

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

A Bill

ACT 179 OF 1993
SENATE BILL 273

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**
15 **THE LEGISLATIVE JOINT AUDITING COMMITTEE AND**
16 **LEGISLATIVE 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 Auditing**
23 **Committee or the appropriate standing subcommittee thereof reflects evidence of improper**
24 **practices of financial administration or inadequacy of fiscal records, the Legislative Auditor**
25 **shall report the same to the Governor, the appropriate department head or heads affected**
26 **thereby, and the governing body of the department.**

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

34 **(c) The Legislative Auditor shall notify and cooperate with the appropriate prosecuting**
35 **attorney on all matters that appear to involve a criminal offense. Upon request, and with the**
36 **approval of the Chairman and Vice-Chairman of the Legislative Joint Auditing Committee, the**

1 **Legislative Auditor shall cooperate in any other investigations by the appropriate prosecuting**
2 **attorney, Arkansas State Police, or any other law enforcement agency.**

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

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

15 **"21-2-708. Notice and proof of losses - Investigations, restitution.**

16 **(a) It shall be the duty and responsibility of the Legislative Auditor, with the approval**
17 **of the Legislative Joint Auditing Committee, to give notice and make proof of loss to the board**
18 **on fidelity bonds on behalf of any public official, officer, or employee when the audit report of**
19 **the records of any such official, officer, or employee reflects apparent unauthorized**
20 **disbursements or unaccounted for funds or property for which the public official, officer, or**
21 **employee may be liable.**

22 **(b) The Legislative Auditor shall request the appropriate prosecuting attorney or the**
23 **Attorney General to assist the state or the appropriate political subdivision in obtaining**
24 **restitution when the audit report reflects apparent unauthorized disbursements or**
25 **unaccounted for funds or property for which the public official, officer, or employee may be**
26 **liable."**

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

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32 **SECTION 4. If any provision of this act or the application thereof to any person or**
33 **circumstance is held invalid, such invalidity shall not affect other provisions or applications of**
34 **the act which can be given effect without the invalid provision or application, and to this end**
35 **the provisions of this act are declared to be severable.**

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

APPROVED: 2/19/93