



LAWS OF ALASKA

1971

Source

Chapter No.

FCCS SCS CSHB 14 am 2d FCC

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AN ACT

Creating a Legislative Budget and Audit Committee and providing for the reorganization and establishment of legislative fiscal support services; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

- * Section 1. AS 24.20.150 - 24.20.370 are repealed.
- * Sec. 2. AS 24.20 is amended by adding new sections to read:

Sec. 24.20.151. LEGISLATIVE BUDGET AND AUDIT COMMITTEE. The Legislative Budget and Audit Committee is established as a permanent interim committee of the legislature. The establishment of the committee recognizes the need of the legislature for full-time technical assistance in accomplishing the fiscal analysis, budget review and post-audit functions.

Sec. 24.20.161. MEMBERSHIP. The Legislative Budget and Audit Committee is composed of 10 members: the chairmen of the senate and house finance committees; one member selected from each of the senate and house finance committees and appointed by the president of the senate and the speaker of the house, respectively; and three members appointed from each house by the respective presiding officer. The chairman of the finance committee may choose not to serve on the committee. If this occurs, the presiding officer of the appropriate house shall appoint a replacement from the finance committee. The membership from each house shall include at least one member from each of the two major political parties. The committee shall select its own chairman.

Sec. 24.20.171. TERM OF MEMBERSHIP. The committee shall be organized within 15 days after the organization of each legislature. Members serve for the duration of

the legislature during which they are appointed. If they are reelected or their term of office extends into the next succeeding legislature, they continue to serve until reappointed or the appointment of their successor.

Sec. 24.20.181. VACANCIES. When a vacancy occurs in the membership of the committee, the presiding officer of the house incurring the vacancy shall choose a successor. If the office of the president of the senate or speaker of the house of representatives becomes vacant and a vacancy from the affected house occurs among the membership of the committee, the remaining committee members from the house incurring the vacancy shall appoint a new member.

Sec. 24.20.191. MEETINGS. The budget and audit committee may meet during sessions of the legislature and during the interim between sessions at such times and places in the state as the chairman may determine. Members may receive, for the minimum time required to get to and from meetings and for the period while attending meetings, the same travel and per diem allowances provided by law for members of the legislature when attending sessions, except that members of the committee receive no per diem during legislative sessions other than the per diem allowance paid to other members of the legislature.

Sec. 24.20.201. POWERS. (a) The Legislative Budget and Audit Committee has the power to:

(1) organize, adopt rules for the conduct of its business and prescribe procedures for the comprehensive fiscal analysis, budget review and post-audit functions;

(2) hold public hearings, administer oaths, issue subpoenas, compel the attendance of witnesses and production of papers, books, accounts, documents and testimony, and to have the deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions in civil actions;

(3) require all state officials and agencies of state government to give full cooperation to the committee or its staff in assembling and furnishing requested information;

(4) review revenue projections, state agency appropriation requests, the expenditure of state funds, including the relationship between state agency program accomplishments and legislative intent, and the fiscal policies and procedures of state government;

(5) review all proposed changes to agency authorized operating budgets;

(6) make recommendations concerning appropriations, their expenditure and the fiscal policies and procedures of state government to the governor where appropriate, and the legislature;

(7) prepare and distribute reports, memoranda or other necessary materials.

(b) Nothing in this chapter shall be so construed as to authorize the referral by the presiding officer of legislation to the committee at regular or special sessions of the legislature.

Sec. 24.20.211. LEGISLATIVE FINANCE DIVISION. The legislative finance division is established as a permanent staff agency responsible to the Legislative Budget and Audit Committee for performance of fiscal analysis and budget review functions.

Sec. 24.20.221. STAFF. (a) The committee shall hire and determine the salary of the legislative fiscal analyst who shall serve both at the direction and pleasure of the committee. The fiscal analyst shall serve as head of the finance division and, within the limits of the budget approved by the committee, shall employ and determine the compensation of the professional and clerical staff of the division.

(b) The fiscal analyst and members of the professional and clerical staff shall not join or support a partisan political organization. This prohibition does not prevent the fiscal analyst or members of the staff from joining social organizations, expressing private opinion, registering as to party or voting.

Sec. 24.20.231. DUTIES. The legislative finance division shall

(1) analyze the budget and appropriation requests of each department, institution, bureau, board, commission or other agency of state government;

(2) analyze the revenue requirements of the state;

(3) provide the finance committees of the legislature with comprehensive budget review and fiscal analysis services;

(4) cooperate with the division of budget and management in establishing a comprehensive system for state program budgeting and financial management as set out in the Executive Budget Act (AS 37.07);

(5) complete studies and prepare reports, memoranda or other materials as directed by the Legislative Budget and Audit Committee;

(6) with the governor's permission, designate the legislative fiscal analyst to serve ex officio on the governor's budget review committee.

Sec. 24.20.241. LEGISLATIVE AUDIT DIVISION. The legislative audit division is established as a permanent staff agency responsible to the Legislative Budget and Audit Committee for completion of the post-audit function.

Sec. 24.20.251. QUALIFICATIONS AND APPOINTMENT OF LEGISLATIVE AUDITOR. (a) The legislative auditor shall be a certified public accountant of this state, or of another state having requirements equivalent to those of this state, with at least five years of practice in the profession, or the equivalent, before his appointment.

(b) The Legislative Budget and Audit Committee shall examine persons to serve as legislative auditor and, upon completion of the examination, place the name of the person selected in nomination before the legislature. If the legislature is not in session, the person nominated shall carry out the duties of the office until the next session of the legislature at which time the name of the person nominated shall be presented to the legislature for appointment.

(c) The legislative auditor serves at the pleasure of the legislature. However, when the legislature is not in session, the auditor may be removed for cause by a majority vote of the Legislative Budget and Audit Committee after notice by, and a hearing before, the committee.

Sec. 24.20.261. STAFF. (a) The legislative auditor shall serve as head of the audit division and, within the limits of the budget approved by the committee, shall employ and determine the compensation of the professional and clerical staff of the division.

(b) The auditor and members of the professional and clerical staff may not join or support any partisan political organization. This prohibition does not prevent the auditor or members of the staff from joining social organizations, expressing private opinion, registering as to party or voting.

Sec. 24.20.271. POWERS AND DUTIES. The legislative audit division shall

(1) perform an audit, complete with a written report, at least once every three years on the books and accounts of every department, institution, bureau, board, commission or other agency of state government;

(2) audit at least once every three years the books and accounts of all custodians of public funds and all disbursing officers of the state;

(3) at the direction of the Legislative Budget and Audit Committee, conduct performance post-audits on any agency of state government;

(4) cooperate with state agencies by offering advice and assistance as requested in establishing or improving the accounting systems used by state agencies;

(5) require the assistance and cooperation of all state officials and other state employees in the inspection, examination and audit of state agency books and accounts;

(6) have access at all times to the books, accounts, reports or other records, whether confidential or not, of every state agency;

(7) ascertain, as necessary for audit verification, the amount of agency funds on deposit in any bank as shown on the books of the bank; no bank may be held liable for making information required under this paragraph available to the legislative audit division;

(8) complete studies and prepare reports, memoranda or other materials as directed by the Legislative Budget and Audit Committee.

Sec. 24.20.281. SPECIAL AUDIT. A member of the legislature may, in writing and with at least six days notice, request that the budget and audit committee direct a special audit of any state agency or determine the propriety of any expenditure of state funds received by any political subdivision or other entity obtaining state funds. Should a majority of the committee vote to approve the request, the legislative audit division shall make the audit.

Sec. 24.20.291. CONFLICT OF INTEREST. The legislative auditor, the supervisor of audit, the legislative fiscal analyst and members of the staff of the legislative finance and audit divisions shall not serve in ex officio or other capacity on any board (except as authorized in sec. 231(6) of this chapter), commission or other administrative agency of state government; nor shall they have a financial interest in transactions involving any agency of state government.

Sec. 24.20.301. RECORDS. (a) The legislative audit division shall keep a complete file of all audit reports and other reports or releases issued by the division, and a complete file of audit work papers and other related supportive material. The division shall also keep a complete and accurate record of all fiscal transactions involving the division.

(b) The legislative finance division shall keep a complete file of all budget reports and other reports or releases issued by the division and a complete and accurate record of all fiscal transactions involving the division.

Sec. 24.20.311. REPORTS. The committee shall file copies of its approved audit reports including any committee recommendations with the governor, the agency concerned and the legislature. An annual report summarizing the audit reports and committee recommendations made during the year shall be filed with the governor and with the legislature within the first five days of each regular session of the legislature. Reports shall be approved by a majority of the committee before their release and shall be open to public inspection after their release to the legislature.

* Sec. 3. AS 37.07.040(5) is amended to read:

(5) provide the legislative finance division with the budget information it may request.

* Sec. 4. AS 37.07.050(a) is amended to read:

(a) Each state agency, on the date and in the form and content prescribed by the division, shall prepare and forward to the division and the legislative finance division

(1) the goals and objectives of the agency programs, together with proposed supplements, deletions and revisions;

(2) its proposed plans to implement the goals and objectives, including estimates of future service needs, planned methods of administration, proposed modification of existing program services and establishment of new program services, and the estimated resources needed to carry out the proposed plan;

(3) the budget requested to carry out its proposed plans in the succeeding fiscal year, including information reflecting the expenditures during the last fiscal year, those authorized for the current fiscal year, those proposed for the succeeding fiscal year, an explanation of the services to be provided, the need for the services, the cost of the services, and any other information requested by the division;

(4) a report of the receipts during the last fiscal year, an estimate of the receipts during the current fiscal year, and an estimate for the succeeding fiscal year;

(5) a statement of legislation required to implement the proposed programs and financial plans;

(6) an evaluation of the advantages and disadvantages of specific alternatives to existing or proposed program policies or administrative methods.

* Sec. 5. AS 37.07.090(a) is amended to read:

(a) Each state agency shall submit a performance report to the division no later than September 1 for the preceding fiscal year. These reports shall be in the form prescribed by the division after consultation with the legislative finance division, and shall include statements concerning

(1) the work accomplished and the services provided in the preceding fiscal year or other meaningful work period, relating actual accomplishments to those planned under sec. 80(b) of this chapter;

(2) the relationship of accomplishments and services to the policy decisions and budget determinations of the governor and the legislature;

(3) the costs of accomplishing the work and providing the services, and, to the extent feasible,

citing meaningful measures of program effectiveness and cost;

(4) the administrative improvements made in the preceding year, potential improvements in future years, and suggested changes in legislation or administrative procedures to make further improvements.

* Sec. 6. AS 24.20.060(4)(D) is repealed.

* Sec. 7. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.