

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
4

As Engrossed: H3/4/05
A Bill

HOUSE BILL 1702

5 *By: Representatives Harris, Sample*
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8 **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

15 **Subtitle**

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

/s/ Harris, et al

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