

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**

A Bill

ACT 339 OF 1995
HOUSE BILL 1283

4 **By: Representatives Thicksten, Willems, and McJunkin**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 21-2-704 TO REQUIRE AUDITS
9 EACH FISCAL YEAR FOR GOVERNMENTAL ENTITIES PARTICIPATING
10 IN THE FIDELITY BOND PROGRAM AND NOT SUBJECT TO ARKANSAS
11 LEGISLATIVE AUDIT; AND FOR OTHER PURPOSES."

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Subtitle

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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 21-2-704 is hereby amended by adding an*
22 *additional subsection (g) to read as follows:*

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*"(g) (1) For valid coverage under the Self-Insured Fidelity Bond
Program, each participating governmental entity, including each segment or
component thereof for which coverage is available under the Self-Insured
Fidelity Bond Program, shall procure an audit of its books and records for
each fiscal year ending after January 1, 1995.*

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*(2) If a participating entity, or covered segment or component
thereof, is not audited by the Division of Legislative Audit, the
participating governmental entity, or covered segment or component thereof,
shall procure an audit of its books and records by accountants in good
standing with the Arkansas State Board of Public Accountancy in accordance
with Government Auditing Standards issued by the Comptroller General of the
United States. Such audits must be completed within twenty-four (24) months
of the close of each participating entity's fiscal year. All audit reports
revealing or disclosing unauthorized expenditures, asset shortages, or*

1 unaccounted for funds shall be forwarded immediately upon completion to the
2 Division of Legislative Audit, the State Risk Manager, and the appropriate
3 prosecuting attorney."

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5 SECTION 2. All provisions of this act of a general and permanent nature
6 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
7 Revision Commission shall incorporate the same in the Code.

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9 SECTION 3. If any provision of this act or the application thereof to
10 any person or circumstance is held invalid, such invalidity shall not affect
11 other provisions or applications of the act which can be given effect without
12 the invalid provision or application, and to this end the provisions of this
13 act are declared to be severable.

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15 SECTION 4. All laws and parts of laws in conflict with this act are
16 hereby repealed.

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18 SECTION 5. EMERGENCY. It is hereby found and determined by the General
19 Assembly of the State of Arkansas that financial audits of governmental
20 entities covered by the Self-Insured Fidelity Bond Program are necessary to
21 maintain financial stability of the Self-Insured Fidelity Bond Program. This
22 act is designed to accomplish this purpose for governmental entities or
23 subdivisions thereof participating in the Program which are not audited by
24 Arkansas Legislative Audit; and this act should be given effect immediately.
25 Therefore, an emergency is hereby declared to exist and this act being
26 necessary for the immediate preservation of the public peace, health, and
27 safety, shall be in full force and effect from and after its passage and
28 approval.

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/s/Thicksten, et al

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APPROVED: 2-16-95

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