

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 1749

4
5 By: Representatives Lancaster, T. Thomas, R. Smith, Agee, Bevis, Carson, Cleveland, Creekmore,
6 Gipson, Gullett, Ferguson, Hickinbotham, Hunt, Eason, Judy, Morris, Parks, W. Walker, Scrimshire,
7 Milligan, Weaver, Wilkinson
8 By: Senators Fitch, Hill, Hunter, Kennedy, B. Lewellen, Roebuck, Ross, K. Smith, B. Walker, Webb

For An Act To Be Entitled

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11 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED 10-4-202 TO
12 ALLOW THE DIVISION OF LEGISLATIVE AUDIT AND PRIVATE
13 ACCOUNTANTS TO PREPARE A REPORT OF AGREED UPON
14 PROCEDURES FOR SECOND CLASS CITIES IN LIEU OF AN AUDIT
15 REPORT; AND FOR OTHER PURPOSES. "

Subtitle

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18 "AN ACT TO ALLOW REPORTS OF AGREED UPON
19 PROCEDURES FOR SECOND CLASS CITIES. "

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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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25 SECTION 1. Arkansas Code Annotated § 10-4-202 is hereby amended to read
26 as follows:

27 "10-4-202. Audits authorized - Independent audits.

28 (a) The Legislative Auditor has the power and duty, acting through his
29 duly authorized employees, to conduct audits of the records and accounts of
30 all officials or employees of counties, municipalities, school districts,
31 county school boards, and educational cooperatives. In the alternative, upon
32 approval of the Legislative Joint Auditing Committee, the Legislative Auditor
33 may conduct a compilation or a report of agreed upon procedures of the records
34 and accounts of all officials or employees of incorporated towns or a report
35 of agreed upon procedures of second class cities.

36 (b) ~~(1)-(A)~~ Nothing contained in this section shall be so construed as

1 to abridge the right of any school district, any educational cooperative, or
 2 any municipality to choose and employ accountants, licensed and in good
 3 standing with the Arkansas State Board of Public Accountancy, to conduct these
 4 audits in accordance with Government Auditing Standards issued by the
 5 Comptroller General of the United States.

6 (c) ~~(B)~~ In the alternative, with the approval of the Legislative Joint
 7 Auditing Committee;

8 (1) An incorporated town may employ such licensed accountants to
 9 conduct a compilation or a report of agreed upon procedures as provided in
 10 §10-4-202(c)(2) in accordance with standards issued by the American Institute
 11 of Certified Public Accountants; or,

12 (2) A city of the second class may employ such licensed
 13 accountants to conduct and prepare a report of agreed upon procedures. The
 14 agreed upon procedures and format of the report shall be prescribed by the
 15 Legislative Auditor and shall include as a minimum:

16 (A) A reconciliation and confirmation of cash;

17 (B) A cash basis balance sheet;

18 (C) A statement of cash receipts and disbursements; and

19 (D) A report on compliance with certain Arkansas laws.

20 ~~(2)~~ (d) A certified copy of each ~~audit or compilation~~ audit,
 21 compilation or agreed upon procedures report shall be filed with the Division
 22 of Legislative Audit in a timely manner after completion of the report.

23 (e) All compilation reports and reports of agreed upon procedures
 24 allowed herein shall be presented to the appropriate governing body in the
 25 same manner as audit reports."

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

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 31 SECTION 3. If any provision of this act or the application thereof to
 32 any person or circumstance is held invalid, such invalidity shall not affect
 33 other provisions or applications of the act which can be given effect without
 34 the invalid provision or application, and to this end the provisions of this
 35 act are declared to be severable.

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

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