

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

SENATE BILL 421

4  
5 By: Senator Womack  
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## 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 AND THE ARKANSAS MUNICIPAL LEAGUE; AND  
12 FOR OTHER PURPOSES.  
13

## Subtitle

14  
15 AUTHORIZES THE LEGISLATIVE AUDITOR TO  
16 AUDIT THE RECORDS OF THE ASSOCIATION OF  
17 ARKANSAS COUNTIES AND THE ARKANSAS  
18 MUNICIPAL LEAGUE.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 10-4-202 is amended to read as follows:  
24 10-4-202. Audits authorized - Independent audits.

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

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

31 (B) The Association of Arkansas Counties and the Arkansas  
32 Municipal League.

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

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



1 or

2 (B) A report of agreed-upon procedures of cities of the  
3 second class.

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

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

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

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

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

- 22 (a) A reconciliation and confirmation of cash;
- 23 (b) A cash basis balance sheet;
- 24 (c) A statement of cash receipts and  
25 disbursements; and

26 (d) A report on compliance with certain  
27 Arkansas laws.

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

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

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