

This guide is provided in accordance with Chapter 11.6(7) of the Code of Iowa. Use of this guide in your practice requires a proper implementation of professional standards. This guide is not a substitute for an understanding of the applicable professional standards. While this guide has been reviewed internally by CPAs within the Auditor of State's Office and is subject to outside peer review every three years, the guide has not undergone an external Quality Control Material Review or Examination.

2023 Compliance Guides COUNTY

2023 COMPLIANCE GUIDE SUPPLEMENT

Purpose: To document new or revised compliance items to be tested and/or document testing.

Source: Workpapers as referenced.

Scope: Compliance items tested each year are based on risk assessment.

Conclusion: Compliance selections and/or testing is documented per Compliance Guide and workpapers.

In addition to the updated County Compliance Guide, we have made available this 2023 County Compliance Guide Supplement which details all changes made to the prior year County Compliance Guide. This Supplement may be used to update the prior year Compliance Guide in lieu of completing a new guide each year.

	Category	Non-compliance Noted/FY	FY23				FY24				FY25			
			Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
			RISK				RISK				RISK			
			H	M	L		H	M	L		H	M	L	
3. Other Long-Term Debt														
a. (23) Determine loan and other agreements comply with Chapters 331.301(10), 331.402, 331.478, 331.479 and 403.9 of the Code of Iowa.														
1. Chapter 331.301(10): lease or lease purchase which is payable from general fund.														
2. Chapter 331.402: (1) anticipatory warrants; (3) enter into loan agreements.														
3. Chapter 331.478: Noncurrent debt: a) anticipatory warrants, b) advance from other funds, c) installment purchase contracts, d) other formal debt instruments other than bonds.														
4. Chapter 331.479: Notice of proposed action for purposes listed in Chapter 331.478 must be published.														
5. Chapter 403.9: Urban renewal bonds.														

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			H	M	L		H	M	L		H	M	L	
DISBURSEMENTS/EXPENDITURES:														
4	a.	(23)	For public improvements, other than road, bridge and culvert projects, with estimated total cost in excess of the competitive bid threshold in Chapter 26.3 of the Code of Iowa or as established in Chapter 314.1B of the Code of Iowa (\$196,000 effective 1-1-23), determine competitive bid and public hearing procedures specified in Chapter 26 of the Code of Iowa were followed.											
4	b.	(23)	Determine the County received competitive quotes for public improvement projects (other than road, bridge and culvert projects) in accordance with Chapter 26.14 of the Code of Iowa for projects with estimated costs less than required bid thresholds but greater than the threshold amount established by the bid threshold committee per Chapter 314.1B of the Code of Iowa (\$145,000 effective 1-1-23).											

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			H	M	L		H	M	L		H	M	L	
DISBURSEMENTS/EXPENDITURES: (CONTINUED) 5 b (2)c (23) Determine the advertising and letting requirements of Chapter 309.40 of the Code of Iowa were followed for contracts for road, bridge or culvert construction work where the engineer’s estimate exceeds the amount authorized by the bid threshold committee per Chapter 314.1B of the Code of Iowa (\$120,000 effective since 1-1-23) in accordance with Chapter 314.1(2) of the Code of Iowa.			2											

	Cate- gory	Non-compl iance Noted/ FY	FY23				FY24				FY25			
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			RISK				RISK				RISK			
			H	M	L		H	M	L		H	M	L	
PAYROLL														
8. For counties having a population of 200,000 or less, determine the Assistant County Attorneys are paid less than 85% of the maximum annual salary of a full-time County Attorney as provided by Chapter 331.757. (This means any Assistant County Attorney can earn up to 85% of a District Court Judge’s salary, which is \$158,056 effective July 1, 2022.)														

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			H	M	L					H	M	L				
OPIOID SETTLEMENT																
1. (23) Opioid Disbursements:																
a. Review opioid settlement disbursements to determine if at least 75% of disbursements are for "Core Strategies" as listed in Schedule A of Exhibit 1 to the Iowa Opioid Allocation, Memorandum of Understanding (MOU). 2																
b. Determine opioid administrative costs did not exceed 2.5% of the County's opioid abatement funds. (MOU section C(8)). 2																
2. (23) Opioid Report:																
a. Determine if the County submitted its public annual report by December 1. 2																
b. Determine receipts and disbursements are properly reported. 2																

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		H	M	L		H	M	L		H	M	L		
COUNTY LANDFILLS														
1. (23) Determine if separate accounts for closure and postclosure care costs have been maintained as required by Chapter 455B.306(9) of the Code of Iowa and Iowa Administrative Code (IAC) Section 567 (Environmental Protection Commission) Chapter 113.14(8).														
a. Determine if the separate accounts are fully funded at the engineer’s current cost estimate. If not, annual deposits are required to be made within 30 days of the close of each fiscal year and the landfill must establish a financial assurance mechanism	1													
2. (23) Determine if the Landfill established financial assurance for closure, postclosure care and corrective action costs as required by Chapters 455B.304(8) and 455B.306(9) of the Code of Iowa and IAC Section 567 Chapter 113. Allowable financial assurance mechanisms per IAC Section 567 Chapter 113.14(6) include:														
a. Trust fund.	1													
b. Surety bond.	1													
c. Letter of credit	1													
d. Insurance.	1													
e. Corporate financial test.	1													

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		H	M	L		H	M	L		H	M	L		
COUNTY LANDFILLS (continued):														
f. Local government financial test.	1													
g. Corporate guarantee.	1													
h. Local government guarantee.	1													
i. Local government dedicated fund.	1													
j. Use if multiple financial mechanisms.	1													
3. (23) For Landfills using the local government dedicated fund mechanism to demonstrate financial assurance:														
a. Determine the Landfill made the required payment (based on the formula) in accordance with IAC Section 567 Chapter 113.14(6). Note: Payments into the dedicated fund must be made annually over the “pay-in period” (the shorter of 10 years or the permitted life of the cell).	1													
b. If the cell’s pay-in period is complete, determine if inflationary increases in the estimate of closure and postclosure care costs are fully funded annually in accordance with IAC Section 567 Chapters 113.14(3) and 113.14(6).	1													

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		H	M	L		H	M	L		H	M	L		
COUNTY LANDFILLS (continued):														
4. (23) Obtain a copy of the financial assurance annual report form submitted to DNR (including documentation of the financial assurance mechanism, engineer's cost estimates and the previous fiscal year audit report) and determine these documents were timely filed by April 1.	1													
5. (23) Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2 and 423.3 of the Code of Iowa.	1													
6. (23) If a transfer station exists, determine the following requirements have been met per IAC Section 567 Chapter 106 and Chapter 455B of the Code of Iowa														
a. Obtain and file in the workpapers a copy of the valid operating permit approved by DNR	2													
b. Obtain and file a copy of the plan of operation.	2													
c. Obtain and file a copy of the emergency response and remedial action plan.	2													
d. Obtain and file a copy of the inspection report and the financial assurance document.	2													

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COUNTY LANDFILLS (continued):														
1) Determine the inspection was performed by an Iowa-licensed professional engineer and was submitted to DNR by the first workday in November each year. IAC Section 567 Chapter 106.14(2)	2													
2) Determine a report addressing financial assurance for the closure costs of the transfer station has been estimated and filed with DNR by an Iowa-licensed professional engineer every three years upon permit renewal. IAC Section 567 Chapter 106.18(2)	2													
e. Determine the transfer station has met the financial assurance requirement in accordance with IAC Section 567 Chapters 106.18(1), 106.18(2) and 106.18(5). (Note: Effective September 26, 2007, the estimated closure costs shall be fully funded before DNR will issue or renew a permit to operate a transfer station. For transfer stations in their initial 5-year pay-in period as of September 26, 2007, DNR is not enforcing the requirement to be fully funded. The transfer station should have documentation from DNR approving an extension.) Obtain and file a copy of the inspection report and the financial assurance document.	1													

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		H	M	L		H	M	L		H	M	L		
<u>Disbursements/Expenditures</u>														
1. (23) If solid waste fees were retained in accordance with Chapter 455B.310 of the Code of Iowa, determine if the fees were expended only for the purposes allowed in Chapter 455B.310(4) of the Code of Iowa.	2													
2. (23) If additional solid waste fees of twenty-five cents/thirty-five cents (if the state-wide average was met as of July 1, 1999) of the tonnage fees were retained in accordance with Chapter 455B.310 of the Code of Iowa.														
a. Determine if an updated comprehensive plan has been approved by the Iowa Department of Natural Resources.	2													
b. Determine if the fees were expended only for the purposes allowed in Chapter 455B.310(3) of the Code of Iowa.	2													
<u>Fund Balance/Net Position</u>														
1. (23) Determine if the proper amount of fund equity/net position has been reserved/restricted for items, as applicable, including sold waste fees retained in accordance with Chapter 455B.310 of the Code of Iowa.	1													