

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

A Bill

HOUSE BILL 1283

4 By: Representatives Thicksten, Willems, and McJunkin
5
6

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."
12

Subtitle

14 "TO REQUIRE AUDITS EACH FISCAL YEAR FOR
15 GOVERNMENTAL ENTITIES PARTICIPATING IN
16 THE FIDELITY BOND PROGRAM AND NOT
17 SUBJECT TO ARKANSAS LEGISLATIVE AUDIT"
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 *SECTION 1. Arkansas Code 21-2-704 is hereby amended by adding an*
22 *additional subsection (g) to read as follows:*

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

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

1 *revealing or disclosing unauthorized expenditures, asset shortages, or*
2 *unaccounted for funds shall be forwarded immediately upon completion to the*
3 *Division of Legislative Audit, the State Risk Manager, and the appropriate*
4 *prosecuting attorney."*

5

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

9

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

15

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17 hereby repealed.

18

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

30

/s/Thicksten, et al

31

32

33

34

35

