

§ 6-1-101. Audit review

(a)(1) An audit of a publicly funded educational institution shall be performed by Arkansas Legislative Audit or other independent person licensed to practice accounting by the Arkansas State Board of Public Accountancy selected by the governing body of the educational institution.

(2) In cases of undue demands upon Arkansas Legislative Audit for these audits, Arkansas Legislative Audit may charge a fee for the service rendered that does not exceed payments made for help employed in the audit in addition to the personnel of Arkansas Legislative Audit.

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include, as a minimum and as an integral part of the annual financial report, a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 -- 14-75-104;

(2) Compliance with ethical guidelines and prohibitions for board members, administrators, and employees, § 6-13-628 and § 6-24-101 et seq.;

(3) School elections, § 6-14-118;

(4) Management of schools, §§ 6-13-617 -- 6-13-620 and 6-13-701;

(5) Revolving Loan Fund, §§ 6-19-114, 6-20-801, and 6-20-802;

(6) School district finances, §§ 6-20-402 and 6-20-409;

(7) School district school bonds, §§ 6-20-1208 and 6-20-1210;

(8) Teachers and employees, §§ 6-17-201, 6-17-203 -- 6-17-206, 6-17-301, and 6-17-401;

(9) Teachers' salaries, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-911 -- 6-17-913, 6-17-918, and 6-17-919, and the Public School Funding Act of 2003, § 6-20-2301 et seq.;

(10) Deposit of funds, §§ 19-8-104 and 19-8-106;

(11) Investment of funds, § 19-1-504; and

(12) Improvement contracts, §§ 22-9-201 -- 22-9-205.

(c) The governing body of the educational institution shall require the independent accountant to present the annual financial report in conformity with the format and guidelines as prescribed by the appropriate professional organizations such as, but not limited to, the American Institute of Certified Public Accountants, the National Council on Governmental Accounting, and the National Association of College and University Business Officers.

(d)(1) The audit reports and accompanying comments and recommendations relating to any publicly funded school, education service cooperative, vocational-technical school, or institution of higher education prepared in accordance with the provisions of this section or other code provisions shall be reviewed by the applicable board or governing body.

(2)(A) The audit report and accompanying comments and recommendations shall be reviewed at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing body prior to ten (10) days before the regularly scheduled meeting.