

FILED MAR 9 1995

SENATE FILE 305  
BY DELUHERY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act to require the state audit of certain intergovernmental  
2 entities.

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

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S.F. 305

1 Section 1. Section 11.6, subsection 1, paragraph a, Code  
2 1995, is amended to read as follows:

3 a. The financial condition and transactions of all cities  
4 and city offices, counties, county hospitals organized under  
5 chapters 347 and 347A, memorial hospitals organized under  
6 chapter 37, entities organized under chapter 28E ~~having-gross~~  
7 ~~receipts-in-excess-of-one-hundred-thousand-dollars-in-a-fiscal~~  
8 ~~year~~, merged areas, area education agencies, and all school  
9 offices in school districts, shall be examined at least once  
10 each year, except that cities having a population of seven  
11 hundred or more but less than two thousand shall be examined  
12 at least once every four years, and cities having a population  
13 of less than seven hundred may be examined as otherwise  
14 provided in this section. The examination shall cover the  
15 fiscal year next preceding the year in which the audit is  
16 conducted. The examination of school offices shall include an  
17 audit of all school funds, the certified annual financial  
18 report, and the certified enrollment as provided in section  
19 257.6. Examinations of community colleges shall include an  
20 audit of eligible and noneligible contact hours as defined in  
21 section 260D.2. Eligible and noneligible contact hours and  
22 any differences in certified enrollment shall be reported to  
23 the department of management.

24 Subject to the exceptions and requirements of subsection 2  
25 and subsection 4, paragraph "c", examinations shall be made as  
26 determined by the governmental subdivision either by the  
27 auditor of state or by certified public accountants, certified  
28 in the state of Iowa, and they shall be paid from the proper  
29 public funds of the governmental subdivision.

30 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
31 3, shall not apply to this Act.

32 EXPLANATION

33 This bill subjects all entities organized under chapter  
34 28E, the chapter regulating the joint exercise of governmental  
35 powers, to an annual state audit, either by the auditor of

1 state or by certified public accountants. Currently, only  
2 such entities with gross receipts in excess of \$100,000 are  
3 required to be audited annually.

4 The bill may create a state mandate as defined in section  
5 25B.3. The bill makes inapplicable the statutory provision  
6 which would relieve a political subdivision from complying  
7 with a state mandate if funding for the cost of the state  
8 mandate is not provided or specified.

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