

## CHAPTER 42

## EXAMINATIONS OF LOCAL GOVERNING BODIES

## S. F. 2

AN ACT to repeal chapter eighty-nine (89), Acts of the Forty-seventh (47th) General Assembly of Iowa and to repeal section one hundred twenty-five (125), code, 1935, and to enact a substitute therefor, and to amend chapter ten (10), code, 1935, relating to the examination of the financial condition and transactions of counties, school districts, and municipal corporations including cities acting under special charter and to establish procedure therefor; relating to the approval of examiners' fees and expenses and to the method of procedure in case of disapproval thereof and manner of reimbursement to the local governing body in case of overpayment, and prescribing penalties for violation of certain provisions of this act by examiners and assistant examiners.

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

1 SECTION 1. Chapter eighty-nine (89), Acts of the 47th General  
2 Assembly, is hereby repealed.

1 SEC. 2. Chapter ten (10), Code 1935, is hereby amended by add-  
2 ing as section one hundred thirteen (113), the following:

3 "113. The financial condition and transactions of all counties shall  
4 be examined once each year by the auditor of state."

1 SEC. 3. Chapter ten (10), Code 1935, is hereby amended by adding  
2 as section one hundred twenty-four (124) the following:

3 "124. The financial condition and transactions of all cities and city  
4 offices, including cities acting under special charter, and all school  
5 offices, other than those in rural and village independent districts and  
6 school townships and all consolidated school districts and independent  
7 school districts in cities and towns of less than five thousand (5000)  
8 population, shall be examined at least once each year and such exami-  
9 nation may be made by the auditor of state, or in lieu of the exami-  
10 nation by state accountants the local governing body whose accounts  
11 are to be examined, in case it elects so to do, may contract with, or  
12 employ, certified or registered public accountants, certified and reg-  
13 istered in the State of Iowa, and pay the same from the proper public  
14 funds.

15 "Any township or municipal corporation not embraced within the  
16 foregoing provisions of this chapter and any school corporation in  
17 which an annual examination is not required may, on application to  
18 the auditor of state, secure an examination of its financial transactions  
19 and condition of its funds, or a like examination shall be had on appli-  
20 cation of one hundred (100) or more taxpayers, or if there are fewer  
21 than five hundred (500) taxpayers, then by five per cent (5%) thereof.  
22 The examination in any such school district may be had upon the  
23 written request of the county superintendent of schools. In lieu of  
24 such examination by state accountants, the local governing body may  
25 contract with, or employ, certified or registered public accountants  
26 and pay the same from the proper public funds."

1 SEC. 4. Chapter ten (10), Code 1935, is hereby amended by adding  
2 the following: "Where an examination is made under contract with,  
3 or employment of, certified or registered public accountants, the exam-  
4 iner shall, in all matters pertaining to an authorized examination, have

5 all of the powers and be vested with all the authority of state examiners  
 6 employed by the Auditor of State, and the cost and expense of the  
 7 examination shall be paid by the city, town, school district, or town-  
 8 ship procuring the examination. An itemized sworn statement of the  
 9 per diem and expense of the examiner shall be filed with the clerk  
 10 of the city, town, township, or school district, before payment thereof.  
 11 Upon completion of such examination, a certified copy thereof shall  
 12 forthwith be filed, by the accountant employed, with the Auditor of  
 13 State."

1 SEC. 5. Section one hundred twenty-five (125), Code, 1935, is  
 2 hereby repealed and the following enacted in lieu thereof:\*

3 "125. Where the examination is made by the State Auditor under  
 4 the provisions of this chapter and this act, each examiner shall on the  
 5 completion of any such examination file with the local governing body  
 6 a detailed itemized and sworn voucher of his per diem and expense,  
 7 which expense shall not exceed the sum of three dollars (\$3) per day  
 8 for the time such examiner is actually engaged in such examination,  
 9 which statement or voucher shall be subject to approval by such gov-  
 10 erning body and when so approved, shall be forwarded to the Auditor  
 11 of State, and when approved by the Auditor of State and State Comp-  
 12 troller, shall be paid from any unappropriated fund in the State Treas-  
 13 ury. Repayment to the State shall be made as provided by section one  
 14 hundred twenty-six (126) of the Code."

1 SEC. 6. Chapter ten (10), Code, 1935, is hereby amended by adding  
 2 thereto the following:\*\*

3 Upon payment by the state of the per diem and expenses aforesaid,  
 4 the auditor of state shall at once file with the warrant-issuing officer  
 5 of the county, school, or city, whose offices were examined, a copy of  
 6 the vouchers so paid by the state. Upon audit and approval by the  
 7 board of supervisors, city, county, or school board, the said warrant-  
 8 issuing officer shall draw his warrant for said amount on the general  
 9 fund of the county, school, or city in favor of the auditor of state, which  
 10 warrant shall be placed to the credit of the general fund of the state.  
 11 In the event of the disapproval of any items of said vouchers by the  
 12 county, school, or city authorities, written objections shall be filed with  
 13 the auditor of state and said disapproved items of said vouchers shall  
 14 not be paid to the auditor of state until changed and final approval is  
 15 given.

16 Whenever the county board of supervisors, the school board, or the  
 17 council shall file written objections with the auditor of state, he or his  
 18 representative may hold a public hearing in the city where the exami-  
 19 nation was made, on the question of compensation and expenses, and  
 20 shall give the complaining board notice of the time and place of hear-  
 21 ing. After such hearing he shall have the power to reduce the com-  
 22 pensation and expenses of the examiner and assistant examiner whose  
 23 bills have been questioned. Any examiner or assistant examiner who  
 24 shall be found guilty of padding his per diem or expense account shall  
 25 be immediately discharged by the auditor of state and shall not be

\*Note: Amended by Senate File 438 of the Acts of the Forty-eighth General Assem-  
 bly, by striking all of Sec. 5 and inserting a new section in lieu thereof.

\*\*Note: Amended by Senate File 438 of the Acts of the Forty-eighth General As-  
 sembly.

26 eligible for reemployment in either position. Such examiner or assist-  
 27 ant examiner must thereupon reimburse the auditor of state for all  
 28 such compensation and expenses so found to have been overpaid to  
 29 him and in the event of his failure so to do, the auditor of state may  
 30 collect the same amount from the examiner's bondsman by suit, if  
 31 necessary.

1 SEC. 7. Chapter ten (10), Code 1935, is hereby amended by adding  
 2 thereto the following: "This chapter shall apply to special charter  
 3 cities."

1 SEC. 8. This act being deemed of immediate importance shall be in  
 2 force and effect from and after its passage and publication in the  
 3 Indianola Herald, a newspaper published at Indianola, Iowa, and in  
 4 the Knoxville Journal, a newspaper published at Knoxville, Iowa.

Approved March 23, 1939.

I hereby certify that the foregoing act was published in the Indianola Herald, March  
 30, 1939, and the Knoxville Journal, April 6, 1939.

EARL G. MILLER, *Secretary of State.*

## CHAPTER 43

### EXAMINATIONS OF LOCAL GOVERNING BODIES

S. F. 438

AN ACT to amend Senate File No. two (2), Acts 48th General Assembly, relating to  
 the audit of counties, cities and towns, and school districts and providing for the  
 payment of expense of state auditors.

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

1 SECTION 1. Senate File No. two (2), Acts of the 48th General  
 2 Assembly, now on file in the office of the Secretary of State is hereby  
 3 amended as follows:

4 1. Strike lines one (1) and two (2) of section six (6) of the enrolled  
 5 act and insert in lieu thereof the following:

6 "Sec. 6. Section one hundred twenty-six (126), Code 1935, is here-  
 7 by repealed and the following enacted in lieu thereof:"

1 SEC. 2. Section five (5) of Senate File No. two (2), Acts of the  
 2 Forty-eighth General Assembly of Iowa is hereby amended by strik-  
 3 ing all of section five (5) and inserting in lieu thereof the following:

4 "Where the examination is made by the state auditor under the  
 5 provisions of this chapter, each examiner shall file with the local gov-  
 6 erning body and also with the Auditor of State a detailed, itemized  
 7 and sworn voucher of his per diem and expense, which expense shall  
 8 not exceed the sum of three dollars (\$3.00) per day for the time such  
 9 examiner is actually engaged in such examination. The said statement  
 10 or voucher shall be subject to approval by such governing body and  
 11 when so approved shall be forwarded to the Auditor of State. If the  
 12 local governing body fails to disapprove the said statement of expense  
 13 within ten days from the filing thereof the Auditor of State and State  
 14 Comptroller may approve the said claim and the same shall be paid