

LEGISLATIVE COUNCIL

1 IN THE SENATE

BY SENATORS BARNES AND JONES

2 SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide uniform procedures for  
7 budgeting, accounting, purchasing, post  
8 audit and related fiscal procedures; trans-  
9 ferring certain powers; providing for in-  
10 stallation of the uniform system; creating  
11 new offices; amending Sections 12-2-1,  
12 12-4-1 and Subsection (e) of Section  
13 37-10-4 ACLA 1949; repealing Subsection (9)  
14 of Section 8-1-10 and Sections 10-1-3,  
15 10-1-4, 10-1-5, 10-1-7, 10-1-8, 12-4-2,  
16 12-4-3, 14-1-2 and 14-4-1 ACLA 1949;  
17 making an appropriation; and setting an  
18 effective date."

19 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

20 Article I

21 DEFINITIONS AND PURPOSE

22 Section 1. Short Title. This Act may be cited as the  
23 "Fiscal Procedures Act of 1955."

24 Sec. 2. Purpose. The purpose of this Act is to provide  
25 uniform financial procedures for all Territorial agencies with  
26 respect to budgeting, accounting, purchasing, post auditing,  
27 and related financial procedures; and to revise financial pro-  
28 cedures for the purpose of securing economy, efficiency, and  
29 integrity in handling public monies.



1 (1) Keep in continuous contact with the operations,  
2 plans and needs of Territorial agencies, and with the sources  
3 and amounts of revenue and other receipts of the Territory.

4 (2) Prepare the budget report for submission to the  
5 Legislature.

6 (3) Analyse the quantity and quality of services  
7 rendered by each agency, and the needs for such services and for  
8 any new service.

9 (4) Conduct continuous studies of, and issue direc-  
10 tives with respect to, space utilization, to insure that high  
11 standards of utilization are maintained and that assignments of  
12 space are made on the basis of need, both as to area and type  
13 of accommodation.

14 (5) Recommend to the Legislature a uniform personnel  
15 policy in the Territorial service, relating to the appointment,  
16 promotion, salaries and conditions of work of all Territorial  
17 employees.

18 (6) Have the <sup>management,</sup> care and custody of all buildings of the  
19 Territory, except those under the care of officers of the Uni-  
20 versity of Alaska, the Commissioner of Education, and the Board  
21 of Trustees of the Pioneers' Home.

22 (7) Prepare a draft of a general appropriation bill  
23 reflecting the provisions of the budget report, and submit  
24 copies of the same to the proper committees of the Legislature  
25 for their consideration.

26 (8) Report to the Governor and to the Legislature on  
27 the operation of the budget system, and advise and assist the  
28 Legislature, and its committees upon request, concerning matters  
29 related to the budget.

1 (9) Employ and have power to discharge employees  
2 necessary for carrying out the provisions of this Act.

3 Sec. 3. Preparation of Budget. The budget director shall  
4 prepare the budget report for submission to the Legislature.  
5 The budget director shall, on or before September first of each  
6 year preceding a regular legislative session, furnish every  
7 agency with a sufficient number of budget estimate forms. The  
8 budget director shall prescribe the time and manner in which such  
9 forms shall be completed, and may require any information on de-  
10 tail, work programs, supplemental and supporting data, and such  
11 information as may be necessary to carry out the provisions of  
12 this Act.

13 Sec. 4. Hearings. Not later than November first of the  
14 year preceding a regular legislative session, the budget direc-  
15 tor shall notify each agency in writing of any revision of its  
16 requests and the agency affected may request a hearing thereon  
17 which request shall be filed not later than November tenth of  
18 such year. If requested, the budget director shall hold hear-  
19 ings on the tentative budget at which the administrative head  
20 of each agency or his representative shall be entitled to be  
21 heard. The hearings provided shall begin on the twentieth day  
22 of November of such year and shall continue until all requests  
23 for hearings have been disposed of, but not later than December  
24 fifteenth of such year.

25 Sec. 5. Cooperation with Governor. The Governor, <sup>the Auditor,</sup> ~~(or his)~~  
26 ~~Treasurer (Auditor)~~ representative, shall be entitled to attend all hearings on  
27 tentative budgets. The budget director shall cause the budget  
28 report to be printed within four weeks after conclusion of the  
29 hearings thereon, and copies thereof shall be presented to the

1 Governor for his review and made available to the public. A  
2 copy of the budget report shall be presented to each member of  
3 the Legislature within five days after the convening of the  
4 regular session.

5       Sec. 6. Contents of Budget Report. The budget report  
6 shall include three parts, the nature and contents of which shall  
7 include, but not be limited to, the following:

8           (1) Part one shall consist of a general budget sum-  
9 mary setting forth the aggregate figures of the budget so as to  
10 show the relation between the total proposed expenditures and  
11 the total anticipated income, and the means of financing the  
12 budget for the ensuing budget period, compared to the corres-  
13 ponding figures for at least the last completed fiscal year and  
14 estimates for the current fiscal year. The general budget sum-  
15 mary may be supported by explanatory schedules or statements,  
16 classifying the expenditures contained therein by agencies, ob-  
17 jects, and funds, and the income by agencies, funds, sources,  
18 and types. The general budget summary shall include all special  
19 funds as well as the general fund, and shall include the esti-  
20 mated amounts of Federal aids, for whatever purpose provided,  
21 together with estimated expenditures therefrom.

22           (2) Part two shall embrace the detailed budget esti-  
23 mates, both of expenditures and revenues, including all special  
24 funds and Federal funds, showing the requests of all agencies  
25 and the budget director's recommendations thereon.

26           (3) Part three shall consist of a draft of an appro-  
27 priation bill, or bills, reflecting the budget recommendations  
28 of the budget director. The budget director shall, upon request,  
29 furnish the Legislature, or its committees, with any further



1 shall be in accordance with accepted principles of governmental  
2 (fund) accounting and shall include both budgetary and property  
3 accounts.

4 The system shall provide records showing at all times by  
5 funds, accounts, and other pertinent classifications, the amounts  
6 appropriated, the estimated revenues, actual revenues or re-  
7 cepts, the amounts available for expenditure, the total expendi-  
8 tures, the unliquidated obligations, actual balances on hand and  
9 the unencumbered balances of appropriations for each Territorial  
10 agency.

11 Sec. 4. Property records. The Auditor shall direct the  
12 use of inventory records by all Territorial agencies to show all  
13 fixed and movable property of the Territory. The records shall  
14 be based on a physical inventory and shall be charged with all  
15 subsequent purchases and shall be reduced by all property traded  
16 in, condemned or otherwise disposed of. The accuracy of such  
17 property record shall be verified periodically by actual in-  
18 spection of such property by the Auditor, or by employees under  
19 supervision of the Auditor. The Territorial agencies may be  
20 required to take physical inventory of such properties annually  
21 and at such other times as the Auditor may direct.

22 Sec. 5. Obligations; how incurred and paid. No payment  
23 shall be made and no obligation shall be incurred against any  
24 fund unless the Auditor shall first certify that his records  
25 disclose that there is a sufficient unencumbered balance avail-  
26 able in such fund and that an appropriation or expenditure  
27 authorization has been made for the purpose for which it is  
28 intended to incur the obligation.

29 Sec. 6. Pre-audit of claims. The Auditor shall examine

1 and audit every receipt, account, bill, claim, refund, and de-  
2 mand on the funds in the Territorial Treasury arising from  
3 activities carried on by Territorial agencies. He shall ascer-  
4 tain whether or not the obligation has been incurred in accord-  
5 ance with laws and rules or regulations promulgated under  
6 authority of law, and that the amount is correct and is unpaid.  
7 The Auditor shall not approve for payment any account, bill,  
8 claim, refund or demand on funds in the Territorial Treasury  
9 unless such claim is ordered by Act of the Legislature or was  
10 contracted against the Territory by a duly authorized officer  
11 or agent of the Territory in pursuance of law.

12       Sec. 7. Pre-audit of receipts. The Treasurer shall trans-  
13 mit to the Auditor copies of all receipt documents showing all  
14 receipts received by the Treasurer. Such receipt documents  
15 shall be audited, examined, and the amounts thereof shall be  
16 entered in the proper accounts in the records of the Auditor.  
17 The Board of Budget shall have power to make regulations to  
18 provide the system for providing current receipt documents.

19       Sec. 8. Fiscal reporting and statistics. The Auditor  
20 shall:

21           (1) At least once each month and annually, prepare  
22 reports as of the close of the preceding month or fiscal year  
23 showing the financial condition of each fund as of the close of  
24 the respective periods and the transactions of each fund for  
25 such month or fiscal year.

26           (2) File with the Governor and with the budget direc-  
27 tor on or before the fifteenth day of September, a report of  
28 the financial transactions of the preceding fiscal year and of  
29 the financial condition of the Territory as of the end of that

1 year, with such comments and supplementary data as he may deem  
2 necessary. This report shall be printed for the information of  
3 the Legislature and the public.

4 (3) Compile statistics necessary for the budget and  
5 such other statistics as may be required by the Governor or  
6 budget director from time to time.

7 Sec. 8. Section 12-2-1, Alaska Compiled Laws Annotated,  
8 1949 (being that section repealed by Section 48, Chapter 133,  
9 Session Laws of Alaska, 1951 and reenacted by Section 2, Chap-  
10 ter 24, Session Laws of Alaska, 1953) is hereby amended so as to  
11 read as follows:

12 Sec. 12-2-1. Territorial moneys<sup>ies</sup>: Accounting and  
13 payment to Territorial Treasurer: Deposit in Proper Fund  
14 [COVERING INTO GENERAL FUND]. Every office, board, com-  
15 mission or bureau authorized to collect or receive any  
16 fees, licenses, taxes or other money, and every office,  
17 commission or bureau of the United States, or other  
18 authorized agency, authorized to collect any fees, licenses,  
19 taxes or other money belonging to this Territory, shall  
20 account for and pay such fees, licenses, taxes or other  
21 money, less any fees he may be entitled to under existing  
22 law, to the Territorial Treasurer at least once each month  
23 and the same shall be [COVERED INTO THE GENERAL FUND]  
24 deposited to the credit of the proper fund.

25 Article IV

26 UNIFORM PURCHASING

27 Section 1. ~~Auditor; General Powers and Duties.~~ <sup>all amendments.</sup> In gen-  
28 eral, but not by way of limitation, and subject to other appli-  
29 cable provisions of this Act and to other laws not inconsistent

*Purchasing Agent,*

1 therewith, the Auditor of ~~the Territory of Alaska~~, or an employee  
2 ~~of the Territory~~ under the supervision of the <sup>Purchasing Agent</sup> Auditor, and in  
3 accordance with rules and regulations promulgated as provided in  
4 section 2 of this article, shall:

5 (1) Purchase, rent or otherwise provide for the fur-  
6 nishing of supplies, materials, equipment, or contractual ser-  
7 vices for all Territorial agencies.

8 (2) Have power to authorize any agency to purchase  
9 directly certain specified supplies, materials, equipment, or  
10 contractual services under conditions and procedures prescribed  
11 in section 3 of this article.

12 (3) Prescribe the manner in which supplies, materials,  
13 and equipment shall be purchased, delivered, stored, and dis-  
14 tributed.

15 (4) Prescribe the time, manner, authentication and  
16 form of making requisitions for supplies, materials, equipment  
17 and contractual services.

18 (5) Fix standards of quality and quantity and develop  
19 standard specifications in consultation with the several Terri-  
20 torial agencies.

21 (6) Have power to transfer to or between agencies or  
22 to sell or trade in supplies, materials and equipment of agencies  
23 which are surplus, obsolete, or unused; and the <sup>Purchasing Agent</sup> Auditor shall  
24 make proper adjustments in the accounts of the agencies con-  
25 cerned.

26 (7) Prescribe the manner of inspecting all deliveries  
27 of supplies, materials, and equipment and of making tests of  
28 samples submitted with bids and samples of deliveries to deter-  
29 mine compliance with specifications.

1 (8) Prescribe the amounts of, accounting for and dis-  
2 position of deposit or bond, if required, to be submitted with  
3 a bid or contract and the amount of bond to be given for the  
4 faithful performance of a contract.

5 (9) Provide for such other matters as may be neces-  
6 sary to carry out the provisions of this Act and the rules and  
7 regulations promulgated hereunder.

8 Sec. 2. Rules and Regulations. Except as otherwise speci-  
9 fically provided in this Act and other laws not inconsistent  
10 with this Act, the <sup>Comptroller General</sup> Auditor shall establish and promulgate rules  
11 and regulations with respect to the manner of performance of any  
12 power or duty prescribed by this Act, the execution of any busi-  
13 ness of the Auditor and the relation of the Auditor to and busi-  
14 ness with other Territorial agencies in carrying out the pro-  
15 visions of this Act.

16 Sec. 3. Competitive Bids. In the manner as provided in  
17 this Act and rules and regulations established thereunder:

18 (1) All contracts for construction and repairs, and  
19 all purchases of and contracts for supplies, materials, equip-  
20 ment, and contractual services shall be based on competitive  
21 bids, and awards shall be made to the lowest responsible bidder  
22 after advertising for bids as herein provided; <sup>general</sup> except that com-  
23 petitive bids need not be required for contractual services  
24 where no competition exists; or sales in an established market;  
25 or when, in the judgment of the <sup>Comptroller General</sup> Auditor, food, clothing or  
26 medical supplies, or materials for use in laboratory and experi-  
27 mental studies may be purchased otherwise to the best advantage  
28 of the Territory, or where rates are fixed by law or ordinance;  
29 or for items traded in on like items.

1 (2) If the amount of the purchase or sale is esti-  
2 mated to exceed One Thousand Dollars (\$1,000.00) sealed bids  
3 shall be solicited by publication in a newspaper as near as  
4 possible to the place where the contract is to be performed or  
5 in the town in which the head office and administration is  
6 situated; such publication to be made at least once each week  
7 for a period of three weeks, and by posting notices in three  
8 public places within the town where the work is to be performed  
9 or material furnished. In addition thereto the Auditor may  
10 also designate a trade journal for such publication. The  
11 Auditor shall also solicit such bids by sending notices by mail  
12 to all active prospective bidders known to him. All bids shall  
13 be sealed when received, and shall be opened in public at the  
14 hour stated in the notice.

15 (3) All purchases or sales estimated to exceed appro-  
16 ximately Two Hundred Fifty Dollars (\$250.00) but not more than  
17 One Thousand Dollars (\$1,000.00), shall be made after receipt  
18 of sealed bids following a call for bids issued not less than  
19 seventy-two (72) hours by posting notices in three public places  
20 within the town where the work is to be performed or material  
21 furnished, or the town nearest to where the work is to be per-  
22 formed or material furnished. The Auditor may also solicit  
23 sealed bids by mail by sending notices to all active prospective  
24 bidders known to him. All bids shall be sealed when received,  
25 and shall be opened in public at the hour stated in the notice.

26 (4) All purchases or sales estimated to be less than  
27 approximately Two Hundred Fifty Dollars (\$250.00) may be made  
28 either upon competitive bids or in the open market, in the dis-  
29 cretion of the Auditor; but, so far as practicable, shall be

1 based on at least three competitive bids and recorded as pro-  
2 vided in section 4 of this article; Provided, authorization may  
3 be given to any Territorial agency to make emergency purchases  
4 or small purchases of less than Twenty-five dollars (\$25.00) on  
5 the open market, such purchases may be by cash payment from  
6 petty cash accounts set aside for that purpose. The Auditor may  
7 determine the amount of such petty cash accounts needed by each  
8 of the several Territorial agencies, and shall inspect such  
9 accounts from time to time, but at least once each year, to  
10 determine that the total of petty cash plus amounts of receipts  
11 for unreplenished disbursements is equal to the fixed sum of  
12 cash set aside. Shortages in such petty cash accounts shall be  
13 a personal liability of the responsible head of the agency to  
14 whom such account has been set aside. The <sup>PA</sup> Auditor shall make  
15 all necessary rules and regulations governing use of and re-  
16 plenishment of such petty cash funds.

17 Sec. 4. Same; award of contracts and purchases; record.

18 All contracts and purchases made by or under the supervision of  
19 the Auditor for which competitive bids are required shall be  
20 awarded to the lowest responsible bidder, taking into considera-  
21 tion conformity with the specifications, terms of delivery, and  
22 other conditions imposed in the call for bids. Any or all bids  
23 may be rejected, and a bid shall be rejected if it contains any  
24 material alteration or erasure. The Auditor may reject the bid  
25 of any bidder who is in arrears on taxes due the Territory or  
26 who has failed to perform on a previous contract with the Terri-  
27 tory. In any case where competitive bids are required and where  
28 all bids are rejected, new bids shall be called for as in the  
29 first instance. Before the awarding of any contract for a

1 building or the making of repairs upon any buildings, the  
2 ~~Auditor~~ shall see that the bids conform with plans and specifi-  
3 cations approved by the Highway Engineer. All bids, with the  
4 names of the bidders and the amounts thereof, together with all  
5 documents pertaining to the award of a contract, shall be made  
6 a part of a file or record and retained by the Auditor for  
7 three (3) years, unless reproduced by microfilming, and such  
8 files or records shall be open to public inspection at all  
9 reasonable times. \*

10 Sec. 5. Delegation of Duties. The Auditor may delegate  
11 any of the duties imposed by this Act upon one or more employees  
12 of the Territory normally stationed in towns or locations dis-  
13 tant from the Territorial capital. Agents so designated shall  
14 perform such duties as the Auditor may require and in accord-  
15 ance with rules and regulations established by the Auditor for  
16 the performance of such duties.

17 Sec. 6. Preference for Alaska products. Nothing in this  
18 Act shall be construed to modify, amend or alter the provisions  
19 of Sections 14-3-1 and 14-3-2, Alaska Compiled Laws Annotated,  
20 1949, regarding preference for Alaska Forest Products, or  
21 Section 14-4-2, Alaska Compiled Laws Annotated, 1949, regarding  
22 preference to producers or dealers in Alaska.

#### 23 Article V

#### 24 LEGISLATIVE POST AUDIT

25 Section 1. Legislative Intent. It is the intent of this  
26 article to provide for the auditing of each agency of the Terri-  
27 torial Government for the purpose of furnishing the Legislature  
28 with information vital to the discharge of its appropriation  
29 and legislative duties. It is hereby determined that adequate

1 information is not available at each biennial session through  
2 which the members of the Legislature can determine the needs of  
3 the various agencies and departments of Territorial Government;  
4 and, that auditing of each agency will furnish necessary in-  
5 formation. It is further determined that the sixty day legis-  
6 lative session is not adequate time in which to audit each  
7 agency and that the size and scope of governmental activity has  
8 grown to such an extent in recent years that such auditing  
9 should be a continuing process. It is further determined that  
10 the proper agency to provide for the impartial auditing is an  
11 agency directly responsible to the Legislature in order to be  
12 completely independent of the executive branch of Territorial  
13 Government. ~~(It is not the intent of this article, nor shall~~  
14 ~~this article be so construed, to infringe upon nor deprive the~~  
15 ~~executive branch of Territorial Government of rights, powers~~  
16 ~~or duties imposed upon their offices by the Organic Act, or by~~  
17 ~~law, but it is the intent of this article to provide the Legis-~~  
18 ~~lature with adequate information by which to exercise its valid~~  
19 ~~powers and no others.~~

20       Sec. 2. Legislative Audit Committee. The President of  
21 the Senate, Speaker of the House, Chairman of the Senate Finance  
22 Committee, and Chairman of the Ways and Means Committee of the  
23 House of Representatives, as such officers are elected at each  
24 regular session of the Alaska Legislature, are hereby consti-  
25 tuted a Legislative Audit Committee, and the members thereof  
26 shall serve as committee members for the entire period of their  
27 terms as members of the Legislature, or until their successors  
28 have been named and elected in regular session.

29       Sec. 3. Legislative Auditor; Appointment; Confirmation.

1 The Legislative Audit Committee shall appoint by majority vote  
2 a Legislative Auditor. The Legislative Auditor shall be a  
3 Certified Public Accountant of Alaska, or of any state with  
4 requirements equivalent to those of Alaska, with at least five  
5 years practice in the profession prior to his appointment, or  
6 the equivalent thereof. The name of the person so selected  
7 shall be presented to the Legislature if in session at the time  
8 of selection. If the Legislature is not in session, he shall,  
9 in all respects, carry out the functions, powers and duties as  
10 in this Act provided until the next regular session of the  
11 Legislature at which time the name of the person selected as  
12 Legislative Auditor shall be presented to both houses of the  
13 Legislature for confirmation and unless his selection shall be  
14 rejected, he shall continue to carry out the functions, powers  
15 and duties in this Act provided. The Legislative Auditor may  
16 be removed at any time by a majority vote of the membership of  
17 the Legislative Audit Committee.

18       Sec. 4. General Powers. The Legislative Auditor shall be  
19 the head of the Division of Legislative Audit. The Legislative  
20 Auditor is vested with the authority and responsibility of  
21 auditing each agency of the Territorial Government or any func-  
22 tion thereof, receiving appropriated funds, cash funds, or any  
23 other funds derived under the authority or by virtue of Terri-  
24 torial law.

25       Sec. 5. Oath of Office; Bond. Upon appointment the  
26 Legislative Auditor shall qualify by taking the oath of office  
27 and executing a bond, to cover his official acts and the acts  
28 of his employees, in the sum of Ten Thousand (\$10,000.00)  
29 dollars, conditioned upon the faithful discharge of his duties.

1 with a surety company authorized to do business in Alaska. The  
2 premium ~~(due the surety company for the execution)~~<sup>of</sup> such bond  
3 shall be paid by the Territory. When a vacancy in the position  
4 of Legislative Auditor exists, such position shall be filled by  
5 the Legislative Audit Committee by majority action, subject to  
6 approval by the Legislature at its next regular session.

7       Sec. 6. Powers and duties. The Legislative Auditor shall  
8 have authority and it shall be his duty: (1) To perform an  
9 audit of all accounts, books and other financial records of the  
10 Territorial Government or any officer of the Territory, to in-  
11 clude but not be limited to, every department, board, bureau,  
12 institution, commission, or agency, and to prepare a written  
13 report or reports of such audit or audits to the Legislature;  
14 (2) To examine and audit personally, or by his duly authorized  
15 assistants, all fiscal books, records and accounts of all  
16 custodians of public funds, and of all disbursing officers of  
17 the ~~Territorial Government of Alaska~~<sup>Territory</sup> making independent veri-  
18 fication of all assets, liabilities, revenues and expenditures  
19 of the Territory and agencies thereof now in existence or here-  
20 after created. Nothing in this Act shall be so construed as  
21 to give the Legislative Auditor the authority to audit cities,  
22 school districts, or other political subdivisions of the Terri-  
23 tory; (3) To cooperate with Territorial agencies by offering  
24 such advice and assistance as may be requested of the Legis-  
25 lative Auditor for the establishment or improvement of the  
26 accounting system used by the various agencies; (4) To require  
27 the aid and assistance of all executives and officials, audi-  
28 tors, accountants, and other employees of each and every agency  
29 at all times in the inspection, examination and audit of any

1, and all books, accounts and records of the several departments;  
2 (5) To have access at all times to all of the books, accounts,  
3 reports, confidential or otherwise, vouchers, or other records  
4 of information in any Territorial agency. Nothing in this  
5 section shall be construed as authorizing or permitting the  
6 publication of information now or hereafter prohibited by law.

7       Sec. 7. Reports. Copies of each audit report shall be  
8 filed with the agency concerned, the Governor (~~of Alaska~~) the  
9 Legislative Audit Committee, and, upon request, to each Legis-  
10 later or Legislator-elect. The Legislative Auditor shall file  
11 a biennial report with the Legislative Audit Committee, the  
12 Governor, and each member of the Legislature within five days  
13 after the convening of each regular session of the Legislature.  
14 Each biennial report shall contain, among other things, copies  
15 of, or the substance of reports made to the various agencies,  
16 as well as a summary of recommendations made in regard thereto.  
17 All reports shall be open to public inspection.

18       Sec. 8. Recommendations. All recommendations submitted  
19 by the Legislative Auditor shall be confined to those matters  
20 properly coming within his jurisdiction, which is to see that  
21 the laws passed by the Legislature dealing with the expenditure  
22 of public monies are in all respects carefully observed; and  
23 that the attention of the Legislature is directed to all cases  
24 of violations of the law and to those instances where there is  
25 need for change of existing laws or the passage of new laws to  
26 secure the efficient spending of public funds; and to the manner  
27 or form of appropriations which will avoid any such improper  
28 expenditure of money in the future.

29       Sec. 9. Special Audit. Any member of the Legislature may,

1 by written request and by written notice of at least six days,  
2 request the Legislative Audit Committee to direct any special  
3 audit of any agency, and upon the vote of the majority of the  
4 Legislative Audit Committee approving such request, the Legis-  
5 lative Auditor shall make such audit.

6       Sec. 10. Records. The Legislative Auditor shall keep or  
7 cause to be kept, a complete, accurate and adequate set of fis-  
8 cal transactions of the Division of Legislative Audit. He shall  
9 also keep a complete file of copies of all audit reports, exami-  
10 nations, investigations, and any and all other reports or re-  
11 leases issued by him or his office, and a complete file of audit  
12 work papers and other evidence pertaining to the work of the  
13 Division of Legislative Audit.

14       Sec. 11. Office Space, Disbursing Officer. The agency in  
15 charge of the Alaska Office Building is hereby directed to fur-  
16 nish suitable quarters for the Division of Legislative Audit.  
17 The Legislative Audit Committee shall designate a disbursing  
18 officer for the Division of Legislative Audit and all vouchers  
19 issued in payment of salaries and expenses incurred in the  
20 operations of the Division of Legislative Audit shall be appro-  
21 ved by the disbursing officer before they are paid.

22       Sec. 12. Employees; Policy. The Legislative Auditor shall  
23 be free to select the most efficient personnel available for  
24 all positions in the Division of Legislative Audit authorized  
25 by appropriation, to the end that he may render to the members  
26 of the Legislature that service which they have a right to ex-  
27 pect. It is the intention and desire of the Legislature to  
28 free the Legislative Auditor and his staff from partisan  
29 politics.

1           Sec. 13. Prohibitions. The Legislative Auditor shall not  
2 serve in any ex officio capacity on any administrative board or  
3 commission, or have any financial interest in the transactions  
4 of any agency.

5           Sec. 14. Oaths; summons; sanctions. The Legislative  
6 Auditor shall have the power in making any audit or examination  
7 to administer oaths and cause to be summoned to appear with such  
8 papers, files, or records as may be named in the summons, any  
9 person or persons whose testimony may be deemed necessary in  
10 such audit or examination. Any person who willfully fails or  
11 refuses to appear and testify or submit papers, files, and re-  
12 cords material and pertinent to the examination, or willfully  
13 refuses to answer any material or pertinent questions propounded  
14 to him by the Legislative Auditor shall be deemed guilty of a  
15 misdemeanor and upon conviction by a court of competent juris-  
16 diction, shall be fined in any sum not less than One Hundred  
17 (\$100.00) Dollars; nor more than Five Hundred (\$500.00) Dollars;  
18 and any person, appearing and willfully or corruptly giving any  
19 false testimony that is material and pertinent to the examina-  
20 tion, shall be deemed guilty of a perjury and upon conviction  
21 by a court of competent jurisdiction shall be imprisoned not  
22 less than two (2) years nor more than five (5) years. Any  
23 person summoned to appear shall receive the same compensation  
24 as is received by persons serving as a witness before the  
25 Legislature as provided in Section 4-4-5, Alaska Compiled Laws  
26 Annotated, 1949.

27           Sec. 15. Verification of deposits. In verifying any of  
28 the audits made, the Legislative Auditor shall have the right to  
29 ascertain the amounts on deposit, in any bank or banks, belong-

1 ing to any agency required to be audited, and shall have the  
2 right to audit said account on the books of such bank. No bank  
3 shall be liable for making available to the Legislative Auditor  
4 any of the information required under the provisions of this  
5 section.

6       Sec. 16. Transfer of Records. Copies of all audit reports  
7 now possessed by the Territorial Auditor shall be transferred  
8 to the Division of Legislative Audit upon request of the Legis-  
9 lative Auditor.

10       Sec. 17. Payment of salaries and expenses. The salary of  
11 the Legislative Auditor and the other employees of the Division  
12 of Legislative Audit shall be paid in the same manner and  
13 through the same procedure used for the payment of salaries of  
14 other Territorial employees. Expenses of the Division of Legis-  
15 lative Audit shall be included in the general appropriation bill.

#### 16                                   Article VI.

#### 17                                   GENERAL FISCAL MATTERS

18       Section 1. Federal Funds. Federal funds received by any  
19 agency shall be deposited in the Territorial Treasury and dis-  
20 bursed in the same manner as other Territorial monies as pro-  
21 vided in this Act and other laws not inconsistent herewith and  
22 shall be subject to the fiscal controls imposed by this Act,  
23 except where Federal laws or regulations of the Federal agency  
24 making such funds available to the Territory prevent such funds  
25 from being deposited, appropriated, allocated, accounted for,  
26 or expended as provided by this Act and other laws not inconsis-  
27 tent herewith.

28       Sec. 2. Section 12-4-1, Alaska Compiled Laws Annotated,  
29 1949 (being that section repealed and reenacted by Section 30,

1 Chapter 133, Session Laws of Alaska, 1951, and repealed by  
2 Section 1 and reenacted by Section 2, Chapter 24, Session Laws  
3 of Alaska, 1953), is hereby amended so as to read as follows:

4       Sec. 12-4-1. Fiscal year; Accounting and performing  
5 duties with reference thereto. The fiscal year of the Ter-  
6 ritory shall commence on the first day of July [JANUARY] of  
7 each year and shall close at midnight on the 30th day of  
8 June [FIRST DAY OF DECEMBER] next succeeding, and all accounts  
9 of the Treasurer or of other Territorial officers whose  
10 accounts are in any way connected with the Treasury shall  
11 be kept, and all duties of such Treasurer and other offi-  
12 cers shall be performed, with reference to the beginning  
13 and ending of the fiscal year as herein provided.

14       Sec. 3. Subsection (e) of Section 37-10-4, Alaska Compiled  
15 Laws Annotated, 1949, is hereby amended so as to read as follows:

16       (e) Fiscal year. [The Federal fiscal year shall be  
17 the fiscal year of the University ~~PROVIDED~~, HOWEVER THAT  
18 THE BIENNIAL REPORT REQUIRED TO BE SUBMITTED TO THE TERRI-  
19 TORIAL LEGISLATURE SHALL BE ON THE BASIS OF THE CALENDAR  
20 YEAR]. *The fiscal year shall be (see 2nd amendment)*

21       Sec. 4. Board of Administration; transfer of powers. All  
22 of the powers and duties of the Board of Administration con-  
23 ferred by Section 10-2-2, Alaska Compiled Laws Annotated, 1949  
24 (being that section repealed and reenacted by Section 2, Chapter  
25 133, Session Laws of Alaska, 1951, and repealed by Section 1 and  
26 reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953,  
27 and titled Powers: Appropriations: Payment of: Examination,  
28 survey and estimates of revenue collected: Purpose of Act),  
29 Sections 13-1-1 and 13-1-4, Alaska Compiled Laws Annotated, 1949

1 (being those sections repealed by Section 48, Chapter 133,  
2 Session Laws of Alaska, 1951, and reenacted by Section 2, Chap-  
3 ter 24, Session Laws of Alaska, 1953), Section 11-4-3, Alaska  
4 Compiled Laws Annotated, 1949, as amended by Section 1, Chapter  
5 30, Session Laws of Alaska, 1949, are hereby transferred to the  
6 budget director; and all of the powers and duties of the Board  
7 of Administration conferred by Section 12-3-3, Alaska Compiled  
8 Laws Annotated, 1949 (being that section repealed and reenacted  
9 by Section 38, Chapter 133, Session Laws of Alaska, 1951, and  
10 repealed by Section 1 and reenacted by Section 2, Chapter 24,  
11 Session Laws of Alaska, 1953), Section 15-1-1, Alaska Compiled  
12 Laws Annotated, 1949 (being that section repealed and reenacted  
13 by Section 43, Chapter 133, Session Laws of Alaska, 1951, and  
14 repealed by Section 1 and reenacted by Section 2, Chapter 24,  
15 Session Laws of Alaska, 1953), and Section 11-2-5, Alaska Com-  
16 piled Laws, 1949, are hereby transferred to the Auditor; and  
17 all the powers of the Board of Administration conferred by  
18 Section 7-1-11, Alaska Compiled Laws Annotated, 1949, as amended  
19 by Section 1, Chapter 140, Session Laws of Alaska, 1953, are  
20 hereby transferred to the Board of Budget. All records, papers,  
21 and documents pertaining to such powers shall be turned over by  
22 the Board of Administration to the proper officers as named in  
23 this section.

#### 24 Article VII

#### 25 INSTALLATION OF SYSTEM

26 Section 1. Installation; by whom. The Board of Budget  
27 is authorized to employ a professional accountant or accountants  
28 to revise the system of, and forms, books and records used for,  
29 Territorial accounting, in accordance with the provisions of



1 specifically repealed hereinafter, unless such laws are in direct  
2 conflict with this Act in which case the provisions of this Act  
3 shall apply.

4       Sec. 2. Repealer. Sections 10-1-3, 10-1-4, 12-4-3,  
5 14-1-2, 14-4-1, Alaska Compiled Laws Annotated, 1949, as re-  
6 pealed and reenacted; subsection (9) of Section 8-1-10, Sec-  
7 tions 10-1-5, 10-1-7 and 10-1-8, Alaska Compiled Laws Annotated,  
8 1949, and Section 12-4-2, Alaska Compiled Laws Annotated, 1949,  
9 as amended, repealed and reenacted; are hereby repealed.

10       Sec. 3. Effective date. This Act shall take effect and be  
11 in force from and after its passage and approval, or upon its  
12 becoming law without such approval, and it is so enacted.

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