

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

HOUSE BILL 1666

5 By: Representative Womack  
6 By: Senator Caldwell  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND CERTAIN LAWS PERTAINING TO ARKANSAS  
10 LEGISLATIVE AUDIT; AND FOR OTHER PURPOSES.  
11

## Subtitle

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13 TO AMEND CERTAIN LAWS PERTAINING TO  
14 ARKANSAS LEGISLATIVE AUDIT.  
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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 § 10-4-403(d)(1), concerning the authority of  
21 the Legislative Auditor, is amended to read as follows:

22 (d)(1) In conducting audits of entities of the state or political  
23 subdivisions of the state, the Legislative Auditor shall have access at all  
24 times to and have the authority to examine any record or documentation  
25 relating to transactions with these entities or subdivisions, regardless of  
26 the nature, custodian, or location of those records.  
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28 SECTION 2. Arkansas Code § 10-4-410(a)(2), concerning audit costs, is  
29 amended to read as follows:

30 (2) The audit costs shall provide a basis for determining  
31 a reasonable reimbursement from entities of the state and political  
32 subdivisions of the state for the cost of auditing federal funds received by  
33 these entities or subdivisions.  
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35 SECTION 3. Arkansas Code § 10-4-416 is amended to read as follows:  
36 10-4-416. Access to records.



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

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

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

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

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

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

31 (A) When otherwise prohibited by law; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 22 **APPROVED: 4/6/21**  
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