

March 2, 1967

House File 301

Cities & Towns *Pass 4-5*

Governmental Subdivisions 5-3, Res 5-25

By MCCARTNEY, DEN HERDER,
DUNTON, VAN NOSTRAND and
SORG

Passed House, Date 4-27-67

Passed Senate, Date 6-5-67

Vote: Ayes 79 Nays 4

Vote: Ayes 49 Nays 0

Approved June 30, 1967

Passed House as amended by the Senate 6-16 108-1

A BILL FOR

motion to reconsider filed 6-5-67 prevailed 6-9 Passed Senate 6-9 37-17 Passed Senate as amended by House and reconsidered by Senate 6-20 41-5

An Act to require an audit of town accounts at least once every four years.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Section eleven point six (11.6), Code 1966, is
2 hereby amended by inserting in line fourteen (14) after the
3 word "cities" the word ", towns,".

1 Sec. 2. Section eleven point seven (11.7), Code 1966, is
2 hereby amended by striking from line six (6) the word "city"
3 and inserting in lieu thereof the word "municipal", and by
4 striking from line eight (8) the word "city" and inserting
5 in lieu thereof the word "municipal".

1 Sec. 3. Section eleven point ten (11.10), Code 1966, is
2 hereby amended by striking from line ten (10) the words "or
3 city" and inserting in lieu thereof the words "city, or
4 town".

1 Sec. 4. Section eleven point eleven (11.11), Code 1966,
2 is hereby amended by striking from lines five (5), seven (7),
3 and ten (10) the words "or city" and inserting in lieu thereof
4 the words "city, or town", and by striking from line nine (9)
5 the words "or cities" and inserting in lieu thereof the words
6 "cities, or towns".

1 Sec. 5. Section eleven point fourteen (11.14), Code 1966,
2 is hereby amended by striking line eleven (11) after the
3 partial word "or" and inserting in lieu thereof the words
4 "and the council if a city or town office is under".

1 Sec. 6. Section eleven point eighteen (11.18), Code 1966,
2 is hereby amended:

3 1. By inserting in line five (5) after the end of the first
4 sentence of the section a new sentence as follows:

5 "The financial condition and transactions of all towns shall
6 be examined at least once every four (4) years."

7 2. By inserting in line fifteen (15) after the word "city"
8 the word ", town,".

9 3. By inserting in line twenty (20) after the word "city"
10 the word ", town,".

1 Sec. 7. Section eleven point nineteen (11.19), Code 1966,
2 is hereby amended by inserting in line thirty-eight (38) after
3 the word "city" the word ", town,".

1 Sec. 8. Section eleven point twenty-one (11.21), Code 1966,
2 is hereby amended by striking from line nine (9) the words
3 "city, county" and inserting in lieu thereof the word "council",
4 and by striking from line six (6) of the second paragraph
5 thereof the word "city" and inserting in lieu thereof the
6 word "municipality".

EXPLANATION

The purpose of this bill is to require periodic audit of town accounts. Out of 320 answers to a 1966 questionnaire sent to Iowa towns, 230 indicated a desire for mandatory periodic audits of their accounts. They favored such a requirement both to assure an adequate check on the handling of town funds and to assist clerks in adopting better procedures.

Snatt

1 Amend the Senate amendment to House File 301 by
2 inserting in line sixteen (16) after the word "chapter"
3 the following:
4 " , except that in the event an audit covering the
5 same period has previously been made and paid for, the
6 costs of such additional state audit shall be paid from
7 any funds available in the office of the auditor of
8 state".

Filed - *Senate concurred 6-20-67*
June 15, 1967

HOUSE AMENDMENT

1 Amend House File 301 by striking therefrom lines 4 through
2 7 of section 1.

Filed - *Adopted 6-9*
June 7, 1967

By BALLOUN

1 Amend House File 301 by adding the following new
2 section:
3 "Section eleven point eighteen (11.18), Code 1966, is
4 hereby amended by adding the following new paragraph at the
5 end thereof:
6 'In addition to his powers and duties under other
7 provisions of the Code, the auditor of state may at any time,
8 if he deems such action to be in the public interest, cause
9 to be made a complete or partial audit of the financial
10 condition and transactions of any city, town, county, school
11 corporation, governmental subdivision, or any office thereof,
12 even though an audit for the same period has been made by
13 certified or registered public accountants. Such state audit
14 shall be made and paid for as provided in this chapter. This
15 paragraph shall not be construed to grant any new authority
16 to have audits made by certified or registered public
17 accountants.'"

Filed - *Adopted 6-9. House concurred as adopted amended 6-15*
June 9, 1967

By STANLEY, BALLOUN, and
MESSERLY

1 Amend House File 301 as follows:
2 By striking therefrom lines 4 through 7 of section 1.
3 By adding the following new section:
4 Section eleven point eighteen (11.18), Code 1966, is
5 hereby amended by adding the following new paragraph at
6 the end thereof:
7 "In addition to his powers and duties under other pro-
8 visions of the Code, the auditor of state may at any time,
9 if he deems such action to be in the public interest, cause
10 to be made a complete or partial audit of the financial
11 condition and transactions of any city, town, county,
12 school corporation, governmental subdivision, or any office
13 thereof, even though an audit for the same period has been
14 made by certified or registered public accountants. Such
15 state audit shall be made and paid for as provided in this
16 chapter. This paragraph shall not be construed to grant
17 any new authority to have audits made by certified or
18 registered public accountants."

As Adopted by the Senate. *House Concurred as amended 6-15*

1 Amend House File 301, Section 1, by adding thereto the follow-
ing:
2 Section eleven point six (11.6), Code 1966, is hereby further
3 amended by striking lines six (6) through eight (8) and inserting
in lieu
4 thereof the following: "whose accounts are to be examined, in
case it
5 elects to do".
6 Section eleven point six (11.6), Code 1966, is hereby further
7 amended by inserting in line sixteen (16) before the word
"memorial"
8 the word "county".

Filed and adopted
April 28, 1967

LIPSKY of Linn.

1 Amend House File 302, Section 1, by striking all of
2 line six (6) after the word "organizations," and all
3 of lines seven (7) and eight (8) and inserting in
4 lieu thereof the words "The Legion of Guardsmen shall
5 be included, pro-".

Filed - *Withdrawn 4-28*
April 5, 1967

MOWRY of Marshall.

1 Amend House File 302, Section 1, by striking all of line six (6)
2 after the word "organizations," and all of lines seven (7) and
3 eight (8) and inserting in lieu thereof the words "The Legion
4 of Guardsmen shall be included, pro-".

Filed - *Adopted 4-28*
April 11, 1967

By COMMITTEE ON CITIES AND
TOWNS.

1 Amend House File 301 as follows:

2 1. Amend section 6 by striking lines five (5) and six,
3 (6) and inserting in lieu thereof the following:

4 "The financial condition and transactions of all towns
5 having a population of seven hundred (700) or more shall be
6 examined at least once every four (4) years. Such examina-
7 tion shall cover the fiscal year next preceding the year in
8 which the audit is conducted."

9 2. Further amend section 6 by striking lines seven (7)
10 and eight (8) and inserting in lieu thereof the following:

11 "2. By striking in line nineteen (19) the period after
12 the word "examined" and inserting in lieu thereof the words
13 "and towns electing to have their audit made by a certified
14 or registered public accountant must so notify the state
15 auditor by resolution of the council designating the name of
16 the person or firm to be employed at least ninety (90) days
17 prior to the end of a fiscal year. Such notification and
18 designation shall remain in effect until rescinded or
19 modified by a subsequent resolution of the town council
20 filed with the state auditor. For town audits to be con-
21 ducted by certified or registered public accountants, the
22 state auditor shall notify the designated person or firm of
23 the year to be examined at least sixty (60) days prior to
24 the end of the year to be examined."

Filed - *Adopted as amended 4-28*
April 25, 1967

McCARTNEY of Floyd.

1 Amend the McCartney amendment to House File 301
2 by striking in line fourteen (14) the words "or
3 registered".

Filed - *Withdrawn 4-28*
April 27, 1967

KOCH of Woodbury.

1 Amend the Mc Cartney amendment to House File 301
2 by striking in lines fourteen (14) and twenty-one (21)
3 the words "or registered".

Filed and adopted
April 28, 1967

KOCH of Woodbury.

1 Amend the Senate amendment to House File 301 by inserting
2 in line sixteen (16) after the word "chapter" the following:
3 ", except that in the event an audit covering the same
4 period has previously been made and paid for, the costs of
5 such additional state audit shall be paid from any funds avail-
6 in the office of the auditor of state". able

Filed and adopted
June 15, 1967

DEN HERDER of Sioux.