

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

SENATE BILL 647

By: Senator J. Dismang

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE ANNUAL AUDITS  
AND PROCEDURES OF WATER AND SEWER SYSTEMS; AND FOR  
OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE ANNUAL  
AUDITS AND PROCEDURES OF WATER AND SEWER  
SYSTEMS.

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) 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 ~~seven hundred fifty (750)~~ two thousand (2,000) service connections during a fiscal year.

(2) 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 ~~one thousand (1,000)~~ two thousand (2,000) service connections during a fiscal year.

(b)(1)(A) 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 ~~seven hundred fifty (750)~~ two thousand (2,000) service connections during a fiscal



year shall obtain an annual audit or an annual agreed-upon procedures and compilation report.

(B) 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 ~~one thousand (1,000)~~ two thousand (2,000) service connections during a fiscal year shall obtain an annual audit or an annual agreed-upon procedures and compilation report.

(2) The agreed-upon procedures and compilation 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.