

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 723

5 By: Senator Hickey
6 By: Representative Broadaway
7

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE DIVISION
10 OF LEGISLATIVE AUDIT; TO RENAME THE DIVISION OF
11 LEGISLATIVE AUDIT AS "ARKANSAS LEGISLATIVE AUDIT"; TO
12 AMEND CERTAIN PROVISIONS OF LAW PERTAINING TO THE
13 DIVISION OF LEGISLATIVE AUDIT; AND FOR OTHER
14 PURPOSES.
15

Subtitle

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17
18 TO AMEND ARKANSAS LAW CONCERNING THE
19 DIVISION OF LEGISLATIVE AUDIT.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. DO NOT CODIFY. Division of Legislative Audit renamed
25 "Arkansas Legislative Audit".

26 (a)(1) The Division of Legislative Audit, as it is referred to or
27 empowered throughout the Arkansas Code, is renamed.

28 (2) In its place, Arkansas Legislative Audit is established,
29 succeeding to the general powers and responsibilities previously assigned to
30 the Division of Legislative Audit.

31 (3) The Legislative Auditor shall identify and revise all
32 interagency documents, financial instruments, funds, and other necessary
33 legal documents in order to effect this change.

34 (b) This act does not impair the powers and authority of the Division
35 of Legislative Audit before the effective date of this act.

36 (c) Appropriations authorized for the personal services and operating



1 expenses of the Division of Legislative Audit may be utilized for the
 2 personal services and operating expenses of Arkansas Legislative Audit.

3 (d) This act does not impair the continued effectiveness of rules or
 4 orders promulgated or issued by the Division of Legislative Audit before the
 5 effective date of this act.

6 (e) The Arkansas Code Revision Commission shall make all changes in
 7 the Arkansas Code necessary to effectuate the intent of this act.

8
 9 SECTION 2. Arkansas Code § 10-2-129(a)(1), concerning drafting and
 10 information requests to legislative employees, is amended to read as follows:

11 (1) "Legislative employee" means an employee of the House of
 12 Representatives, the Senate, the Bureau of Legislative Research, ~~the Division~~
 13 ~~of~~ Arkansas Legislative Audit, and the Arkansas Code Revision Commission; and
 14

15 SECTION 3. Arkansas Code § 10-3-411(b)(1), concerning the
 16 investigation and audit of state and local entities, is amended to read as
 17 follows:

18 (b)(1) Any member of the General Assembly, by written request filed
 19 with the Legislative Joint Auditing Committee at least six (6) days prior to
 20 any regular or special meeting of the Legislative Joint Auditing Committee,
 21 may request an investigation or audit of any entity for which the Legislative
 22 Joint Auditing Committee and ~~the Division of~~ Arkansas Legislative Audit has
 23 the authority to audit.
 24

25 SECTION 4. Arkansas Code § 10-3-1106 is amended to read as follows:
 26 10-3-1106. Additional legislative space.

27 In addition to the space now provided in the State Capitol Building for
 28 the General Assembly and its committees, the following additional space in
 29 the State Capitol Building is designated as legislative space if the Joint
 30 Interim Committee on Legislative Facilities determines that it is needed for
 31 legislative committee space or for other legislative facilities:

32 (1) The office space on the north wing of the first floor of the
 33 State Capitol Building currently used by the Division of Purchasing, the
 34 Department of Correction, the Department of Parks and Tourism, and the
 35 Department of Commerce;

36 (2) The office space on the west side of the first floor of the

1 State Capitol Building presently used by the Public Employees' Retirement
2 System, which shall be made available to ~~the Division of~~ Arkansas Legislative
3 Audit, or such other legislative uses as may be determined by the Joint
4 Interim Committee on Legislative Facilities;

5 (3) The office space on the southeast wing of the first floor of
6 the State Capitol Building presently assigned to the Accounting Division of
7 the Department of Finance and Administration, and any other portion of the
8 space assigned to the Department of Finance and Administration the Joint
9 Interim Committee on Legislative Facilities determines is needed for
10 legislative use;

11 (4) The office space on the southeast wing of the second floor
12 of the State Capitol Building currently assigned for use by the Budget
13 Division of the Department of Finance and Administration. The space now
14 provided for the Arkansas Economic Development Commission on the southwest
15 wing of the second floor of the State Capitol Building shall be made
16 available for the Budget Division of the Department of Finance and
17 Administration unless the director determines that the location of the Budget
18 Division in some other facilities would be more advantageous to the agency;

19 (5) The former Supreme Court Chamber on the south end of the
20 second floor of the State Capitol Building, to be air conditioned and serve
21 as a large Senate committee room, but preserving the present decor of the
22 chamber, i.e., changes contemplated involve only such things as air
23 conditioning, carpeting, repainting, improved lighting, and installation of
24 sound and recording equipment, and necessary committee tables and chairs, and
25 other minor changes, essentially preserving the room in its present state;
26 and

27 (6) The space presently assigned ~~the Division of~~ Arkansas
28 Legislative Audit on the west portion of the fourth floor of the State
29 Capitol Building shall be available for the Bureau of Legislative Research of
30 the Legislative Council, Budget and Fiscal Review Section, or such other uses
31 as determined by the Joint Interim Committee on Legislative Facilities.

32
33 SECTION 5. Arkansas Code § 10-3-2102(f)(1), concerning duties under
34 the Continuing Adequacy Evaluation Act of 2004, is amended to read as
35 follows:

36 (1) Reviewing a report prepared by ~~the Division of~~ Arkansas

1 Legislative Audit compiling all funding received by public schools for each
2 program;

3
4 SECTION 6. Arkansas Code § 10-4-305(c)(1), concerning a notice of
5 deficiencies under the Arkansas Governmental Compliance Act, is amended to
6 read as follows:

7 (c)(1) The Legislative Joint Auditing Committee may require a
8 municipal official who is responsible for any deficiencies under subsection
9 (a) of this section to attend relevant training courses provided by the
10 Arkansas Municipal League, ~~the Division of~~ Arkansas Legislative Audit, or
11 other appropriate training program.

12
13 SECTION 7. Arkansas Code § 10-4-401 is amended to read as follows:
14 10-4-401. ~~Division of~~ Arkansas Legislative Audit – Creation.

15 (a) There is created under the authority of the General Assembly a
16 ~~Division of Legislative Audit~~ an agency known as "Arkansas Legislative
17 Audit".

18 (b) ~~The division~~ Arkansas Legislative Audit shall be headed by the
19 Legislative Auditor, who shall be selected by the Legislative Joint Auditing
20 Committee.

21
22 SECTION 8. Arkansas Code § 10-4-402(a)(3), concerning the definition
23 of "financial audit", is amended to read as follows:

24 (3) "Financial audit" means a systematic examination of the
25 financial statements of an entity and the related supporting evidence for the
26 purpose of expressing an opinion on the fairness with which they present, in
27 all material respects, financial position, results of operations, and its
28 cash flows in conformity with accounting principles generally accepted in the
29 United States, another comprehensive basis of accounting, or a regulatory
30 basis ~~of presentation~~, as applicable;

31
32 SECTION 9. Arkansas Code § 10-4-403(b)(2), concerning the authority of
33 the Legislative Auditor, is amended to read as follows:

34 (2)(A) ~~Nothing in this~~ This section ~~shall be construed as~~
35 ~~authorizing or permitting~~ does not authorize or permit the Legislative
36 Auditor to release ~~of~~ information;

1 (i) When otherwise prohibited by law; or
2 (ii) ~~not~~ Not subject to public inspection under ~~the~~
3 ~~provisions of~~ the Freedom of Information Act of 1967, § 25-19-101 et seq., or
4 other applicable law.

5 (B) All records, documents, correspondence, or other data
6 of a person, foundation, nonprofit corporation, or any other entity holding
7 other funds that would infringe upon the rights, privacy, or confidentiality
8 of donors of private funds to the person, foundation, nonprofit corporation,
9 or other entity are exempt from public disclosure when in the possession of
10 the Legislative Auditor.

11 (C) Any working papers or other data relating to the donor
12 information examined by the Legislative Auditor under this chapter are
13 confidential and exempt from public disclosure.

14
15 SECTION 10. Arkansas Code § 10-4-407(6), concerning the duties of the
16 Legislative Auditor, is amended to read as follows:

17 (6) Require, on forms prescribed or made available, the filing
18 with ~~the Division of~~ Arkansas Legislative Audit of financial reports at such
19 times as the Legislative Auditor deems advisable.

20
21 SECTION 11. Arkansas Code § 10-4-408 is amended to read as follows:
22 10-4-408. Disbursing officer – Payment of salaries.

23 (a)(1) The Legislative Auditor is designated as disbursing officer for
24 ~~the Division of~~ Arkansas Legislative Audit.

25 (2) All vouchers issued in the payment of salaries and expenses
26 incurred in the operations of ~~the division~~ Arkansas Legislative Audit shall
27 be approved by the Legislative Auditor or the Legislative Auditor's
28 authorized designee or designees before the salaries and expenses are paid.

29 (b) In case a vacancy exists in the position of Legislative Auditor,
30 the Legislative Joint Auditing Committee may designate a disbursing agent or
31 agents for ~~the division~~ Arkansas Legislative Audit who shall serve until the
32 position of Legislative Auditor is filled.

33 (c) The salary of the Legislative Auditor and the other employees of
34 ~~the division~~ Arkansas Legislative Audit shall be paid in the same manner and
35 through the same procedure used for the payment of salaries of other state
36 employees.

1
2 SECTION 12. Arkansas Code § 10-4-409 is amended to read as follows:
3 10-4-409. Personnel.

4 (a) Subject to a ~~biennial~~ an annual appropriation therefor, all
5 employees of ~~the Division of~~ Arkansas Legislative Audit shall be selected and
6 appointed by the Legislative Auditor.

7 (b)(1) The Legislative Auditor shall be free to select the most
8 efficient personnel available for each position in ~~the division~~ Arkansas
9 Legislative Audit, to the end that he or she may render to the members of the
10 General Assembly that service which the members have a right to expect.

11 (2) The Legislative Auditor may conduct such professional
12 examination as he or she may deem expedient in determining the qualifications
13 of the persons whom he or she contemplates placing on his or her staff.

14 (c)(1) No person related to any member of the General Assembly or to
15 the Legislative Auditor in the first degree of consanguinity or affinity may
16 be employed on the staff of ~~the division~~ Arkansas Legislative Audit.

17 (2) However, subdivision (c)(1) of this section does not
18 apply if an individual is initially employed with ~~the division~~ Arkansas
19 Legislative Audit before his or her relative is elected as a member of the
20 General Assembly.

21 (d)(1) It is the intention and desire of the General Assembly to free
22 the Legislative Auditor and his or her staff from partisan politics.

23 (2) It is declared to be against public policy for any member of
24 the General Assembly or any official or employee of the entities of the state
25 or political subdivisions of the state to recommend or suggest the
26 appointment of any person to a position on the staff of the Legislative
27 Auditor.

28
29 SECTION 13. Arkansas Code § 10-4-410 is amended to read as follows:
30 10-4-410. Audit costs.

31 (a)(1) The Legislative Auditor shall cause to be maintained a
32 sufficient accounting of the audit costs incurred by ~~the Division of~~ Arkansas
33 Legislative Audit in auditing entities of the state and political
34 subdivisions of the state.

35 (2) The audit costs shall provide a basis for determining a
36 reasonable reimbursement from entities of the state and political

1 subdivisions of the state for the cost of auditing federal funds received by
2 these entities.

3 (b)(1) The administrative cost of auditing political subdivisions of
4 the state shall be paid from the Ad Valorem Tax Fund as prescribed by § 19-5-
5 906.

6 (2) If these taxes or any part thereof are no longer collected
7 or deposited into the State Treasury or if there is a diminution in these
8 taxes, then the operating cost of auditing the political subdivisions of the
9 state incurred by ~~the Division of~~ Arkansas Legislative Audit shall be paid
10 from other moneys deposited into the General Revenue Fund Account of the
11 State Apportionment Fund.

12 (3) As soon as practical after the close of each fiscal year,
13 the Legislative Auditor shall certify to the Chief Fiscal Officer of the
14 State the amount of funds expended during the fiscal year just ending which
15 is to be allocated to the state audit function and to the local audit
16 function of ~~the Division of~~ Arkansas Legislative Audit.

17 (4) The Chief Fiscal Officer of the State shall utilize this
18 certification in determining those expenses which are eligible to be
19 reimbursed from the Ad Valorem Tax Fund.

20 (c) If it is determined by the Legislative Joint Auditing Committee
21 that the reimbursement for the auditing of entities of the state is
22 appropriate, the Legislative Auditor and the Director of the Department of
23 Finance and Administration shall develop guidelines for effecting proper
24 budgetary and accounting procedures for the reimbursements.

25

26 SECTION 14. Arkansas Code § 10-4-411(b)(2), concerning audits of
27 entities of the state, is amended to read as follows:

28 (2) If an annual financial audit of an entity of the state is
29 deemed by the Legislative Auditor as necessary for the audit of the
30 comprehensive annual financial report of the State of Arkansas, then any
31 contract with a private certified public accountant for the entity's annual
32 financial audit shall include provisions requiring the annual financial audit
33 to be completed and filed with ~~the Division of~~ Arkansas Legislative Audit by
34 a date determined by the Legislative Auditor.

35

36 SECTION 15. Arkansas Code § 10-4-412(c), concerning audits of counties

1 and municipalities, is amended to read as follows:

2 (c) Agreed-Upon Procedures and Compilation Reports.

3 (1) As an alternative to a financial audit, the Legislative
4 Auditor may conduct an agreed-upon procedures and compilation engagement of
5 the records and accounts of all municipal or county offices, officials, or
6 employees.

7 (2) For purposes of this subsection, agreed-upon procedures and
8 compilation engagements shall be conducted in accordance with standards
9 established by the American Institute of Certified Public Accountants and
10 subject to the minimum procedures prescribed by the Legislative Joint
11 Auditing Committee.

12 (3)(A) Unless otherwise provided by law, the governing body of a
13 municipality may choose and employ accountants licensed and in good standing
14 with the Arkansas State Board of Public Accountancy to conduct agreed-upon
15 procedures and compilation engagements.

16 (B) All reports shall be filed with the Legislative
17 Auditor within ten (10) days of issuance.

18

19 SECTION 16. Arkansas Code § 10-4-413(c), concerning audits of schools,
20 is amended to read as follows:

21 (c) Regulatory Basis of Presentation.

22 (1)(A) For school financial audits, the financial statements
23 shall be presented on a fund basis format with, as a minimum, the general
24 fund and the special revenue fund presented separately and all other funds
25 included in the audit presented in the aggregate.

26 (B) The financial statements shall consist of the
27 following:

28 (i) A balance sheet;

29 (ii) A statement of revenues, expenditures, and
30 changes in fund balances;

31 (iii) A comparison of the final adopted budget to
32 the actual expenditures for the general fund of the entity and the special
33 revenue fund of the entity; and

34 (iv) Notes to the financial statements.

35 (C) The report shall include a report on internal control
36 over financial reporting and on compliance and other matters based on an

1 audit of financial statements performed in accordance with Government
 2 Auditing Standards.

3 ~~(C)~~(D) The report shall include as supplemental
 4 information a schedule of capital assets, including:

- 5 (i) Land;
- 6 (ii) Buildings; and
- 7 (iii) Equipment.

8 ~~(D)~~(E) The State Board of Education shall promulgate rules
 9 necessary to administer the regulatory basis ~~of presentation~~ provided in this
 10 subsection.

11 (2) Alternative Basis ~~of Presentation~~.

12 (A) As an alternative to ~~the presentation prescribed in~~
 13 subdivision (c)(1) of this section, the governing body of a school may
 14 ~~require~~ adopt a resolution requiring its annual financial audit to be
 15 performed and financial statements presented in accordance with the
 16 guidelines prescribed by the ~~Governmental~~ Government Accounting Standards
 17 Board, the American Institute of Certified Public Accountants, and the United
 18 States Government Accountability Office, if applicable.

19 (B) The report shall include a report on internal control
 20 over financial reporting and on compliance and other matters based on an
 21 audit of financial statements performed in accordance with ~~Governmental~~
 22 Government Auditing Standards.

23
 24 SECTION 17. Arkansas Code § 10-4-414(b), concerning audits of
 25 prosecuting attorneys, is amended to read as follows:

26 (b) Regulatory Basis ~~of Presentation~~.

27 (1) For prosecuting attorney financial audits, the financial
 28 statements shall be presented on a fund basis format with, at a minimum, the
 29 general fund presented separately and all other funds included in the audit
 30 presented in the aggregate.

31 (2) The financial statements shall consist of the following:

- 32 (A) A balance sheet;
- 33 (B) A statement of revenues (receipts), expenditures
 34 (disbursements), and changes in fund equity (balances); and
- 35 (C) Notes to the financial statements.

36 (3) The report shall include as supplemental information a

1 schedule of capital assets, including:

- 2 (A) Land;
- 3 (B) Buildings; and
- 4 (C) Equipment.

5

6 SECTION 18. Arkansas Code § 10-4-416 is amended to read as follows:

7 10-4-416. Access to records.

8 (a)(1) The Legislative Auditor and authorized employees of ~~the~~
9 ~~Division of Arkansas~~ Legislative Audit shall have access at all times to any
10 books, accounts, reports, electronic data, vouchers, or other records,
11 confidential or otherwise, of any entity of the state or political
12 subdivision of the state that are deemed necessary to audit transactions
13 related to public funds.

14 (2) Any business contracting with an entity of the state or a
15 political subdivision of the state to provide electronic or other access to
16 records of a public entity shall provide ~~the Division of Arkansas~~ Legislative
17 Audit access to the public entity's records without charge or reimbursement.

18 (b)(1) In the performance of the Legislative Auditor's duties, the
19 Legislative Auditor or the Legislative Auditor's authorized assistants may
20 ascertain, inspect, confirm, copy, audit, and examine any financial records,
21 documents, or accounts of any financial institution, business, or nonprofit
22 entity or any other person or entity regarding transactions or relationships
23 with an entity of the state or a political subdivision of the state.

24 (2) In the investigation of documents, books, and records
25 regarding receipt, expenditure, or disbursement of other funds, the
26 Legislative Auditor shall determine, subject to approval of the Legislative
27 Joint Auditing Committee or its executive committee, that the investigation
28 of the documents, books, and records is necessary to verify any audit of an
29 entity of the state or a political subdivision of the state or to investigate
30 misappropriation of other funds.

31 (c) No financial institution, business, nonprofit entity, or any other
32 person or entity shall be liable for making available to the Legislative
33 Auditor any of the information required by the Legislative Auditor under this
34 section.

35 (d)(1) ~~Nothing in this section shall be construed as authorizing or~~
36 ~~permitting~~ This section does not authorize or permit the Legislative Auditor

1 to release of information:

2 (A) When otherwise prohibited by law; or

3 (B) ~~not~~ Not subject to public inspection under the
4 ~~provisions of the~~ Freedom of Information Act of 1967, § 25-19-101 et seq., or
5 other applicable law.

6 (2)(A) All records, documents, correspondence, or other data of
7 a person, foundation, nonprofit corporation or any other entity holding other
8 funds that would infringe upon the rights, privacy, or confidentiality of
9 donors of private funds to the person, foundation, nonprofit corporation, or
10 other entity are exempt from public disclosure when in the possession of the
11 Legislative Auditor.

12 (B) Any working papers or other data relating to the donor
13 information examined by the Legislative Auditor under this chapter are
14 confidential and exempt from public disclosure.

15 (e) Records that are exempt from public disclosure in the hands of the
16 entity's custodian remain exempt from public disclosure in the hands of the
17 Legislative Auditor and ~~the Division of~~ Arkansas Legislative Audit.

18 (f) Any person knowingly providing false documents, records, or other
19 data to the Legislative Auditor or his or her authorized assistants, upon the
20 finding by a circuit court, shall be guilty of providing false information
21 and shall be punished in the same manner as a person guilty of tampering with
22 a public record, § 5-54-121.

23
24 SECTION 19. Arkansas Code § 10-4-417 is amended to read as follows:

25 10-4-417. Presentation and filing of audit reports.

26 (a) All audit reports prepared by ~~the Division of~~ Arkansas Legislative
27 Audit and any audit report required to be filed with the Legislative Auditor
28 or ~~the Division of~~ Arkansas Legislative Audit shall be presented to the
29 Legislative Joint Auditing Committee or a standing committee thereof.

30 (b) Copies of all audit reports prepared by ~~the Division of~~ Arkansas
31 Legislative Audit, and any audit report required to be filed with the
32 Legislative Auditor or ~~the division~~ Arkansas Legislative Audit shall be
33 presented on the website of ~~the division~~ Arkansas Legislative Audit in a
34 manner suitable for downloading and printing.

35 (c) All final reports shall be open to public inspection after
36 presentation to the Legislative Joint Auditing Committee or after being

1 approved for early release by the cochaIRS of the Legislative Joint Auditing
2 Committee.

3 (d)(1) The governing body and executive official of an entity of the
4 state or political subdivision of the state shall receive a copy of the
5 entity's audit report prior to presentation to the Legislative Joint Auditing
6 Committee.

7 (2) Until the reports are presented to the Legislative Joint
8 Auditing Committee or approved for early release by the cochaIRS of the
9 Legislative Joint Auditing Committee, the reports are not considered public
10 information and are not open to public inspection.

11 (e) The exemption from public inspection under subsections (c) and (d)
12 of this section applies to all reports in the custody or possession of any
13 person before presentation of the report to the Legislative Joint Auditing
14 Committee or approval for early release, regardless of the actual physical
15 location of the report.

16

17 SECTION 20. Arkansas Code § 10-4-419(f), concerning reports of
18 improper or illegal practices, is amended to read as follows:

19 (f)(1) By June 30 of each year, the Attorney General and each
20 prosecuting attorney to whom the Legislative Joint Auditing Committee or the
21 Legislative Auditor has reported a matter under this section shall file with
22 the Legislative Joint Auditing Committee a disposition report on the status
23 of the matters that have not been previously reported as resolved to the
24 Legislative Joint Auditing Committee.

25 (2) A disposition report shall address all matters that have not
26 been previously reported as resolved under subdivision (f)(1) of this section
27 prior to and during the preceding calendar year.

28 ~~(2)(3) Each A~~ disposition report shall include, ~~but is not~~
29 ~~limited to~~ without limitation:

30 (A) The date the matter was reported to the Attorney
31 General or the prosecuting attorney;

32 (B) The amount of loss or funds unaccounted for in
33 connection with the matter;

34 (C) The status or disposition of the matter; and

35 (D) Other comments pertinent to the investigation or
36 disposition of the matter.

1
2 SECTION 21. Arkansas Code § 10-4-422 is amended to read as follows:

3 10-4-422. Records – Public inspection.

4 (a) The Legislative Auditor shall keep, or cause to be kept, a
5 complete, accurate, and adequate set of fiscal transactions of ~~the Division~~
6 ~~of Arkansas~~ Legislative Audit.

7 (b) The Legislative Auditor shall also keep paper, digital, or
8 electronic copies of all audit reports, examinations, investigations, and any
9 other reports or releases issued by the Legislative Auditor.

10 (c)(1) All working papers, including communications, notes, memoranda,
11 preliminary drafts of audit reports, and other data gathered in the
12 preparation of audit reports by ~~the division~~ Arkansas Legislative Audit, are
13 exempt from all provisions of the Freedom of Information Act of 1967, § 25-
14 19-101 et seq., and are not to be considered public documents for purposes of
15 inspection or copying under the Freedom of Information Act of 1967, § 25-19-
16 101 et seq., or any other law of the State of Arkansas, except as provided in
17 this subsection.

18 (2) After any audit report has been presented to members of the
19 Legislative Joint Auditing Committee, the audit report and copies of any
20 documents contained in the working papers of ~~the division~~ Arkansas
21 Legislative Audit shall be open to public inspection, except documents
22 specifically exempted from disclosure under the Freedom of Information Act of
23 1967, § 25-19-101 et seq., unsubstantiated allegations obtained in complying
24 with ~~the provisions of the American Institute of Certified Public~~
25 ~~Accountants' Statement on Auditing Standards Number 99~~ auditing standards or
26 other professional guidelines regarding the detection of fraud, and documents
27 which disclose auditing procedures and techniques as defined in subdivision
28 (c)(3) of this section.

29 (3) As used in this subsection:

30 (A) "Audit program" means the instructions and guidelines
31 formulated by ~~the division~~ Arkansas Legislative Audit to inform its
32 accountants about the examination procedures to be followed in the course of
33 examining records and accounts to verify their accuracy, including
34 verifications that the examination procedures have been followed; and

35 (B) "Documents which disclose auditing procedures and
36 techniques" includes:

1 (i) Internal control questionnaires consisting of
2 the checklist of accounting and administrative procedures employed by ~~the~~
3 ~~Division of~~ Arkansas Legislative Audit in the course of performing an audit;
4 and

5 (ii) An audit program.
6

7 SECTION 22. Arkansas Code § 10-4-423 is amended to read as follows:
8 10-4-423. Seal.

9 The Secretary of State shall procure an official seal for ~~the Division~~
10 ~~of~~ Arkansas Legislative Audit.
11

12 SECTION 23. Arkansas Code § 10-4-424 is amended to read as follows:
13 10-4-424. Audit of ~~data processing~~ information systems operations.

14 (a) ~~The Division of~~ Arkansas Legislative Audit may conduct audits of
15 all or any part of ~~automated data processing operations or systems~~ the
16 information systems or operations of any entity of the state or political
17 subdivision of the state.

18 (b)(1)(A) ~~Data processing charges~~ Charges incurred in the performance
19 of information systems audits or audit-related tasks by ~~the division~~ Arkansas
20 Legislative Audit shall be absorbed by the ~~state agency~~ entity of the state
21 or political subdivision of the state ~~processing data for the computer~~
22 ~~application~~ being accessed or audited.

23 (B) However, the use shall not interfere with or impede
24 normal ~~processing by the data processing installation~~ information systems
25 operations.

26 (2) The ~~data processing~~ information systems provider shall
27 provide requested data or other information or services to ~~the division~~
28 Arkansas Legislative Audit within ten (10) days of the request, unless
29 another date is agreed to by the Legislative Auditor.

30 (c) The Department of Information Systems, its successor agency, or
31 other entities of the state or political subdivisions of the state that
32 provide Internet, network, or other computer services or information to an
33 entity of the state or a political subdivision of the state shall provide
34 access to all data, support, or other necessary information services to ~~the~~
35 ~~division~~ Arkansas Legislative Audit in connection with their functions at no
36 cost to ~~the division~~ Arkansas Legislative Audit.

1 (d) In connection with any audit by ~~the division~~ Arkansas Legislative
2 Audit, contractual providers of ~~data processing~~ information systems or other
3 computer-related services to entities of the state or political subdivisions
4 of the state shall cooperate and provide requested information at no cost to
5 ~~the division~~ Arkansas Legislative Audit.

6 (e) All contracts by entities of the state and political subdivisions
7 of the state with vendors for ~~data processing~~ information systems or other
8 computer services shall contain a provision permitting ~~the division~~ Arkansas
9 Legislative Audit access and authority to audit computer applications
10 supplied by vendors.

11
12 SECTION 24. Arkansas Code § 10-4-426(a), concerning continuing
13 professional education courses, is amended to read as follows:

14 (a) In addition to contracting with private entities, ~~the Division of~~
15 Arkansas Legislative Audit may contract and pay entities of the state or
16 political subdivisions of the state or any of their part-time or full-time
17 employees for services rendered or for materials, supplies, or other expenses
18 incurred in conducting continuing professional education courses for the
19 staff of ~~the division~~ Arkansas Legislative Audit.

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22 **APPROVED: 03/18/2015**
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