

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 1244 of the Regular Session

1 State of Arkansas

As Engrossed: H3/11/05

2 85th General Assembly

A Bill

3 Regular Session, 2005

HOUSE BILL 2700

4  
5 By: Representative Chesterfield

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8 **For An Act To Be Entitled**

9 AN ACT TO REQUIRE SCHOOL DISTRICT AUDITORS TO  
10 COMPLY WITH INDEPENDENCE STANDARDS; AND FOR OTHER  
11 PURPOSES.

12  
13 **Subtitle**

14 AN ACT TO REQUIRE SCHOOL DISTRICT  
15 AUDITORS TO COMPLY WITH INDEPENDENCE  
16 STANDARDS.

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code Title 6, Chapter 20, Subchapter 1806 is  
22 amended to add an additional section to read as follows:

23 6-20-1806. Services outside the scope of practice of auditors –  
24 Prohibited activities.

25 A licensed certified public accountant or a licensed accountant in  
26 public practice shall not provide the following nonaudit services to a school  
27 district, educational cooperative, or charter school if the licensed  
28 certified public accountant or the licensed accountant or his or her firm is  
29 also the auditor of the school district, educational cooperative, or charter  
30 school:

31 (1) Accounting and bookkeeping services;

32 (2) Financial information systems design and implementation;

33 (3) Appraisal, valuation, and actuarial services;

34 (4) Internal audit outsourcing services;

35 (5) Management or human resources functions;



1                   (6) Broker or dealer, investment adviser, or investment banking  
2 services; and

3                   (7) Legal and expert services unrelated to the audit.  
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6   /s/ Chesterfield  
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9   APPROVED: 3/24/2005  
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