

3-6-97 State Gov.

FILED MAR 6 1997

SENATE FILE 351
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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SF. 351

1 Section 1. Section 11.6, subsection 1, paragraph a, Code
2 1997, 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. Differences in certified enrollment shall be reported
20 to the department of management.

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

27 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.2, subsection
28 3, shall not apply to this Act.

29 EXPLANATION

30 This bill subjects all entities organized under chapter
31 28E, the chapter regulating the joint exercise of governmental
32 powers, to an annual state audit, either by the auditor of
33 state or by certified public accountants. Currently, only
34 such entities with gross receipts in excess of \$100,000 are
35 required to be audited annually.

1 The bill may create a state mandate as defined in section
2 25B.3. The bill makes inapplicable the statutory provision
3 which would relieve a political subdivision from complying
4 with a state mandate if funding for the cost of the state
5 mandate is not provided or specified.

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