

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

ACT 272 OF 1997  
HOUSE BILL 1583

4  
5 By: Representatives Curran, Sheppard, McJunkin, and Jones  
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## For An Act To Be Entitled

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9 "AN ACT TO REQUIRE CERTAIN WATER AND SEWER SERVICE  
10 PROVIDERS TO OBTAIN AN ANNUAL AUDIT; TO REQUIRE SUCH AUDIT  
11 REPORTS TO BE FILED WITH THE DIVISION OF LEGISLATIVE AUDIT  
12 AND PRESENTED TO THE LEGISLATIVE JOINT AUDITING COMMITTEE;  
13 AND FOR OTHER PURPOSES."

## Subtitle

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15 "TO REQUIRE ANNUAL AUDITS OF WATER AND  
16 SEWER SERVICE PROVIDERS."  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. ANNUAL AUDITS. (a) Any county, municipality, improvement  
22 district, or other entity receiving public funds or public grants that  
23 provides water or sewage services and having at least one hundred (100)  
24 service connections shall procure an annual financial audit of the system.

25 (b) Such audits shall be conducted following each systems fiscal year  
26 end and shall include a management letter.

27 (c) Each such entity shall choose and employ accountants, in good  
28 standing with the Arkansas State Board of Public Accountancy, to conduct these  
29 audits in accordance with Government Auditing Standards issued by the  
30 Comptroller General of the United States.

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32 SECTION 2. FILING OF AUDIT REPORT. Copies of each audit report and the  
33 accompanying management letter shall be filed with the Division of Legislative  
34 Audit within one (1) year from the close of the fiscal year. The Division of  
35 Legislative Audit shall present the audit reports and accompanying management  
36 letters to the Legislative Joint Auditing Committee.

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SECTION 3. REVIEW OF AUDIT REPORT BY BOARD. Each audit report, with accompanying management letter, shall be reviewed by the appropriate board at the next regularly scheduled open meeting after receiving the audit report from the accountant.

SECTION 4. PENALTY PROVISION. Any entity not complying with this act shall not be eligible to receive any funding or grants flowing through agencies of the State of Arkansas.

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

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 7. All laws and parts of laws in conflict with this act are hereby repealed.

APPROVED: 2-25-97