

CHAPTER 1032

AUDITS OR EXAMINATIONS OF STATE OR LOCAL GOVERNMENT ENTITIES — REQUESTS — PAYMENT FOR SERVICES

S.F. 2255

AN ACT relating to the auditor of state concerning legislative requests for auditor reviews, applications for certain city or township audits, and retention of certain repayments for auditor services.

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

Section 1. NEW SECTION. 11.5C **Legislative request for auditor review — reimbursement.**

1. The auditor of state, at the request of a member of the general assembly, may review the records covering the receipt and expenditure of state or federal funds by a state department to determine if the receipt and expenditure of those funds by the department is consistent with the laws, rules, regulations, and contractual agreements governing those funds.

2. If the state department that is the subject of the review is listed in [section 11.5B](#), the state department shall reimburse the auditor of state for the cost of the review and any subsequent assistance provided by the auditor of state.

Sec. 2. [Section 11.6, subsection 3](#), Code 2018, is amended to read as follows:

3. A township or city for which audits are not required under [subsection 1](#) may contract with or employ the auditor of state or certified public accountants for an audit or examination of its financial transactions and condition of its funds. ~~An audit is mandatory on~~ Upon receipt of an application requesting an audit by one hundred or more taxpayers, or if there are fewer than six hundred sixty-seven taxpayers in the township or city, then by fifteen percent of the taxpayers, the township or city shall forward a copy of the application to the auditor of state for a determination of whether the auditor of state will require an audit or examination. If the auditor of state determines that an examination may be conducted instead of an audit, the auditor of state shall determine the scope of the examination. Payment for the audit or examination shall be made from the proper public funds of the township or city.

Sec. 3. [Section 11.21](#), Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Payments made by a political subdivision to the auditor of state under [this section](#) as a result of services performed by the auditor of state may be retained by the auditor of state in the fiscal year in which the payment is received and shall remain available for use in that fiscal year for the purposes of the auditor of state.

Approved March 28, 2018