

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 1702

4  
5 By: Representative Sample  
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7

## For An Act To Be Entitled

9 AN ACT TO AUTHORIZE THE LEGISLATIVE AUDITOR TO  
10 AUDIT THE RECORDS OF THE ASSOCIATION OF ARKANSAS  
11 COUNTIES, THE ARKANSAS MUNICIPAL LEAGUE, AND THE  
12 ARKANSAS SCHOOL BOARD ASSOCIATION; AND FOR OTHER  
13 PURPOSES.  
14

## Subtitle

15 AUTHORIZES THE LEGISLATIVE AUDITOR TO  
16 AUDIT THE RECORDS OF THE ASSOCIATION OF  
17 ARKANSAS COUNTIES, ARKANSAS MUNICIPAL  
18 LEAGUE, AND ARKANSAS SCHOOL BOARD  
19 ASSOCIATION.  
20  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

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

26 10-4-202. Audits authorized - Independent audits.

27 (a)(1) The Legislative Auditor has the power and duty, acting through  
28 his or her ~~duly~~ authorized employees, to conduct audits of the records and  
29 accounts of ~~all~~:

30 (A) All officials or employees of counties,  
31 municipalities, school districts, county school boards, and educational  
32 cooperatives; and

33 (B) The Association of Arkansas Counties, the Arkansas  
34 School Boards Association, and the Arkansas Municipal League.

35 (2) In the alternative, upon approval of the Legislative Joint  
36 Auditing Committee, the Legislative Auditor may conduct:



1 (A) A compilation or a report of agreed-upon procedures of  
2 the records and accounts of all officials or employees of incorporated towns;  
3 or

4 (B) A report of agreed-upon procedures of cities of the  
5 second class.

6 (b)(1) Nothing contained in subsection (a) of this section shall be ~~so~~  
7 construed as to abridge the right of ~~any~~ a school district, ~~any~~ an  
8 educational cooperative, ~~or any~~ a municipality, the Association of Arkansas  
9 Counties, the Arkansas School Boards Association, or the Arkansas Municipal  
10 League to choose and employ accountants licensed and in good standing with  
11 the Arkansas State Board of Public Accountancy to conduct these audits in  
12 accordance with Government Auditing Standards issued by the Comptroller  
13 General of the United States.

14 (2) In the alternative, with the approval of the Committee:

15 (A) An incorporated town may employ such licensed  
16 accountants to conduct a compilation or a report of agreed-upon procedures as  
17 provided in subdivision (b)(2)(B) of this section in accordance with  
18 standards issued by the American Institute of Certified Public Accountants;  
19 or

20 (B)(i) A city of the second class may employ such licensed  
21 accountants to conduct and prepare a report of agreed-upon procedures.

22 (ii) The agreed-upon procedures and format of the  
23 report shall be prescribed by the Legislative Auditor and shall include at a  
24 minimum:

- 25 (a) A reconciliation and confirmation of cash;
- 26 (b) A cash basis balance sheet;
- 27 (c) A statement of cash receipts and

28 disbursements; and

29 (d) A report on compliance with certain  
30 Arkansas laws.

31 (3)(A) A certified copy of each audit, compilation, or agreed-  
32 upon procedures report shall be filed with the Division of Legislative Audit  
33 in a timely manner after completion of the report.

34 (B) All compilation reports and reports of agreed-upon  
35 procedures allowed in this section shall be presented to the appropriate  
36 governing body in the same manner as audit reports.