

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1934

5 By: Representative Cozart
6

For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING AUDITS OF
9 SCHOOLS; AND FOR OTHER PURPOSES.

Subtitle

12 TO AMEND ARKANSAS LAW CONCERNING AUDITS
13 OF SCHOOLS.
14

15
16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code § 10-4-413(c), concerning audits of schools,
20 is amended to read as follows:

21 ~~(e)(1)(c)~~ Regulatory Basis.

22 ~~(A)(1)~~ For school financial audits, the financial statements
23 shall be presented on a fund basis format with, as a minimum, the general
24 fund and the special revenue fund presented separately and all other funds
25 included in the audit presented in the aggregate.

26 ~~(B)(2)~~ The financial statements shall consist of the following:

27 ~~(i)(A)~~ A balance sheet;

28 ~~(ii)(B)~~ A statement of revenues, expenditures, and changes
29 in fund balances;

30 ~~(iii)(C)~~ A comparison of the final adopted budget to the
31 actual expenditures for the general fund of the entity and the special
32 revenue fund of the entity; and

33 ~~(iv)(D)~~ Notes to the financial statements.

34 ~~(C)(3)~~ The report shall include a report on internal control
35 over financial reporting and on compliance and other matters based on an
36 audit of financial statements performed in accordance with the Government



1 Auditing Standards.

2 ~~(D)~~(4) The report shall include as supplemental information a
3 schedule of capital assets, including:

- 4 ~~(i)~~(A) Land;
- 5 ~~(ii)~~(B) Buildings; and
- 6 ~~(iii)~~(C) Equipment.

7 ~~(E)~~(5) The State Board of Education shall promulgate rules
8 necessary to administer the regulatory basis provided in this subsection.

9 ~~(2) Alternative Basis.~~

10 ~~(A) As an alternative to subdivision (c)(1) of this~~
11 ~~section, the governing body of a school may adopt a resolution requiring its~~
12 ~~annual financial audit to be performed and financial statements presented in~~
13 ~~accordance with the guidelines prescribed by the Government Accounting~~
14 ~~Standards Board, the American Institute of Certified Public Accountants, and~~
15 ~~the United States Government Accountability Office, if applicable.~~

16 ~~(B) The report shall include a report on internal control~~
17 ~~over financial reporting and on compliance and other matters based on an~~
18 ~~audit of financial statements performed in accordance with the Government~~
19 ~~Auditing Standards.~~

20
21
22 **APPROVED: 4/10/19**
23
24
25
26
27
28
29
30
31
32
33
34
35
36