

e of Arkansas

General Assembly

lar Session, 1987

HOUSE BILL 1287

Representatives McCuiston, Hankins and B. Wood

AN ACT TO DIRECT THE STATE TREASURER TO WITHHOLD PUBLIC FUNDS WHICH MAY BE DUE ANY STATE AGENCY, DEPARTMENT OR OTHER POLITICAL SUBDIVISION WHERE SUCH POLITICAL SUBDIVISION HAS REFUSED TO TAKE CORRECTIVE ACTION TO PROPERLY ACCOUNT FOR PUBLIC FUNDS AND/OR COMPLY WITH ARKANSAS LAW.

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

SECTION 1. PURPOSE. State agencies, departments, boards, commissions, institutions, counties, municipalities, school districts and all other political subdivisions of the State are public trusts; and as such have the responsibility and duty to properly account for all funds received and/or disbursed. It is the intent of this legislation to provide procedures to ensure that State agencies, departments, boards, commissions, institutions, counties, municipalities, school districts and all other political subdivisions of the State comply with Arkansas law and properly account for all funds received and/or disbursed.

SECTION 2. Where the audit of any State agency, department, board, commission, institution, county, municipality, school district or other political subdivision presented to the Legislative Joint Auditing Committee discloses deficiencies in the proper accounting of any funds received and/or disbursed, or noncompliance with Arkansas law and where the Legislative Joint Auditing Committee so notifies the State Treasurer of such deficiencies, the State Treasurer shall not disburse any money from the State Treasury to such agency, board, commission, department, institution, county, municipality, school district or other political subdivision until the Legislative Joint Auditing Committee notifies the State Treasurer that such State agency or political subdivision has furnished satisfactory evidence to the Legislative Joint

Auditing Committee that steps are being taken to comply with Arkansas law and/or properly account for public funds.

The Legislative Joint Auditing Committee shall not notify the State Treasurer of such deficiencies until:

- a) notice has been given to the political subdivision of deficiencies in the audit report;
- b) the political subdivision has been given opportunity to correct the stated deficiencies;
- c) the appropriate officials have been given opportunity to appear before the Legislative Joint Auditing Committee to explain why the noted deficiencies have not been corrected; and
- d) ninety (90) days have passed since the specific public official(s) and/or office(s) have been notified of such deficiencies.

The Legislative Joint Auditing Committee shall not notify the State Treasurer of such deficiencies if the Legislative Joint Auditing Committee determines that the political subdivision has furnished satisfactory evidence that steps are being taken to comply with Arkansas law and/or properly account for public funds.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. It is hereby found and determined by the General Assembly that in order to ensure compliance with State law and ensure proper accounting for public funds, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in full force and effect from and after its passage and approval.

