

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 116

AN ACT

To repeal sections 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, 169.020, and 238.272, RSMo, and to enact in lieu thereof twenty-four new sections relating to public accounts, with penalty provisions.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

1           Section A. Sections 21.760, 29.090, 29.180, 29.190, 29.200,  
2 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340,  
3 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 103.025,  
4 104.190, 104.480, 169.020, and 238.272, RSMo, is repealed and  
5 twenty-four new sections enacted in lieu thereof, to be known as  
6 sections 29.005, 29.185, 29.190, 29.200, 29.210, 29.216, 29.221,  
7 29.230, 29.235, 29.250, 29.260, 29.351, 50.055, 50.057, 50.622,  
8 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, 169.020,  
9 238.272, and 1, to read as follows:

10           29.005. As used in this chapter, the following terms mean:

11           (1) "Accounting system", the total structure of records and  
12 procedures which discover, record, classify, and report  
13 information on the financial position and operating results of a  
14 governmental unit or any of its funds, balanced account groups,

1 and organizational components;

2 (2) "Audit", an independent, objective assessment of the  
3 stewardship, performance, or cost of government policies,  
4 programs, or operations, depending upon the type and scope of the  
5 audit. All audits shall conform to the standards established by  
6 the comptroller general of the United States for audits of  
7 government entities, organizations, programs, activities, and  
8 functions as presented in the publication Government Auditing  
9 Standards;

10 (3) "Federal agency", any department, agency, or  
11 instrumentality of the federal government and any federally owned  
12 or controlled corporation;

13 (4) "Financial audits", audits providing an independent  
14 assessment of whether an entity's reported financial information  
15 is presented fairly in accordance with recognized criteria.

16 Financial audits shall consist of the following:

17 (a) Financial statement audits that shall:

18 a. Provide or disclaim an opinion about whether an entity's  
19 financial statements are presented fairly in all material  
20 respects in conformity with accounting principles generally  
21 accepted in the United States or with another applicable  
22 financial reporting framework; or

23 b. Report on internal control deficiencies and on  
24 compliance with provisions of laws, regulations, contracts, and  
25 grant agreements, as those controls and provisions relate to  
26 financial transactions, systems, and processes; or

27 (b) Other financial audits of various scopes which may  
28 include, but not be limited to:

1 a. Reporting on specified elements, accounts, or items of a  
2 financial statement; and

3 b. Auditing compliance with requirements related to federal  
4 award expenditures and other governmental financial assistance in  
5 conjunction with a financial statement audit;

6 (5) "Internal control", the plans, policies, methods, and  
7 procedures used to meet an entity's or organization's mission,  
8 goals, and objectives. Internal control shall include the  
9 processes and procedures for planning, organizing, directing, and  
10 controlling operations, as well as management's system for  
11 measuring, reporting, and monitoring performance;

12 (6) "Performance audits", audits that provide findings or  
13 conclusions based on an evaluation of sufficient, appropriate  
14 evidence against identified criteria. Performance audit  
15 objectives shall include, but not be limited to, the following:

16 (a) Effectiveness and results. This objective may measure  
17 the extent to which an entity, organization, activity, program,  
18 or function is achieving its goals and objectives;

19 (b) Economy and efficiency. This objective shall assess  
20 the costs and resources used to achieve results of an entity,  
21 organization, activity, program, or function;

22 (c) Internal control. This objective shall assess one or  
23 more components of an entity's internal control system, which is  
24 designed to provide reasonable assurance of achieving effective  
25 and efficient operations, reliable financial and performance  
26 reporting, or compliance with applicable legal requirements; and

27 (d) Compliance. This objective shall assess compliance  
28 with criteria established by provisions of laws, regulations,

1 contracts, and grant agreements or by other requirements that  
2 could affect the acquisition, protection, use, and disposition of  
3 an entity's resources and the quantity, quality, timeliness, and  
4 cost of services the entity produces and delivers;

5 (7) "State agency", any department, institution, board,  
6 commission, committee, division, bureau, officer, official, or  
7 any other entity for which the state has oversight  
8 responsibility, which shall include, but not be limited to, any  
9 institution of higher education, mental or specialty hospital,  
10 community college, or circuit court and divisions of the circuit  
11 court.

12 29.185. When conducting an audit under this chapter, the  
13 audit objectives as defined in the standards established by the  
14 comptroller general of the United States shall determine the type  
15 of audit to be conducted which may include financial and  
16 performance audits. Neither the audit type nor the audit  
17 objectives shall be mutually exclusive. An audit may include  
18 either financial or performance audit objectives or one or more  
19 objectives from both types of audits. A performance audit may  
20 include one primary objective, such as economy and efficiency, or  
21 a combination of objectives, such as internal control and  
22 compliance.

23 29.190. The state auditor shall [prescribe the form of  
24 books, receipts, vouchers and documents required to separate and  
25 verify each transaction, and forms of reports and statements  
26 required for the administration of such officer, or for the  
27 information of the public. He shall also] prescribe a uniform  
28 method and plan of publishing the county financial statement each

1 year for the information of the public. Such statement or  
2 statements shall set forth the true financial condition of the  
3 county, the revenues and receipts, expenditures and disbursements  
4 for the year as compared with the budget for the year, the bonded  
5 debt and other liabilities at the close of the year, the total  
6 salaries, fees and all other emoluments received by all county  
7 officers, and such other information as shall be prescribed by  
8 the state auditor. The form of such statements shall follow the  
9 recognized governmental reporting practices.

10 29.200. [The state auditor shall postaudit the accounts of  
11 all state agencies and audit the treasury at least once annually.  
12 Once every two years, and when he deems it necessary, proper or  
13 expedient, the state auditor shall examine and postaudit the  
14 accounts of all appointive officers of the state and of  
15 institutions supported in whole or in part by the state. He  
16 shall audit any executive department or agency of the state upon  
17 the request of the governor.] 1. Except as provided under  
18 subsection 2 of this section, all audits conducted under this  
19 chapter may be made at the discretion of the auditor without  
20 advance notice to the organization being audited. An audit also  
21 shall be conducted upon the request of the governor as provided  
22 under section 26.060, and the expenses for any such audit  
23 conducted upon the request of the governor shall be paid as  
24 provided in section 26.090.

25 2. The auditor, on his or her initiative and as often as he  
26 or she deems necessary, to the extent deemed practicable and  
27 consistent with the overall responsibility as contained in this  
28 chapter, shall make or cause to be made audits of all or any part

1 of the activities of the state agencies, except that the auditor  
2 may only make, or cause to be made, audits of the general  
3 assembly during the legislative interim between a first regular  
4 session and second regular session of the general assembly.

5 3. The auditor shall make, or cause to be made, audits of  
6 all or any parts of political subdivisions and other entities as  
7 authorized in this chapter or any other law of this state.

8 4. In selecting audit areas and in evaluating current audit  
9 activity, the auditor may, at his or her discretion, consider and  
10 utilize, in whole or in part, the relevant audit coverage and  
11 applicable reports of the audit staffs of the various state  
12 agencies, independent contractors, and federal agencies.

13 5. The auditor shall be authorized to contract with federal  
14 audit agencies, or any governmental agency, on a cost  
15 reimbursement basis, to perform audits of federal grant programs  
16 administered by the state departments and institutions in  
17 accordance with agreements negotiated between the auditor and the  
18 contracting federal audit agencies or any governmental agency.  
19 In instances where the grantee state agency shall subgrant such  
20 federal funds to local governments, regional councils of  
21 government, other local groups, or private or semiprivate  
22 institutions or agencies, the auditor shall have the authority to  
23 examine the books and records of these subgrantees to the extent  
24 necessary to determine eligibility and proper use in accordance  
25 with state and federal laws and regulations. The auditor shall  
26 charge and collect from the contracting federal audit agencies,  
27 or any governmental agencies, the actual cost of all the audits  
28 of the grants and programs that are conducted by the auditor

1 under the contract. Amounts collected under these arrangements  
2 shall be deposited into the state treasury and be credited to the  
3 state auditor-federal fund and shall be available to hire  
4 sufficient personnel to perform these contracted audits and to  
5 pay for related travel, supplies, and other necessary expenses.

6 6. In the auditor's reports of audits and reports of  
7 special investigations, the auditor shall make any comments,  
8 suggestions, or recommendations deemed appropriate concerning any  
9 aspect of such agency's activities and operations.

10 7. The auditor shall audit the state treasury at least once  
11 annually.

12 8. The auditor may examine the banking accounts and records  
13 of the state treasurer, state agency, or any political  
14 subdivision at any bank or financial institution provided that  
15 the bank or financial institution shall not be required to  
16 produce the requested accounts or records until the auditor,  
17 treasurer, state agency, or political subdivision reimburses the  
18 reasonable document production costs of the bank or financial  
19 institution.

20 9. The auditor may, as often as the auditor deems  
21 necessary, conduct a detailed review of the bookkeeping and  
22 accounting systems in use in the various state agencies that are  
23 supported partially or entirely by state funds. Such  
24 examinations shall be for the purpose of evaluating the adequacy  
25 of systems in use by such agencies. In instances where the  
26 auditor determines that existing systems are outmoded,  
27 inefficient, or otherwise inadequate, the auditor shall recommend  
28 changes to the state agency and notify the general assembly of

1 the recommended changes.

2 10. The auditor shall, through appropriate tests, determine  
3 the propriety of the data presented in the state comprehensive  
4 annual financial report, and shall express the auditor's opinion  
5 in accordance with generally accepted government auditing  
6 standards.

7 11. The auditor shall provide a report to the governor,  
8 attorney general, and other appropriate officials of facts in the  
9 auditor's possession which pertain to the apparent violation of  
10 penal statutes or apparent instances of malfeasance, misfeasance,  
11 or nonfeasance by an officer or employee.

12 12. At the conclusion of an audit, the auditor or the  
13 auditor's designated representative shall supply a copy of a  
14 draft report of the audit to, and discuss such draft with, the  
15 official, or that official's designated representative, whose  
16 office is subject to audit. On any audit of a state agency or  
17 political subdivision of the state, the auditee shall provide  
18 responses to any recommendations contained in the draft report  
19 within thirty days from the receipt of the draft report.

20 13. The auditor shall notify the general assembly, the  
21 governor, the director of each agency audited, and other persons  
22 as the auditor deems appropriate that an audit report has been  
23 published, its subject and title, and the locations, including  
24 state libraries, at which the report is available. The auditor  
25 then shall distribute copies of the report only to those who  
26 request a report. The copies shall be available in written form  
27 or available on the official website of the auditor. The auditor  
28 may charge a reasonable fee for providing a written copy of an



1 audit report. The auditor also shall file a copy of the audit  
2 report in the auditor's office; this copy shall be a permanent  
3 public record. Nothing in this subsection shall be construed to  
4 authorize or permit the publication of information that is  
5 otherwise prohibited by law from being disclosed.

6 14. The audit function provided in this chapter shall be  
7 construed by the courts of this state in a manner consistent with  
8 Article II, Article III, and Article V of the constitution of  
9 Missouri and shall not be construed to infringe upon or deprive  
10 the general assembly or the executive or judicial branches of  
11 state government of any rights, powers, or duties vested in or  
12 imposed upon them by statute or the constitution of this state.

13 15. The auditor shall be responsible for receiving reports  
14 of allegations of improper governmental activities as provided in  
15 section 29.221. The auditor shall adopt policies and procedures  
16 necessary to provide for the investigation or referral of such  
17 allegations.

18 16. In accordance with the state's records retention  
19 schedule, the auditor shall maintain a complete file of all audit  
20 reports and reports of other examinations, investigations,  
21 surveys, and reviews issued under the auditor's authority. Audit  
22 work papers and other evidence and related supportive material  
23 directly pertaining to the work of the auditor's office shall be  
24 retained according to an agreement between the auditor and the  
25 state archives. To promote intergovernmental cooperation and  
26 avoid unnecessary duplication of audit effort, pertinent work  
27 papers and other supportive material related to issued audit  
28 reports may be, at the discretion of the auditor and unless

1 otherwise prohibited by law, made available for inspection by  
2 duly authorized representatives of the state and federal  
3 government who desire access to, and inspection of, such records  
4 in connection with a matter officially before them, including  
5 criminal investigations. Except as provided in this section,  
6 audit work papers and related supportive material shall be kept  
7 confidential, including any interpretations, advisory opinions,  
8 or other information or materials used and relied on in  
9 performing the audit.

10       29.210. [In the year 1949 and every two years thereafter,  
11 it shall be the duty of] Whenever the state auditor [to] conducts  
12 an audit of the state highways and transportation commission and  
13 the state transportation department[.], salaries of auditors,  
14 examiners, clerks, stenographers and other employees of the state  
15 auditor making such audit and all expenses incurred in making  
16 such audit shall be paid monthly by the state highways and  
17 transportation commission and the state transportation department  
18 out of moneys appropriated to the state highways and  
19 transportation commission and the state transportation department  
20 [for that purpose], when such payrolls and expense accounts for  
21 such purposes are certified to the state highways and  
22 transportation commission and the state transportation department  
23 by the state auditor.

24 29.216. The state auditor may make, or cause to be made,  
25 audits of any public employee retirement or public employee  
26 health care system operating within the state, which shall  
27 include but not be limited to a public employee retirement or  
28 public employee health care system established under sections

1 70.600 to 70.755 and chapters 50, 56, 103, 104, and 169.

2 29.221. 1. The auditor shall provide various means to  
3 receive reports of allegations of improper governmental  
4 activities, which shall include a telephone hotline, electronic  
5 mail, and internet access. The auditor shall periodically  
6 publicize the hotline telephone number, electronic mail address,  
7 internet website address, and any other means by which the  
8 auditor may receive reports of allegations of improper  
9 governmental activities. Individuals who make a report under  
10 this section may choose to remain anonymous until the individual  
11 affirmatively consents to having the individual's identity  
12 disclosed.

13 2. The auditor shall receive and initially review reports  
14 of allegations of improper governmental activities of state  
15 agencies, political subdivisions, or state or political  
16 subdivision officers or employees within the scope of authority  
17 set forth in this section, including misappropriation,  
18 mismanagement, waste of resources, fraud, or violations of state  
19 or federal law, rule or regulation. After conducting an initial  
20 review, the auditor may investigate those allegations the auditor  
21 deems to be credible. When the auditor believes that an  
22 allegation of improper governmental activity is outside the  
23 authority set forth in this section, the auditor shall refer the  
24 allegation to the appropriate state agency responsible for the  
25 enforcement or administration of the matter for investigation.  
26 When the auditor believes that an allegation of improper  
27 governmental activity involves matters set forth in this  
28 subsection, those matters shall be referred as follows:

1 (1) Allegations of criminal misconduct to either the  
2 attorney general or the prosecuting attorney for the county where  
3 the alleged misconduct occurred;

4 (2) Allegations of violations of sections 105.450 to  
5 105.496 to the Missouri ethics commission;

6 (3) Allegations of violations of chapter 115 to the  
7 appropriate election authority or the secretary of state.

8 29.230. 1. In every county which does not elect a county  
9 auditor, the state auditor shall audit, without cost to the  
10 county, at least once during the term for which any county  
11 officer is chosen, the accounts of the various county officers  
12 supported in whole or in part by public moneys. [The audit shall  
13 be made as near the expiration of the term of office as the  
14 auditing force of the state auditor will permit.]

15 2. The state auditor shall audit any political subdivision  
16 of the state, including counties having a county auditor, if  
17 requested to do so by a petition signed by the requisite percent  
18 of the qualified voters of the political subdivision. The  
19 requisite percent of qualified voters to cause such an audit to  
20 be conducted shall be determined as follows:

21 (1) If the number of qualified voters of the political  
22 subdivision determined on the basis of the votes cast in the last  
23 gubernatorial election held prior to the filing of the petition  
24 is less than one thousand, twenty-five percent of the qualified  
25 voters of the political subdivision determined on the basis of  
26 the registered voters eligible to vote at the last gubernatorial  
27 election held prior to the filing of the petition;

28 (2) If the number of qualified voters of the political

1 subdivision determined on the basis of the votes cast in the last  
2 gubernatorial election held prior to the filing of the petition  
3 is one thousand or more but less than five thousand, fifteen  
4 percent of the qualified voters of the political subdivision  
5 determined on the basis of the votes cast in the last  
6 gubernatorial election held prior to the filing of the petition,  
7 provided that the number of qualified voters signing such  
8 petition is not less than two hundred;

9 (3) If the number of qualified voters of the political  
10 subdivision determined on the basis of the votes cast in the last  
11 gubernatorial election held prior to the filing of the petition  
12 is five thousand or more but less than fifty thousand, ten  
13 percent of the qualified voters of the political subdivision  
14 determined on the basis of the votes cast in the last  
15 gubernatorial election held prior to the filing of the petition,  
16 provided that the number of qualified voters signing such  
17 petition is not less than seven hundred fifty;

18 (4) If the number of qualified voters of the political  
19 subdivision determined on the basis of the votes cast in the last  
20 gubernatorial election held prior to the filing of the petition  
21 is fifty thousand or more, five percent of the qualified voters  
22 of the political subdivision determined on the basis of the votes  
23 cast in the last gubernatorial election held prior to the filing  
24 of the petition, provided that the number of qualified voters  
25 signing such petition is not less than five thousand. The  
26 political subdivision shall pay the actual cost of audit. The  
27 petition that requests an audit of a political subdivision shall  
28 state on its face the estimated cost of the audit and that it

1 will be paid by the political subdivision being audited. The  
2 estimated cost of the audit shall be provided by the state  
3 auditor within sixty days of such request. The costs of the  
4 audit may be billed and paid on an interim basis with individual  
5 billing periods to be set at the state auditor's discretion.  
6 Moneys held by the state on behalf of a political subdivision may  
7 be used to offset unpaid billings for audit costs of the  
8 political subdivision. All moneys received by the state in  
9 payment of the costs of petition audits shall be deposited in the  
10 state treasury and credited to the "Petition Audit Revolving  
11 Trust Fund" which is hereby created with the state treasurer as  
12 custodian. The general assembly may appropriate additional  
13 moneys to the fund as it deems necessary. The state auditor  
14 shall administer the fund and approve all disbursements, upon  
15 appropriation, from the fund to apply to the costs of performing  
16 petition audits. The provisions of section 33.080 to the  
17 contrary notwithstanding, money in the fund shall not be  
18 transferred and placed to the credit of general revenue until the  
19 amount in the fund at the end of any biennium exceeds one million  
20 dollars. The amount in the fund which shall lapse is the amount  
21 which exceeds one million dollars. No political subdivision  
22 shall be audited by petition more than once in any three calendar  
23 or fiscal years.

24 29.235. 1. [All audits shall conform to the standards for  
25 auditing of governmental organizations, programs, activities and  
26 functions established by the comptroller general of the United  
27 States. The audit objectives as defined in the standards shall  
28 determine the type of audit to be conducted.

1           2. The state auditor and any person appointed by him for  
2 that purpose may administer oaths and cause to be summoned before  
3 them any person whose testimony is desired or necessary in any  
4 examination, and may require the person to produce necessary  
5 papers, documents and writings.] The auditor and the auditor's  
6 authorized agents are authorized to examine all books and  
7 accounts of any individual, firm, or corporation only insofar as  
8 they relate to transactions with any agency or political  
9 subdivision of the state. The auditor and the auditor's  
10 authorized agents shall have ready access to:

11           (1) Persons and may examine and copy all books, records,  
12 reports, vouchers, correspondence, files, personnel files,  
13 investments, and any other documentation of any state agency or  
14 political subdivision of the state that the auditor is authorized  
15 by law to audit. The review of state tax returns shall be  
16 limited to matters of official business, and the auditor's report  
17 shall not violate the confidentiality provisions of tax laws.  
18 Notwithstanding confidentiality provisions of tax laws to the  
19 contrary, the auditor may use and disclose information related to  
20 overdue tax debts in support of the auditor's statutory mission;

21           (2) Persons, records, papers, reports, vouchers,  
22 correspondence, books, and any other documentation that is in the  
23 possession of any individual, private corporation, institution,  
24 association, board, or other organization, provided that the  
25 auditor complies with state and federal financial privacy  
26 requirements prior to accessing financial records including  
27 provisions presented in chapter 408 and provided that the auditor  
28 or other public entity reimburses the reasonable documentation

1 and production costs that pertain to:

2 (a) Amounts received under a grant or contract from the  
3 federal government or the state or its political subdivisions;

4 (b) Amounts received, disbursed, or otherwise handled on  
5 behalf of the federal government or the state. To determine that  
6 payments to providers of social and medical services are legal  
7 and proper, the providers of such services shall give the  
8 auditor, or the auditor's authorized representatives, access to  
9 the records of recipients who receive such services; and

10 (3) Examine and inspect all property, equipment, and  
11 facilities in the possession of any state agency, political  
12 subdivision, or any individual, private corporation, institution,  
13 association, board, or other organization that were furnished or  
14 otherwise provided through grant, contract, or any other type of  
15 funding by the state of Missouri or the federal government.

16 2. All contracts or agreements entered into as a result of  
17 the award of a grant by state agencies or political subdivisions  
18 shall include, as a necessary part, a clause describing the  
19 auditor's access as provided under this section.

20 3. The auditor may obtain the services of certified public  
21 accountants, qualified management consultants, or other  
22 professional persons and experts as the auditor deems necessary  
23 or desirable to carry out the duties and functions assigned under  
24 this chapter. Unless otherwise authorized by law, no state  
25 agency shall enter into any contract for auditing services  
26 without consultation with, and the prior written approval of, the  
27 auditor.

28 4. (1) For the purposes of this chapter, the auditor or



1 the auditor's authorized representatives shall have the power to  
2 subpoena witnesses, to take testimony under oath, to cause the  
3 deposition of witnesses residing within or without the state to  
4 be taken in a manner prescribed by law, and to assemble records  
5 and documents, by subpoena or otherwise. The subpoena power  
6 granted by this section shall be exercised only at the specific  
7 written direction of the auditor or the auditor's chief deputy.

8 (2) If any person refuses to comply with a subpoena, the  
9 auditor shall seek to enforce the subpoena before a court of  
10 competent jurisdiction to require the attendance and testimony of  
11 witnesses and the production of books, papers, correspondence,  
12 memoranda, contracts, agreements, and other records. Such court  
13 may issue an order requiring such person to appear before the  
14 auditor or officers designated by the auditor to produce records  
15 or to give testimony relating to the matter under investigation  
16 or in question. Any failure to comply with such order of the  
17 court may be punished by such court as contempt.

18 29.250. [If any such officer or officers shall refuse] 1.  
19 Any person who willfully makes or causes to be made, to the state  
20 auditor or the auditor's designated representatives, any false,  
21 misleading, or unfounded report for the purpose of interfering  
22 with the performance of any audit, special review, or  
23 investigation, or to hinder or obstruct the auditor or the  
24 auditor's designated representatives in the performance of  
25 duties, shall be guilty of a class A misdemeanor.

26 2. Any person or entity affected by this chapter who shall  
27 refuse or fail to comply with the provisions of this chapter  
28 shall be deemed guilty of a class A misdemeanor. Refusing or

1 failing to comply with the provisions of this chapter shall  
2 include but not be limited to any person or entity failing to  
3 submit their books, papers and concerns to the inspection of the  
4 state auditor, or any of [his] the auditor's examiners, or if  
5 anyone connected with the official duties of the state, county,  
6 institution, or political subdivision of the state, shall refuse  
7 to submit to be examined upon oath[, touching the officers of  
8 such county or political subdivision,]\_.

9 3. The state auditor shall report [the fact] any violation  
10 of subsection 1 or 2 of this section to the prosecuting attorney,  
11 who shall institute such action or proceedings against such  
12 [officer or officers] person or entity as [he] the prosecutor may  
13 deem proper.

14 29.260. [Nothing done in sections 29.010 to 29.360] The  
15 provisions of this chapter shall not preclude any officer or  
16 officers in charge of the offices and institutions mentioned in  
17 [said sections] this chapter from having proper recourse in the  
18 courts of law in this state.

19 [21.760.] 29.351. 1. During the regular legislative  
20 session which convenes in an odd-numbered year, the general  
21 assembly shall, by concurrent resolution, employ an independent  
22 certified public accountant or certified public accounting firm  
23 to conduct an audit examination of the accounts, functions,  
24 programs, and management of the state auditor's office. The  
25 audit examination shall be made in accordance with generally  
26 accepted auditing standards, including such reviews and  
27 inspections of books, records and other underlying data and  
28 documents as are necessary to enable the independent certified

1 public accountant performing the audit to reach an informed  
2 opinion on the condition and performance of the accounts,  
3 functions, programs, and management of the state auditor's  
4 office. Upon completion of the audit, the independent certified  
5 public accountant shall make a written report of his findings and  
6 conclusions, and shall supply each member of the general  
7 assembly, the governor, and the state auditor with a copy of the  
8 report. The cost of the audit and report shall be paid out of  
9 the joint contingent fund of the general assembly.

10 2. The commissioner of administration shall bid these  
11 services, at the direction of the general assembly, pursuant to  
12 state purchasing laws.

13 50.055. The accounts of [counties] any county of the second  
14 class, or the accounts of any officer or office of such county,  
15 may be audited at any time, if the county commission determines  
16 such an audit desirable or necessary, [ every odd-numbered year  
17 within six months after the determination of the preceding fiscal  
18 year,] either by a certified public accountant employed by the  
19 county commission or by the state auditor, as the county  
20 commission may determine. If the audit is to be made by the  
21 state auditor, the state auditor shall be requested by the county  
22 commission to make the audit, as provided by law. Unless the  
23 audit is requested for a particular officer or office, the audit  
24 [herein provided shall] may also review the records of the  
25 receipts and disbursements and the property inventory of every  
26 officer or office of the county which receives or disburses money  
27 on behalf of the county or which holds property belonging to the  
28 county. Upon the completion of the investigation, the certified

1 public accountant or the state auditor, as the case may be, shall  
2 render a report to the county commission [together with a  
3 statement showing, under appropriate classifications, the  
4 receipts and disbursements of the county during the period of the  
5 audit. The first audit, as provided by this section, may be made  
6 following the fiscal year of 1946, and such audit may be made  
7 every two years thereafter]. The county commission shall provide  
8 for the expense of such audit if made by a certified public  
9 accountant employed by the county commission. For audits  
10 performed by the state auditor, all expenses incurred in  
11 performing the audit, including salaries of auditors, examiners,  
12 clerks, and other employees of the state auditor, shall be paid  
13 by the county or county commission and the monies are to be  
14 deposited in the petition audit revolving trust fund pursuant to  
15 section 29.230.

16 50.057. The accounts of any county of the first class not  
17 having a charter form of government, or the accounts of any  
18 officer or office of such county, may be audited at any time, if  
19 the county commission determines such an audit desirable or  
20 necessary, either by a certified public accountant employed by  
21 the county commission or by the state auditor, as the county  
22 commission may determine. If the audit is to be made by the  
23 state auditor, the state auditor shall be requested by the county  
24 commission to make the audit, as provided by law. Unless the  
25 audit is requested only for a particular officer or office, the  
26 audit shall also review the records of the receipts and  
27 disbursements and the property inventory of every officer or  
28 office of the county which receives or disburses money on behalf

1 of the county or which holds property belonging to the county.  
2 Upon completion of the investigation, the certified public  
3 accountant or the state auditor, as the case may be, shall render  
4 a report to the county commission together with a statement  
5 showing under appropriate classifications the receipts and  
6 disbursements of the county or of the particular officer or  
7 office of the county for which the audit was requested, as the  
8 case may be, during the period covered by the audit. For audits  
9 performed by the state auditor, all expenses incurred in  
10 performing the audit, including salaries of auditors, examiners,  
11 clerks, and other employees of the state auditor, shall be paid  
12 by the county or county commission and the monies are to be  
13 deposited in the petition audit revolving trust fund pursuant to  
14 section 29.230.

15 50.622. 1. Any county may amend the annual budget during  
16 any fiscal year in which the county receives additional funds,  
17 and such amount or source, including but not limited to, federal  
18 or state grants or private donations, could not be estimated when  
19 the budget was adopted. The county shall follow the same  
20 procedures as required in sections 50.525 to 50.745 for adoption  
21 of the annual budget to amend its budget during a fiscal year.

22 2. Any county may decrease the annual budget twice during  
23 any fiscal year in which the county experiences a verifiable  
24 decline in funds of two percent or more, and such amount could  
25 not be estimated or anticipated when the budget was adopted,  
26 provided that any decrease in appropriations shall not unduly  
27 affect any one officeholder. Before any reduction affecting an  
28 independently elected officeholder can occur, negotiations shall

1 take place with all officeholders who receive funds from the  
2 affected category of funds in an attempt to cover the shortfall.  
3 The county shall follow the same procedures as required in  
4 sections 50.525 to 50.745 to decrease the annual budget, except  
5 that the notice provided for in section 50.600 shall be extended  
6 to thirty days for purposes of this subsection. Such notice  
7 shall include a published summary of the proposed reductions and  
8 an explanation of the shortfall.

9 3. Any decrease in an appropriation authorized under  
10 subsection 2 of this section shall not impact any dedicated fund  
11 otherwise provided by law.

12 4. County commissioners may reduce budgets of departments  
13 under their direct supervision and responsibility at any time  
14 without the restrictions imposed by this section.

15 5. Subsections 2, 3, and 4 of this section shall expire on  
16 July 1, 2016.

17 6. Notwithstanding the provisions of this section, no  
18 charter county shall be restricted from amending its budget  
19 pursuant to the terms of its charter.

20 50.1030. 1. The general administration and the  
21 responsibility for the proper operation of the fund and the  
22 system and the investment of the funds of the system are vested  
23 in a board of directors of eleven persons. Nine directors shall  
24 be elected by a secret ballot vote of the county employee members  
25 of this state. Two directors, who have no beneficiary interest  
26 in the system, shall be appointed by the governor with the advice  
27 and consent of the senate. No more than one director at any one  
28 time shall be employed by the same elected county office.

1 Directors shall be chosen for terms of four years from the first  
2 day of January next following their election. It shall be the  
3 responsibility of the board to establish procedures for the  
4 conduct of future elections of directors and such procedures  
5 shall be approved by a majority vote by secret ballot by members  
6 of the system. The board shall have all powers and duties that  
7 are necessary and proper to enable it, its officers, employees  
8 and agents to fully and effectively carry out all the purposes of  
9 sections 50.1000 to 50.1300.

10 2. The board of directors shall elect one of their number  
11 as chairman and one of their number as vice chairman and may  
12 employ an administrator who shall serve as secretary to the  
13 board. The board shall hold regular meetings at least once each  
14 quarter. Board meetings shall be held in Jefferson City. Other  
15 meetings may be called as necessary by the chairman. Notice of  
16 such meetings shall be given in accordance with chapter 610.

17 3. The board of directors shall retain an actuary as  
18 technical advisor to the board.

19 4. The board of directors shall retain investment counsel  
20 to be an investment advisor to the board.

21 5. The ~~state auditor~~ board shall ~~provide for biennial~~  
22 arrange for annual audits of the Missouri county employees'  
23 retirement system and the operations of the board~~], to be paid~~  
24 ~~for out of the funds of the system]~~ by a certified public  
25 accountant or by a firm of certified public accountants.

26 6. The board of directors shall serve without compensation  
27 for their services, but each director shall be paid out of the  
28 funds of the system for any actual and necessary expenses

1 incurred in the performance of duties authorized by the board.

2 7. The board of directors shall be allowed administrative  
3 costs for the operation of the system to be paid out of the funds  
4 of the system.

5 8. The board shall keep a record of its proceedings which  
6 shall be open to public inspection. It shall annually prepare a  
7 report showing the financial condition of the system. The report  
8 shall contain, but not be limited to, an auditor's opinion,  
9 financial statements prepared in accordance with generally  
10 accepted accounting principles, an actuary's certification along  
11 with actuarial assumptions and financial solvency tests.

12 9. The board shall conduct an annual review, to determine  
13 if, among other things, the following actions are actuarially  
14 feasible:

15 (1) An adjustment to the formula described in section  
16 50.1060, subject to the limitations of subsection 4 of section  
17 50.1060;

18 (2) An adjustment in the flat dollar pension benefit credit  
19 described in subsection 1 of section 50.1060;

20 (3) The cost-of-living increase as described in section  
21 50.1070;

22 (4) An adjustment in the matching contribution described in  
23 section 50.1230;

24 (5) An adjustment in the twenty-five year service cap on  
25 creditable service;

26 (6) An adjustment to the target replacement ratio; or

27 (7) An additional benefit or enhancement which will improve  
28 the quality of life of future retirees. Based upon the findings



1 of the actuarial review, the board may vote to change none, one,  
2 or more than one of the above items, subject to the actuarial  
3 guidelines outlined in section 50.1031.

4 56.809. 1. The general administration and the  
5 responsibility for the proper operation of the fund are vested in  
6 a board of trustees of five persons. Trustees shall be elected  
7 by a secret ballot vote of the prosecuting attorneys and circuit  
8 attorneys of this state. Trustees shall be chosen for terms of  
9 four years from the first day of January next following their  
10 election except that the members of the first board shall be  
11 appointed by the governor by and with the consent of the senate  
12 after notification in writing, respectively, by the prosecuting  
13 attorneys and circuit attorneys of eighty percent of the counties  
14 in the state, including a city not within a county, that the  
15 prosecuting attorney or circuit attorney has elected to come  
16 under the provisions of sections 56.800 to 56.840. It shall be  
17 the responsibility of the initial board to establish procedures  
18 for the conduct of future elections of trustees and such  
19 procedures shall be approved by a majority vote by secret ballot  
20 of the prosecuting attorneys and circuit attorneys in this state.  
21 The board shall have all powers and duties that are necessary and  
22 proper to enable it, its officers, employees and agents to fully  
23 and effectively carry out all the purposes of sections 56.800 to  
24 56.840.

25 2. The board of trustees shall elect one of their number as  
26 chairman and one of their number as vice chairman and may employ  
27 an administrator who shall serve as executive secretary to the  
28 board. The Missouri office of prosecution services, sections

1 56.750 to 56.775, may, in the discretion of the board of  
2 trustees, act as administrative employees to carry out all of the  
3 purposes of sections 56.800 to 56.840. In addition, the board of  
4 trustees may appoint such other employees as may be required.  
5 The board shall hold regular meetings at least once each quarter.  
6 Other meetings may be called as necessary by the chairman or by  
7 any three members of the board. Notice of such meetings shall be  
8 given in accordance with chapter 610.

9 3. The board of trustees shall appoint an actuary or firm  
10 of actuaries as technical advisor to the board of trustees.

11 4. The board of trustees shall retain investment advisors  
12 to be investment advisors to the board.

13 5. The board of trustees may retain legal counsel to advise  
14 the board and represent the system in legal proceedings.

15 6. The board shall arrange for annual audits of the records  
16 and accounts of the system by a certified public accountant or by  
17 a firm of certified public accountants. [The state auditor shall  
18 examine such audits at least once every three years and report to  
19 the board of trustees and to the governor.]

20 7. The board of trustees shall serve without compensation  
21 for their services as such; except that each trustee shall be  
22 paid from the system's funds for any necessary expenses incurred  
23 in the performance of duties authorized by the board.

24 8. The board of trustees shall be authorized to appropriate  
25 funds from the system for administrative costs in the operation  
26 of the system.

27 9. The board of trustees shall, from time to time, after  
28 receiving the advice of its actuary, adopt such mortality and

1 other tables of experience, and a rate or rates of regular  
2 interest, as shall be necessary for the actuarial requirements of  
3 the system, and shall require its executive secretary to keep in  
4 convenient form such data as shall be necessary for actuarial  
5 investigations of the experience of the system, and such data as  
6 shall be necessary for the annual actuarial valuations of the  
7 system.

8 10. The board of trustees shall, after reasonable notice to  
9 all interested parties, hear and decide questions arising from  
10 the administration of sections 56.800 to ~~[56.835]~~ 56.840; except  
11 that within thirty days after a decision or order, any member,  
12 retirant, beneficiary or political subdivision adversely affected  
13 by that determination or order may make an appeal under the  
14 provisions of chapter 536.

15 11. The board of trustees shall arrange for adequate surety  
16 bonds covering the executive secretary and any other custodian of  
17 funds or investments of the board. When approved by the board,  
18 such bonds shall be deposited in the office of the Missouri  
19 secretary of state.

20 12. Subject to the limitations of sections 56.800 to  
21 ~~[56.835]~~ 56.840, the board of trustees shall formulate and adopt  
22 rules and regulations for the government of its own proceedings  
23 and for the administration of the retirement system.

24 13. The board of trustees shall be the trustees of the  
25 funds of the system. Subject to the provisions of any applicable  
26 federal or state laws, the board of trustees shall have full  
27 power to invest and reinvest the moneys of the system, and to  
28 hold, purchase, sell, assign, transfer or dispose of any of the

1 securities and investments in which such moneys shall have been  
2 invested, as well as the proceeds of such investments and such  
3 moneys.

4 14. Notwithstanding any other provision of the law to the  
5 contrary, the board of trustees may delegate to its duly  
6 appointed investment advisors authority to act in place of the  
7 board of trustees in the investment and reinvestment of all or  
8 part of the moneys of the system, and may also delegate to such  
9 advisors the authority to act in place of the board of trustees  
10 in the holding, purchasing, selling, assigning, transferring or  
11 disposing of any or all of the securities and investments in  
12 which such moneys shall have been invested, as well as the  
13 proceeds of such investments and such moneys. Such investment  
14 counselor shall be registered as an investment advisor with the  
15 United States Securities and Exchange Commission. In exercising  
16 or delegating its investment powers and authority, members of the  
17 board of trustees shall exercise ordinary business care and  
18 prudence under the facts and circumstances prevailing at the time  
19 of the action or decision. In so doing, the board of trustees  
20 shall consider the long-term and short-term needs of the system  
21 in carrying out its purposes, the system's present and  
22 anticipated financial requirements, the expected total return on  
23 the system's investment, the general economic conditions, income,  
24 growth, long-term net appreciation, and probable safety of funds.  
25 No member of the board of trustees shall be liable for any action  
26 taken or omitted with respect to the exercise of or delegation of  
27 these powers and authority if such member shall have discharged  
28 the duties of his or her position in good faith and with that

1 degree of diligence, care and skill which prudent men and women  
2 would ordinarily exercise under similar circumstances in a like  
3 position.

4 15. The board shall keep a record of its proceedings which  
5 shall be open to public inspection. It shall annually prepare a  
6 report showing the financial condition of the system. The report  
7 shall contain, but not be limited to, an auditor's opinion,  
8 financial statements prepared in accordance with generally  
9 accepted accounting principles, an actuary's certification along  
10 with actuarial assumptions and financial solvency tests.

11 70.605. 1. For the purpose of providing for the retirement  
12 or pensioning of the officers and employees and the widows and  
13 children of deceased officers and employees of any political  
14 subdivision of the state, there is hereby created and established  
15 a retirement system which shall be a body corporate, which shall  
16 be under the management of a board of trustees herein described,  
17 and shall be known as the "Missouri Local Government Employees'  
18 Retirement System". Such system may sue and be sued, transact  
19 business, invest funds, and hold cash, securities, and other  
20 property. All suits or proceedings directly or indirectly  
21 against the system shall be brought in Cole County. The system  
22 shall begin operations on the first day of the calendar month  
23 next following sixty days after the date the board of trustees  
24 has received certification from ten political subdivisions that  
25 they have elected to become employers.

26 2. The general administration and the responsibility for  
27 the proper operation of the system is vested in a board of  
28 trustees of seven persons: three persons to be elected as

1 trustees by the members of the system; three persons to be  
2 elected trustees by the governing bodies of employers; and one  
3 person, to be appointed by the governor, who is not a member,  
4 retirant, or beneficiary of the system and who is not a member of  
5 the governing body of any political subdivision.

6 3. Trustees shall be chosen for terms of four years from  
7 the first day of January next following their election or  
8 appointment, except that of the first board shall all be  
9 appointed by the governor by and with the consent of the senate,  
10 as follows:

11 (1) Three persons who are officers or officials of  
12 political subdivisions, one for a term of three years, one for a  
13 term of two years, and one for a term of one year; and

14 (2) Three persons who are employees of political  
15 subdivisions and who would, if the subdivision by which they are  
16 employed becomes an employer, be eligible as members, one for a  
17 term of three years, one for a term of two years, and one for a  
18 term of one year; and

19 (3) That person appointed by the governor under the  
20 provisions of subsection 2 of this section. All the members of  
21 the first board shall take office as soon as appointed by the  
22 governor, but their terms shall be computed from the first day of  
23 January next following their appointment, and only one member may  
24 be from any political subdivision or be a policeman or fireman.

25 4. Successor trustees elected or appointed as member  
26 trustees shall be members of the retirement system; provided,  
27 that not more than one member trustee shall be employed by any  
28 one employer, and not more than one member trustee shall be a

1 policeman, and not more than one member trustee shall be a  
2 fireman.

3 5. Successor trustees elected as employer trustees shall be  
4 elected or appointed officials of employers and shall not be  
5 members of the retirement system; provided, that not more than  
6 one employer trustee shall be from any one employer.

7 6. An annual meeting of the retirement system shall be  
8 called by the board in the last calendar quarter of each year in  
9 Jefferson City, or at such place as the board shall determine,  
10 for the purpose of electing trustees and to transact such other  
11 business as may be required for the proper operation of the  
12 system. Notice of such meeting shall be sent by registered mail  
13 to the clerk or secretary of each employer not less than thirty  
14 days prior to the date of such meeting. The governing body of  
15 each employer shall certify to the board the name of one delegate  
16 who shall be an officer of the employer, and the members of the  
17 employer shall certify to the board a member of the employer to  
18 represent such employer at such meeting. The delegate certified  
19 as member delegate shall be elected by secret ballot by the  
20 members of such employer, and the clerk or secretary of each  
21 employer shall be charged with the duty of conducting such  
22 election in a manner which will permit each member to vote in  
23 such election. Under such rules and regulations as the board  
24 shall adopt, approved by the delegates, the member delegates  
25 shall elect a member trustee for each such position on the board  
26 to be filled, and the officer delegates shall elect an employer  
27 trustee for each such position on the board to be filled.

28 7. In the event any member trustee ceases to be a member of

1 the retirement system, or any employer trustee ceases to be an  
2 appointed or elected official of an employer, or becomes a member  
3 of the retirement system, or if the trustee appointed by the  
4 governor becomes a member of the retirement system or an elected  
5 or appointed official of a political subdivision, or if any  
6 trustee fails to attend three consecutive meetings of the board,  
7 unless in each case excused for cause by the remaining trustees  
8 attending such meeting or meetings, he or she shall be considered  
9 as having resigned from the board and the board shall, by  
10 resolution, declare his or her office of trustee vacated. If a  
11 vacancy occurs in the office of trustee, the vacancy shall be  
12 filled for the unexpired term in the same manner as the office  
13 was previously filled; provided, however, that the remaining  
14 trustees may fill employer and member trustee vacancies on the  
15 board until the next annual meeting.

16 8. Each trustee shall be commissioned by the governor, and  
17 before entering upon the duties of his office, shall take and  
18 subscribe to an oath or affirmation to support the Constitution  
19 of the United States, and of the state of Missouri, and to demean  
20 himself faithfully in his or her office. Such oath as subscribed  
21 to shall be filed in the office of the secretary of state of this  
22 state.

23 9. Each trustee shall be entitled to one vote in the board  
24 of trustees. Four votes shall be necessary for a decision by the  
25 trustees at any meeting of the board of trustees. Four trustees,  
26 of whom at least two shall be member trustees and at least two  
27 shall be employer trustees, shall constitute a quorum at any  
28 meeting of the board. Unless otherwise expressly provided



1 herein, a meeting need not be called or held to make any decision  
2 on a matter before the board. Each member must be sent by the  
3 executive secretary a copy of the matter to be decided with full  
4 information from the files of the board. The concurring  
5 decisions of four trustees may decide the issue by signing a  
6 document declaring their decision and sending the written  
7 instrument to the executive secretary, provided that no other  
8 trustee shall send a dissenting decision to the executive  
9 secretary within fifteen days after the document and information  
10 was mailed to him or her. If any trustee is not in agreement  
11 with the four trustees, the matter is to be passed on at a  
12 regular board meeting or a special meeting called for that  
13 purpose. The board shall hold regular meetings at least once  
14 each quarter, the dates of these meetings to be designated in the  
15 rules and regulations adopted by the board. Other meetings as  
16 deemed necessary may be called by the chairman or by any four  
17 trustees acting jointly.

18 10. The board of trustees shall elect one of their number  
19 as chairman, and one of their number as vice chairman, and shall  
20 employ an executive secretary, not one of their number, who shall  
21 be the executive officer of the board. Other employees of the  
22 board shall be chosen only upon the recommendation of the  
23 executive secretary.

24 11. The board shall appoint an actuary or a firm of  
25 actuaries as technical advisor to the board on matters regarding  
26 the operation of the system on an actuarial basis. The actuary  
27 or actuaries shall perform such duties as are required of him or  
28 her under sections 70.600 to 70.755, and as are from time to time

1 required by the board.

2 12. The board may appoint an attorney-at-law or firm of  
3 attorneys-at-law to be the legal advisor of the board and to  
4 represent the board in all legal proceedings.

5 13. The board may appoint an investment counselor to be the  
6 investment advisor of the board.

7 14. The board shall from time to time, after receiving the  
8 advice of its actuary, adopt such mortality and other tables of  
9 experience, and a rate or rates of regular interest, as shall be  
10 necessary for the actuarial requirements of the system, and shall  
11 require its executive secretary to keep in convenient form such  
12 data as shall be necessary for actuarial investigations of the  
13 experience of the system, and such data as shall be necessary for  
14 the annual actuarial valuations of the system.

15 15. The board shall keep a record of its proceedings, which  
16 shall be open to public inspection. It shall prepare annually  
17 and render to each employer a report showing the financial  
18 condition of the system as of the preceding June thirtieth. The  
19 report shall contain, but shall not be limited to, a financial  
20 balance sheet; a statement of income and disbursements; a  
21 detailed statement of investments acquired and disposed of during  
22 the year, together with a detailed statement of the annual rates  
23 of investment income from all assets and from each type of  
24 investment; an actuarial balance sheet prepared by means of the  
25 last valuation of the system, and such other data as the board  
26 shall deem necessary or desirable for a proper understanding of  
27 the condition of the system.

28 16. The board of trustees shall, after reasonable notice to

1 all interested parties, conduct administrative hearings to hear  
2 and decide questions arising from the administration of sections  
3 70.600 to 70.755; except, that such hearings may be conducted by  
4 a hearing officer who shall be appointed by the board. The  
5 hearing officer shall preside at the hearing and hear all  
6 evidence and rule on the admissibility of evidence. The hearing  
7 officer shall make recommended findings of fact and may make  
8 recommended conclusions of law to the board. All final orders or  
9 determinations or other final actions by the board shall be  
10 approved in writing by at least four members of the board. Any  
11 board member approving in writing any final order, determination  
12 or other final action, who did not attend the hearing, shall do  
13 so only after certifying that he or she reviewed all exhibits and  
14 read the entire transcript of the hearing. Within thirty days  
15 after a decision or order or final action of the board, any  
16 member, retirant, beneficiary or political subdivision adversely  
17 affected by that determination or order or final action may take  
18 an appeal under the provisions of chapter 536. Jurisdiction over  
19 any dispute regarding the interpretation of sections 70.600 to  
20 70.755 and the determinations required thereunder shall lie in  
21 the circuit court of Cole County.

22 17. The board shall arrange for adequate surety bonds  
23 covering the executive secretary and any other custodian of the  
24 funds or investments of the board. When approved by the board,  
25 said bonds shall be deposited in the office of the secretary of  
26 state.

27 18. The board shall arrange for annual audits of the  
28 records and accounts of the system by a certified public

1 accountant or by a firm of certified public accountants. [The  
2 state auditor shall examine such audits at least once every three  
3 years and report to the board and the governor.]

4 19. The headquarters of the retirement system shall be in  
5 Jefferson City.

6 20. The board of trustees shall serve as trustees without  
7 compensation for their services as such; except that each trustee  
8 shall be paid for any necessary expenses incurred in attending  
9 meetings of the board or in the performance of other duties  
10 authorized by the board.

11 21. Subject to the limitations of sections 70.600 to  
12 70.755, the board shall formulate and adopt rules and regulations  
13 for the government of its own proceedings and for the  
14 administration of the retirement system.

15 103.025. The board shall arrange for annual audits of the  
16 records and accounts of the plan by a certified public accountant  
17 or firm of certified public accountants. [The state auditor  
18 shall examine such audits at least once every three years and  
19 report to the board and the governor.]

20 104.190. 1. The board shall keep a complete record of all  
21 its proceedings, which shall be open at all reasonable hours to  
22 the inspection of any member. A statement covering the  
23 operations of the system for the year, including income and  
24 disbursements, and the financial condition of the system at the  
25 end of the year, showing the actuarial valuation and appraisal of  
26 its assets and liabilities, as of July first, shall each year be  
27 delivered to the governor of Missouri and be made readily  
28 available to the members.

1           2. A system of member employment records necessary for the  
2 calculation of retirement benefits shall be kept separate and  
3 apart from the customary employee employment records.

4           3. The principal office of the system shall be located in  
5 Jefferson City. The system shall have a seal bearing the  
6 inscription "Transportation Department Employees' and Highway  
7 Patrol Retirement System", which shall be in the custody of its  
8 executive director. The courts of this state shall take judicial  
9 notice of the seal; and all copies of records, books, and written  
10 instruments which are kept in the office of the system and are  
11 certified by the executive director under said seal shall be  
12 proved or admitted in any court or proceeding as provided by  
13 section 109.130.

14           4. The board shall arrange for annual audits of the records  
15 and accounts of the system by a certified public accountant or by  
16 a firm of certified public accountants. [The state auditor shall  
17 examine such audits at least once every three years and report to  
18 the board and the governor.]

19           104.480. 1. The board shall keep a complete record of all  
20 its proceedings, which shall be open at all reasonable hours to  
21 the inspection of any member.

22           2. A statement covering the operations of the system for  
23 the year, including income and disbursements, and of the  
24 financial condition of the system at the end of the year, showing  
25 the actuarial valuation and appraisal of its assets and  
26 liabilities, as of July first, shall each year be delivered to  
27 the governor of Missouri and be made readily available to the  
28 members.

1           3. The principal office of the system shall be in Jefferson  
2 City. The system shall have a seal bearing the inscription  
3 "Missouri State Employees' Retirement System", which shall be in  
4 the custody of its director. The courts of this state shall take  
5 judicial notice of the seal; and all copies of records, books,  
6 and written instruments which are kept in the office of the  
7 system and are certified by the director under the seal shall be  
8 proved or admitted in any court or proceeding as provided by  
9 section 109.130.

10           4. The board shall arrange for annual audits of the records  
11 and accounts of the system by a certified public accountant or by  
12 a firm of certified public accountants. [The state auditor shall  
13 examine such audits at least once every three years and report to  
14 the board and the governor.]

15           169.020. 1. For the purpose of providing retirement  
16 allowances and other benefits for public school teachers, there  
17 is hereby created and established a retirement system which shall  
18 be a body corporate, shall be under the management of a board of  
19 trustees herein described, and shall be known as "The Public  
20 School Retirement System of Missouri". Such system shall, by and  
21 in such name, sue and be sued, transact all of its business,  
22 invest all of its funds, and hold all of its cash, securities,  
23 and other property. The system so created shall include all  
24 school districts in this state, except those in cities that had  
25 populations of four hundred thousand or more according to the  
26 latest United States decennial census, and such others as are or  
27 hereafter may be included in a similar system or in similar  
28 systems established by law and made operative; provided, that

1 teachers in school districts of more than four hundred thousand  
2 inhabitants who are or may become members of a local retirement  
3 system may become members of this system with the same legal  
4 benefits as accrue to present members of such state system on the  
5 terms and under the conditions provided for in section 169.021.  
6 The system hereby established shall begin operations on the first  
7 day of July next following the date upon which sections 169.010  
8 to 169.130 shall take effect.

9         2. The general administration and the responsibility for  
10 the proper operation of the retirement system and for making  
11 effective the provisions of sections 169.010 to 169.141 are  
12 hereby vested in a board of trustees of seven persons as follows:  
13 four persons to be elected as trustees by the members and retired  
14 members of the public school retirement system created by  
15 sections 169.010 to 169.141 and the public education employee  
16 retirement system created by sections 169.600 to 169.715; and  
17 three members appointed by the governor with the advice and  
18 consent of the senate. The first member appointed by the  
19 governor shall replace the commissioner of education for a term  
20 beginning August 28, 1998. The other two members shall be  
21 appointed by the governor at the time each member's, who was  
22 appointed by the state board of education, term expires.

23         3. Trustees appointed and elected shall be chosen for terms  
24 of four years from the first day of July next following their  
25 appointment or election, except that one of the elected trustees  
26 shall be a member of the public education employee retirement  
27 system and shall be initially elected for a term of three years  
28 from July 1, 1991. The initial term of one other elected trustee

1 shall commence on July 1, 1992.

2 4. Trustees appointed by the governor shall be residents of  
3 school districts included in the retirement system, but not  
4 employees of such districts or a state employee or a state  
5 elected official. At least one trustee so appointed shall be a  
6 retired member of the public school retirement system or the  
7 public education employee retirement system. Three elected  
8 trustees shall be members of the public school retirement system  
9 and one elected trustee shall be a member of the public education  
10 employee retirement system.

11 5. The elections of the trustees shall be arranged for,  
12 managed and conducted by the board of trustees of the retirement  
13 system.

14 6. If a vacancy occurs in the office of trustee, the  
15 vacancy shall be filled for the unexpired term in the same manner  
16 as the office was previously filled.

17 7. Trustees of the retirement system shall serve without  
18 compensation but they shall be reimbursed for expenses  
19 necessarily incurred through service on the board of trustees.

20 8. Each trustee shall be commissioned by the governor, and  
21 before entering upon the duties of the trustee's office, shall  
22 take and subscribe to an oath or affirmation to support the  
23 Constitution of the United States, and of the state of Missouri  
24 and to demean himself or herself faithfully in the trustee's  
25 office. Such oath as subscribed to shall be filed in the office  
26 of secretary of state of this state.

27 9. Each trustee shall be entitled to one vote in the board  
28 of trustees. Four votes shall be necessary for a decision by the



1 trustees at any meeting of the board of trustees. Unless  
2 otherwise expressly provided herein, a meeting need not be called  
3 or held to make any decision on a matter before the board. Each  
4 member must be sent by the executive director a copy of the  
5 matter to be decided with full information from the files of the  
6 board of trustees. The unanimous decision of four trustees may  
7 decide the issue by signing a document declaring their decision  
8 and sending such written instrument to the executive director of  
9 the board, provided that no other member of the board of trustees  
10 shall send a dissenting decision to the executive director of the  
11 board within fifteen days after such document and information was  
12 mailed to the trustee. If any member is not in agreement with  
13 four members the matter is to be passed on at a regular board  
14 meeting or a special meeting called for the purpose.

15 10. The board of trustees shall elect one of their number  
16 as chairman, and shall employ a full-time executive director, not  
17 one of their number, who shall be the executive officer of the  
18 board. Other employees of the board shall be chosen only upon  
19 the recommendation of the executive director.

20 11. The board of trustees shall employ an actuary who shall  
21 be its technical advisor on matters regarding the operation of  
22 the retirement system, and shall perform such duties as are  
23 essential in connection therewith, including the recommendation  
24 for adoption by the board of mortality and other necessary  
25 tables, and the recommendation of the level rate of contributions  
26 required for operation of the system.

27 12. As soon as practicable after the establishment of the  
28 retirement system, and annually thereafter, the actuary shall

1 make a valuation of the system's assets and liabilities on the  
2 basis of such tables as have been adopted.

3 13. At least once in the three-year period following the  
4 establishment of the retirement system, and in each five-year  
5 period thereafter, the board of trustees shall cause to be made  
6 an actuarial investigation into the mortality, service, and  
7 compensation experience of the members and beneficiaries of the  
8 system, and shall make any changes in the mortality, service, and  
9 other tables then in use which the results of the investigation  
10 show to be necessary.

11 14. Subject to the limitations of sections 169.010 to  
12 169.141 and 169.600 to 169.715, the board of trustees shall  
13 formulate and adopt rules and regulations for the government of  
14 its own proceedings and for the administration of the retirement  
15 system.

16 15. The board of trustees shall determine and decide all  
17 questions of doubt as to what constitutes employment within the  
18 meaning of sections 169.010 to 169.141 and 169.600 to 169.715,  
19 the amount of benefits to be paid to members, retired members,  
20 beneficiaries and survivors and the amount of contributions to be  
21 paid by employer and employee. The executive director shall  
22 notify by certified mail both employer and member, retired  
23 member, beneficiary or survivor interested in such determination.  
24 Any member, retired member, beneficiary or survivor, district or  
25 employer adversely affected by such determination, at any time  
26 within thirty days after being notified of such determination,  
27 may appeal to the circuit court of Cole County. Such appeal  
28 shall be tried and determined anew in the circuit court and such

1 court shall hear and consider any and all competent testimony  
2 relative to the issues in the case, which may be offered by  
3 either party thereto. The circuit court shall determine the  
4 rights of the parties under sections 169.010 to 169.141 and  
5 169.600 to 169.715 using the same standard provided in section  
6 536.150, and the judgment or order of such circuit court shall be  
7 binding upon the parties and the board shall carry out such  
8 judgment or order unless an appeal is taken from such decision of  
9 the circuit court. Appeals may be had from the circuit court by  
10 the employer, member, retired member, beneficiary, survivor or  
11 the board, in the manner provided by the civil code.

12 16. The board of trustees shall keep a record of all its  
13 proceedings, which shall be open to public inspection. It shall  
14 prepare annually a comprehensive annual financial report, the  
15 financial section of which shall be prepared in accordance with  
16 applicable accounting standards and shall include the independent  
17 auditor's opinion letter. The report shall also include  
18 information on the actuarial status and the investments of the  
19 system. The reports shall be preserved by the executive director  
20 and made available for public inspection.

21 17. The board of trustees shall provide for the maintenance  
22 of an individual account with each member, setting forth such  
23 data as may be necessary for a ready determination of the  
24 member's earnings, contributions, and interest accumulations. It  
25 shall also collect and keep in convenient form such data as shall  
26 be necessary for the preparation of the required mortality and  
27 service tables and for the compilation of such other information  
28 as shall be required for the valuation of the system's assets and

1 liabilities. All individually identifiable information  
2 pertaining to members, retirees, beneficiaries and survivors  
3 shall be confidential.

4 18. The board of trustees shall meet regularly at least  
5 twice each year, with the dates of such meetings to be designated  
6 in the rules and regulations adopted by the board. Such other  
7 meetings as are deemed necessary may be called by the chairman of  
8 the board or by any four members acting jointly.

9 19. The headquarters of the retirement system shall be in  
10 Jefferson City, where suitable office space, utilities and other  
11 services and equipment necessary for the operation of the system  
12 shall be provided by the board of trustees and all costs shall be  
13 paid from funds of the system. All suits or proceedings directly  
14 or indirectly against the board of trustees, the board's members  
15 or employees or the retirement system established by sections  
16 169.010 to 169.141 or 169.600 to 169.715 shall be brought in Cole  
17 County.

18 20. The board may appoint an attorney or firm of attorneys  
19 to be the legal advisor to the board and to represent the board  
20 in legal proceedings, however, if the board does not make such an  
21 appointment, the attorney general shall be the legal advisor of  
22 the board of trustees, and shall represent the board in all legal  
23 proceedings.

24 21. The board of trustees shall arrange for adequate surety  
25 bonds covering the executive director. When approved by the  
26 board, such bonds shall be deposited in the office of the  
27 secretary of state of this state.

28 22. The board shall arrange for annual audits of the

1 records and accounts of the system by a firm of certified public  
2 accountants[, the state auditor shall review the audit of the  
3 records and accounts of the system at least once every three  
4 years and shall report the results to the board of trustees and  
5 the governor].

6 23. The board by its rules may establish an interest charge  
7 to be paid by the employer on any payments of contributions which  
8 are delinquent. The rate charged shall not exceed the  
9 actuarially assumed rate of return on invested funds of the  
10 pertinent system.

11 238.272. The state auditor [shall] may audit each district  
12 not [less] more than once every three years[, and may audit more  
13 frequently if the state auditor deems appropriate]. The costs of  
14 this audit shall be paid by the district and shall not exceed the  
15 greater of three percent of the gross revenues received by the  
16 transportation district or three percent of the expenditures made  
17 by the transportation district.

18 Section 1. The state auditor may make, or cause to be made,  
19 audits of any community action agency as defined under 10 C.F.R.  
20 440.3. The term "community action agency" as used in this  
21 section shall mean a private corporation or public agency  
22 established under the Economic Opportunity Act of 1964, Pub. L.  
23 88-452, which is authorized to administer funds received from  
24 federal, state, local, or private funding entities to assess,  
25 design, operate, finance, and oversee antipoverty programs.

26 [29.090. It shall be unlawful for any examiner  
27 appointed under the provisions of this chapter to  
28 accept, receive or ride on any free transportation  
29 while engaged on official business, and any officer who  
30 shall request such free transportation for any such

1 examiner shall be guilty of a misdemeanor, and  
2 punishable by a fine not to exceed five hundred  
3 dollars.]

4  
5 [29.180. The state auditor in cooperation with  
6 the budget director shall establish appropriate systems  
7 of accounting for all officers and agencies of the  
8 state, including all educational and eleemosynary  
9 institutions, and he shall also prescribe systems of  
10 accounting for all county officers. Such systems of  
11 accounting shall conform to recognized principles of  
12 governmental accounting and shall be uniform in  
13 application to offices of the same grade and kind and  
14 to accounts of the same kind. Such systems of  
15 accounting shall be adequate to record all assets and  
16 revenues accrued, all liabilities and expenditures  
17 incurred, as well as all cash receipts and  
18 disbursements, and all transactions affecting the  
19 acquisition and disposition of property, including the  
20 preparation and keeping of inventories of all property.  
21 Each department shall keep such accounts in accordance  
22 with the system of accounts prescribed by the auditor.]

23  
24 [29.270. The state auditor shall report to the  
25 governor as soon as possible the result of his findings  
26 from an examination of the state institutions, and  
27 report to the elective officers the result of his  
28 findings from an examination of their appointive  
29 officers, setting out in detail the findings as to the  
30 collection and disbursements of public funds and the  
31 mode of bookkeeping and accounting in force in such  
32 institution, and as soon as possible after the  
33 completion of the examination of a county's officers  
34 and institutions, he shall report in writing the  
35 findings to the county court or prosecuting attorney or  
36 proper officer thereof, setting out in detail the  
37 results as to the collection and disbursement of county  
38 funds and the mode of bookkeeping and accounting in use  
39 and such recommendations as may be proper. All audit  
40 reports and reports of examinations made by the state  
41 auditor shall be made a matter of public record. The  
42 state auditor shall report to each general assembly his  
43 findings and recommendations resulting from audits and  
44 examinations of the various state officials and  
45 institutions made by him in accordance with law.]

46  
47 [29.275. Before the state auditor performs a duty  
48 or service required by law for which a fee is charged,  
49 the person requiring the service shall produce to the  
50 state auditor the receipt of the state director of

1 revenue showing that the fee has been paid to him.]

2  
3 [29.340. Any state or county official affected by  
4 this chapter who shall refuse or fail to comply with  
5 the provisions of this chapter shall be deemed guilty  
6 of a misdemeanor.]  
7