

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

# A Bill

Act 636 of 1999  
HOUSE BILL 1749

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  
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## 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. "  
16

## Subtitle

17  
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.

30  
 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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5                                   APPROVED: 3/16/1999  
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