

1 State of Arkansas  
2 84th General Assembly  
3 Second Extraordinary Session, 2003  
4

Call Item 4

# A Bill

HOUSE BILL 1087

5 By: Representative Harris  
6 By: Senator Wilkins  
7

## For An Act To Be Entitled

10 AN ACT TO REQUIRE SCHOOL DISTRICTS IN FISCAL  
11 DISTRESS TO COMPLETE AND FILE AN ANNUAL AUDIT  
12 WITH THE DEPARTMENT OF EDUCATION WITHIN SIX (6)  
13 MONTHS FOLLOWING THE END OF THE FISCAL YEAR, AND  
14 FOR OTHER PURPOSES.

## Subtitle

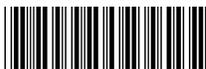
16 AN ACT TO REQUIRE SCHOOL DISTRICTS IN  
17 FISCAL DISTRESS TO COMPLETE AND FILE AN  
18 ANNUAL AUDIT WITH THE DEPARTMENT OF  
19 EDUCATION WITHIN SIX (6) MONTHS  
20 FOLLOWING THE END OF THE FISCAL YEAR.  
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23  
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 6-20-1801 is amended to read as follows:  
27 6-20-1801. Filing of audit reports.

28 (a) Unless a shorter period is prescribed by law or regulation, all  
29 school districts' annual audits not conducted by the Division of Legislative  
30 Audit shall be completed and filed with the Department of Education and the  
31 division within eighteen (18) months following the end of each fiscal year.

32 (b) All school district contracts for audit services with private  
33 certified public accountants shall contain a provision requiring completion  
34 of the audit and filing of the audit reports by the auditor with the  
35 department and the division within eighteen (18) months following the end of  
36 each June 30 fiscal year.



1 (c) The division shall annually provide the department a list of  
2 school districts audited by the division and update the department on any  
3 changes throughout the year.

4 (d)(1) If the department has identified a school as being in fiscal  
5 distress by June 30 of any year, the annual audit of that district shall be  
6 completed and filed with the department and the Legislative Joint Auditing  
7 Committee within six (6) months following the end of each fiscal year.

8 (2) If the committee determines that circumstances warrant, the  
9 committee may extend the time to file the audit report of a fiscally  
10 distressed school district up to an additional ninety (90) days.

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12 SECTION 2. Arkansas Code Title 6, Chapter 20, Subtitle 18 is amended  
13 to add an additional section to read as follows:

14 6-20-1805. Training requirements for bookkeepers.

15 (a) The State Board of Education shall establish by rules or  
16 regulations appropriate training and continuing education requirements for  
17 individuals whose job responsibilities include preparing a budget or  
18 classifying, recording, or reporting receipts or expenditures of a school or  
19 school district.

20 (b) The state board shall establish rules or regulations to assure the  
21 proficiency of school employees or other individuals to properly classify,  
22 record, and report the fiscal transactions of schools or school districts.

23 (c) If the state board determines that a school or school district is  
24 not properly recording or reporting the fiscal transactions or budget of the  
25 district, the superintendent and school board may be required to appear  
26 before the state board to explain why the school or school district has not  
27 complied with the fiscal recording and reporting requirements.

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30 APPROVED: 1/15/2004