

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

HOUSE BILL 1582

4
5 By: Representatives Summers, T. Bradford, English, Vines
6 By: Senators B. Sample, E. Williams

For An Act To Be Entitled

9 AN ACT CONCERNING AUDITS AND PROCEDURES FOR CERTAIN
10 ENTITIES THAT PROVIDE WATER SERVICES; AND FOR OTHER
11 PURPOSES.

Subtitle

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14 CONCERNING AUDITS AND PROCEDURES FOR
15 CERTAIN ENTITIES THAT PROVIDE WATER
16 SERVICES.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code § 14-234-119(b), concerning annual audits and
23 procedures, is amended to read as follows:

24 (b)(1) Any county, municipality, improvement district, or not-for-
25 profit association or entity receiving fees from customers for providing
26 water or sewage services and having at least one hundred (100) but less than
27 five hundred (500) service connections during any fiscal year shall obtain an
28 annual audit or an annual report of agreed-upon procedures.

29 (2) The agreed-upon procedures ~~and format of the report~~
30 engagements shall be ~~prescribed by the Legislative Auditor and shall include~~
31 ~~at a minimum:~~

32 ~~(A) Proof and reconciliation of cash;~~

33 ~~(B) Confirmation of cash balances;~~

34 ~~(C) A statement of assets and liabilities on a cash basis;~~

35 ~~(D) A statement of cash receipts and cash disbursements;~~

36 ~~(E) A test of water and sewer revenues tracing deposits to~~



1 ~~source documents; and~~

2 ~~(F) A report of agreed-upon procedures, conducted in~~
 3 ~~accordance with standards established by the American Institute of Certified~~
 4 ~~Public Accountants and subject to minimum procedures prescribed by the~~
 5 ~~Legislative Joint Auditing Committee.~~

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 7 SECTION 2. Arkansas Code § 14-234-120 is amended to read as follows:
 8 14-234-120. Filing of ~~letter of completion~~ report.

9 ~~(a) Within thirty (30) days of completion of the audit report or the~~
 10 ~~report of agreed-upon procedures, the accountant performing the audit or~~
 11 ~~agreed-upon procedures shall submit a letter of completion~~ the report ~~to the~~
 12 ~~Legislative Auditor. The report shall be submitted in an electronic media~~
 13 ~~format approved by the Legislative Auditor. The letter shall contain at least~~
 14 ~~the following information:~~

15 ~~(1) The date of the letter of completion;~~

16 ~~(2) The name of the entity engaging the accountants;~~

17 ~~(3) The time period covered by the audit report or agreed-upon~~
 18 ~~procedures report;~~

19 ~~(4) The date of the audit report or agreed-upon procedures~~
 20 ~~report;~~

21 ~~(5) The name, title, address, and telephone number of the~~
 22 ~~entity's contact person;~~

23 ~~(6) The name, title, address, and telephone number of the~~
 24 ~~accountant performing the audit or the agreed-upon procedures; and~~

25 ~~(7) The signature of the accountant.~~

26 ~~(b) Upon request by the Legislative Auditor, the accountant shall~~
 27 ~~furnish a copy of the audit report or report of agreed-upon procedures to the~~
 28 ~~Division of Legislative Audit within thirty (30) days of the date of the~~
 29 ~~request.~~

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