee's **regular place of work** is located, or the city, town or location where the employee's primary work is performed on a permanent basis. If the employee regularly works in two or more areas, his official duty station shall be where the regular place of work is located. The **regular place of work** should be determined by the division directors based on total time ordinarily spent working in each area and the degree of business activity in each area.

**Place of Work** - A location where an employee works. Two types: **Regular** and **Temporary**.

**Regular Place of Work** - The city, town or other location at which the employee works or performs services on a regular basis as determined by the agency head. Mileage is not reimbursed between any regular place of work and home. The **regular place of work** for all employees who live and/or work in our central office in Jackson, Mississippi or one of our primary satellite offices will have that office as their Regular Place of Work. All other employees will not have a designated **regular place of work**.

**Temporary Place of Work** - The city, town or other location at which the employee performs services on an irregular or short-term (generally one year or less) basis. Employees

traveling on official business will be reimbursed for authorized and documented expenses between home and the **temporary place of work**, provided the temporary place of work is not within the city, town, or location of their **regular place of work**.

**Travel Status** - The official status of an employee when away from the employee's **official duty station** and **official residence** on official state business. The employee who works in two or more offices or **regular places of work** may claim mileage reimbursement to travel from one office or **regular place of work** to another **place of work**, but not between any **regular work site** and **home**, regardless of the distance of the commute. An employee is not in travel status and shall not receive lodging or meal reimbursement while at his **official duty station**. The division/section directors will determine when an employee is in **travel status**.

## **OUT-OF-STATE TRAVEL**

Any out-of-state travel must have prior approval of the State Auditor, and the Travel Authorization Form should be completed and signed. Hotel bills are reimbursed for actual costs. There are no individual meal limits for out-of-state travel; however, employees will only be reimbursed for actual meal expenditures that have a receipt. The daily limit for meals is \$31.00. The meal limits are increased to \$36.00, \$41.00 and \$46.00 for certain specific high-cost cities as noted in the Federal Register.

Out-of-state travel vouchers should include the following: (1) Travel Authorization Form, (2) a copy of a travel advance payment voucher (when applicable), (3) the itinerary attached to a copy of airline tickets and (4) any other appropriate receipts.

## **AIRLINE TRAVEL**

Whenever any state employee travels by airline or other public carrier, he/she is required to have all travel arrangements (transportation and rental cars) handled by the Administrative Services Division. The employee is responsible for booking their own lodging accommodations. A Travel Request Form should be completed with proposed itinerary, hotel arrangements, etc.

Traveler's preference will determine departure time when travel costs are equal; however, within reason, the most economical routing will be arranged by the Administrative Services Division. If routing or accommodations other than the most economical are required, the agency's travel-authorizing officer may, in writing, specify alternate routing and specified arrangements. This will, however, cause an exception report to be made to the Department of Finance and Administration for presentation to the Legislature; and the authorizing officer may be called upon to explain his/her action.

In order to obtain the most economical fares, the Department of Finance and Administration adopted the policy that airline penalty fares shall be utilized whenever possible and that the Financial Control Department of the Department of Finance and Administration will honor requisitions for warrants in payment of penalties as a valid travel expense. In order to obtain the lowest possible fare, airline travel should be booked as far in advance as is reasonable and possible. Every effort should be made to use the penalty fare flights as booked in order to avoid the penalty.

## **INTERNATIONAL TRAVEL**

Travel outside the Continental limits of the United States, including Hawaii, must be approved by the Department of Finance and Administration prior to departure. A signed and approved Travel Authorization form must be attached to the Travel Voucher when any associated reimbursement or payment is requested. A copy of this form shall be used to request a travel advance if one is necessary. If actual expenses exceed the estimated expenses shown on the Travel Authorization form, the original form shall be resubmitted showing the excess charges and again approved by the Department of Finance and Administration.

The Administrative Services Division shall arrange for international travel, including lodging and car rental services. The division will also provide information on inoculation requirements, if any, and assistance in obtaining passports and visas, when needed. Voluntary or involuntary changes of arrangements after departure from the continental United States will be made independently by the traveler.

## **OTHER EXPENSES**

Phone calls, postage, cab fares, parking charges and other expenses included in the "other authorized expenses" column must be for valid business expenses, will be paid only with a receipt and appropriate approval and must be certified at the bottom of the travel voucher by the employee. (The employee's signature on the expense voucher qualifies as such certification.) For business telephone calls, a copy of the bill and a brief explanation should be included. Telephone charges from hotels should be listed separately in that section of the travel voucher marked "other". Applicable meal tips should also be noted in the "other authorized expenses" column. Receipts will not be required for applicable tips. Total meal tips shall not exceed 20% of the maximum daily meal reimbursement claimed.

## **TRAVEL VOUCHERS**

All travel vouchers should be prepared in ink or typed and delivered, along with **a duplicate copy of the receipt(s) and voucher**, to the employee's division/section director at the end of each month. Original receipts shall be attached to the original voucher. The employee's name, address, division/section and correct dates of travel should appear on the front of the voucher. All vouchers must be signed by the employee. Separate vouchers must be prepared for in-state and out-of-state travel. Division/section directors will review and approve the vouchers and forward all approved vouchers to the Administrative Services Division, where they will be processed for payment.

## **MISCELLANEOUS TRAVEL INFORMATION**

### Limitation On Reimbursement For Travel In Private Vehicle

Reimbursement of personal automobile or other private motor vehicle travel will be at the standard acceptable rate per actual and necessary miles traveled. However, such reimbursement will be limited to the lesser of such actual and necessary mileage not to exceed the cost of the

lowest unrestricted air fare. The actual cost of the trip should be shown on the face of the voucher, but reimbursement should only be claimed for the lesser amount.

#### Two Or More Employees Traveling In One Vehicle

When two or more employees travel in one privately-owned vehicle, only one travel expense at the authorized reimbursement rate per mile shall be allowed. The person claiming reimbursement shall report the names of the other state employee passengers. If subsistence is claimed while traveling with another person in a privately-owned automobile, entries shall be made on the travel voucher and a statement made giving the name of the person in whose car the trip was made. Within reason, two or more employees should ride together if their points of origination and destination are the same.

#### Lodging Shared With Non-State Employee

If a member(s) of the employee's family or other non-state employee travels with the employee, the employee may claim hotel/motel room rate at the single rate only. The single rate should be written across the face of the receipt and initialed by the hotel clerk. Express check out receipts which do not provide an itemized hotel bill are not acceptable.

#### Lodging Shared With Another State Employee

If more than one employee shares a motel/hotel room, each employee should report his/her pro-rata share of the costs on his travel reimbursement request. Separate invoices should be requested when registering. If the employee does not have an original receipt, he should submit a copy of the receipt, and shall write and sign the following statement on the copy, "This is a true and correct copy of the hotel receipt," and refer to the fund and requisition number as well as the voucher of the employee to which the original receipt is attached. One state employee should not claim expenses for another state employee.

#### Registration Fees

Attendance at conferences must receive written approval by the division head/director. Registration fees paid by an employee for a conference will be reimbursed on a travel voucher when supported by a paid receipt. When pre-registration is paid directly to the conference/seminar sponsored by a state agency, a copy of the pre-registration form and charge is acceptable.

Meals shall not be claimed as a separate item of expense on the travel voucher when included in the conference registration fee; provided, however, any fees charged for attending the official meetings of a convention, seminar or conference where the meeting includes a meal are excluded from the daily maximum. Claims for reimbursement for these fees, however, must be supported by a receipt, if these fees cause the total daily reimbursement claimed for meals to exceed the maximum daily expenditure set for the conference location.

#### Unallowable Expenses

Necessary travel expenses do not include personal expense items such as entertainment and trip insurance.

### Vendor Benefits For Travelers

Any bonus or promotional gratuity (i.e.; “Frequent Flyer” Programs) received as a result of official state travel shall be used to offset or reduce the cost of subsequent official state travel.

The person in charge of travel in the Administrative Services Division will handle reservations and monitor compliance for the Agency. For employees who fly for both personal and business reasons, a separate frequent flyer number should be obtained for travel on official state business. In order to keep the personal and business accounts separate, the number should be applied for under a variation of the employee's name, and the agency address should be used.

## WORKSITE POLICIES

### WORKSITE LOCATIONS

#### **Central Office**

The Office of the State Auditor maintains its Central office at 501 North West Street, Suite 801, Woolfolk Building in Jackson, Mississippi 39201. Directions to the Central office are as follows: 1) From I-55, take the High Street exit. 2) Travel west on High Street to Lamar Street 3) Turn left on Lamar Street. 4) The building is located on the corner of High and Lamar Streets. The entrance and parking spaces are located at the rear of the building. The telephone number is 601-576-2800, and the fax number is 601-576-2650.

#### **Laurel Office**

The Office of the Sate Auditor maintains a satellite office in Laurel at 3536 Highway 15 North, Laurel, Mississippi 39441. Directions to the Laurel satellite office are as follows: 1) From Highway 84 take left onto Highway 15 North. 2) Approximately two miles down on Highway 15, the office is in the USDA building on the left. The telephone number is 601-425-7134.

#### **Hattiesburg Office**

The Office of State Auditor Disaster Fraud Prevention and Detection Unit maintains an office in Hattiesburg at 17 J. M. Tatum Drive, Hattiesburg, Mississippi 39404. Directions to the Hattiesburg office are as follows: 1) From I-59 South take exit #59, US-98 E toward Mobile. 2) Go approximately 5 miles to the intersection of Highway 49. 3) Exit onto Highway 49 North toward Hattiesburg. 4) Go approximately 1 mile to J. M. Tatum Drive. 5) Take a right on J. M. Tatum Drive. The MS State Tax Commission will be on your right. 6) Take a right past the State Tax Commission building and go to the second building. The telephone number for this office is (601) 582-4160 or 1-800-956-1846 and the fax number is (601) 582-4170.

#### **Waveland Office**

The Office of State Auditor Disaster Fraud Prevention and Detection Unit maintains a satellite office in Waveland at 636 Highway 90, Suite C, Waveland, Mississippi, 39576. Directions to the Waveland office are as follows: 1) From I-10 take exit #13 Hwy 603 south toward Bay St Louis. 2) Go approximately 5.5 miles. 3) Turn right on Highway 90 (US – 90 W). 4) Go approximately 1 mile. The office will be on the right in an office complex. The office is located directly behind the Waveland Police Department. The office does not have a land line telephone. To contact this office call the Hattiesburg office number (601)582-4160 or 1-800-956-1846. The fax number for the Waveland office is (228) 467-4384.

## **USE OF WORKSITE FACILITIES**

Every reasonable effort should be made by a field employee to keep the auditee's expenses, which are associated with official work, to a minimum. While supervisors are responsible for providing supplies, it is permissible to use supplies of the auditee only when no others are available. Copies can be made on the auditee's photocopier so long as the number of copies is kept at a reasonable level. Long distance telephone calls to the Office of the State Auditor may be charged to the auditee whenever the call relates to the audits of that entity.

Other long distance calls to the Office should be made using the incoming WATS line, 1-800-321-1275, (e.g., to report sick leave). Employees may also charge only business calls to the telephone credit card issued to them. Any questions arising from a particular situation should be addressed to the employee's division/section director.

## **WORKPLACE HARASSMENT POLICY**

The policy of the Office of the State Auditor is that employees work in an environment free from harassment or discrimination with regard to race, color, age, religious creed, sex, national origin, disability or political affiliation or activity. This prohibition includes, but is not limited to, remarks, gestures, physical contact, display or circulation of written or electronic materials, pictures or objects derogatory to any person based on the characteristics listed above. Such behavior is strictly forbidden and will not be tolerated at any organizational level. Complaints of violations of this policy will be speedily and fully addressed.

Harassment by someone not within the same protected class, as well as harassment or discrimination by someone of another protected class, is prohibited. Harassment is forbidden at all levels of this agency regardless of the authority of the parties, whether that of peer, superior, subordinate, or the gender of the parties, whether that of opposite or the same sex. No person will imply, suggest, or threaten that an applicant's or employee's actions or refusal of actions of a sexual nature will effect in any way the employment, assignment, compensation, advancement, retention, career development, or any other condition of employment.

No employee or applicant should endure workplace harassment. Under no circumstances will actions that constitute a hostile work environment be tolerated, including behavior of a sexual nature which is personally offensive, debilitates morale, devalues a person, or interferes with an employee's work effectiveness.

Any person believing he or she has been illegally harassed should immediately report the incident to management. Regardless of the division to which the complainant is assigned, complaints may be taken to anyone in a management position, including to the Director of the Audit Department, without notification to the immediate supervisor or respective division/section director. Retaliation in any form is forbidden against complainants, witnesses, or other employees participating in a hearing or investigation regarding the alleged harassment. Once a complaint has been made, the complaint procedure in the Mississippi State Employee's Handbook and any other applicable procedures will be followed.

Violations of this policy will be addressed pursuant to the Mississippi State Employee's Handbook and other applicable procedures.

## **DISCOURAGED RELATIONSHIPS**

The Office of the State Auditor requires that all employees behave at all times in a professional manner that avoids any unlawful discrimination, including harassment, conflict of interest, or risk of a claim or loss to the Office of the State Auditor. These requirements include maintenance of a work environment in which the Office discourages romantic, dating or sexual relationships between the following:

Employees working in a common sphere of influence, meaning a relationship between a supervisor and subordinate, or any relationship in which one employee supervises or manages, directly or indirectly, another employee or makes decisions concerning another employee's terms, conditions or privileges of employment, and/or

An employee and a contractor, subcontractor, potential employees or vendor when the employee has the capacity to influence, directly or indirectly, the business relationship or potential employment.

Such relationships can cause conflict and adversely affect morale, operations and productivity because of the perception of impropriety or unfairness and the possibility of accusations that one's position is being used to obtain or grant sexual favors, and of inappropriate influence on others, favoritism, bias, or unfair treatment. Additional problems can occur in the workplace should the relationships cease.

## WORKPLACE VIOLENCE

The policy of the Office of the State Auditor is that its employees shall have a workplace environment that is free from violence. No employee shall be allowed to harass any other employee or a member of the general public by exhibiting behavior including, but not limited to the following: harassment, intimidation, threats, physical attacks, domestic-related violence, stalking or property damage.

Harassment is engaging in actions that include but are not limited to abusive conduct, verbal abuse and/or behavior intended to frighten, coerce, or induce duress.

Intimidation is behavior or communication designed or intended to intimidate, menace, or frighten another person.

A threat is the expression of intent to cause physical or mental harm. An expression constitutes a threat without regard to whether the party communicating the threat has the present ability to carry it out and without regard to whether the expression is contingent, conditional, future or verbal.

A physical attack is hostile physical contact or attempted physical contact such as hitting, fighting, pushing, shoving or throwing objects.

Domestic-related violence is the use of abusive or violent behavior, including threats and intimidation, between people who have an ongoing or prior intimate relationship. This could include people who are married, live together or date or who have been married, lived together or dated.

Stalking is conduct that places a person in fear for his or her safety and includes any unwanted contact or action which directly or indirectly communicates a threat or places the individual in fear for his or her safety.

Property damage is intentional damage to property and includes property owned by the State, employees, visitors or vendors.

The workplace environment consists of the building(s), grounds, lighting, and other considerations. It also includes the attitude the employees have about their belief that they will be safe at work.

Any person believing he or she has been subjected to workplace violence should immediately report the incident to management. Regardless of the division to which the complainant is assigned, complaints may be taken to anyone in a management position, including to the Director of the Audit Department, without notification to the immediate supervisor or respective division/section director. Retaliation in any form is forbidden against complainants, witnesses, or other employees participating in a hearing or investigation regarding the alleged workplace violence.

Violations of this policy will be addressed pursuant to the Mississippi State Employee's Handbook and other applicable procedures.

## **ALCOHOL AND DRUG TESTING POLICY**

The chemical testing program of the Office of the State Auditor will be a key element in providing responsible assurances that all employees of the Office of the State Auditor and its facilities are not under the influence of chemical substances, either legal or illegal, which might impair their performance.

It shall be the policy of the Office of the State Auditor that a chemical testing program exists to provide reasonable assurance that all employees are not under the influence of alcohol or chemical substances, either legal or illegal, which might impair their performance, and to ensure compliance with this agency's policy to maintain a drug-free workplace. Types of chemical testing include, but are not limited to, pre-employment testing, testing for cause/reasonable suspicion, post accident/incident testing and annual chemical testing.

This policy is being adopted pursuant to Mississippi Code of 1972 (Ann), Section 71-7-1 et. seq.

This policy prohibits all employees from consuming alcohol and/or from using controlled substances while on duty. Employees driving state owned vehicles are prohibited further from using alcohol and/or controlled substances for a period beginning four (4) hours before going on duty and while on duty.

A copy of the policy is available upon request.

## **INTERNAL AFFAIRS INVESTIGATIONS POLICY**

The purpose of an internal affairs investigation is to gather evidence and information to enable a Deputy Director of the Audit Department to make an informed administrative disposition regarding the future of an Office of the State Auditor employee where allegations have arisen of improper and/or unlawful acts by that employee. When a complaint made by a citizen or other state employee alleges such conduct by an employee(s) of the Office of the State Auditor, an Internal Affairs Investigation may be conducted. The Deputy Director will be informed of the complaint and bring the issue before the Internal Affairs Committee which will determine whether to recommend an Internal Affairs Investigation.

A copy of the policy is available upon request.

## **WIRELESS COMMUNICATIONS POLICY AND PROCEDURES**

The Office of the State Auditor, may provide certain employees with wireless communications devices in the form of cellular telephones or pagers. The cellular telephones or pagers must be used in the manner consistent with state law and the policies of OSA. For employees who have been issued a wireless communication device, usage should be limited to what is allowed under the OSA Acceptable Use Policy and Section 25-53-191, MS Code Annotated.

### **SCOPE OF POLICY**

No employee of OSA may directly or indirectly use, or allow the use of, OSA property of any kind, including property leased to OSA, for other than officially approved activity. In addition, all employees shall protect and conserve OSA property, including wireless communications equipment. Wireless communications equipment includes cellular phones, personal digital assistant devices, and standard or two-way pagers, as well as any similar devices that perform some or all of these functions. No officer or employee of any state agency to whom has been assigned, issued, or made available the use of a wireless communication device, the cost of which is paid through the use of public funds, shall use such device for more than incidental personal use.

### **PROCEDURES**

- Wireless communication devices shall be used for legitimate state business only, and more than incidental personal use of the wireless communications device is prohibited.
- Before a wireless communication device is provided to an OSA employee, the State Auditor, or his designee, must certify in writing the need for the device and associated service. No employee may have more than one wireless communication device assigned and paid for by OSA.
- Detailed call billing must be provided for all OSA cellular phone accounts, and all billings are considered public records subject to disclosure under the Mississippi Public Records Act, pursuant to any exceptions provided under state law.
- OSA shall not reimburse employees for any charges on personal wireless communication devices.
- Employees should be aware that cellular phone transmissions are not secure transmissions. Confidential information regarding official business should be transmitted from a secure environment.
- Any OSA employee assigned a wireless communication device must indicate his/her concurrence with this Wireless Communications Policy and Procedures by his or her signature. The signed copy of this policy shall be maintained in the employee's personnel file. The employee shall review the Wireless Communications Policy and Procedures annually and shall indicate by his/her signature that he/she has followed and will follow the Wireless Communications Policy and Procedures.

## **PARKING POLICIES**

### **PARKING PERMITS**

The Office of the State Auditor will issue "Official Business" parking permit cards for employees performing field work.

The following policy/procedure will be followed:

1. Division/section directors will request from the Director of Government Affairs the parking permits for field workers in their divisions/sections.
2. The employee is requested to notify the responsible parties at the site of the audit as to the employee's use of parking spaces which may be in question. Site officials may be referred to the division/section director for verification of the employee's attendance at the site.
3. The employees of the Office of the State Auditor may keep the parking permits as long as they are employed by the Office but will relinquish the parking permit when they terminate.
4. At no time will the use of a parking permit for personal business or in a handicapped zone be tolerated. Any employee of the Office of the State Auditor who disregards this section shall relinquish his/her parking permit upon demand.
5. The Director of Government Affairs will keep records pertaining to the issuance and recall of all parking permits.

### **PARKING SPACES**

All parking spaces are given to the Office of the State Auditor by the Department of Finance and Administration. Once these spaces are assigned to OSA, the Director of Governmental Affairs assigns each available parking space to employees of OSA. When a parking space becomes vacant, the Director of Governmental Affairs will assign the space.

If a parking space appears to be vacant due to an absence of personnel, please call the receptionist to request permission to park in the vacant space.

## **AUDIT DIVISION POLICIES**

### **FINANCIAL AND LEGAL COMPLIANCE AUDITS**

#### Conducting the Audit

The first priority of the in-charge auditor is to complete the financial and legal compliance audit of a governmental entity's revenues, expenditures, assets, liabilities and fund balances and perform the prescribed internal control and legal compliance tests. Assistants are to refer questions to the in-charge auditor.

Questions from an in-charge auditor concerning the financial aspects of an audit should be directed to his/her supervisor. Questions of a non-routine nature from a public official or other person concerning bookkeeping, accounting or other financial issues should be addressed to the manager and the director of the appropriate section. Depending on the complexity and magnitude of the question, the section director may also need to discuss the issue with the Director of the Financial and Compliance Audit Division.

Questions from an in-charge auditor concerning a legal compliance issue should be directed to his/her supervisor. Questions from a public official or other person concerning a legal compliance issue should be addressed to the manager and the director of the appropriate section. In either case, depending on the complexity and magnitude of the question, the issue may also need to be discussed with the Director of the Financial and Compliance Audit Division, the Director of the Technical Assistance Division, and the Deputy Directors of Audit. Complaints from citizens concerning the conduct of public officials should be directed to the Investigations Division.

At any point during an audit when a question is raised as to whether an entity is in compliance with a certain law or policy, the in-charge auditor should bring the matter to the attention of his/her supervisor and continue with the regular audit. The supervisor will discuss the matter with the manager and the appropriate section director who will consult with the Director of the Financial and Compliance Audit Division. If warranted, the Director of the Financial and Compliance Audit Division will consult with the Director of the Technical Assistance Division, and the Deputy Directors of Audit. These individuals will decide how to proceed -- whether the in-charge auditor will be assigned to follow-up on the legal compliance question or whether a special agent will be assigned. This policy is not intended to prohibit field auditors from calling staff in the Technical Assistance Division for routine questions they encounter in the audits.

If it is determined to be an issue the in-charge auditor can resolve and if an exception results, or if an audit issue results in an exception, the in-charge auditor is authorized to discuss the matter with the appropriate officials. Moreover, if an official agrees to repay a probable exception as a result of an audit, no formal exception will be taken. Rather, a finding explaining the matter will be included in the report, along with a statement of the amount repaid. Since this repayment is not cleared through the State Department of Audit's Exception Clearing Account, the appropriate section director should notify the Investigations Division to add the amount to the list of recovered funds.

If the funds are not repaid by the completion of the section director's initial review of the report, the matter will be turned over to the Investigations Division. Unless instructed to the contrary by the Investigations Division, the facts of this issue will be reported in the audit report and listed on an exception schedule.

Whenever the evidence suggests a probable statutory violation involving a public official that requires the assignment of a special agent, an employee is not authorized to discuss the matter with the official without prior authorization from a Deputy Director of Audit.

An in-charge auditor is authorized to make routine bookkeeping, accounting and financial recommendations including good business practices to the appropriate officials during the course of an audit. Any major recommended change must be discussed at the exit conference. In no case would the providing of recommendations or good business practices result in the auditor making management decisions or performing management functions. Any questions about this policy should be directed to the appropriate section director.

Investigative exceptions or other investigative matters should be handled by the Investigations Division, and the in-charge auditor should not discuss with the officials without the approval and direction of the Investigations Division.

#### Audit Comments

A formal written comment will be made in an audit concerning each spending or accounting practice of a governmental entity that, while not warranting a demand letter, is, in the opinion of the Office of the State Auditor, either in violation of a state statute or not in compliance with required accounting practices. The in-charge auditor, with the approval of the supervisor and the manager, may determine comments of an inconsequential nature may be communicated orally, rather than in writing. These comments should be noted in the working papers.

#### Exit Conference

Once an audit has been completed and reviewed, but prior to the audit being published, the in-charge auditor, supervisor and/or manager are authorized, after consulting with the section director, to schedule an exit conference with the appropriate officials of the audited governmental entity. This policy does not prevent the in-charge auditor, with the approval of the supervisor, from discussing with the appropriate staff of the entity matters that will be formally presented in the exit conference.

During an exit conference, the in-charge auditor, supervisor and/or manager are authorized to discuss the following: (1) the opinion, (2) findings and recommendations, and (3) statutory violations that do not warrant a demand letter. Statutory violations that warrant a demand may be discussed at an exit conference if the Investigations Division approves. If an investigation into alleged statutory violations involving the governmental entity is pending or in progress at the time the exit conference is held, the financial and legal compliance auditors should discuss the matter only to the extent authorized by the Deputy Director of Audit over the Investigations Division.

Officials and staff of the governmental entity shall be notified in advance of the exit conference and given an opportunity to respond to the findings, recommendations, and any legal compliance violations. In addition to the exit conference, an official meeting with the governing board/authority of an entity may be held. Such a meeting will be at the discretion of the Office of the State Auditor or at the request of the entity's governing board/authority and is subject to the public meeting laws of the State.

Where probable fraud or abuse affecting a governmental entity is identified during the course of an audit, the in-charge auditor, supervisor and/or manager, with the approval of the section director in consultation with the Director of the Financial and Compliance Audit Division, the Deputy Directors over Financial & Compliance and Investigations, are authorized to notify the head of the governmental entity to prevent any further loss to the entity. In those cases where the head of the entity is suspected, the section director, the Director of the Financial and Compliance Audit Division and the Deputy Directors shall make the decision as to how to proceed.

#### Control of Audit Working Papers

Recent legislation has provided that all working papers associated with an audit shall be confidential but available to subsequent auditors engaged in performing the entities' subsequent audit. The working papers document our audit of the financial statements and provide evidence as to the conduct of our audit. Therefore, it is the policy of the Office of the State Auditor that, for all engagements, the working papers will remain at all times in the custody of the Office. Exceptions to this policy should be rare and will require the advance approval of the appropriate director.

#### Working Paper Security Precautions

Because of the importance of working papers, precautions should be taken to protect them against loss or destruction. Working papers often contain information of a confidential nature relating to the affairs of the applicable entity, and, accordingly, the papers should not be accessible to unauthorized persons. Judgment should be used as to security of working papers during lunch, at night, and on weekends and holidays. The working papers should be taken to the Office or appropriate satellite office for storage at the conclusion of the examination and during prolonged periods when the audit team is not working at the entity's offices.

#### Availability Of Working Papers To Auditee

Auditees may request that our audit programs, questionnaires and working papers relating to the examination of their financial statements be made available to them. Audit programs and internal control questionnaires and related documentation should be considered confidential and should not be made available to the auditee. Other audit related working papers may be made available to auditees at the discretion of the appropriate section director provided that:

- Only copies are made available
- The auditee has a valid reason for being provided a copy;
- Copies of only those papers pertinent to the auditee's need are made available;

- The papers are reviewed to ensure that they contain no comments or remarks that are of an investigatory nature before copies are made available;
- The auditee signs a detailed receipt outlining the copies received.

The appropriate section director should exercise care in considering the auditee's reasons for requesting access to the working papers. If requests are received that are difficult to access, the Director of the Financial and Compliance Audit Division should be consulted.

If there is an investigation in progress at the entity by the Investigations Division, the Deputy Director over the Investigations Division and the Staff Attorney will be notified upon receipt of a request and prior to access being allowed to copies of any audit working papers.

#### Availability Of Working Papers To Auditors Under Contract

From time to time, state and local governmental entities, as well as our Office, will be engaging independent certified public accounting firms to perform audits. Legislation has provided that working papers are considered confidential but under statute are available to the successor auditing firm. In those cases in which the Office performed the previous audit of the entity, our policy is to provide only copies of original working papers to the successor firm. Original working paper files should not be loaned out unless it relates to a legal request.

#### Legal Requests To Produce Working Papers

At times, the Office is requested to produce for inspection working papers from prior engagements. Under Federal law and the laws of most states, we are required to produce the working papers when demanded by a proper form of request in a legal action; i.e., court order, motion to produce, or subpoena duces tecum (which requires production of documents, as well as testimony). If we are requested to produce original papers or documents in legal proceedings, an attempt should be made to substitute copies for any originals marked as exhibits. In all cases where the production of working papers or other documents is demanded, the appropriate section director, Director of the Financial and Compliance Audit Division, Staff Attorney and Deputy Director over Financial and Compliance should be consulted.

#### Informal Requests to Produce Working Papers

Recent legislation has provided that audit working papers are considered confidential but available to subsequent auditors engaged in performing the entities' subsequent audit. The production of working papers may also be requested informally by private parties (CPA firms), government agencies or legal authorities. In these cases, the Office is not allowed to produce the papers. In the event of an investigation by legal authorities or in the event that a problem arises in producing or not producing the papers in other situations, the appropriate section director, Director of the Financial and Compliance Audit Division and Deputy Director over Financial and Compliance should be consulted.

In all cases in which working papers or other documents are produced for inspection, the Office shall retain control of the papers and documents. The inspection should take place at the Office of the State Auditor. If copies of any papers or documents are requested, and, if it is necessary or proper to provide copies, we should do so at the expense of the requesting party.

### Contracting Audits with Private CPA Firms

When it is determined the Office of the State Auditor does not have the personnel resources to perform an audit, the Director of the Financial and Compliance Audit Division or his/her designee, after consultation with the Deputy Director over Financial and Compliance, will notify the entity of the situation and recommend that they select a CPA firm to perform the audit. The CPA firm selected must comply with Government Auditing Standards.

At no time will the Office of the State Auditor influence the selection of a CPA firm by an entity.

## PERFORMANCE AUDIT DIVISION POLICIES

The mission of the Department of Performance Audit is to serve its customers by conducting audits and reviews in accordance with applicable professional standards to: 1) evaluate government operations; 2) make recommendations that promote more efficient, effective, and economical government; 3) provide relevant, useful and understandable information on effectiveness and efficiency of the performance of public officials and government programs; and 4) provide information on efficiency of tax dollar use.

### Audit Proposal

Once a topic is identified as appropriate for a performance audit, a performance audit proposal is developed. This document provides management with a capsule data from which to select priorities. It includes the reason for the audit; general goals, objectives and procedures; summary program data; and projected time budgets. It is reviewed and approved by the Department Director and the State Auditor. The audit proposal becomes an integral part of the audit plan when the audit is performed.

### Intake Process for Projects Assigned to the Performance Audit Division

The Performance Audit Division is assigned projects by:

- The State Auditor
- The Deputy State Auditor
- Legislative Mandate

The Division does not take direct requests from outside of these three assignees. Any request directly sent or made to the Performance Audit Division will be forwarded to the State Auditor and the Deputy State Auditor prior to any other action being taken.

### Types of Engagements

#### *Performance Audit Projects*

Requested by appropriate officials for audits of selected government operations, these projects may entail operational work, program work, or bond monitoring work, depending on the specific objectives of each individual project.

#### *Audit Response Team Projects*

These projects involve a quick response to problems that are identified by various methods and which may require staffing from outside the Performance Audit Division. Methods include financial audits, investigative audits, media reporting, or any other method that identifies said problem. Projects normally entail accumulation and analysis of data and may call for a quick review and study of a particular entity or department.

#### *School Data Quality Audits*

Required by §37-37-7, MS Code of 1972, annotated, the Performance Audit Division conducts data and system quality audits related to the student and other data collected by schools and transmitted to the State and federal government. Staff reports their findings to the State Board of Education, the State Department of Education, and the Chairmen of the House and Senate Education Committees each year. Approximately 75 districts are evaluated each year.

### *Special Projects*

Requests by the State Auditor or Deputy State Auditor designed to obtain and analyze information as needed. This type of work is open-ended and may include practically any type request the auditor or deputy auditor feel is necessary to assist them in carrying out the responsibilities of their official duties, including data analysis, legislative reviews, etc.

### *Violations of Law*

When illegal or fraudulent acts are detected, the information is turned over to the Investigations Division, and our work ceases if and when potential criminal actions have been identified.

The Performance Audit Division has separate policies and procedures which have been made available to all members of its staff. A copy of these policies and procedures is available upon request.

## **INVESTIGATIVE DIVISION POLICIES**

The Investigative Division receives information concerning investigative matters from, but not limited to, the following: (1) complaints from the public, (2) requests from officials, (3) questions raised during an audit, and (4) media.

### **Demands**

In the event an official states a desire to repay money after an investigation has been initiated, the official shall be notified by letter from the Staff Attorney to repay the principal amount due and other charges through a check made payable to the "State Department of Audit's Exception Clearing Account" and forwarded to the Deputy Director of the Investigative Division.

Should an official elect not to repay money determined to be owed after the completion of an investigation, the official and his bond, if applicable, will be issued a demand letter prepared by the Director of the Investigative Division, and signed by the State Auditor.

Payments made by an official pursuant to a demand letter shall be in the form of a check or money order made payable to the "State Department of Audit Exception Clearing Account" and delivered to the Deputy Director of the Investigative Division. Demand letters not satisfied within the statutorily prescribed 30 days shall be referred within five (5) working days to the Attorney General for legal action.

### **Investigative Procedures Manual**

The Investigative Division has a separate Policy and Procedure manual which has been made available to all members of its law enforcement staff. A copy of this manual is available upon request.

## **STATE DEPOSITORY OF PUBLIC RECORDS REQUIREMENTS**

The Office of the State Auditor is required by Mississippi Code 1972 (Annotated), Sections 25-51-1 through 25-51-7, to submit at least two copies of each public document we produce to the Mississippi Library Commission which is the State Depository of Public Records. To comply with this law, we shall do the following:

1. Systematically send two copies of each public document this Office produces to the Library Commission. However, the Library Commission has requested that we send one copy of the published audit report.
2. Section directors of the Financial and Compliance Audit Division are responsible for obtaining one extra copy of their respective audit reports contracted to certified public accounting firms for this purpose.
3. The secretary for the Financial and Compliance Audit Division will send the required copy of all audits, both in house and contract, to the Library Commission.
4. The HANDMAIL ADDRESS for the Library Commission is:

The Mississippi Library Commission  
3881 Eastwood Drive  
Jackson, MS 39211  
ATTN: RECORDER OF PUBLIC DOCUMENTS  
HANDMAIL

5. Examples of public documents produced by or on behalf of this agency include, but are not limited to, the following: Audit Reports, Accounting Manuals, Technicalities, Annual Reports, Legislative Reports, Single Audit Reports, Exception Reports.

## **STATE RECORDS CONTROL SCHEDULE**

The Office of the State Auditor creates many documents, both paper and electronic. The Office of the State Auditor follows all General Records Control Schedules for retention and destruction of documents in place for all State Agencies at the State Government Records Office at the Department of Archives and History. In addition, the Office of the State Auditor has specific Records Control Schedules which are in place at the State Government Records Office.

It is the policy of the Office of the State Auditor that all documents, both paper and electronic, should be retained and/or destroyed as provided for in these Records Control Schedules. Copies of these Records Control Schedules are available at the Mississippi Department of Archives and History website or upon request.

This Retention Procedure will be altered when the State Auditor or a Deputy Director is informed of a "litigation hold" on certain documents and electronic data. The Deputy Director will inform the Division Directors of the "litigation hold," who then will be responsible to inform the employees of the "litigation hold." When a "litigation hold" has been issued, no public records may be destroyed or deleted until the "litigation hold" has been lifted. This includes, but is not limited to, all public records of the types listed above in this policy.

## **INFORMATION TECHNOLOGY DIVISION STANDARDS AND POLICIES**

The Information Technologies Division is primarily responsible for providing data processing needs and information services to all employees of the Office of the State Auditor. The division also conducts training for computer users, procures computer hardware and software, supports computerized applications, and provides technical support to the agency staff.

In order to provide a common strategic direction, the Director of the Information Technologies Division formed a steering committee to develop the following policies and standards and to assist computer users in understanding the current role and future goals of information technologies. The committee, composed of directors or a supervisor level designee from each division, advises the Director of the Information Technologies Division in establishing priorities and evaluating the effectiveness of information systems.

### **HARDWARE AND SOFTWARE STANDARDS**

The Director of the Information Technologies Division establishes hardware and software standards for current technology needs. The purpose of establishing standards is to allow the Information Technologies staff to effectively provide technical support to the Office staff and be compatible with state adopted standards established by Information Technology Services (ITS). The standards will be continually reviewed by the steering committee to ascertain any replacements or enhancements.

#### **Computers**

The Information Technologies Division will establish the standard for computers for the Office of the State Auditor. The standard will be based on performance, dependability, availability, and cost. The minimum requirements for the computer are ever changing, and this must be reflected in the computers that we purchase.

The standard for computers is defined in two categories: the laptop and the desktop. The director of each division will decide if the employee is to receive a computer and whether it is to be a laptop or a desktop. The Information Technologies Division reserves the right to approve or reject the purchase of all equipment due to budget and funds being available.

#### **Printers**

The Information Technologies Division will establish the type and standard for all printers. Community printers (network printers) will be setup for each employee using the network. The director of each division/section will decide if individual employee printers are needed and will make all requests for new printers to the Information Technologies Division. All requests for printers will come from the director of each division/section. The Information Technologies Division reserves the right to approve or reject the purchase of all equipment due to budget and funds being available.

#### **Software**

The standard for software will be defined by the Information Technologies Division.

## **SOFTWARE COPYRIGHT INFRINGEMENT**

All Office supervisory personnel should take the necessary steps to ensure that computer users under their supervision comply with the following conditions:

1. The computer user should not make copies of the documentation and program disk.
2. The computer user should not copy, distribute, rent, sub-license, or lease the software or documentation.
3. The computer user should not install the software on multiple computers, even if only one software package is being used at any given time.
4. The computer user should remove all unauthorized copies of software that are being used either for personal or business use.

The Copyright Act of 1976, which was amended in 1984, imposes fines of up to \$250,000 and up to two years imprisonment for first offenders who have willfully infringed a software copyright. The aim is to deter and punish serious software criminals. The law also applies to individuals and businesses that misuse copyrighted software. All copyright violations at the Office should be reported to the Director of the Information Technologies Division so that appropriate action may be taken to ensure the Office is operating within the scope of the law.

## **COMPUTER SUPPLIES**

All requests for computer related supplies should be directed to the Information Technologies Division. The Information Technologies Division staff will coordinate the procurement and budget approval of computer supplies with the Administrative Services Division.

Computer users should attempt to limit the number of requests so that the Information Technologies Division staff can efficiently track and distribute supplies to the user. In order to meet immediate needs, the Information Technologies Division will keep a minimum inventory of standard supplies, such as diskettes, printer cartridges, and laser printer toner cartridges at the Jackson office. These supplies will be delivered to the staff and field office personnel as needed.

The division directors should justify the need of new hardware and software purchases to the Director of the Information Technologies Division. The Director of the Information Technologies Division will coordinate the procurement and budget approval of all hardware and software with the Administrative Services Division and ITS.

The Information Technologies Division recognizes the desperate need for replacement of obsolete computer equipment used by the Office staff. However, pending future legislative approval of additional funds for equipment purchases, all hardware acquisitions are limited to mission-critical functions of the Office of the State Auditor.

## **EQUIPMENT MAINTENANCE**

It is inevitable that old equipment will have frequent breakdowns. As funding becomes available, computers and printers will eventually be replaced or upgraded in phases.

All computer breakdowns or hardware failures should be reported immediately to the user's supervisor prior to notifying the Information Technologies Division. It will then be determined if warranties, maintenance agreements, or hardware recovery procedures are applicable.

The user will be notified of the type of action and time frame required to correct the problem. If a spare computer or printer is available, the user will be assigned temporary equipment until the original equipment is repaired.

## **BACKUP OF VALUABLE DATA**

Vital information resides on hard disks and diskettes used with computers. Therefore, if the disks or diskettes are damaged or erased, data is lost. The use of proper backup procedures considerably reduces the adverse impact of such occurrences.

As protection against disaster or theft of hardware or software, duplicate copies of important files should be stored at an authorized off-site location. This location will be determined by the Information Technologies Division. If a large file is being created, it should be saved periodically during the creation process. All data stored on the PC network in Jackson is backed-up periodically by the Information Technologies Division; however, all PC Network users in the Jackson office should save files to the network for backup. Also, the field staff is responsible for backing up their own data.

## **SECURITY OF EQUIPMENT AND INFORMATION**

### Physical Security

All hardware and software must be protected from damage or unauthorized use. Undetected or unauthorized activity could result in theft of data, malicious manipulation of data, and sabotage or destruction of data systems.

Each employee must complete and sign a Computer Equipment Transfer form prior to the assignment of computer hardware and software. The user accepts responsibility of equipment and software until it is returned to and verified by the Information Technologies Division.

In order to reduce the risk of damage or unauthorized use of computers, the user should always adhere to the following precautions:

- Make certain the computer is stored in a secured environment, such as a locked room or office. Do not leave the computer unattended over extended periods of time at an off-site location.
- If the computer contains financial, payroll, accounting, or other confidential data, access to the computer should be limited to authorized personnel.
- The user should not loan computer equipment or software to any individual unless authorized by the Director of the Information Technologies Division and the user's supervisor.
- Do not share files via email that contain sensitive data such as social security numbers, date of birth, names, address, etc. These files should ONLY be transmitted using our shared network drives or by burning copies onto CD's or jump drives.

- If it is necessary to save these files on your computer, please be aware of your computer's location at all times.
- Do not leave the computer on the seat in a car or in other visible areas of your car.
- Always take your computer inside at night and on weekends. This is both for protection from theft and to protect the computer from weather elements such as extreme heat and extreme cold.
- When you are finished with sensitive files, be sure to remove them from your computer by deleting the file and emptying the "recycle bin."
- If it is not necessary for a file to be downloaded to your computer, please do not download it.

Any computer equipment missing, lost, or stolen should be reported immediately to the Director of the Information Technologies Division. The Information Technologies Division tracks and maintains all hardware and software assigned to Office personnel and, thereby, holds the employee accountable for all assigned equipment.

### Virus Protection

No computer system can be considered to be risk free from viruses. Once a system is infected, recovery procedures can be costly, time consuming and complex.

To prevent virus infection on computers, the users should minimize use of diskettes that have been used in any machines other than their own and should minimize use of programs transferred to their machines by outside sources including e-mail and the web. Infected diskettes or programs can come from any outside source: user-written software, retail software, borrowed or pirated programs, downloaded software, e-mail, etc. Therefore, the emphasis is on prevention, or, when prevention fails, rapid detection of a virus infection. An easy preventive measure is for the user to never have external media (flash drives, thumb drives, CD's) of questionable origin when the machine is turned on or re-booted. Also, e-mail from unknown senders should be severely scrutinized. Under no circumstances should an e-mail attachment be opened if you don't know what it is or were not expecting it. All potential virus infections should be reported to the Information Technologies Division.

## **ELECTRONIC COMMUNICATION POLICY**

This policy governs the use of all computers, computer-based communications networks, and all other office-related electronic equipment administered by the Office of the State Auditor (OSA). The intent of this policy is to allow maximum freedom of use consistent with state and federal law, office policy, and a productive working environment. Appropriate use reflects honest, ethical behavior and demonstrates consideration in the consumption of shared resources. It shows respect for intellectual property, ownership of data, system security mechanisms, and the rights of others to privacy and to freedom from intimidation, harassment, and unwarranted annoyance. The user bears the primary responsibility for the material that he or she chooses to access, send, or display.

Employees of the State of Mississippi and the OSA do not have a personal right to privacy in any matter created or received through or sent from a state-owned computer, electronic media, telephone, e-mail system, or voice mail system as such is the property of the State of Mississippi. Employees shall utilize state-owned technological services, including, but not limited to computer, electronic media, telephone, wireless communication devices, personal electronic devices, e-mail, and voice mail systems, in a responsible and professional manner, and such devices are subject to monitoring by this agency individually or in cooperation with external agencies including state or federal law enforcement.

### **Procedures**

1. The Information Technologies Division (ITD) is tasked with monitoring information on electronic usage by OSA employees.
2. There shall be no monitoring of electronic usage of any particular employee without the specific approval of a Deputy Director or the respective division director of an employee.
3. When ITD detects a prohibited use of electronic communications equipment, it will be reported to the appropriate Deputy Director.
4. The appropriate Deputy Director shall determine the appropriate manner in which to resolve any prohibited use by an employee and may consult with other personnel of the OSA as necessary.
5. Should a division director believe that a particular employee may be violating OSA policy regarding electronic equipment, that director may request ITD monitor the employee after receiving approval from the Director of the Audit Department.
6. Every employee of the OSA will execute an Electronic Communications Agreement.

### **Prohibited Uses**

1. State technological systems shall not be used to create, reproduce, store, transmit, or transfer to any external or internal recording or storage device inappropriate, offensive, or illegal matters, including pornography in any form, on-line games, or gambling. Any employee who is a recipient of any inappropriate, offensive, or illegal matter, including

any form of pornography, through a state technological service shall not retain such material and shall deliver it to the appropriate agency or law enforcement personnel when so requested.

2. No internal or external e-mail messages generated shall contain pornography or information that could adversely impact upon the conduct of business of the OSA and/or other state or federal agencies working with the OSA.
3. Before any personal computing, communication, or electronic hardware or software is attached or installed, whether permanent or temporary, to office items or outlets assigned to employees, permission must be obtained from the Director of the ITD via the appropriate division director.
4. State-owned technological services shall not be utilized for any private business or enterprise, whether on the employee's behalf or on behalf of someone else, whether corporate or individual, public or private.

### **Penalties**

1. Failure to comply with the provisions of this policy can constitute a Group 2 offense as defined in the Mississippi State Employee Handbook and result in disciplinary action.
2. Violations of this policy that involve criminal offenses will be referred to the appropriate state or federal law enforcement agency for investigation and prosecution. A criminal violation could result in termination of employment.

## **SOCIAL MEDIA POLICY**

Employees should be mindful of separating their professional and personal lives when utilizing social media and social networking tools. Only individuals authorized by the State Auditor may post or publish official content on behalf of OSA.

OSA employees are permitted to have personal social media and personal social networking sites. These sites are to remain personal in nature and be used to share personal opinions or non-work related information. OSA email addresses, phone numbers, or any contact information is not to be used in conjunction with a personal social media or social networking site. Employees should consider whether published personal content may be misunderstood as expressing an office OSA position.

If any OSA employee with a personal social media or social networking site comments or posts about official state business, he or she must:

- State their name and, if relevant, role, when discussing OSA or State of Mississippi business;
- Use a disclaimer such as: "The postings on this site are my own and do not represent the opinion of the Office of the State Auditor."
- Be mindful of independence issues in stating opinions regarding entities the Office of the State Auditor is charged to audit.

## **E-MAIL RETENTION POLICY**

### **PURPOSE**

This policy is to govern the method which e-mail is used to prevent tarnishing the public image of the Office of the State Auditor, to prevent unauthorized disclosure of proprietary information, and inappropriate use of e-mail. The policy is defined so when a breach of protocol is alleged there is standard which all users of e-mail have accepted and remediation methods are known.

The purpose of the policy is to protect and archive electronic data that are public records, and to provide a systematic method for retention of those public records, and in due time, a systematic method for destruction of those same public records.

Proper e-mail usage and security is a team effort involving the participation and support of every State Auditor's Office employee. It is the responsibility of every computer user to know these guidelines, and to conduct their activities accordingly.

### **INTENT**

To establish guidelines that will promote the effective capture, management, and retention of e-mail messages which are public records in compliance with records retention requirements. This policy is not intended to discourage the use of e-mail to conduct business of the Office of the State Auditor, but rather to establish a framework for its proper use as a communications tool. E-mail can still function as a viable, efficient means to conduct business of the Office of the State Auditor. Consistency, predictability, and reliability in the manner in which the e-mail system is used and in which public records are maintained within the Office of the State Auditor, are the primary focuses of this policy.

### **SCOPE**

This policy applies to all e-mail and e-mail attachments circulated within the Office of the State Auditor. This policy applies to any and all employees of the Office of the State Auditor, full-time or part-time, time-limited, contract or permanent, who use or have access to electronic data in the course of their normal conduct or function of their work for the Office of the State Auditor.

### **POLICY**

All e-mail conducted on state government computers is owned by the State of Mississippi and is public. Under the Mississippi Public Records Act, a "**Public Record**" means all books, records, papers, accounts, letters, maps, photographs, films, cards, tapes, recordings or reproductions thereof, and any other documentary materials, regardless of physical form or characteristics, having been used, being in use, or prepared, possessed or retained for use in the conduct, transaction or performance of any business, transaction, work, duty or function of any public body, or required to be maintained by any public body.

## **DEFINITIONS**

1. E-mail messages are text documents which are created, stored, and delivered in an electronic format. As such, e-mail messages are similar to other forms of communicated messages, such as correspondence, memoranda, and circular letters.
2. Non-record messages are e-mail messages that do not set policy, establish guidelines or procedures certify a transaction, or become a receipt. Rather, they are informal communications that are similar to communications during telephone conversations or conversations in an office hallway. Generally, non-record messages are short-lived, with no historical significance or public importance, and need not be retained after they have fulfilled their purpose. Examples include:
  - a. Routine requests for information or publications which require no administrative action, policy decision, or special compilation or research, and copies of replies.
  - b. Originating office copies of letters of transmittal that do not add any information to that contained in the transmitted material
  - c. Quasi-official notices including memoranda and other records that do not serve as the basis of official actions (i.e., holiday notices, meeting confirmations, etc.)
3. Records retention schedules are listings of agency records and how long they must be retained.

## **APPROPRIATE USE**

E-mail use within the Office of the State Auditor shall be used for official business only.

## **ACCESS AND PRIVACY**

Users should take note that the information generated on e-mail may be a public record subject to public inspection.

## **RETENTION**

Generally, e-mail messages are temporary communications which are non-vital and may be discarded routinely. However, depending on the content of the e-mail, it may be considered public record. Accordingly, employees have the same responsibilities for e-mail messages as they do for any other public record and must distinguish between public record and non-record information.

Non-record messages should be deleted from files as soon as they have fulfilled their purpose. These are records that are not required to be kept under law or whose preservation is not necessary or convenient to conduct business of the Office of the State Auditor. On the other hand, messages determined by users to be public records should be properly preserved and disposed of as specified in the Office of the State Auditor's approved records retention schedule. Example of messages considered to be records might include policy documents or contract related documents.

Messages and attachments should be reviewed at minimum every 15 days and, if they are determined to be records, printed fully (including time, date, sender and receiver), retained in paper format, and removed from the server.

The Office of State Auditor may delete all messages from the server thirty (30) days after they have been opened.

Factors to consider in deciding whether a document is a record are:

1. Is it in connection with the transaction of public business (this eliminates all e-mails which do not relate to public business, i.e., personal notes, etc.)?
2. Is it official documentary material (a draft of a letter vs. the letter itself)?
3. Is it a public record under FOIA or the Mississippi Public Records Act?

FOIA is the Freedom of Information Act and is a law ensuring public access to U.S. government records. For example, “[p]reliminary drafts, notes, recommendations, memoranda and other records in which opinions are expressed, or policies or actions are formulated” need not be produced under FOIA, “except that a specific record or relevant portion of a record shall not be exempt when the record is publicly cited and identified by the head of the public body.” Therefore, unless staff wishes to keep their preliminary drafts, notes, etc., there seems to be no point in keeping these documents and presumably they may be destroyed if paper or deleted if e-mail.

The Mississippi Public Records Act applies to any documentary materials, regardless of physical form or characteristics, used in conducting business of any public body or required to be maintained by any public body. The definition of a public record under this Act is found in Section 4 of this policy. The Mississippi Code Annotated (1972, as amended) provides many exceptions to the definition of a public record.

4. Is the material “appropriate for preservation by such agency or officer, or any successor thereof, as evidence of the organization, function, policies, decisions, procedures, or other activities thereof, or because of the information data contained therein”? These would eliminate the necessity of keeping documents which do not reflect the official actions of the Office of the State Auditor, but rather the comments or actions of individuals which reflect not the policy of the Office of the State Auditor but the thought of the individual.

5. Does the document have any historical significance? Is the document evidence of the function, policies, decisions, procedures or other activities of the Office of the State Auditor or of just an individual?

6. Even if the document is a public record it need not be kept forever. The Local Government Records Committee sets up timetables within which records may be destroyed. Each division of the Office of the State Auditor should refer to its own Records Retention Schedule to determine how long a particular record must be retained. If a Records Retention Schedule does not yet exist, the Local Government Records Committee should be contacted by the Office of the State Auditor in order to gain assistance in:

- a. Creating an inventory of the documents that exist within the Office of the State Auditor;
- b. Determining the amount of time each category or records must be retained; and
- c. Obtaining approval of the retention periods assessed to each record.

7. Documentation related to performance of financial and compliance audits should be maintained in accordance with the established Standard Operating Policies and Procedures for Financial Audits document which is a minimum of five (5) years after the release date of the audit report.

8. Many e-mail documents rapidly become stale and do not reflect “function, policies, decisions, procedures, etc.” when a matter is finalized. Therefore, the Office of the State Auditor can simply keep the final document.

9. Are the records duplicative? Only one copy need be retained.

NOTE: A public record that is stored and accessible after this time is still a public record and must be produced upon request, if it does not fall within one of FOIA’s or Mississippi Public Record Act’s exemptions.

#### **PROCEDURE FOR MANAGING E-MAIL WHEN EMPLOYEES LEAVE**

1. Each employee is responsible for organizing, filing and archiving e-mail before leaving his or her position.
2. Supervisors are responsible for ensuring that their staff completes the final organization of e-mail before leaving. Supervisors are also responsible for managing, filing, retrieving and archiving the e-mail of their former staff.
3. If leaving of their own free will, an employee’s e-mails must only be saved for seven (7) days. However, if the employee is terminated, the e-mails can be saved for up to ninety (90) days.

#### **RESPONDING TO PUBLIC RECORD REQUESTS**

If an e-mail does fall within the definition of a public record it may not be deleted, except as provided in the Office of the State Auditor’s record retention schedule. Further, these e-mails should be reviewed prior to release under FOIA and the Mississippi Public Records Act so that any exempt information contained in them may be deleted or redacted. Finally, if the e-mail falls within one of the exemptions (i.e., protected by attorney-client privilege), it need not be produced.

If in doubt as to whether an e-mail message is a public record or contains exempt information, contact the Office of the State Auditor’s attorney.

#### **COPY OF RECORD**

Where e-mail communication is between a sender and a recipient, the sender’s copy is designated as the copy of record. In other words, it is the sender’s copy to which any retention requirements should apply. All other copies are merely “duplicates” and can be disposed of at

will. Cases where this principle does not apply include e-mail received from other agencies or from the public.

## **LITIGATION EXCEPTION PROCESS AND RESPONDING TO DISCOVERY REQUESTS**

This Retention Procedure will be altered when the State Auditor or a Deputy Director is informed of a “litigation hold” on certain documents and electronic data. The Deputy Director will inform the Division Directors of the “litigation hold,” who then will be responsible to inform the employees of the “litigation hold.” When a “litigation hold” has been issued, no public records may be destroyed or deleted until the “litigation hold” has been lifted. This includes, but is not limited to, all public records of the types listed above in this policy.

## **ENFORCEMENT**

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## **REVIEW**

A periodic review of this policy shall be undertaken to keep this policy current with the best practices and new technology.

**FORWARDING OFFICIAL EMAIL TO PERSONAL  
WIRELESS COMMUNICATION DEVICES**

The Office of the State Auditor permits the forwarding of official Office of the State Auditor email to personal wireless communication devices upon request and approval of the division director. However, the personal security of these devices is the responsibility of the employee. Devices should be kept in the employee's physical presence whenever possible or stored in a secure location.

Wireless communication devices should be capable of being remotely erased in the event of the device being lost or stolen. If the device has been lost or stolen, it is the employee's responsibility to promptly report the incident to the Information Technology Division staff.

Wireless communication device users must minimize the potential loss of official data via WiFi or Bluetooth connections to their device by configuring them in a secure manner or turning those services off when not in use. If sensitive data is stored on SD, mini SD, or other flash memory cards on the device, the data must be encrypted.

Wireless communication device users must be aware that by allowing the forwarding of official email to their personal device, the device may be subject to future subpoenas *duces tecum*, public records requests, and other litigation requests for information.

## **PROPERTY/INVENTORY POLICIES**

The following are guidelines for property belonging to the Office of the State Auditor assigned for official use by employees.

Approval must be received from the supervisor, the Property Officer and the Director of the Information Technologies Division, if appropriate, before exchanging property with another employee. A Hand Receipt/Transfer Form must be completed, signed and given to the Property Officer.

Always secure property in the locked trunk of your automobile during travel.

For overnight travel, all property should be taken into your home or hotel. Do not leave in your car overnight.

In case of theft, notify your supervisor, the Property Officer and local law enforcement immediately. In case of loss, notify your supervisor and the Property Officer. An affidavit, with police report, must be completed and given to the Property Officer.

Update the Office of the State Auditor's Inventory Form if any changes occur in the property assigned to you, i.e. Hand Receipt/Transfer Form.

If you resign or retire, turn in all property to the Property Officer and sign the Inventory Release Form. The Director of the Information Technologies Division, in conjunction with the Property Officer, will reassign computer equipment to appropriate staff.

## **EMERGENCY EVACUATION PROCEDURES**

**ALWAYS REMEMBER - NEVER USE THE ELEVATOR DURING AN EMERGENCY**

### **Jackson Office**

Each wing of our Jackson office will have a person responsible for the evacuation of their respective wing. They will also be responsible for accounting for each person after they have evacuated the building.

Go to the nearest stairwell.

#### **FIRE**

Stairwell 1 - (Investigations Division / Technical Assistance Division / Property Division / Information Technologies Division end of building) Exit the stairwell on the first floor and exit the building via the West Street exit (Capitol).

Stairwell 2 - Exit the stairwell on the first floor and exit the building via the Hamilton street exit (MDOT).

All staff should gather on the southwest corner of the new capitol lawn across the street from the front door of MDOT.

#### **BOMB THREAT OR EXPLOSION**

Staff will exit the same as for fire. However, they will gather behind Wright and Ferguson Funeral Home across the street from the north side of the building.

Any employee who may require assistance evacuating the building should use stairwell 1.

### **Satellite Offices**

Emergency procedures and exits should be posted and clearly marked for employees. If an employee has questions concerning these procedures, please contact his or her immediate supervisor.

## **ENVIRONMENT POLICY AND PROCEDURES**

### **SMOKING POLICY**

CENTRAL OFFICE -- The Central office of the Office of the State Auditor, which is housed at 501 North West Street, Jackson, is considered to be a smoke free building. Employees are requested to smoke only in designated areas.

SATELLITE OFFICES -- The satellite offices are considered to be smoke free facilities with the managers of the respective offices enforcing the no-smoking ban and establishing designated smoking areas.

### **RECYCLING POLICY**

Capitol Facilities of the Department of Finance and Administration is responsible for implementing the recycling policy for the Woolfolk Building. The Office of the State Auditor adheres to their policy by placing recyclable material in specially marked trash containers. These containers indicate materials acceptable or unacceptable for recycling.

In addition, the Director of the Information Technologies Division coordinates the recycling of laser toner cartridges. Any inquiries concerning the recycling of these items should be directed to him/her.

SATELLITE OFFICES -- Managers of the satellite offices will enforce the statutes concerning recycling policies at their respective locations.