

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**

A Bill

SENATE BILL

4 **By: Senators Harriman and Beebe**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 10-4-111 AND 21-2-708 TO
9 CLARIFY THE REPORTING RESPONSIBILITIES OF THE LEGISLATIVE
10 JOINT AUDITING COMMITTEE AND THE LEGISLATIVE AUDITOR; AND
11 FOR OTHER PURPOSES."

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Subtitle

14 "TO CLARIFY THE REPORTING RESPONSIBILITIES OF THE
15 LEGISLATIVE JOINT AUDITING COMMITTEE AND LEGISLATIVE
16 AUDITOR."

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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code 10-4-111 is amended to read as follows:

21 "10-4-111. Report of improper or illegal practices.

22 (a) If a state agency audit report presented to the Legislative Joint
23 Auditing Committee or the appropriate standing subcommittee thereof reflects
24 evidence of improper practices of financial administration or inadequacy of
25 fiscal records, the Legislative Auditor shall report the same to the Governor,
26 the appropriate department head or heads affected thereby, and the governing
27 body of the department.

28 (b) If an audit report presented to the Legislative Joint Auditing
29 Committee or the appropriate standing subcommittee thereof reflects evidence
30 of apparent unauthorized disbursements or unaccounted for funds or property by
31 a public official or employee, the Legislative Auditor shall forthwith report
32 the transactions in writing to the prosecuting attorney for the county in
33 which the public agency or political subdivision is located, the Governor, the
34 appropriate department head or heads affected thereby, and the governing body
35 of the department or political subdivision.

1 (c) The Legislative Auditor shall notify and cooperate with the
2 appropriate prosecuting attorney on all matters that appear to involve a
3 criminal offense. Upon request, and with the approval of the Chairman and
4 Vice-Chairman of the Legislative Joint Auditing Committee, the Legislative
5 Auditor shall cooperate in any other investigations by the appropriate
6 prosecuting attorney, Arkansas State Police, or any other law enforcement
7 agency.

8 (d) While the Legislative Joint Auditing Committee is not established
9 as an agency to effect, through its own direct action, the correction of
10 improper practices of financial administration or inadequacy of fiscal
11 records, the prosecution of defaulting public officials, or the improvement of
12 accounting systems in any state department, nevertheless, it is determined
13 that the action or nonaction on the part of the appropriate public officials
14 in respect to the correction of such matters when called to their attention or
15 in respect to the institution of criminal proceedings, where proper, has a
16 pertinent bearing upon the question of the necessity for future remedial
17 legislation. It is for this reason that the Legislative Joint Auditing
18 Committee is authorized to inform public officials, to the extent provided by
19 law, of the findings of the Legislative Auditor in respect to any such
20 matters."

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22 SECTION 2. Arkansas Code Annotated 21-2-708 is amended to read as
23 follows:

24 "21-2-708. Notice and proof of losses - Investigations, restitution.

25 (a) It shall be the duty and responsibility of the Legislative Auditor,
26 with the approval of the Legislative Joint Auditing Committee, to give notice
27 and make proof of loss to the board on fidelity bonds on behalf of any public
28 official, officer, or employee when the audit report of the records of any
29 such official, officer, or employee reflects apparent unauthorized
30 disbursements or unaccounted for funds or property for which the public
31 official, officer, or employee may be liable.

32 (b) The Legislative Auditor shall request the appropriate prosecuting
33 attorney or the Attorney General to assist the state or the appropriate
34 political subdivision in obtaining restitution when the audit report reflects
35 apparent unauthorized disbursements or unaccounted for funds or property for

1 which the public official, officer, or employee may be liable."

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3 SECTION 3. All provisions of this act of a general and permanent nature
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
5 Revision Commission shall incorporate the same in the Code.

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7 SECTION 4. If any provision of this act or the application thereof to
8 any person or circumstance is held invalid, such invalidity shall not affect
9 other provisions or applications of the act which can be given effect without
10 the invalid provision or application, and to this end the provisions of this
11 act are declared to be severable.

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13 SECTION 5. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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