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## BUDGET UNIT BRIEF – FY 2018

Fiscal Services Division

December 11, 2017



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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 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 Comprehensive Annual Financial Report (CAFR) 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, 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 audits of governmental subdivisions, and conducts reaudits as needed.
- Performance Investigation – Conducts performance audits of State agencies and the programs administered. The Division also 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 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:

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### More Information

Auditor of State: [auditor.iowa.gov](http://auditor.iowa.gov)

National Association of State Auditors, Comptrollers and Treasurers: [nasact.org](http://nasact.org)

LSA Staff Contact: Christin Mechler (515.281.6561) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)

Iowa State Fair	Iowa Communications Network	Department of Public Defense
Attorney General	Governor's Office	Department of Public Safety
Auditor of State*	Department of Human Rights	Department of Revenue
Department for the Blind	Department of Inspections and Appeals	Secretary of State
Ethics and Campaign Disclosure Board	Judicial Department	Office of State/Federal Relations
Civil Rights Commission	Judicial Retirement System	Office of Drug Control Policy
Department of Corrections	Law Enforcement Academy	State Appeal Board
Department of Cultural Affairs	Legislature	State Executive Council
Economic Development Authority	Department of Management	Treasurer of State
College Student Aid Commission	Parole Board	Underground Storage Tank Board
Iowa Public Television	Peace Officers' Retirement System	Uniform State Laws Commission
Department on Aging	Public Employment Relations Board	Judicial Districts
		Iowa Centennial Memorial Foundation

\*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 Commerce	Department of Education	Iowa Public Employees' Retirement System
Department of Human Services	Department of Workforce Development	Department of Administrative Services
Department of Transportation	Department of Natural Resources	Board of Regents
Department of Public Health	Offices of the Clerks of the District Court (Judicial Branch)	Office of the Chief Information Officer
Department of Agriculture and Land Stewardship		Federal financial assistance received by all other departments
Iowa Veterans Home		

Iowa Code section 11.6 requires the finances of specified local governmental subdivisions to be audited annually. Governmental subdivisions have the option to use a Certified Public Accountant (certified by the State of Iowa) or the Auditor of State 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.

### Related Statutes and Administrative Rules

Iowa Code chapter [11](#)

Iowa Administrative Code [81](#)