

Reprinted 4/79

FILED MAR 22 1979

SENATE FILE 456

By COMMITTEE ON STATE GOVERNMENT
Approved 3/23 (p 942)

Passed Senate, Date 3-28-79 (p 945) Passed House, Date _____
Vote: Ayes 46 Nays 2 Vote: Ayes _____ Nays _____
Approved May 3, 1979

A BILL FOR

1 An Act requiring private agencies receiving grants or
2 contracts from the state to submit to an audit prior
3 to the receipt of funds.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 456

S-3311

1 Amend Senate File 456 as follows:
2 1. Page 1, line 22, by inserting after the word
3 "exceeds" the words "one hundred".
4 2. Page 1, line 25, by inserting after the word
5 "exceeds" the words "one hundred".

S-3311 FILED & ADOPTED *(p 945)*
MARCH 28, 1979

BY LOWELL L. JUNKINS
TOM SLATER

1 Section 1. Chapter seven A (7A), Code 1979, is amended
2 by adding the following new section:

3 NEW SECTION. ACCOUNTING SYSTEM. The governor or a state
4 agency, prior to awarding a grant or purchase of service con-
5 tract to a private agency, shall obtain from the auditor of
6 state or the auditor's designee a certification stating that
7 the grantee or contractor has an accounting system adequate
8 to effect compliance with the terms and conditions of the
9 grant or contract. The certification shall include an evalua-
10 tion of internal controls in the accounting system to determine
11 whether the system provides reliable information and promotes
12 efficient operation of the agency. A private agency awarded
13 a grant or purchase of service contract by or through the
14 governor or a state agency shall submit to the audit required
15 by this section prior to the actual transfer of funds and
16 shall pay for the audit under chapter eleven (11) of the Code.
17 The auditor of state may accept an audit report by an inde-
18 pendent certified public accountant as evidence of adequacy.
19 To the extent possible, the auditor of state shall use exist-
20 ing records on file in the auditor's office to make a deter-
21 mination of adequacy. This section shall apply only when
22 the grant or contract exceeds fifty thousand dollars or when
23 the grant or contract together with other grants or contracts
24 awarded by the governor or a state agency during the fiscal
25 year exceeds fifty thousand dollars in the aggregate.

26 Sec. 2. This Act is effective January first following
27 enactment.

28 EXPLANATION

29 This bill requires a private agency receiving a grant or
30 purchase of service contract from the state exceeding certain
31 dollar limits to submit to an audit prior to the transfer
32 of funds. The audit would be conducted by the auditor of
33 state and the cost would be paid by the private agency.

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SENATE FILE 456

By COMMITTEE ON STATE GOVERNMENT

Sub for S.F. 726

(AS AMENDED AND PASSED BY THE SENATE MARCH 28, 1979)

Passed Senate, Date 3-28-79 (p. 1295) Passed House, Date 4-3-79 (p. 1296)

Vote: Ayes 46 Nays 2 Vote: Ayes 67 Nays 25

Approved May 3, 1979

*Motion to reconsider 4/6 (p. 1340) presented 4/20
Repassed House 4-20-79 (p. 1708)
66-8*

A BILL FOR

1 An Act requiring private agencies receiving grants or
2 contracts from the state to submit to an audit prior
3 to the receipt of funds.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 456

H-3682

1 Amend Senate File 456, as passed by the Senate
2 and reprinted, as follows:
3 1. Page 1, by striking lines 21 through 26 and
4 inserting in lieu thereof the following: "mination
5 of adequacy."

H-3682 FILED *4/drawn 4/3 (p. 1295)* BY BRANDT of Black Hawk
APRIL 2, 1979

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SENATE FILE 456

H-3683

1 Amend Senate File 456, as passed by the Senate
2 and reprinted, as follows:
3 1. Page 1, by striking lines 22 through 26 and
4 inserting in lieu thereof the following: "the grant
5 or contract is subject to a post completion audit."

H-3683 FILED *Adopted 4/3 (p. 1296)* BY LURA of Marshall
APRIL 2, 1979 *Motion to reconsider 4/6 (p. 1340)* BRUNER of Story
Reconsidered & withdrawn 4/20 (p. 1708)

1 Section 1. Chapter seven A (7A), Code 1979, is amended
2 by adding the following new section:

3 NEW SECTION. ACCOUNTING SYSTEM. The governor or a state
4 agency, prior to awarding a grant or purchase of service con-
5 tract to a private agency, shall obtain from the auditor of
6 state or the auditor's designee a certification stating that
7 the grantee or contractor has an accounting system adequate
8 to effect compliance with the terms and conditions of the
9 grant or contract. The certification shall include an evalua-
10 tion of internal controls in the accounting system to determine
11 whether the system provides reliable information and promotes
12 efficient operation of the agency. A private agency awarded
13 a grant or purchase of service contract by or through the
14 governor or a state agency shall submit to the audit required
15 by this section prior to the actual transfer of funds and
16 shall pay for the audit under chapter eleven (11) of the Code.
17 The auditor of state may accept an audit report by an inde-
18 pendent certified public accountant as evidence of adequacy.
19 To the extent possible, the auditor of state shall use exist-
20 ing records on file in the auditor's office to make a deter-
21 mination of adequacy. This section shall apply only when
22 the grant or contract exceeds one hundred fifty thousand
23 dollars or when the grant or contract together with other
24 grants or contracts awarded by the governor or a state agency
25 during the fiscal year exceeds one hundred fifty thousand
26 dollars in the aggregate.

27 Sec. 2. This Act is effective January first following
28 enactment.

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SENATE FILE 456

Sec. 2. This Act is effective January first following enactment.

AN ACT
REQUIRING PRIVATE AGENCIES RECEIVING GRANTS OR CONTRACTS
FROM THE STATE TO SUBMIT TO AN AUDIT PRIOR TO THE RECEIPT
OF FUNDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Chapter seven A (7A), Code 1979, is amended
by adding the following new section:

NEW SECTION. ACCOUNTING SYSTEM. The governor or a state
agency, prior to awarding a grant or purchase of service con-
tract to a private agency, shall obtain from the auditor of
state or the auditor's designee a certification stating that
the grantee or contractor has an accounting system adequate
to effect compliance with the terms and conditions of the
grant or contract. The certification shall include an evalua-
tion of internal controls in the accounting system to determine
whether the system provides reliable information and promotes
efficient operation of the agency. A private agency awarded
a grant or purchase of service contract by or through the
governor or a state agency shall submit to the audit required
by this section prior to the actual transfer of funds and
shall pay for the audit under chapter eleven (11) of the Code.
The auditor of state may accept an audit report by an inde-
pendent certified public accountant as evidence of adequacy.
To the extent possible, the auditor of state shall use exist-
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mination of adequacy. This section shall apply only when
the grant or contract exceeds one hundred fifty thousand
dollars or when the grant or contract together with other
grants or contracts awarded by the governor or a state agency
during the fiscal year exceeds one hundred fifty thousand
dollars in the aggregate.

TERRY E. BRANSTAD
President of the Senate

FLOYD H. MILLEN
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 456, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved 7 May 3, 1979

ROBERT D. RAY
Governor