

CHAPTER 85

AN ACT

Appropriating \$3,500.00 to carry out the provisions of House Bill No. 195, for the purpose of enabling witnesses to attend a Congressional hearing in the state capital; and providing for an effective date.

(C.S.H.B. 196)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of \$3,500.00, or so much thereof as may be found necessary, is hereby appropriated to the governor's contingency fund, out of any monies in the general fund not otherwise appropriated, for the purpose of carrying out the provisions of House Bill No. 195, "An Act authorizing an appropriation to the governor's contingency fund for the purpose of enabling wit-

nesses to attend a Congressional hearing to be held in the state capital; and providing for an effective date".

Sec. 2. The monies hereby appropriated shall be paid by warrants drawn on vouchers approved by the governor.

Sec. 3. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved April 2, 1959

CHAPTER 86

AN ACT

Relating to the post-audit; creating a Legislative Audit Committee; prescribing the duties thereof; creating a Division of Legislative Audit; providing for the nomination and appointment of a legislative auditor; defining certain violations and imposing penalties; repealing Secs. 1 through 17 of Art. V, Ch. 82, SLA 1955 as amended by Secs. 12 through 16 of Ch. 186, SLA 1957; and providing for an effective date.

(S.B. 113)

Be it enacted by the Legislature of the State of Alaska:

Section 1. **Legislative Intent.** It is the intent of this Act to provide for the post-auditing of each agency of the state government for the purpose of furnishing the legislature with factual information vital to the discharge of its legislative duties. It is hereby determined that adequate information is not available for each session through which the members of the legislature can determine the needs of the various agencies and departments of the state government; and, that the post-auditing of each agency will furnish necessary information. It is further determined that the 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 the intent of this Act to provide the legislature with adequate factual information by which to exercise its valid powers and no others.

Sec. 2. **Legislative Audit Committee: Powers and Duties: Creation of Division of Legislative Audit.** The President of the Senate, Speaker of the House, Chairman of the Senate Finance Committee, and Chairman of the House Finance Committee, as such officers are elected at each session of the Alaska Legislature, and one member from the Senate and from the House who shall be appointed by the President of the Senate and Speaker of the House, respectively, shall constitute a Legislative Audit Committee, and the members thereof shall serve as committee members until the convening of the next session of the legislature, or until their successors

have been named and elected in such session. Whenever possible the membership shall include at least one member from each of the four major state election districts and at least two members from each of the two major political parties. In the event of a vacancy by a member of the Senate, the President of the Senate shall choose a successor. In the event of a vacancy by a member of the House, the Speaker of the House shall choose a successor. In the event of the resignation or death of the President of the Senate, the remaining committee members from the Senate shall choose a successor. In the event of the resignation or death of the Speaker of the House the remaining committee members from the House shall choose a successor.

It shall be the duty of the Committee to study and examine expenditures by state agencies and to gather information on anticipated revenues. The Committee shall have the power to organize and adopt rules for the conduct of its business and to do whatever else it may deem necessary or advisable to carry out the purpose of this Act.

There is hereby created a Division of Legislative Audit, the staff of which shall serve at the pleasure and direction of the Legislative Audit Committee and perform audits as specified by the Legislative Auditor as hereafter selected and appointed.

The Legislative Audit Committee shall examine persons to serve as auditor as to qualifications and ability, and upon completion of such examination, place the name of the person selected in nomination before the legislature for appointment as Legislative Auditor.

The Legislative Audit Committee may promulgate such rules and prescribe such procedures for the Division of Legislative Audit, and the conduct of post audits as may be necessary, in accordance with accepted auditing procedures, consistent with this Act.

The Legislative Audit Committee may at the request of the governor, attend budget hearings, review appropriation requests, and make such recommendations to the governor as they deem necessary and proper.

Sec. 3. Legislative Auditor: Appointment: Vacancy. 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 nominated by the committee shall be presented to the legislature for appointment, 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 of this Act until the next session of the legislature at which time the name of the person nominated as Legislative Auditor shall be presented to the legislature for appointment. The Legislative Auditor shall serve at the pleasure of the legislature, and when the legislature is not in session he may be removed for cause after notice by and hearing before the Legislative Audit Committee, by a majority vote of the committee. When a vacancy in the position of Legislative Auditor occurs when the legislature is not in session, such position may be filled by the Legislative Audit Committee by majority action, subject to an appointment by the legislature at its next regular session.

Sec. 4. Bond. Upon appointment, the Legislative Auditor shall execute 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 state.

Sec. 5. 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 state government, or any officer of the state, 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 for presentation to the Legislative Audit Committee; (2) To examine and audit personally, or by his duly authorized assistants, all fiscal books, records and accounts of all custodians of public funds, and of all dis-

bursing officers of the state, making independent verification of all assets, liabilities, revenues and expenditures of the state and agencies thereof now in existence or hereafter created; (3) To specifically perform an audit of the Department of Administration, annually; (4) To cooperate with state 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; (5) 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; (6) To have access at all times to all of the books, accounts, reports, confidential or otherwise, vouchers, or other records of information in any state agency. Nothing in this section shall be construed as authorizing or permitting the publication of information now or hereafter prohibited by law.

Sec. 6. Reports. Copies of each audit report approved by the Legislative Audit Committee shall be filed with the governor, together with the committee recommendations. The Legislative Audit Committee shall file an annual report with the governor, and with the legislature within five days after the convening of each regular session of the legislature. Each annual report shall contain, among other things, copies of, or the substance of audit reports on the various agencies, as well as a summary of recommendations made in regard thereto. All annual reports shall be open to public inspection after they have been filed with the legislature as provided herein; provided, however, that that portion of the annual report containing recommendations, comments and any narrative statement is to be released only upon the approval of a majority vote of the Legislative Audit Committee.

Sec. 7. 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 apparent 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 improper expenditure of money in the future.

Sec. 8. 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.

Sec. 9. Records. The Legislative 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.

Sec. 10. 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.

Sec. 11. 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. The auditor and the division

staff shall not engage in or be associated with any partisan political activity.

Sec. 12. Prohibitions. The Legislative 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.

Sec. 13. Powers: Hearings. The committee shall have the authority to administer oaths, issue subpoenas, compel the attendance of witnesses and the production of any papers, books, accounts, documents, and testimony, and to cause the desposition of witnesses to be taken in the manner prescribed by law for taking depositions in civil actions. In case of disobedience or the refusal on the part of any person to comply with any subpoena issued on behalf of the committee, or on the refusal of any witness to testify to any matters regarding which he may be lawfully interrogated, any superior court or judge thereof, may on application of the committee, compel obedience by proceedings for contempt, in the same manner as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein. Each witness who appears before the committee by its order, other than an officer or employee of the State of Alaska, shall receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers sworn to by such witnesses and approved by the chairman of the com-

mittee.

Sec. 14. 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.

Sec. 15. 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 state employees. Expenses of the Division of Legislative Audit shall be included in the general appropriation bill.

Sec. 16. Political Subdivisions. 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 state.

Sec. 17. Repealer. Sec. 1 through and including Sec. 17 of Art. V, Ch. 82, SLA 1955 as amended by Sec. 12 through and including Sec. 16 of Ch. 186, SLA 1957 are hereby repealed.

Sec. 18. Effective Date. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved April 15, 1959

CHAPTER 87

AN ACT

Making provision for a verdict by not less than five-sixths of the jury in all civil cases; relating to special verdicts; and providing for an effective date.

(C.S.H.B. 57)

Be it enacted by the Legislature of the State of Alaska:

Section 1. In all civil cases tried by a jury in any court of the state, whether a court of record or not of record, not less than five-sixths of the jury is

authorized to render a verdict which is entitled to the legal effect of a unanimous verdict at common law. Special verdicts need not be concurred in by the same jurors.

Sec. 2. This Act shall apply to all