



March 15, 2023

The Honorable Pat Grassley
Iowa House of Representatives
1007 East Grand Avenue
Des Moines, IA 50319

RE: Concerns Regarding Senate File 478

Dear Speaker Grassley:

On behalf of The Institute of Internal Auditors (The IIA), the international professional association representing approximately 230,000 internal auditors, including more than 70,000 members in the United States, I write to express concern with Iowa Senate File 478 which recently passed the Iowa Senate.

In its current form, this legislative proposal may prevent the Iowa Auditor of State from performing audits in a manner consistent with the *International Standards for the Professional Practice of Internal Auditing* and the *Government Auditing Standards* promulgated by the U.S. Government Accountability Office. For example, the legislation could impede the independence of the Auditor of State by granting the auditee certain rights to withhold potentially relevant information. The bill also sets up an arbitration process that is a considerable deviation from standard best practices.

The existence of an independent and properly resourced government audit function – in this case the Auditor of State – supports state government by strengthening its credibility with taxpayers. Specifically, government audit supports in the evaluation and understanding of:

- Effective governance, risk management, and control
- Responsible decision-making and oversight
- Sustainable value creation and protection
- Accountable stewardship of assets and reputation

To achieve these foundational objectives, however, it is essential that government auditors maintain true independence and have appropriate authority in the performance of their duties.

Since Senate File 478, in its current form, raises significant and troubling questions about its impact on the government audit function, The IIA respectfully requests that the Iowa House of Representatives suspend any consideration of the bill until such time that legislative leaders and the Office of the Auditor of State can sit down together and develop compromise legislation that addresses the underlying concerns of lawmakers while protecting the independence and effectiveness of the government audit function.



The Institute of
Internal Auditors

Elevating Impact

Should you have any questions regarding The IIA's concerns or if we can serve as a resource to you in these deliberations, I would ask you to contact Mat Young, Vice President of Global Advocacy, Policy, and Government Affairs, at Mat.Young@TheIIA.org.

Thank you for your consideration of our views.

Sincerely,

Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors

cc: The Honorable Kim Reynolds, Governor
The Honorable Rob Sand, Auditor of State
The Honorable Matt W. Windschitl, House Majority Leader
The Honorable Jennifer Konfrst, House Minority Leader
The Honorable Jack Whitver, Senate Majority Leader
The Honorable Zach Wahls, Senate Democratic Leader