

CHAPTER 81

AN ACT

To amend Section 61-2-9, ACLA, 1949, relating to limitation of contest of wills.

(S. B. 122)

Be it Enacted by the Legislature of the Territory of Alaska:

Section 1. Section 61-2-9 ACLA 1949 is hereby amended to read as follows:

Sec. 61-2-9. Contest of Wills:

Limitation. When a will has been admitted to probate, any person interested may, at any time within six months after the entry of the order of probate thereof, contest the same or the validity of such will; and in case a will has been heretofore admitted to probate, such contest may be made at any time within six

months from the taking effect of this act; and all proceedings for such contests must be begun within the time herein specified; provided, that if a person entitled to contest the probate of a will or the validity thereof be laboring under any legal disability, the time in which he may institute such contest shall be extended six months from and after the removal of such disability. Any foreign will may be contested and annulled within the same time and in the same manner as wills executed and proven in the Territory.

Approved March 23, 1955

CHAPTER 82

AN ACT

Relating to public finance; creating a Department of Finance, and a Division of Legislative Audit; abolishing certain fiscal offices and agencies; prescribing, conferring and transferring certain fiscal powers and duties; providing for installation of changes, and other fiscal

matters; amending Secs. 12-2-1, 12-4-1, 37-10-4(e), ACLA, 1949; repealing Secs. 8-1-8, 8-1-10(9), 10-1-1, 10-1-2, 10-1-5, 10-1-7, 10-1-8, 12-4-3, 14-1-2, ACLA, 1949; repealing Secs. 8-1-1 through 8-1-4, 8-1-7, 8-1-9, 10-1-3, 10-1-4, ACLA, 1949, as repealed and reenacted; repealing Secs. 14-4-1, ACLA, 1949 as amended; repealing Sec. 12-4-2, ACLA, 1949 as amended, repealed and reenacted; making an appropriation; and declaring an emergency.

(S. B. 5)

Be it Enacted by the Legislature of the Territory of Alaska:

Article I

Definitions and Purpose.

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

Section 2. **Purpose.** The purpose of this Act is to provide uniform financial procedures for all Territorial agencies with respect to budgetary, accounting, purchasing, post auditing, and relating financial procedures; and to revise financial procedures for the purpose of securing economy, efficiency, and integrity in handling public monies.

Section 3. **Definitions.** For the purpose of this Act the following words and phrases shall have the meanings prescribed in this section.

(1) "Fiscal year," "budget year," "accounting year," or like terms mean a year beginning on July 1st of one calendar year and ending on June 30th of the following calendar year.

(2) "Territorial agencies," "Agencies," "Departments," or like terms mean all departments, offices, in-

stitutions, boards, commissions, bureaus, divisions, or other administrative units forming the Territorial Government of Alaska.

(3) "Auditor" means the Auditor of the Territory of Alaska created as described in Section 8-1-1 ACLA 1949.

(4) "Treasurer" means the Treasurer of the Territory of Alaska created as described in Section 7-1-1 ACLA 1949.

(5) "Director" means the Director of the Department of Finance as established in this Act.

Section 4. **Department of Finance.** There is hereby created a Department of Finance. The Department shall include a Director of Finance, a budget division and a division of accounts and purchases, and such employees and assistants as are authorized or designated pursuant to the provisions of this Act. Under the supervision of the Director of Finance there shall be the following officers: The Budget Officer in charge of the budget division; and the Controller in charge of the division of accounts and purchases. The Director of Finance, the Budget

Officer, and the Controller shall receive salaries as may be fixed by law. Expenses of the Department shall be provided in the general appropriation act.

Section 5. Director of Finance: The Director of Finance shall be the chief executive officer and shall direct all functions of the Department subject to applicable provisions of this Act. The Director of Finance shall be appointed by the Governor subject to confirmation by the Legislature. The Budget Officer and the Controller shall be appointed by the Director of Finance and shall serve at the pleasure of the Director of Finance, and each of such officers shall have had at least four years of experience in a responsible position in their respective fields. The Governor shall fill any vacancy in the office of Director of Finance subject to confirmation as provided in this Section.

Section 6. Director; Legal Custody. The Director shall have the legal custody of all records, memoranda, writing, entries, prints, representations or combinations thereof, of any act, transaction, occurrence or event of the Department.

Section 7. Employees. The Director is authorized to employ and prescribe the duties of such assistants and employees as may be necessary in carrying out the provisions of this Act and as are required and recommended by the Budget Officer and the Controller.

Section 8. The Director, the Budget Officer and the Controller, before entering upon their respective duties, shall each execute a good and sufficient bond in the sum of ten thousand (\$10,000.00) dollars payable to the Territory of Alaska, conditioned upon the faithful performance of all duties as are or may be imposed by law. The premium on all such bonds shall be paid in like manner as other expenses of the Department.

Section 9. Except as otherwise specifically provided in this Act the Director shall establish and promulgate rules and regulations with respect to the manner of performance of any power or duty of the Department, the execution of any business of the Department, and its relations to and business with other Territorial agencies, and appeals from the final decisions or final actions of the Director. Such rules and regulations shall be filed with the Secretary of Alaska, and with each agency, and shall govern all agencies affected and the officers and employees thereof in their respective relations to, and business with, the Department.

Section 10. The following powers and duties as now provided by Territorial law are hereby transferred to and shall be exercised by the Department: (a) The Office of Territorial Auditor is abolished, and all powers and duties of the Auditor are hereby transferred to the Director of Finance; Provided, however, that the incumbent Auditor shall carry out the uniform ac-

counting duties of the Controller as provided in Article III of this Act for the term for which he was elected to the office abolished hereby, and for that time shall continue to receive the salary for said office; (b) The powers and duties vested in the Board of Administration by Section 10-2-2, ACLA, 1949 (being that section repealed and reenacted by Section 2, Chapter 133, Session Laws of Alaska, 1951, and repealed by Section 1 and reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953), Sections 13-1-1 and 13-1-4, ACLA, 1949 (being those sections repealed by Section 48, Chapter 133, Session Laws of Alaska, 1951, and reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953), Section 11-4-3, ACLA, 1949, as amended by Section 1, Chapter 30, Session Laws of Alaska, 1949, Section 12-3-3, ACLA, 1949 (being that section repealed and reenacted by Section 38, Chapter 133, Session Laws of Alaska, 1951, and repealed by Section 1 and reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953), Section 15-1-1, ACLA, 1949 (being that section repealed and reenacted by Section 43, Chapter 133, Session Laws of Alaska, 1951, and repealed by Section 1 and reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953), Section 11-2-5, ACLA, 1949, and Section 7-1-11, ACLA, 1949, as amended by Section 1, Chapter 140, Session Laws of Alaska, 1953.

All appropriations, records, papers, documents, equipment, forms, supplies, memoranda, and other

public property of whatever kind pertaining to such powers shall be turned over by the responsible officials when and as requested by the Director of Finance.

Section 11. The Director shall require the submission of financial reports and statements by Territorial agencies in such form and at such times as may be deemed necessary for the proper administration of this Act; and all administrative agencies heretofore required to submit reports to the Governor and the Legislature shall submit such reports to the Director. On or before the tenth day after the convening of the Legislature in regular session, the Director shall submit a consolidated report to the Legislature, which report shall be in lieu of all other reports heretofore required by law to be submitted to the Legislature. The consolidated report shall, among other things, contain a report of the financial transactions of the preceding two fiscal years and the financial condition of the Territory as of the end of each such fiscal year; and said report shall contain such comments and supplementary data as are deemed necessary by the Director.

Article II

UNIFORM BUDGETING

Section 1. **Budget Division.** There is hereby established the Budget Division within the Department of Finance. The administrative head of the division shall be the Budget

Officer appointed as provided in Section 5 of Article I of this Act.

Section 2. Same: General Powers and Duties. In general, but not by way of limitation, and subject to other applicable provisions of this Act and to other laws not inconsistent therewith, the Budget Director shall:

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

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

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

(4) Conduct continuous studies of, and issue directives with respect to, space utilization, to insure that high standards of utilization are maintained and that assignments of space are made on the basis of need, both as to area and type of accommodation.

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

(6) Have the management, care and custody of all buildings of the Territory, except those under the care of officers of the University of Alaska, the Commissioner of Education, and the Board of Trustees

of the Pioneers' Home.

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

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

Section 3. Preparation of Budget. The Budget Director shall prepare the budget report for submission to the Legislature. The Budget Director shall, on or before September first of each year preceding a regular legislative session, furnish every agency with a sufficient number of budget estimate forms. The Budget Director shall prescribe the time and manner in which such forms shall be completed, and may require any information on detail, work programs, supplemental and supporting data, and such information as may be necessary to carry out the provisions of this Act.

Section 4. Hearings. Not later than November first of the year preceding a regular legislative session, the Budget Director shall notify each agency in writing of any revision of its requests and the agency affected may request a hearing thereon which request shall be filed not later than November tenth of such year. If requested, the Budget Director shall hold hearings on the tentative budget at which the administrative head

of each agency or his representative shall be entitled to be heard. The hearings provided shall begin on the twentieth day of November of such year and shall continue until all requests for hearings have been disposed of, but not later than December fifteenth of such year.

Section 5. Cooperation with Governor. The Governor shall be entitled to attend all hearings on tentative budgets. The Budget Director shall cause the budget report to be printed within four weeks after conclusion of the hearings thereon, and copies thereof shall be presented to the Governor for his review and made available to the public. A copy of the budget report shall be presented to each member of the Legislature within five days after the convening of the regular session.

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

(1) Part one shall consist of a general budget summary setting forth the aggregate figures of the budget so as to show the relation between the total proposed expenditures and the total anticipated income, and the means of financing the budget for the ensuing budget period, compared to the corresponding figures for at least the last completed fiscal year and estimates for the current fiscal year. The general budget summary may be supported by explanatory schedules

or statements, classifying the expenditures contained therein by agencies, objects, and funds, and the income by agencies, funds, sources, and types. The general budget summary shall include all special funds as well as the general fund, and shall include the estimated amounts of Federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

(2) Part two shall embrace the detailed budget estimates, both of expenditures and revenues, including all special funds and Federal funds, showing the requests of all agencies and the Budget Director's recommendations thereon.

(3) Part three shall consist of a draft of an appropriation bill, or bills, reflecting the budget recommendations of the Budget Director. The Budget Director shall, upon request, furnish the Legislature, or its committees, with any further information required concerning the budget.

Section 7. Governor's Budget Message. The Governor may submit a message to the Legislature which reflects his recommendations with regard to changes in the budget which he feels will be to the best interest of the Territory. He may accompany such recommendations with any information he deems useful to the Legislature in making appropriations for the succeeding biennium.

Article III

UNIFORM ACCOUNTING

Section 1. **General Powers.** There is hereby created the division of accounts and purchases within the Department of Finance. The administrative head of the division shall be the Controller appointed as provided in Section 5 of Article I of this Act. In general, but not by way of limitation, and subject to other laws not inconsistent herewith, the Controller shall have the powers and duties prescribed in this article.

Section 2. **Accounting System.** The Controller shall maintain centralized accounting records which shall include the general and controlling accounts of the Territory and which shall be coordinated with the accounting records maintained by agencies of the Territorial Government. The Territorial agencies shall maintain such classification of accounts and reports as shall be prescribed and shall submit such reports and statements as may be required in order to carry out the provisions of this Act.

Section 3. **Same: Funds and Accounts.** The accounting system shall be in accordance with accepted principles of governmental (fund) accounting and shall include both budgetary and property accounts.

The system shall provide records showing at all times by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total expenditures, the unliquidated obli-

gations, actual balances on hand and the unencumbered balances of appropriations for each Territorial agency.

Section 4. **Property Records.** The Controller shall direct the use of inventory records by all Territorial agencies to show all fixed and movable property of the Territory. The records shall be based on a physical inventory and shall be charged with all subsequent purchases and shall be reduced by all property traded in, condemned or otherwise disposed of. The accuracy of such property record shall be verified periodically by actual inspection of such property by the Controller, or by employees under supervision of the Controller. The Territorial agencies may be required to take physical inventory of such properties annually and at such other times as the Controller may direct.

Section 5. **Obligations: How Incurred and Paid.** No payment shall be made and no obligation shall be incurred against any fund unless the Controller shall first certify that his records disclose that there is a sufficient unencumbered balance available in such fund and that an appropriation or expenditure authorization has been made for the purpose for which it is intended to incur the obligation.

Section 6. **Pre-Audit of Claims.** The Controller shall examine and audit every receipt, account, bill, claim, refund, and demand on the funds in the Territorial Treasury

arising from activities carried on by Territorial agencies. He shall ascertain whether or not the obligation has been incurred in accordance with laws and rules or regulations promulgated under authority of law, and that the amount is correct and is unpaid. The Controller shall not approve for payment any account, bill, claim, refund or demand on funds in the Territorial Treasury unless such claim is ordered by Act of the Legislature or was contracted against the Territory by a duly authorized officer or agent of the Territory in pursuance of law.

Section 7. Pre-Audit of Receipts. The Treasurer shall transmit to the Controller copies of all receipt documents showing all receipts received by the Treasurer. Such receipt documents shall be audited, examined, and the amounts thereof shall be entered in the proper accounts in the records of the Controller. The Director of Finance shall have power to make regulations to provide the system for providing current receipt documents.

Section 8. Fiscal Reporting and Statistics. The Controller shall:

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

(2) File with the Governor and with the Legislative Auditor on or

before the fifteenth day of September, a report of the financial transactions of the preceding fiscal year and of the financial condition of the Territory as of the end of that year, with such comments and supplementary data as he may deem necessary. This report shall be printed for the information of the Legislature and the public.

(3) Compile statistics necessary for the budget and such other statistics as may be required by the Governor or Budget Director from time to time.

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

Sec. 12-2-1. Territorial Monies: Accounting and Payment to Territorial Treasurer: Deposit in Proper Fund. Every office, board, commission or bureau authorized to collect or receive any fees, licenses, taxes or other money, and every office, commission or bureau of the United States, or other authorized agency, authorized to collect any fees, licenses, taxes or other money belonging to this Territory, shall account for and pay such fees, licenses, taxes or other money, less any fees he may be entitled to under existing law, to the Territorial Treasurer at least once each month and the same shall be deposited to the credit of the proper

fund.

Article IV

UNIFORM PURCHASING

Section 1. **Purchasing Agent.** The Controller shall serve as Purchasing Agent or may employ subject to the prior approval of the Director a purchasing agent, who shall serve at the pleasure of the Controller. In general but not by way of limitation, and subject to other applicable provisions of this Act and to other laws not inconsistent therewith, the Purchasing Agent, or an employee under the supervision of the Purchasing Agent and in accordance with rules and regulations promulgated as provided in section 2 of this article, shall:

(1) Purchase, rent or otherwise provide for the furnishing of supplies, materials, equipment, or contractual services for all Territorial agencies.

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

(3) Prescribe the manner in which supplies, materials, and equipment shall be purchased, delivered, stored, and distributed.

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

(5) Fix standards of quality and quantity and develop standard spe-

cifications in consultation with the several Territorial agencies.

(6) Have power to transfer to or between agencies or to sell or trade in supplies, materials and equipment of agencies which are surplus, obsolete, or unused; and the Purchasing Agent shall make proper adjustments in the accounts of the agencies concerned.

(7) Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment and of making tests of samples submitted with bids and samples of deliveries to determine compliance with specifications.

(8) Prescribe standard forms for bids and contracts for construction, purchases of supplies, and other purposes, which bids and contracts, as the case may be, shall contain in their provisions the following: (a) All bids shall be accompanied by a bid bond of 10%, to be returned to the bidder following the bid opening, with the exception of that of the successful bidder, whose bid bond shall be retained until the performance of the contract; (b) All construction contracts shall require a performance bond equal to 50% of the amount of the bid to be posted at a time specified in the contract, and upon receipt of the performance bond, the contractor's bid bond may be returned; (c) All contracts shall require forfeiture of the bid or performance bond upon failure to perform the contract within the time specified by the contract.

(9) Provide for such other mat-

ters as may be necessary to carry out the provisions of this Act and the rules and regulations promulgated hereunder; Provided, however, that nothing in this section shall be construed to empower the Purchasing Agent or the Director of Finance to determine the propriety of or necessity for any purchase made in accordance with this Act.

Section 2. Rules and Regulations. Except as otherwise specifically provided in this Act and other laws not inconsistent with this Act, the Purchasing Agent shall establish and promulgate rules and regulations with respect to the manner of performance of any power or duty prescribed by this Act, the execution of any business of the Purchasing Agent and the relation of the Purchasing Agent to and business with other Territorial agencies in carrying out the provisions of this Act.

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

(1) All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment, and contractual services shall be based on competitive bids, and awards shall be made to the lowest responsible bidder after advertising for bids as herein provided; and except that bids shall be awarded to an Alaskan bidder when the amount of the bid is not more than 5% higher than the low-

est non-resident bidder; and except that competitive bids need not be required for contractual services where no competition exists; or sales involving fair trade items; or when, in the judgment of the Purchasing Agent, food, clothing, or medical supplies, or materials for use in laboratory and experimental studies may be purchased otherwise to the best advantage of the Territory, or where rates are fixed by law or ordinance; or for items traded in on like items.

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

(3) All contractual services, purchases or sales estimated to exceed approximately Two Hundred Fifty Dollars (\$250.00) but not more than One Thousand Dollars (\$1,000.00).

shall be made after receipt of sealed bids following a call for bids issued not less than seventy-two (72) hours by posting notices in three public places within the town where the work is to be performed or material furnished, or the town nearest to where the work is to be performed or material furnished. The Purchasing Agent may also solicit sealed bids by mail by sending notices to all active prospective bidders known to him. All bids shall be sealed when received, and shall be opened in public at the hour stated in the notice.

(4) All contractual services, purchases or sales estimated to be less than approximately Two Hundred Fifty Dollars (\$250.00) may be made either upon competitive bids or in the open market, in the discretion of the Purchasing Agent; but, so far as practicable, shall be based on at least three competitive bids and recorded as provided in section 4 of this article; Provided, authorization may be given to any Territorial agency to make emergency purchases or small purchases of less than Twenty-five dollars (\$25.00) on the open market, such purchases may be by cash payment from petty cash accounts set aside for that purpose. The Purchasing Agent may determine the amount of such petty cash accounts needed by each of the several Territorial agencies, and shall inspect such accounts from time to time, but at least once each year, to determine that the total of petty cash plus amounts of receipts for unreplenished disbursements is equal to the

fixed sum of cash set aside. Shortages in such petty cash accounts shall be a personal liability of the responsible head of the agency to whom such account has been set aside. The Purchasing Agent shall make all necessary rules and regulations governing use of and replenishment of such petty cash funds.

Section 4. Same; Award of Contracts and Purchases; Record. All contracts and purchases made by or under the supervision of the Purchasing Agent for which competitive bids are required shall be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. Any or all bids may be rejected, and a bid shall be rejected if it contains any material alteration or erasure. The Purchasing Agent may reject the bid of any bidder who is in arrears on taxes due the Territory or who has failed to perform on a previous contract with the Territory. In any case where competitive bids are required and where all bids are rejected, new bids shall be called for as in the first instance. Before the awarding of any contract for a building or the making of repairs upon any buildings, the Purchasing Agent shall see that the bids conform with plans and specifications approved by the Highway Engineer. All bids with the names of the bidders and the amounts thereof, together with all documents pertaining to the award of a contract, shall be made

a part of a file or record and retained by the Purchasing Agent for three (3) years, unless reproduced by microfilming, and such files or records shall be open to public inspection at all reasonable times. Any aggrieved bidder may within five (5) days after an award of any contract appeal to the Board of Examiners as established by Section 15-1-2 ACLA 1949, as repealed and re-enacted, for hearing, with notice to interested parties, for re-determination and final award in accordance with law.

Section 5. Delegation of Duties. The Purchasing Agent may delegate any of the duties imposed by this Act upon one or more employees of the Territory normally stationed in towns or locations distant from the Territorial capital. Agents so designated shall perform such duties as the Purchasing Agent may require and in accordance with rules and regulations established by the Purchasing Agent for the performance of such duties.

Section 6. Preference for Alaska Products. Nothing in this Act shall be construed to modify, amend or alter the provisions of Sections 14-3-1 and 14-3-2, Alaska Compiled Laws Annotated, 1949, regarding preference for Alaska Forest Products, or Section 14-4-2, Alaska Compiled Laws Annotated, 1949, regarding preference to producers or dealers in Alaska except as provided in Section 3 (1) of this Article.

Article V

LEGISLATIVE POST AUDIT

Section 1. Legislative Intent. It is the intent of this article to provide for the auditing of each agency of the Territorial Government for the purpose of furnishing the Legislature with information vital to the discharge of its appropriation and legislative duties. It is hereby determined that adequate information is not available at each biennial session through which the members of the Legislature can determine the needs of the various agencies and departments of Territorial Government; and, that auditing of each agency will furnish necessary information. It is further determined that the sixty-day legislative session is not adequate time in which to audit each agency and that the size and scope of governmental activity has grown to such an extent in recent years that such auditing shall be a continuing process. It is further determined that the proper agency to provide for the impartial auditing is an agency directly responsible to the Legislature in order to be completely independent of the executive branch of Territorial Government. It is the intent of this article to provide the Legislature with adequate information by which to exercise its valid powers and no others.

Section 2. Legislative Audit Committee. The President of the Senate, Speaker of the House, Chairman of the Senate Finance Committee, and Chairman of the Ways and Means Committee of the House of Representatives, as such officers are elected at each regular session of the Alaska Legislature, are hereby

constituted a Legislative Audit Committee, and the members thereof shall serve as committee members for the entire period of their terms as members of the Legislature, or until their successors have been named and elected in regular session.

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

Section 4. General Powers. The Legislative Auditor shall be the head of the Division of Legislative

Audit. The Legislative Auditor is vested with the authority and responsibility of auditing each agency of the Territorial Government or any function thereof, receiving appropriated funds, cash funds, or any other funds derived under the authority or by virtue of Territorial law.

Section 5. Oath of Office; Bond. Upon appointment the Legislative Auditor shall qualify by taking the oath of office and executing a bond, to cover his official acts, in the sum of Ten Thousand (\$10,000.00) dollars, conditioned upon the faithful discharge of his duties, with a surety company authorized to do business in Alaska. The premium on such bond shall be paid by the Territory. When a vacancy in the position of Legislative Auditor exists, such position shall be filled by the Legislative Audit Committee by majority action, subject to approval by the Legislature at its next regular session.

Section 6. Powers and Duties. The Legislative Auditor shall have authority and it shall be his duty: (1) To perform an audit of all accounts, books and other financial records of the Territorial Government or any officer of the Territory, to include but not be limited to, every department, board, bureau, institution, commission, or agency, and to prepare a written report or reports of such audit or audits to the Legislature; (2) To examine and audit personally, or by his duly authorized assistants, all fiscal books, records and ac-

counts of all custodians of public funds, and of all disbursing officers of the Territory, making independent verification of all assets, liabilities, revenues and expenditures of the Territory and agencies thereof now in existence or hereafter created. Nothing in this Act shall be so construed as to give the Legislative Auditor the authority to audit cities, school districts, or other political subdivisions of the Territory; (3) To cooperate with Territorial agencies by offering such advice and assistance as may be requested of the Legislative Auditor for the establishment or improvement of the accounting system used by the various agencies; (4) To require the aid and assistance of all executives and officials, auditors, accountants, and other employees of each and every agency at all times in the inspection, examination and audit of any and all books, accounts and records of the several departments; (5) To have access at all times to all of the books, accounts, reports, confidential or otherwise, vouchers, or other records of information in any Territorial agency. Nothing in this section shall be construed as authorizing or permitting the publication of information now or hereafter prohibited by law.

Section 7. Reports. Copies of each audit report shall be filed with the agency concerned, the Governor, the Legislative Audit Committee, and, upon request, to each Legislator or Legislator-elect. The Legislative Auditor shall file a biennial report with the Legislative Audit

Committee, the Governor, and each member of the Legislature within five days after the convening of each regular session of the Legislature. Each biennial report shall contain, among other things, copies of, or the substance or reports to the various agencies, as well as a summary of recommendations made in regard thereto. All reports shall be open to public inspection.

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

Section 9. Special Audit. Any member of the Legislature may, by written request and by written notice of at least six days, request the Legislative Audit Committee to direct any special audit of any agency, and upon the vote of the majority of the Legislative Audit Committee approving such request, the Legislative Auditor shall make such audit.

Section 10. Records. The Legisla-

tive Auditor shall keep or cause to be kept, a complete, accurate and adequate set of fiscal transactions of the Division of Legislative Audit. He shall also keep a complete file of copies of all audit reports, examinations, investigations, and any and all other reports or releases issued by him or his office, and a complete file of audit work papers and other evidence pertaining to the work of the Division of Legislative Audit.

Section 11. Office Space; Disbursing Officer. The agency in charge of the Alaska Office Building is hereby directed to furnish suitable quarters for the Division of Legislative Audit. The Legislative Audit Committee shall designate a disbursing officer for the Division of Legislative Audit and all vouchers issued in payment of salaries and expenses incurred in the operations of the Division of Legislative Audit shall be approved by the disbursing officer before they are paid.

Section 12. Employees; Policy. The Legislative Auditor shall be free to select the most efficient personnel available for all positions in the Division of Legislative Audit authorized by appropriation, to the end that he may render to the members of the Legislature that service which they have a right to expect. It is the intention and desire of the Legislature to free the Legislative Auditor and his staff from partisan politics.

Section 13. Prohibitions. The Leg-

islative Auditor shall not serve in any ex officio capacity on any administrative board or commission, or have any financial interest in the transactions of any agency.

Section 14. Oaths; Summons; Sanctions. The Legislative Auditor shall have the power in making any audit or examination to administer oaths and cause to be summoned to appear with such papers, files, or records as may be named in the summons, any person or persons whose testimony may be deemed necessary in such audit or examination. Any person who willfully fails or refuses to appear and testify or submit papers, files, and records material and pertinent to the examination, or willfully refuses to answer any material or pertinent questions propounded to him by the Legislative Auditor shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction, shall be fined in any sum not less than One Hundred (\$100.00) Dollars; nor more than Five Hundred (\$500.00) Dollars; and any person appearing and willfully or corruptly giving any false testimony that is material and pertinent to the examination, shall be deemed guilty of a perjury and upon conviction by a court of competent jurisdiction shall be imprisoned not less than two (2) years nor more than five (5) years. Any person summoned to appear shall receive the same compensation as is received by persons serving as a witness before the Legislature as provided in Section 4-4-5, Alaska Compiled

Laws Annotated, 1949.

Section 15. Verification of Deposits. In verifying any of the audits made, the Legislative Auditor shall have the right to ascertain the amounts on deposit, in any bank or banks, belonging to any agency required to be audited, and shall have the right to audit said account on the books of such bank. No bank shall be liable for making available to the Legislative Auditor any of the information required under the provisions of this section.

Section 16. Transfer of Records. Copies of all audit reports now possessed by the Territorial Auditor shall be transferred to the Division of Legislative Audit upon request of the Legislative Auditor.

Section 17. Payment of Salaries and Expenses. The salary of the Legislative Auditor and the other employees of the Division of Legislative Audit shall be paid in the same manner and through the same procedure used for the payment of salaries of other Territorial employees. Expenses of the Division of Legislative Audit shall be included in the general appropriation bill.

Article VI

GENERAL FISCAL MATTERS

Section 1. Federal Funds. Federal funds received by any agency shall be deposited in the Territorial Treasury and disbursed in the same manner as other Territorial monies as provided in this Act and other

laws not inconsistent herewith and shall be subject to the fiscal controls imposed by this Act, except where Federal laws or regulations of the Federal agency making such funds available to the Territory prevent such funds from being deposited, appropriated, allocated, accounted for, or expended as provided by this Act and other laws not inconsistent herewith.

Section 2. Section 12-4-1, Alaska Compiled Laws Annotated, 1949 (being that section repealed and reenacted by Section 30, Chapter 133, Session Laws of Alaska, 1951, and repealed by Section 1 and reenacted by Section 2, Chapter 24, Session Laws of Alaska, 1953), is hereby amended so as to read as follows:

Sec. 12-4-1. Fiscal Year; Accounting and Performing Duties with Reference Thereto. The fiscal year of the Territory shall commence on the first day of July of each year and shall close at midnight on the 30th day of June next succeeding, and all accounts of the Treasurer or of other Territorial officers whose accounts are in any way connected with the Treasury shall be kept, and all duties of such Treasurer and other officers shall be performed, with reference to the beginning and ending of the fiscal year as herein provided.

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

(e) **Fiscal Year.** The fiscal year of the University of Alaska shall commence on the 1st day of July of each year and shall close at midnight on the 30th day of June next succeeding.

Article VII

INSTALLATION OF SYSTEM

Section 1. Installation; by Whom. The Governor is authorized to employ a professional accountant or accountants to revise the system of, and forms, books and records used for, Territorial accounting, in accordance with the provisions of Article III of this Act, and to prepare, revise and establish the procedures and forms for installation of the system of purchasing in accordance with the provisions of Article IV of this Act.

Section 2. Time of Installation. The procedures, forms, and system required by this Act, shall be installed and put into use in all agencies on July 1, 1955; Provided, that if the installing accountant or accountants be unable to complete the revision of the system and forms, the Governor may extend the time of such installation not to exceed ninety days, but reports, records, and accounts shall be kept on the basis of the fiscal year whether or not such installation be delayed.

Section 3. Appropriation. There is hereby appropriated to the Governor, the sum of Ten Thousand (\$10,000.00) Dollars, out of any

monies in the General Fund not otherwise appropriated, for the purpose of hiring a person or firm to make the installation required by this article and the purchase of any books or forms required by this Act in an amount and number sufficient for the central accounts and records for the biennium ending June 30, 1957; Provided, that the amount herein appropriated shall be the maximum required for said purpose, and the installation shall be so devised as not to require any additional sum for said biennium.

Article VIII

GENERAL PROVISIONS

Section 1. Interpretation of Act. It is intended that the provisions of this Act shall be construed as supplemental to all other laws of Alaska not in conflict with this Act, and that this Act shall be construed as repealing only those laws and parts thereof specifically repealed herein and also any other laws or parts thereof not specifically repealed herein which are inconsistent with the provisions of this Act.

Section 2. Repealer. The following Acts or parts of Acts are hereby repealed: Subsection (9) of Section 8-1-10, Sections 8-1-8, 10-1-1, 10-1-2, 10-1-5, 10-1-7, 10-1-8, 12-4-3, 14-1-2, ACLA, 1949; and Sections 8-1-1, 8-1-2, 8-1-3, 8-1-4, 8-1-9, 10-1-3, 10-1-4, ACLA, 1949, as repealed by Chapter 133, SLA 1951, and reenacted by Chapter 24, SLA, 1953; and Section 8-1-7, ACLA, 1949, as

repealed by Chapter 119, SLA, 1949 and repealed by Chapter 133, SLA, 1951, and reenacted by Chapter 24, SLA, 1953; and Section 14-4-1, ACLA, 1949, as amended by Chapter 15, SLA, 1953; and Section 12-4-2, ACLA, 1949, as amended by Chapter 101, SLA, 1949, and repealed by Chapter 133, SLA, 1951, and reenacted by Chapter 24, SLA, 1953.

Section 3. Emergency Clause. An emergency is hereby declared to exist and this Act shall take effect and be in force immediately upon its passage and approval, or upon its becoming law without such approval; Provided, however, that it is recognized that several months will be required for the preparation and installation of the systems contemplated by this Act; and, that with respect to the several Articles of this Act, it is hereby declared to be the intent and purpose herein to make certain of the provisions effective in the following order:

(a) Article I shall take effect immediately, provided that until such time as a Director of Finance

has been selected and qualified, the Territorial Auditor shall continue to perform his duties as heretofore directed and empowered, but not longer than July 1, 1955;

(b) Article II shall take effect immediately;

(c) Articles III and IV shall take effect from time to time as established by the Governor upon certification by the accountants provided for in Article VII that the books, systems, manuals, and forms are available and the installation of the system or partial installation of any of the procedures provided herein has been completed, but all of such procedures shall be put in effect not later than September 30, 1955;

(d) Articles V, VI, VII, and VIII shall take effect immediately; and it is hereby declared to be the intent and policy of the Legislature that the Governor shall proceed to implement the provisions of this Act as quickly as possible, in order to secure the advantages of economy, efficiency, and integrity in the handling of public funds.

Approved March 24, 1955

CHAPTER 83

AN ACT

To amend Section 47-3-112 ACLA 1949, relating to the appointment of the Commissioner of Mines, and declaring an emergency.

(S. B. 39)