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# BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Auditor of State

### Purpose and History

The position of Auditor of State was created in 1857 with Article IV, Section 22, of the [Constitution of the State of Iowa](#). The Auditor is elected by popular vote and serves a four-year term. The duties of the Office are spelled out in Iowa Code chapter [11](#). The mission of the Office of the Auditor of State is to benefit all citizens of Iowa by providing independent audit, review, and other technical services to State entities and local governments to ensure the effective, economical, businesslike conduct of public activities in a prudent, accountable manner to achieve the intended purposes.

The Auditor of State is required to annually make a complete audit of the books, records, and accounts of every department of State government. The Iowa Annual Comprehensive Financial Report (ACFR) and Single Audit Report are audited by the Auditor of State.

The Office has the following three divisions:

- Administration — Provides management and support services that include fiscal management, data processing, personnel training, recruiting, audit report production, and quality control.
- Financial Audit — Prepares annual audits of all State agencies and departments and certain governmental subdivisions. Provides technical assistance to these entities, private individuals, certified public accounting firms, and other governmental agencies. Performs report and working paper reviews of certified public accountant (CPA) audits of governmental subdivisions and conducts readits as needed.
- Performance Investigation — Conducts performance audits of State agencies and the programs administered. Investigates suspected embezzlement and conducts special studies assigned by the Auditor of State or requested by the General Assembly.

### Funding — State General Fund

The Office of the Auditor of State receives an annual appropriation from the General Fund in the Administration and Regulation Appropriations Act to fund costs of conducting audits of State departments that are not statutorily required to reimburse the Office for annual audit costs. The appropriation is used to perform the following audits:

Iowa State Fair	Department of Corrections	Governor's Office
Attorney General	Economic Development Authority	Department of Inspections, Appeals, and Licensing
Auditor of State*	Iowa Public Television	Judicial Department
Department for the Blind	Iowa Communications Network	Judicial Retirement System
Ethics and Campaign Disclosure Board		Law Enforcement Academy

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### More Information

Auditor of State: [auditor.iowa.gov](http://auditor.iowa.gov)  
LSA Staff Contact: Joey Lovan (515.242.5925) [joey.lovan@legis.iowa.gov](mailto:joey.lovan@legis.iowa.gov)

Legislature	Department of Revenue	Uniform State Laws Commission
Department of Management	Secretary of State	Judicial Districts
Parole Board	Office of State/Federal Relations	Iowa Centennial Memorial Foundation
Peace Officers' Retirement System	State Appeal Board	Iowa Educational Savings Plan Trust
Public Employment Relations Board	State Executive Council	Iowa ABLE Savings
Department of Public Defense	Treasurer of State	Iowa Public Information Board
Department of Public Safety	Underground Storage Tank Board	

\*The annual audit of the Auditor of State is completed by an independent accounting firm.

### Other Sources of Revenue

In addition to the General Fund appropriation, the Office receives fees for conducting audits and reviews of certain State agencies and governmental subdivisions (see Iowa Code sections [11.20](#) and [11.21](#) for subdivision fees). Iowa Code section [11.5B](#) allows the Auditor of State to be reimbursed for costs of conducting audits of the following State agencies and entities:

Department of Insurance and Financial Services	Department of Education	Department of Administrative Services
Department of Health and Human Services	Department of Workforce Development	Board of Regents
Department of Transportation	Department of Natural Resources	Department of Management Division of Information Technology
Department of Agriculture and Land Stewardship	Offices of the Clerks of the District Court (Judicial Branch)	Federal financial assistance received by all other departments
Department of Veterans Affairs	Iowa Public Employees' Retirement System	

Iowa Code section [11.6](#) requires the finances of specified local governmental subdivisions to be audited annually. Governmental subdivisions have the option to use the Auditor of State or a CPA certified by the State of Iowa to conduct the audit. If a governmental subdivision chooses to use the Auditor of State, the Auditor of State will bill the entity to cover the cost of the audit. The Auditor of State is also authorized to charge governmental subdivisions a filing fee for costs associated with filing audits. The filing fee ranges from \$100 to \$850, depending on the size of the governmental subdivision budget. Filing fees collected pursuant to Iowa Code section 11.6 are used to perform reaudits and special investigations, create audit programs and samples, and conduct reviews of audits performed by certified public accounting firms.

The Auditor of State also performs periodic examinations of cities of less than 2,000 people which have an annual budget of less than \$1.0 million. These cities pay an annual fee to the Auditor based on budget size and are examined once every eight years. Fees collected for these examinations are paid from the annual periodic fees and are capped at \$375,000, with any excess used to perform training for city officials.

### Related Statutes and Administrative Rules

Iowa Code chapter [11](#)

Iowa Administrative Code [81](#)

### Budget Unit Number

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