

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 456

4
5 By: Senator Teague

For An Act To Be Entitled

8 AN ACT TO REGULATE AUDIT REQUIREMENTS FOR PROVIDERS
9 OF WATER AND SEWER SERVICE; AND FOR OTHER PURPOSES.

Subtitle

12 TO REGULATE AUDIT REQUIREMENTS FOR
13 PROVIDERS OF WATER AND SEWER SERVICE.

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. Arkansas Code § 14-234-119 is amended to read as follows:
20 14-234-119. Annual audits and procedures.

21 (a)(1) ~~Any~~ A county, municipality, improvement district, or not-for-
22 profit association or entity receiving fees from customers for providing
23 sewage services shall obtain an annual financial audit of the system if the
24 system has at least ~~five hundred (500)~~ seven hundred fifty (750) service
25 connections during ~~any~~ a fiscal year.

26 (2) ~~Any~~ A county, municipality, improvement district, or not-for-
27 profit association or entity receiving fees from customers for providing
28 water services shall obtain an annual financial audit of the system if the
29 system has at least ~~seven hundred fifty (750)~~ one thousand (1,000) service
30 connections during ~~any~~ a fiscal year.

31 (b)(1)(A) ~~Any~~ A county, municipality, improvement district, or not-for-
32 profit association or entity receiving fees from customers for providing
33 sewage services and having at least one hundred (100) but less than ~~five~~
34 ~~hundred (500)~~ seven hundred fifty (750) service connections during ~~any~~ a
35 fiscal year shall obtain an annual audit or an annual agreed-upon procedures
36 and compilation report.



1 (B) ~~Any~~ A county, municipality, improvement district, or
2 not-for-profit association or entity receiving fees from customers for
3 providing water services and having at least one hundred (100) but less than
4 ~~seven hundred fifty (750)~~ one thousand (1,000) service connections during ~~any~~
5 a fiscal year shall obtain an annual audit or an annual agreed-upon
6 procedures and compilation report.

7 (2) The agreed-upon procedures and compilation ~~engagements~~ report
8 engagement shall be conducted in accordance with standards established by the
9 American Institute of Certified Public Accountants and subject to minimum
10 procedures prescribed by the Legislative Joint Auditing Committee.

11 (c) The audits or agreed-upon procedures and compilation reports shall
12 be completed within one (1) year following each system's fiscal year end.

13 (d) Each entity shall choose and employ accountants who are licensed
14 and in good standing with the Arkansas State Board of Public Accountancy.

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