

SECOND REGULAR SESSION

HOUSE BILL NO. 2106

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MARSHALL (Sponsor), WALLINGFORD,
ALLEN AND FLANIGAN (Co-sponsors).

6144L.01I

D. ADAM CRUMBLISS, Chief Clerk

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, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, and 169.020, RSMo, and to enact in lieu thereof eighteen new sections relating to the state auditor's office responsibilities, duties, and enforcement, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. 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29.250, 29.260, 29.270, 29.275, 29.340, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, and 169.020, RSMo, are repealed and eighteen new sections enacted in lieu thereof, to be known as sections 29.005, 29.190, 29.200, 29.210, 29.216, 29.221, 29.230, 29.235, 29.250, 29.260, 29.351, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, and 169.020, to read as follows:

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

- (1) "Accounting system", the total structure of records and procedures which discover, record, classify, and report information on the financial position and operating results of a governmental unit or any of its funds, balanced account groups, and organizational components;**
- (2) "Audit", an independent, objective assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the audit. All audits shall conform to the standards established by the comptroller general of the United States for audits of government entities, organizations, programs, activities, and functions and presented in the publication Government Auditing Standards. The audit objectives as defined in the standards shall determine the type of audit to be**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 **conducted. The types of audits recognized by the standards and the objectives of those**
13 **audits are as follows:**

14 **(a) Financial audits. To provide an independent assessment of whether an entity's**
15 **reported financial information is presented fairly in accordance with recognized criteria.**

16 **Financial audits consist of the following:**

17 **a. Financial statement audits:**

18 **(i) To provide an opinion or disclaim an opinion about whether an entity's financial**
19 **statements are presented fairly in all material respects in conformity with accounting**
20 **principles generally accepted in the United States or with another applicable financial**
21 **reporting framework;**

22 **(ii) To report on internal control deficiencies and on compliance with provisions**
23 **of laws, regulations, contracts, and grant agreements, as those controls and provisions**
24 **relate to financial transactions, systems, and processes;**

25 **b. Other financial audits with various scopes of work including, but not limited to:**

26 **(i) Reporting on specified elements, accounts, or items of a financial statement; and**

27 **(ii) Auditing compliance with requirements related to federal award expenditures**
28 **and other governmental financial assistance in conjunction with a financial statement**
29 **audit;**

30 **(b) Performance audits. Audits that provide findings or conclusions based on an**
31 **evaluation of sufficient, appropriate evidence against identified criteria. Performance**
32 **audit objectives include, but are not limited to, the following:**

33 **a. Effectiveness and results. To measure the extent to which an entity,**
34 **organization, or activity or a program or function is achieving its goals and objectives;**

35 **b. Economy and efficiency. To assess the costs and resources used to achieve results**
36 **of an entity, organization, or activity or a program or function;**

37 **c. Internal control. To assess one or more components of an entity's internal**
38 **control system that is designed to provide reasonable assurance of achieving effective and**
39 **efficient operations, reliable financial and performance reporting, or compliance with**
40 **applicable legal requirements;**

41 **d. Compliance. To assess compliance with criteria established by provisions of**
42 **laws, regulations, contracts, and grant agreements or by other requirements that could**
43 **affect the acquisition, protection, use, and disposition of an entity's resources and the**
44 **quantity, quality, timeliness, and cost of services the entity produces and delivers;**

45 **(c) Neither the audit types nor their objectives are mutually exclusive. An audit**
46 **may include either financial or performance audit objectives or one or more objectives**
47 **from both types of audits. A performance audit may include one primary objective such**

48 as economy and efficiency or a combination of objectives such as internal control and
49 compliance;

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

52 (4) "Internal control", the plans, policies, methods, and procedures used to meet
53 an entity's or organization's mission, goals, and objectives. Internal control includes the
54 processes and procedures for planning, organizing, directing, and controlling operations,
55 as well as management's system for measuring, reporting, and monitoring performance;

56 (5) "State agency", any department, institution, board, commission, committee,
57 division, bureau, officer, official, or any other entity for which the state has oversight
58 responsibility, including but not limited to, any university, mental or specialty hospital,
59 community college, or circuit court and divisions of the circuit court.

29.190. The state auditor shall [prescribe the form of books, receipts, vouchers and
2 documents required to separate and verify each transaction, and forms of reports and statements
3 required for the administration of such officer, or for the information of the public. He shall
4 also] prescribe a uniform method and plan of publishing the county financial statement each year
5 for the information of the public. Such statement or statements shall set forth the true financial
6 condition of the county, the revenues and receipts, expenditures and disbursements for the year
7 as compared with the budget for the year, the bonded debt and other liabilities at the close of the
8 year, the total salaries, fees and all other emoluments received by all county officers, and such
9 other information as shall be prescribed by the state auditor. The form of such statements shall
10 follow the recognized governmental reporting practices.

29.200. [The state auditor shall postaudit the accounts of all state agencies and audit the
2 treasury at least once annually. Once every two years, and when he deems it necessary, proper
3 or expedient, the state auditor shall examine and postaudit the accounts of all appointive officers
4 of the state and of institutions supported in whole or in part by the state. He shall audit any
5 executive department or agency of the state upon the request of the governor.] **1. The auditor
6 shall be responsible for the following acts and activities:**

7 (1) **All audits may be made at the discretion of the auditor without advance notice
8 to the organization being audited;**

9 (2) **The auditor, on the auditor's own initiative and as often as the auditor deems
10 necessary, to the extent deemed practicable and consistent with the overall responsibility
11 as contained in this act, shall make or cause to be made audits of all or any part of the
12 activities of the state agencies;**

13 (3) **The auditor shall make or cause to be made audits of all or any parts of political
14 subdivisions and other entities as authorized in this chapter or any other law of this state;**

15 **(4) The auditor may, at the auditor's own discretion, in selecting audit areas and**
16 **in evaluating current audit activity, consider and utilize, in whole or in part, the relevant**
17 **audit coverage and applicable reports of the audit staffs of the various state agencies,**
18 **independent contractors, and federal agencies;**

19 **(5) The auditor is authorized to contract with federal audit agencies, or any**
20 **governmental agency, on a cost reimbursable basis, for the auditor to perform audits of**
21 **federal grant programs administered by the state departments and institutions in**
22 **accordance with agreements negotiated between the auditor and the contracting federal**
23 **audit agencies or any governmental agency. In instances where the grantee state agency**
24 **shall subgrant these federal funds to local governments, regional councils of government,**
25 **and other local groups or private or semiprivate institutions or agencies, the auditor shall**
26 **have the authority to examine the books and records of these subgrantees to the extent**
27 **necessary to determine eligibility and proper use in accordance with state and federal laws**
28 **and regulations. The auditor shall charge and collect from the contracting federal audit**
29 **agencies, or any governmental agencies, the actual cost of all the audits of the grants and**
30 **programs contracted by the auditor to do. Amounts collected under these arrangements**
31 **shall be deposited in the state treasury and be credited to the state auditor-federal fund**
32 **and shall be available to hire sufficient personnel to perform these contracted audits and**
33 **to pay for related travel, supplies, and other necessary expenses;**

34 **(6) The auditor is authorized and directed in the auditor's reports of audits or**
35 **reports of special investigations to make any comments, suggestions, or recommendations**
36 **deemed appropriate concerning any aspect of such agency's activities and operations;**

37 **(7) The auditor shall audit the treasury at least once annually;**

38 **(8) The auditor may examine the accounts and records of any bank or financial**
39 **institution relating to transactions with the state treasurer, with any state agency, or any**
40 **political subdivision of the state, or the auditor may require such bank to furnish**
41 **information relating to transactions with the state, state agencies, or political subdivisions**
42 **of the state;**

43 **(9) The auditor may, as often as the auditor deems advisable, conduct a detailed**
44 **review of the bookkeeping and accounting systems in use in the various state agencies that**
45 **are supported partially or entirely from state funds. Such examinations shall be for the**
46 **purpose of evaluating the adequacy of systems in use by these agencies and institutions.**
47 **In instances where the auditor determines that existing systems are outmoded, inefficient,**
48 **or otherwise inadequate, the auditor shall recommend changes to the state agency and**
49 **notify the general assembly of the recommended changes;**

50 **(10) The auditor shall, through appropriate tests, satisfy the auditor concerning the**
51 **propriety of the data presented in the state comprehensive annual financial report, and**
52 **shall express the appropriate auditor's opinion in accordance with generally accepted**
53 **government auditing standards;**

54 **(11) The auditor shall provide a report to the governor and attorney general, and**
55 **other appropriate officials, of such facts as are in the auditor's possession which pertain**
56 **to the apparent violation of penal statutes or apparent instances of malfeasance,**
57 **misfeasance, or nonfeasance by an officer or employee;**

58 **(12) At the conclusion of an audit, the auditor or the auditor's designated**
59 **representative shall discuss the audit with the official, or that official's designated**
60 **representative, whose office is subject to audit. On any audit of a state agency or political**
61 **subdivision of the state, the auditee's written response shall be included in the final report**
62 **if received within thirty days from receipt of the draft report;**

63 **(13) The auditor shall notify the general assembly, the governor, the chief executive**
64 **officer of each agency audited, and other persons as the auditor deems appropriate that**
65 **an audit report has been published, its subject and title, and the locations, including state**
66 **libraries, at which the report is available. The auditor shall then distribute copies of the**
67 **report only to those who request a report. The copies shall be available in written form,**
68 **or available on the official website of the auditor. The auditor may charge a reasonable**
69 **fee for providing a written copy of an audit report. The auditor shall also file a copy of the**
70 **audit report in the auditor's office, which shall be a permanent public record. Nothing in**
71 **this subdivision shall be construed as authorizing or permitting the publication of**
72 **information whose disclosure is otherwise prohibited by law;**

73 **(14) The audit function provided in this act shall not be construed to infringe upon**
74 **or deprive the general assembly or the executive or judicial branches of state government**
75 **of any rights, powers, or duties vested in or imposed upon them by statute or the**
76 **constitution of this state;**

77 **(15) The auditor shall be responsible for receiving reports of allegations of the**
78 **improper governmental activities as provided in section 29.220. The auditor shall adopt**
79 **policies and procedures necessary to provide for the investigation or referral of allegations.**

80 **2. In accordance with the state's record's retention schedule, the auditor shall**
81 **maintain a complete file of all audit reports and reports of other examinations,**
82 **investigations, surveys, and reviews issued under the auditor's authority. Audit work**
83 **papers and other evidence and related supportive material directly pertaining to the work**
84 **of the auditor's office shall be retained according to an agreement between the auditor and**
85 **state archives. To promote intergovernmental cooperation and avoid unnecessary**

86 **duplication of audit effort, pertinent work papers and other supportive material related**
87 **to issued audit reports may be, at the discretion of the auditor and unless otherwise**
88 **prohibited by law, made available for inspection by duly authorized representatives of the**
89 **state and federal government who desire access to and inspection of such records in**
90 **connection with some matter officially before them, including criminal investigations.**
91 **Except as provided in this section, audit work papers and related supportive material shall**
92 **be kept confidential, including any interpretations, advisory opinions, or other information**
93 **or materials used and relied on in performing the audit.**

29.210. [In the year 1949 and every two years thereafter, it shall be the duty of]
2 **Whenever** the state auditor [to] **conducts an** audit of the state highways and transportation
3 commission and the state transportation department[.] , salaries of auditors, examiners, clerks,
4 stenographers and other employees of the state auditor making such audit and all expenses
5 incurred in making such audit shall be paid monthly by the state highways and transportation
6 commission and the state transportation department out of moneys appropriated to the state
7 highways and transportation commission and the state transportation department [for that
8 purpose], when such payrolls and expense accounts for such purposes are certified to the state
9 highways and transportation commission and the state transportation department by the state
10 auditor.

29.216. **The state auditor shall have the power to audit any public employee**
2 **retirement or health care systems operating within the state, including but is not limited**
3 **to, public employee retirement or health care systems established under sections 70.600 to**
4 **70.755, and chapters 50, 56, 103, 104, and 169.**

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

2. **The auditor shall receive and initially review reports of allegations of improper**
9 **governmental activities of state agencies, political subdivisions, or state or political**
10 **subdivision officers or employees within the scope of authority set forth in this section,**
11 **including misappropriation, mismanagement, or waste of resources, fraud, violations of**
12 **state or federal law, rule or regulation. After conducting an initial review, the auditor may**
13 **investigate those allegations the auditor deems to be credible. When the auditor believes**
14 **that an allegation of improper governmental activity is outside the authority set forth in**

15 **this section, the auditor shall refer the allegation to the appropriate state agency**
16 **responsible for the enforcement or administration of the matter for investigation. When**
17 **the auditor believes that an allegation of improper governmental activity involves matters**
18 **set forth in this subsection, those matters shall be referred as follows:**

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

21 **(2) Allegations of violations of sections 105.450 to 105.496, to the Missouri Ethics**
22 **Commission;**

23 **(3) Allegations of violations of chapter 115, to the appropriate election authority**
24 **or the secretary of state.**

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

6 2. The state auditor shall audit any political subdivision of the state, including counties
7 having a county auditor, if requested to do so by a petition signed by the requisite percent of the
8 qualified voters of the political subdivision. The requisite percent of qualified voters to cause
9 such an audit to be conducted shall be determined as follows:

10 (1) If the number of qualified voters of the political subdivision determined on the basis
11 of the votes cast in the last gubernatorial election held prior to the filing of the petition is less
12 than one thousand, twenty-five percent of the qualified voters of the political subdivision
13 determined on the basis of the registered voters eligible to vote at the last gubernatorial election
14 held prior to the filing of the petition;

15 (2) If the number of qualified voters of the political subdivision determined on the basis
16 of the votes cast in the last gubernatorial election held prior to the filing of the petition is one
17 thousand or more but less than five thousand, fifteen percent of the qualified voters of the
18 political subdivision determined on the basis of the votes cast in the last gubernatorial election
19 held prior to the filing of the petition, provided that the number of qualified voters signing such
20 petition is not less than two hundred;

21 (3) If the number of qualified voters of the political subdivision determined on the basis
22 of the votes cast in the last gubernatorial election held prior to the filing of the petition is five
23 thousand or more but less than fifty thousand, ten percent of the qualified voters of the political
24 subdivision determined on the basis of the votes cast in the last gubernatorial election held prior
25 to the filing of the petition, provided that the number of qualified voters signing such petition is
26 not less than seven hundred fifty;

27 (4) If the number of qualified voters of the political subdivision determined on the basis
28 of the votes cast in the last gubernatorial election held prior to the filing of the petition is fifty
29 thousand or more, five percent of the qualified voters of the political subdivision determined on
30 the basis of the votes cast in the last gubernatorial election held prior to the filing of the petition,
31 provided that the number of qualified voters signing such petition is not less than five thousand.
32 The political subdivision shall pay the actual cost of audit. The petition that requests an audit
33 of a political subdivision shall state on its face the estimated cost of the audit and that it will be
34 paid by the political subdivision being audited. The estimated cost of the audit shall be provided
35 by the state auditor within sixty days of such request. The costs of the audit may be billed and
36 paid on an interim basis with individual billing periods to be set at the state auditor's discretion.
37 Moneys held by the state on behalf of a political subdivision may be used to offset unpaid
38 billings for audit costs of the political subdivision. All moneys received by the state in payment
39 of the costs of petition audits shall be deposited in the state treasury and credited to the "Petition
40 Audit Revolving Trust Fund" which is hereby created with the state treasurer as custodian. The
41 general assembly may appropriate additional moneys to the fund as it deems necessary. The state
42 auditor shall administer the fund and approve all disbursements, upon appropriation, from the
43 fund to apply to the costs of performing petition audits. The provisions of section 33.080 to the
44 contrary notwithstanding, money in the fund shall not be transferred and placed to the credit of
45 general revenue until the amount in the fund at the end of any biennium exceeds one million
46 dollars. The amount in the fund which shall lapse is the amount which exceeds one million
47 dollars. No political subdivision shall be audited by petition more than once in any three
48 calendar or fiscal years.

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

5 2. The state auditor and any person appointed by him for that purpose may administer
6 oaths and cause to be summoned before them any person whose testimony is desired or necessary
7 in any examination, and may require the person to produce necessary papers, documents and
8 writings.] **(1) The auditor and the auditor's authorized representatives shall have ready
9 access to persons and may examine and copy all books, records, reports, vouchers,
10 correspondence, files, personnel files, investments, and any other documentation of any
11 state agency or political subdivision of the state that the auditor is authorized by law to
12 audit. The review of state tax returns shall be limited to matters of official business and
13 the auditor's report shall not violate the confidentiality provisions of tax laws.
14 Notwithstanding confidentiality provisions of tax laws to the contrary, the auditor may use**

15 and disclose information related to overdue tax debts in support of the auditor's statutory
16 mission.

17 (2) The auditor and the auditor's duly authorized representatives shall have such
18 access to persons, records, papers, reports, vouchers, correspondence, books, and any other
19 documentation that is in the possession of any individual, private corporation, institution,
20 association, board, or other organization that pertain to:

21 (a) Amounts received under a grant or contract from the federal government, the
22 state, or its political subdivisions;

23 (b) Amounts received, disbursed, or otherwise handled on behalf of the federal
24 government or the state. In order to determine that payments to providers of social and
25 medical services are legal and proper, the providers of such services shall give the auditor,
26 or the auditor's authorized representatives, access to the records of recipients who receive
27 such services.

28 (3) The auditor shall, for the purpose of examination and audit authorized by this
29 chapter, have the authority, and shall be provided ready access, to examine and inspect all
30 property, equipment, and facilities in the possession of any state agency, political
31 subdivision, or any individual, private corporation, institution, association, board, or other
32 organization that were furnished or otherwise provided through grant, contract, or any
33 other type of funding by the state of Missouri, or the federal government.

34 (4) All contracts or grants entered into by state agencies or political subdivisions
35 shall include, as a necessary part, a clause providing access as intended by this section.

36 (5) The auditor and the auditor's authorized agents are authorized to examine all
37 books and accounts of any individual, firm, or corporation only insofar as they relate to
38 transactions with any agency or political subdivision of the state.

39 2. The auditor may obtain the services of independent public accountants, qualified
40 management consultants, or other professional persons and experts as he or she deems
41 necessary or desirable to carry out the duties and functions assigned under this act. Unless
42 otherwise authorized by law, no state agency shall enter into any contract for auditing
43 services without consultation with, and the prior written approval of, the auditor.

44 3. (1) For the purposes of this chapter, the auditor or the auditor's authorized
45 representative shall have the power to subpoena witnesses, to take testimony under oath,
46 to cause the deposition of witnesses residing within or without the state to be taken in a
47 manner prescribed by law, and to assemble records and documents, by subpoena or
48 otherwise. The subpoena power granted by this section shall be exercised only at the
49 specific written direction of the auditor or the auditor's chief deputy.

50 **(2) In case any person refuses to obey a subpoena, the auditor shall invoke the aid**
51 **of any Missouri court within the jurisdiction of which the investigation is carried on or**
52 **where such person may be, in requiring the attendance and testimony of witnesses and the**
53 **production of books, papers, correspondence, memoranda, contracts, agreements, and**
54 **other records. Such court may issue an order requiring such person to appear before the**
55 **auditor or officers designated by the auditor, there to produce records, if so ordered, or to**
56 **give testimony touching the matter under investigation or in question. Any failure to obey**
57 **such order of the court may be punished by such court as a contempt thereof.**

 29.250. [If any such officer or officers shall refuse] **1. Any person who shall willfully**
2 **make or cause to be made to the state auditor or the auditor's designated representatives**
3 **any false, misleading, or unfounded report for the purpose of interfering with the**
4 **performance of any audit, special review, or investigation, or to hinder or obstruct the**
5 **auditor or the auditor's designated representatives in the performance of duties, shall be**
6 **guilty of a class A misdemeanor.**

7 **2. Any person or entity affected by this chapter who shall refuse or fail to comply**
8 **with the provisions of this chapter shall be deemed guilty of a class A misdemeanor.**
9 **Refusing or failing to comply with the provisions of this chapter shall include but not be**
10 **limited to any person or entity failing** to submit their books, papers and concerns to the
11 inspection of the state auditor, or any of [his] **the auditor's** examiners, or if anyone connected
12 with the official duties of the state, county, institution, or political subdivision of the state, shall
13 refuse to submit to be examined upon oath[, touching the officers of such county or political
14 subdivision,] .

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

 29.260. Nothing done in [sections 29.010 to 29.360] **this chapter** shall preclude any
2 officer or officers in charge of the offices and institutions mentioned in said sections from having
3 proper recourse in the courts of law in this state.

 [21.760.] **29.351.** 1. [During the regular legislative session which convenes in an
2 odd-numbered year,] **Whenever the general assembly may desire that an independent audit**
3 **be conducted of the state auditor's office**, the general assembly shall, by concurrent resolution,
4 employ an independent certified public accountant or certified public accounting firm to conduct
5 an audit examination of the accounts, functions, programs, and management of the state auditor's
6 office. The audit examination shall be made in accordance with generally accepted auditing
7 standards, including such reviews and inspections of books, records and other underlying data
8 and documents as are necessary to enable the independent certified public accountant performing

9 the audit to reach an informed opinion on the condition and performance of the accounts,
10 functions, programs, and management of the state auditor's office. Upon completion of the audit,
11 the independent certified public accountant shall make a written report of his findings and
12 conclusions, and shall supply each member of the general assembly, the governor, and the state
13 auditor with a copy of the report. The cost of the audit and report shall be paid out of the joint
14 contingent fund of the general assembly.

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

50.1030. 1. The general administration and the responsibility for the proper operation
2 of the fund and the system and the investment of the funds of the system are vested in a board
3 of directors of eleven persons. Nine directors shall be elected by a secret ballot vote of the
4 county employee members of this state. Two directors, who have no beneficiary interest in the
5 system, shall be appointed by the governor with the advice and consent of the senate. No more
6 than one director at any one time shall be employed by the same elected county office. Directors
7 shall be chosen for terms of four years from the first day of January next following their election.
8 It shall be the responsibility of the board to establish procedures for the conduct of future
9 elections of directors and such procedures shall be approved by a majority vote by secret ballot
10 by members of the system. The board shall have all powers and duties that are necessary and
11 proper to enable it, its officers, employees and agents to fully and effectively carry out all the
12 purposes of sections 50.1000 to 50.1300.

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

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

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

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

25 6. The board of directors shall serve without compensation for their services, but each
26 director shall be paid out of the funds of the system for any actual and necessary expenses
27 incurred in the performance of duties authorized by the board.

28 7. The board of directors shall be allowed administrative costs for the operation of the
29 system to be paid out of the funds of the system.

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

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

37 (1) An adjustment to the formula described in section 50.1060, subject to the limitations
38 of subsection 4 of section 50.1060;

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

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

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

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

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

45 (7) An additional benefit or enhancement which will improve the quality of life of future
46 retirees. Based upon the findings of the actuarial review, the board may vote to change none,
47 one, or more than one of the above items, subject to the actuarial guidelines outlined in section
48 50.1031.

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

14 2. The board of trustees shall elect one of their number as chairman and one of their
15 number as vice chairman and may employ an administrator who shall serve as executive

16 secretary to the board. The Missouri office of prosecution services, sections 56.750 to 56.775,
17 may, in the discretion of the board of trustees, act as administrative employees to carry out all
18 of the purposes of sections 56.800 to 56.840. In addition, the board of trustees may appoint such
19 other employees as may be required. The board shall hold regular meetings at least once each
20 quarter. Other meetings may be called as necessary by the chairman or by any three members
21 of the board. Notice of such meetings shall be given in accordance with chapter 610.

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

24 4. The board of trustees shall retain investment advisors to be investment advisors to the
25 board.

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

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

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

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

37 9. The board of trustees shall, from time to time, after receiving the advice of its actuary,
38 adopt such mortality and other tables of experience, and a rate or rates of regular interest, as shall
39 be necessary for the actuarial requirements of the system, and shall require its executive secretary
40 to keep in convenient form such data as shall be necessary for actuarial investigations of the
41 experience of the system, and such data as shall be necessary for the annual actuarial valuations
42 of the system.

43 10. The board of trustees shall, after reasonable notice to all interested parties, hear and
44 decide questions arising from the administration of sections 56.800 to [56.835] **56.833**; except
45 that within thirty days after a decision or order, any member, retirant, beneficiary or political
46 subdivision adversely affected by that determination or order may make an appeal under the
47 provisions of chapter 536.

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

51 12. Subject to the limitations of sections 56.800 to [56.835] **56.833**, the board of trustees
52 shall formulate and adopt rules and regulations for the government of its own proceedings and
53 for the administration of the retirement system.

54 13. The board of trustees shall be the trustees of the funds of the system. Subject to the
55 provisions of any applicable federal or state laws, the board of trustees shall have full power to
56 invest and reinvest the moneys of the system, and to hold, purchase, sell, assign, transfer or
57 dispose of any of the securities and investments in which such moneys shall have been invested,
58 as well as the proceeds of such investments and such moneys.

59 14. Notwithstanding any other provision of the law to the contrary, the board of trustees
60 may delegate to its duly appointed investment advisors authority to act in place of the board of
61 trustees in the investment and reinvestment of all or part of the moneys of the system, and may
62 also delegate to such advisors the authority to act in place of the board of trustees in the holding,
63 purchasing, selling, assigning, transferring or disposing of any or all of the securities and
64 investments in which such moneys shall have been invested, as well as the proceeds of such
65 investments and such moneys. Such investment counselor shall be registered as an investment
66 advisor with the United States Securities and Exchange Commission. In exercising or delegating
67 its investment powers and authority, members of the board of trustees shall exercise ordinary
68 business care and prudence under the facts and circumstances prevailing at the time of the action
69 or decision. In so doing, the board of trustees shall consider the long-term and short-term needs
70 of the system in carrying out its purposes, the system's present and anticipated financial
71 requirements, the expected total return on the system's investment, the general economic
72 conditions, income, growth, long-term net appreciation, and probable safety of funds. No
73 member of the board of trustees shall be liable for any action taken or omitted with respect to the
74 exercise of or delegation of these powers and authority if such member shall have discharged the
75 duties of his or her position in good faith and with that degree of diligence, care and skill which
76 prudent men and women would ordinarily exercise under similar circumstances in a like
77 position.

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

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers
2 and employees and the widows and children of deceased officers and employees of any political
3 subdivision of the state, there is hereby created and established a retirement system which shall
4 be a body corporate, which shall be under the management of a board of trustees herein

5 described, and shall be known as the "Missouri Local Government Employees' Retirement
6 System". Such system may sue and be sued, transact business, invest funds, and hold cash,
7 securities, and other property. All suits or proceedings directly or indirectly against the system
8 shall be brought in Cole County. The system shall begin operations on the first day of the
9 calendar month next following sixty days after the date the board of trustees has received
10 certification from ten political subdivisions that they have elected to become employers.

11 2. The general administration and the responsibility for the proper operation of the
12 system is vested in a board of trustees of seven persons: three persons to be elected as trustees
13 by the members of the system; three persons to be elected trustees by the governing bodies of
14 employers; and one person, to be appointed by the governor, who is not a member, retirant, or
15 beneficiary of the system and who is not a member of the governing body of any political
16 subdivision.

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

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

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

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

30 4. Successor trustees elected or appointed as member trustees shall be members of the
31 retirement system; provided, that not more than one member trustee shall be employed by any
32 one employer, and not more than one member trustee shall be a policeman, and not more than
33 one member trustee shall be a fireman.

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

37 6. An annual meeting of the retirement system shall be called by the board in the last
38 calendar quarter of each year in Jefferson City, or at such place as the board shall determine, for
39 the purpose of electing trustees and to transact such other business as may be required for the
40 proper operation of the system. Notice of such meeting shall be sent by registered mail to the

41 clerk or secretary of each employer not less than thirty days prior to the date of such meeting.
42 The governing body of each employer shall certify to the board the name of one delegate who
43 shall be an officer of the employer, and the members of the employer shall certify to the board
44 a member of the employer to represent such employer at such meeting. The delegate certified
45 as member delegate shall be elected by secret ballot by the members of such employer, and the
46 clerk or secretary of each employer shall be charged with the duty of conducting such election
47 in a manner which will permit each member to vote in such election. Under such rules and
48 regulations as the board shall adopt, approved by the delegates, the member delegates shall elect
49 a member trustee for each such position on the board to be filled, and the officer delegates shall
50 elect an employer trustee for each such position on the board to be filled.

51 7. In the event any member trustee ceases to be a member of the retirement system, or
52 any employer trustee ceases to be an appointed or elected official of an employer, or becomes
53 a member of the retirement system, or if the trustee appointed by the governor becomes a
54 member of the retirement system or an elected or appointed official of a political subdivision,
55 or if any trustee fails to attend three consecutive meetings of the board, unless in each case
56 excused for cause by the remaining trustees attending such meeting or meetings, he or she shall
57 be considered as having resigned from the board and the board shall, by resolution, declare his
58 or her office of trustee vacated. If a vacancy occurs in the office of trustee, the vacancy shall be
59 filled for the unexpired term in the same manner as the office was previously filled; provided,
60 however, that the remaining trustees may fill employer and member trustee vacancies on the
61 board until the next annual meeting.

62 8. Each trustee shall be commissioned by the governor, and before entering upon the
63 duties of his office, shall take and subscribe to an oath or affirmation to support the Constitution
64 of the United States, and of the state of Missouri, and to demean himself faithfully in his or her
65 office. Such oath as subscribed to shall be filed in the office of the secretary of state of this state.

66 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be
67 necessary for a decision by the trustees at any meeting of the board of trustees. Four trustees, of
68 whom at least two shall be member trustees and at least two shall be employer trustees, shall
69 constitute a quorum at any meeting of the board. Unless otherwise expressly provided herein,
70 a meeting need not be called or held to make any decision on a matter before the board. Each
71 member must be sent by the executive secretary a copy of the matter to be decided with full
72 information from the files of the board. The concurring decisions of four trustees may decide
73 the issue by signing a document declaring their decision and sending the written instrument to
74 the executive secretary, provided that no other trustee shall send a dissenting decision to the
75 executive secretary within fifteen days after the document and information was mailed to him
76 or her. If any trustee is not in agreement with the four trustees, the matter is to be passed on at

77 a regular board meeting or a special meeting called for that purpose. The board shall hold
78 regular meetings at least once each quarter, the dates of these meetings to be designated in the
79 rules and regulations adopted by the board. Other meetings as deemed necessary may be called
80 by the chairman or by any four trustees acting jointly.

81 10. The board of trustees shall elect one of their number as chairman, and one of their
82 number as vice chairman, and shall employ an executive secretary, not one of their number, who
83 shall be the executive officer of the board. Other employees of the board shall be chosen only
84 upon the recommendation of the executive secretary.

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

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

91 13. The board may appoint an investment counselor to be the investment advisor of the
92 board.

93 14. The board shall from time to time, after receiving the advice of its actuary, adopt
94 such mortality and other tables of experience, and a rate or rates of regular interest, as shall be
95 necessary for the actuarial requirements of the system, and shall require its executive secretary
96 to keep in convenient form such data as shall be necessary for actuarial investigations of the
97 experience of the system, and such data as shall be necessary for the annual actuarial valuations
98 of the system.

99 15. The board shall keep a record of its proceedings, which shall be open to public
100 inspection. It shall prepare annually and render to each employer a report showing the financial
101 condition of the system as of the preceding June thirtieth. The report shall contain, but shall not
102 be limited to, a financial balance sheet; a statement of income and disbursements; a detailed
103 statement of investments acquired and disposed of during the year, together with a detailed
104 statement of the annual rates of investment income from all assets and from each type of
105 investment; an actuarial balance sheet prepared by means of the last valuation of the system, and
106 such other data as the board shall deem necessary or desirable for a proper understanding of the
107 condition of the system.

108 16. The board of trustees shall, after reasonable notice to all interested parties, conduct
109 administrative hearings to hear and decide questions arising from the administration of sections
110 70.600 to 70.755; except, that such hearings may be conducted by a hearing officer who shall be
111 appointed by the board. The hearing officer shall preside at the hearing and hear all evidence and
112 rule on the admissibility of evidence. The hearing officer shall make recommended findings of

113 fact and may make recommended conclusions of law to the board. All final orders or
114 determinations or other final actions by the board shall be approved in writing by at least four
115 members of the board. Any board member approving in writing any final order, determination
116 or other final action, who did not attend the hearing, shall do so only after certifying that he or
117 she reviewed all exhibits and read the entire transcript of the hearing. Within thirty days after
118 a decision or order or final action of the board, any member, retirant, beneficiary or political
119 subdivision adversely affected by that determination or order or final action may take an appeal
120 under the provisions of chapter 536. Jurisdiction over any dispute regarding the interpretation
121 of sections 70.600 to 70.755 and the determinations required thereunder shall lie in the circuit
122 court of Cole County.

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

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

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

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

134 21. Subject to the limitations of sections 70.600 to 70.755, the board shall formulate and
135 adopt rules and regulations for the government of its own proceedings and for the administration
136 of the retirement system.

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

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

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

9 3. The principal office of the system shall be located in Jefferson City. The system shall
10 have a seal bearing the inscription "Transportation Department Employees' and Highway Patrol
11 Retirement System", which shall be in the custody of its executive director. The courts of this
12 state shall take judicial notice of the seal; and all copies of records, books, and written
13 instruments which are kept in the office of the system and are certified by the executive director
14 under said seal shall be proved or admitted in any court or proceeding as provided by section
15 109.130.

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

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

3 2. A statement covering the operations of the system for the year, including income and
4 disbursements, and of the financial condition of the system at the end of the year, showing the
5 actuarial valuation and appraisal of its assets and liabilities, as of July first, shall each year be
6 delivered to the governor of Missouri and be made readily available to the members.

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

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

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

10 provided, that teachers in school districts of more than four hundred thousand inhabitants who
11 are or may become members of a local retirement system may become members of this system
12 with the same legal benefits as accrue to present members of such state system on the terms and
13 under the conditions provided for in section 169.021. The system hereby established shall begin
14 operations on the first day of July next following the date upon which sections 169.010 to
15 169.130 shall take effect.

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

26 3. Trustees appointed and elected shall be chosen for terms of four years from the first
27 day of July next following their appointment or election, except that one of the elected trustees
28 shall be a member of the public education employee retirement system and shall be initially
29 elected for a term of three years from July 1, 1991. The initial term of one other elected trustee
30 shall commence on July 1, 1992.

31 4. Trustees appointed by the governor shall be residents of school districts included in
32 the retirement system, but not employees of such districts or a state employee or a state elected
33 official. At least one trustee so appointed shall be a retired member of the public school
34 retirement system or the public education employee retirement system. Three elected trustees
35 shall be members of the public school retirement system and one elected trustee shall be a
36 member of the public education employee retirement system.

37 5. The elections of the trustees shall be arranged for, managed and conducted by the
38 board of trustees of the retirement system.

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

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

43 8. Each trustee shall be commissioned by the governor, and before entering upon the
44 duties of the trustee's office, shall take and subscribe to an oath or affirmation to support the
45 Constitution of the United States, and of the state of Missouri and to demean himself or herself

46 faithfully in the trustee's office. Such oath as subscribed to shall be filed in the office of secretary
47 of state of this state.

48 9. Each trustee shall be entitled to one vote in the board of trustees. Four votes shall be
49 necessary for a decision by the trustees at any meeting of the board of trustees. Unless otherwise
50 expressly provided herein, a meeting need not be called or held to make any decision on a matter
51 before the board. Each member must be sent by the executive director a copy of the matter to
52 be decided with full information from the files of the board of trustees. The unanimous decision
53 of four trustees may decide the issue by signing a document declaring their decision and sending
54 such written instrument to the executive director of the board, provided that no other member
55 of the board of trustees shall send a dissenting decision to the executive director of the board
56 within fifteen days after such document and information was mailed to the trustee. If any
57 member is not in agreement with four members the matter is to be passed on at a regular board
58 meeting or a special meeting called for the purpose.

59 10. The board of trustees shall elect one of their number as chairman, and shall employ
60 a full-time executive director, not one of their number, who shall be the executive officer of the
61 board. Other employees of the board shall be chosen only upon the recommendation of the
62 executive director.

63 11. The board of trustees shall employ an actuary who shall be its technical advisor on
64 matters regarding the operation of the retirement system, and shall perform such duties as are
65 essential in connection therewith, including the recommendation for adoption by the board of
66 mortality and other necessary tables, and the recommendation of the level rate of contributions
67 required for operation of the system.

68 12. As soon as practicable after the establishment of the retirement system, and annually
69 thereafter, the actuary shall make a valuation of the system's assets and liabilities on the basis of
70 such tables as have been adopted.

71 13. At least once in the three-year period following the establishment of the retirement
72 system, and in each five-year period thereafter, the board of trustees shall cause to be made an
73 actuarial investigation into the mortality, service, and compensation experience of the members
74 and beneficiaries of the system, and shall make any changes in the mortality, service, and other
75 tables then in use which the results of the investigation show to be necessary.

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

79 15. The board of trustees shall determine and decide all questions of doubt as to what
80 constitutes employment within the meaning of sections 169.010 to 169.141 and 169.600 to
81 169.715, the amount of benefits to be paid to members, retired members, beneficiaries and

82 survivors and the amount of contributions to be paid by employer and employee. The executive
83 director shall notify by certified mail both employer and member, retired member, beneficiary
84 or survivor interested in such determination. Any member, retired member, beneficiary or
85 survivor, district or employer adversely affected by such determination, at any time within thirty
86 days after being notified of such determination, may appeal to the circuit court of Cole County.
87 Such appeal shall be tried and determined anew in the circuit court and such court shall hear and
88 consider any and all competent testimony relative to the issues in the case, which may be offered
89 by either party thereto. The circuit court shall determine the rights of the parties under sections
90 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in section
91 536.150, and the judgment or order of such circuit court shall be binding upon the parties and
92 the board shall carry out such judgment or order unless an appeal is taken from such decision of
93 the circuit court. Appeals may be had from the circuit court by the employer, member, retired
94 member, beneficiary, survivor or the board, in the manner provided by the civil code.

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

101 17. The board of trustees shall provide for the maintenance of an individual account with
102 each member, setting forth such data as may be necessary for a ready determination of the
103 member's earnings, contributions, and interest accumulations. It shall also collect and keep in
104 convenient form such data as shall be necessary for the preparation of the required mortality and
105 service tables and for the compilation of such other information as shall be required for the
106 valuation of the system's assets and liabilities. All individually identifiable information
107 pertaining to members, retirees, beneficiaries and survivors shall be confidential.

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

112 19. The headquarters of the retirement system shall be in Jefferson City, where suitable
113 office space, utilities and other services and equipment necessary for the operation of the system
114 shall be provided by the board of trustees and all costs shall be paid from funds of the system.
115 All suits or proceedings directly or indirectly against the board of trustees, the board's members
116 or employees or the retirement system established by sections 169.010 to 169.141 or 169.600 to
117 169.715 shall be brought in Cole County.

118 20. The board may appoint an attorney or firm of attorneys to be the legal advisor to the
119 board and to represent the board in legal proceedings, however, if the board does not make such
120 an appointment, the attorney general shall be the legal advisor of the board of trustees, and shall
121 represent the board in all legal proceedings.

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

125 22. The board shall arrange for annual audits of the records and accounts of the system
126 by a firm of certified public accountants[, the state auditor shall review the audit of the records
127 and accounts of the system at least once every three years and shall report the results to the board
128 of trustees and the governor].

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

2 [29.090. It shall be unlawful for any examiner appointed under the
3 provisions of this chapter to accept, receive or ride on any free transportation
4 while engaged on official business, and any officer who shall request such free
5 transportation for any such examiner shall be guilty of a misdemeanor, and
6 punishable by a fine not to exceed five hundred dollars.]

2 [29.180. The state auditor in cooperation [with the budget director shall
3 establish appropriate systems of accounting for all officers and agencies of the
4 state, including all educational and eleemosynary institutions, and he shall also
5 prescribe systems of accounting for all county officers. Such systems of
6 accounting shall conform to recognized principles of governmental accounting
7 and shall be uniform in application to offices of the same grade and kind and to
8 accounts of the same kind. Such systems of accounting shall be adequate to
9 record all assets and revenues accrued, all liabilities and expenditures incurred,
10 as well as all cash receipts and disbursements, and all transactions affecting the
11 acquisition and disposition of property, including the preparation and keeping of
12 inventories of all property. Each department shall keep such accounts in
13 accordance with the system of accounts prescribed by the auditor.]

2 [29.270. The state auditor shall report to the governor as soon as possible
3 the result of his findings from an examination of the state institutions, and report
4 to the elective officers the result of his findings from an examination of their
5 appointive officers, setting out in detail the findings as to the collection and
6 disbursements of public funds and the mode of bookkeeping and accounting in
7 force in such institution, and as soon as possible after the completion of the
8 examination of a county's officers and institutions, he shall report in writing the
findings to the county court or prosecuting attorney or proper officer thereof,

9 setting out in detail the results as to the collection and disbursement of county
10 funds and the mode of bookkeeping and accounting in use and such
11 recommendations as may be proper. All audit reports and reports of
12 examinations made by the state auditor shall be made a matter of public record.
13 The state auditor shall report to each general assembly his findings and
14 recommendations resulting from audits and examinations of the various state
15 officials and institutions made by him in accordance with law.]
16

2 [29.275. Before the state auditor performs a duty or service required by
3 law for which a fee is charged, the person requiring the service shall produce to
4 the state auditor the receipt of the state director of revenue showing that the fee
5 has been paid to him.]

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

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