

SENATE/HOUSE FILE _____
BY (PROPOSED AUDITOR OF STATE
BILL)

A BILL FOR

1 An Act relating to reimbursement for certain audit expenses to
2 the auditor of state.

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

1 Section 1. Section 11.5A, Code 2025, is amended to read as
2 follows:

3 **11.5A Audit or examination — costs.**

4 When requested by the auditor of state, the department
5 of management shall transfer from any unappropriated funds
6 in the state treasury an amount not exceeding the expenses
7 and prorated salary costs already paid to perform audits or
8 examinations of state departments and agencies, the offices
9 of the judicial branch, and federal financial assistance as
10 defined in the federal Single Audit Act, 31 U.S.C. §7501, et
11 seq., received by all other departments, ~~as listed in section~~
12 ~~11.5B,~~ for which payments by agencies have not been made. Upon
13 payment by the departments, the auditor of state shall credit
14 the payments to the state treasury.

15 Sec. 2. Section 11.5B, Code 2025, is amended to read as
16 follows:

17 **11.5B Repayment of audit expenses by state departments and**
18 **agencies.**

19 The auditor of state shall be reimbursed by a state
20 department or agency for performing all audits or examinations
21 of the ~~following state departments or agencies~~ department or
22 agency, or funds received by a the department or agency~~±.~~

- 23 ~~1. Department of insurance and financial services.~~
- 24 ~~2. Department of health and human services.~~
- 25 ~~3. State department of transportation.~~
- 26 ~~4. State board of regents.~~
- 27 ~~5. Department of agriculture and land stewardship.~~
- 28 ~~6. Department of veterans affairs.~~
- 29 ~~7. Department of education.~~
- 30 ~~8. Department of workforce development.~~
- 31 ~~9. Department of natural resources.~~
- 32 ~~10. Offices of the clerks of the district court of the~~
33 ~~judicial branch.~~
- 34 ~~11. The Iowa public employees' retirement system.~~
- 35 ~~12. Federal financial assistance, as defined in the federal~~

1 ~~Single Audit Act, 31 U.S.C. §7501, et seq., received by all~~
2 ~~other departments.~~

3 ~~13. Department of administrative services.~~

4 Sec. 3. Section 11.5C, subsection 2, Code 2025, is amended
5 to read as follows:

6 2. ~~If the state department that is the subject of the review~~
7 ~~is listed in section 11.5B, the~~ The state department shall
8 reimburse the auditor of state for the cost of the review and
9 any subsequent assistance provided by the auditor of state.

10 Sec. 4. NEW SECTION. 11.5D **Billing rates.**

11 The auditor of state shall annually adopt rules pursuant
12 to chapter 17A to establish the hourly billing rate at which
13 audit services are performed by state auditors as described in
14 section 11.31.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill relates to the reimbursement of certain audit
19 expenses to the auditor of state.

20 The bill strikes a list of specified departments and
21 agencies that must reimburse the auditor of state for
22 performing audits and examinations, and instead provides that
23 any audited department or agency must reimburse the auditor
24 of state for performing audits and examinations. The bill
25 requires the auditor of state to annually adopt billing rates
26 by rule.