

## CHAPTER 7

## AUDITING OF FINANCIAL RECORDS OF GOVERNMENTAL SUBDIVISIONS

## S. F. 323

AN ACT to repeal sections one hundred twelve (112), one hundred thirteen (113), one hundred fourteen (114), one hundred sixteen (116), one hundred seventeen (117), one hundred twenty (120), one hundred twenty-four (124), and one hundred twenty-six (126), code, 1931, and to enact substitutes therefor relating to the financial reports and records of counties, cities, and towns, and to the auditing of the financial records of counties, schools, cities, and towns.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section one hundred twelve (112), code, 1931, is re-  
2 pealed and the following enacted in lieu thereof:

3 "112. It shall be the specific duty of each county, school, city and  
4 town officer to install and use in his office a system of uniform blanks  
5 and forms as prescribed by law. State examiners of accounts are  
6 charged with the specific duty to assist all such officers in installing  
7 said system."

1 SEC. 2. Section one hundred thirteen (113), code, 1931, is re-  
2 pealed and the following enacted in lieu thereof:

3 "113. The auditor of state shall cause the financial condition and  
4 transactions of all county and school offices to be examined at least  
5 once each year by the state examiners of accounts, and shall cause a  
6 like examination to be made at least once each year of cities and  
7 towns having a population of two thousand (2,000) or more, including  
8 offices of cities acting under special charter."

1 SEC. 3. Section one hundred fourteen (114), code, 1931, is re-  
2 pealed and the following enacted in lieu thereof:

3 "114. The auditor of state shall appoint such number of state  
4 examiners of accounts as may be necessary to make such examina-  
5 tions. Said examiners shall be of recognized skill and integrity,  
6 familiar with the system of accounting in county, school and city  
7 offices, and with the laws relating to the county, school and city  
8 affairs. Each examiner shall give bond in the sum of two thousand  
9 dollars (\$2,000.00), conditioned as bonds of county officers, which  
10 bonds shall be approved and filed as bonds of state officers. Such  
11 examiners shall be subject at all times to the direction of said audi-  
12 tor of state."

1 SEC. 4. Section one hundred sixteen (116), code, 1931, is repealed  
2 and the following enacted in lieu thereof:

3 "116. Said examiners shall have the right while making said  
4 examinations, to examine all papers, books, records, and documents  
5 of any of said officers and shall have the right in the presence of the  
6 custodian or his deputy, to have access to the cash drawers and cash  
7 in the official custody of such officer, and a like right, during business  
8 hours, to examine the public accounts of the county, school or city  
9 in any depository which has public funds in its custody pursuant to  
10 the law."

1 SEC. 5. Section one hundred seventeen (117), code, 1931, is re-  
2 pealed and the following enacted in lieu thereof:

3 "117. All examinations shall be made without notice to the office  
4 examined. On every examination inquiry shall be made as to the  
5 financial condition and resources of the county, school or city; whether  
6 the cost price for improvements and material in said county, school  
7 or city is in excess of the cost price for like things in other counties,  
8 schools or cities of the state; whether the county, school or city  
9 authorities are complying with the law; and whether the accounts  
10 and reports are being accurately kept."

1 SEC. 6. Section one hundred twenty (120), code, 1931, is repealed  
2 and the following enacted in lieu thereof:

3 "120. A report of such examination shall be made in triplicate  
4 signed and verified by the officers making the examination; one copy  
5 to be filed with the auditor of state, one copy with the officer under  
6 investigation, and one copy to the county if a county office is under  
7 investigation, or with the president of the school board if a school is  
8 under investigation, or with the mayor of the city council if a city  
9 office is under examination. All reports shall be open to public in-  
10 spection."

1 SEC. 7. Section one hundred twenty-four (124), code, 1931, is  
2 repealed and the following enacted in lieu thereof:

3 "124. Any township or municipal corporation not embraced within  
4 the foregoing provisions of this chapter, may on application to the  
5 auditor of state, secure an examination of its financial transactions  
6 and the condition of its funds, or a like examination may be had on  
7 application of twenty-five or more taxpayers of said township or other  
8 corporation, accompanied by such showing of facts as in the opinion  
9 of the auditor of state will justify such examination."

1 SEC. 8. Section one hundred twenty-six (126), code, 1931, is re-  
2 pealed and the following enacted in lieu thereof:

3 "126. Upon payment by the state of the per diem and expense  
4 aforesaid, the auditor of state shall at once file with the warrant-  
5 issuing officer of the county, school or municipality whose office was  
6 examined, a copy of the vouchers so paid by the state, and thereupon  
7 said warrant-issuing officer shall at once draw his warrant for said  
8 amount on the general funds of his county, school or municipality  
9 in favor of the auditor of state, which warrant shall be placed to the  
10 credit of the general fund of the state."

Senate File No. 323. Approved April 24, 1933.

## CHAPTER 8

### SCHOOL FUNDS. REQUEST FOR AUDIT

#### H. F. 45

AN ACT to amend section one hundred twenty-four (124), code, 1931, relating to an examination of the financial transactions of school districts.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section one hundred twenty-four (124), code, 1931, is  
2 amended as follows: