

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

SENATE BILL 456

By: Senator Teague

## For An Act To Be Entitled

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

### Subtitle

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

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

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

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

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

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



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

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

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

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