

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1666

By: Representative Womack

By: Senator Caldwell

## For An Act To Be Entitled

AN ACT TO AMEND CERTAIN LAWS PERTAINING TO ARKANSAS  
LEGISLATIVE AUDIT; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND CERTAIN LAWS PERTAINING TO  
ARKANSAS LEGISLATIVE AUDIT.

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

SECTION 1. Arkansas Code § 10-4-403(d)(1), concerning the authority of the Legislative Auditor, is amended to read as follows:

(d)(1) In conducting audits of entities of the state or political subdivisions of the state, the Legislative Auditor shall have access at all times to and have the authority to examine any record or documentation relating to transactions with these entities or subdivisions, regardless of the nature, custodian, or location of those records.

SECTION 2. Arkansas Code § 10-4-410(a)(2), concerning audit costs, is amended to read as follows:

(2) The audit costs shall provide a basis for determining a reasonable reimbursement from entities of the state and political subdivisions of the state for the cost of auditing federal funds received by these entities or subdivisions.

SECTION 3. Arkansas Code § 10-4-416 is amended to read as follows:

10-4-416. Access to records.



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

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

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

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

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

(d)(1) This section does not authorize or permit the Legislative Auditor to release information:

(A) When otherwise prohibited by law; or

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

(2)(A) All records, documents, correspondence, or other data of a person, foundation, nonprofit corporation or any other entity holding other funds that would infringe upon the rights, privacy, or confidentiality of

donors of private funds to the person, foundation, nonprofit corporation, or other entity are exempt from public disclosure when in the possession of the Legislative Auditor.

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

(e) Records that are exempt from public disclosure in the hands of the entity's or subdivision's custodian remain exempt from public disclosure in the hands of the Legislative Auditor and Arkansas Legislative Audit.

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

SECTION 4. Arkansas Code § 10-4-417(d)(1), concerning the presentation and filing of audit reports, is amended to read as follows:

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

SECTION 5. Arkansas Code § 10-4-418(a), concerning the review of audit reports by governing bodies, is amended to read as follows:

(a) The audit reports and accompanying comments and recommendations relating to any entity of the state or political subdivision of the state shall be reviewed by the applicable governing body if the entity or subdivision has such a governing body.

SECTION 6. Arkansas Code § 10-4-421(a), concerning the issuance of subpoenas, is amended to read as follows:

(a) In connection with an audit of any entity of the state or a political subdivision of the state or an audit related to any transactions or relationships with the entities or subdivisions, the Legislative Auditor may subpoena records or summon and subpoena any person whose testimony may be desired or deemed necessary to appear before him or her at a time and place

and with such papers, files, and records as may be named in the summons or subpoena.

SECTION 7. Arkansas Code § 10-4-421(c), concerning the issuance of subpoenas, is amended to read as follows:

(c) Any person summoned to appear before the Legislative Auditor or any of his or her authorized assistants to testify or submit papers, files, and records as required in this section shall receive after his or her appearance the same compensation as is received by persons serving as witnesses in circuit courts of this state.

SECTION 8. Arkansas Code § 10-4-425(a), concerning the format of private audit reports, is amended to read as follows:

(a) To provide for a consistent and understandable financial format, all financial audit reports prepared by certified public accountants in private practice or public accountants of entities of the state or political subdivisions of the state shall be in substantially the same form as reports prepared by the Legislative Auditor for a similar ~~governmental~~ entity or subdivision.

**APPROVED: 4/6/21**