

Sample City CITY  
COMPLIANCE GUIDE

Purpose: To select 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 selection and/or testing is documented per Compliance Guide and workpapers.

|                      | FY11 | FY12 | FY13 |
|----------------------|------|------|------|
| Incharge             |      |      |      |
| Manager              |      |      |      |
| Independent Reviewer |      |      |      |

Sample City **CITY COMPLIANCE GUIDE**

**Code Compliance Risk Assessment**

| Compliance Area            | FY11            |                         | FY12            |                         | FY13            |                         |
|----------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|
|                            | Risk Factors ** | Risk of Non-Compliance* | Risk Factors ** | Risk of Non-Compliance* | Risk Factors ** | Risk of Non-Compliance* |
| Audit Planning             |                 |                         |                 |                         |                 |                         |
| Cash                       |                 |                         |                 |                         |                 |                         |
| Investments                |                 |                         |                 |                         |                 |                         |
| Capital Assets             |                 |                         |                 |                         |                 |                         |
| Long-Term Debt             |                 |                         |                 |                         |                 |                         |
| Fund Balance/Net Assets    |                 |                         |                 |                         |                 |                         |
| Receipts/Revenues          |                 |                         |                 |                         |                 |                         |
| Disbursements/Expenditures |                 |                         |                 |                         |                 |                         |
| Payroll                    |                 |                         |                 |                         |                 |                         |
| Transfers                  |                 |                         |                 |                         |                 |                         |
| Budgets                    |                 |                         |                 |                         |                 |                         |
| Insurance                  |                 |                         |                 |                         |                 |                         |

| <b>**Compliance Risk Factors:</b> (Include the applicable risk above.) |   |     |  |
|--|---|-----|--|
| 1.   | Relatively simple compliance issues.                                | 10. | New or amended compliance requirement.                               |
| 2.   | Personnel responsible for compliance are competent and experienced. | 11. | New or poorly trained personnel.                                     |
| 3.   | No comments regarding non-compliance noted in the prior year.       | 12. | Complexity of compliance issues likely to result in non-compliance.  |
| 4.   |   | 13. | Report comment regarding non-compliance noted in the prior year.     |
| 5.   |   | 14. | Non-report comment regarding non-compliance noted in the prior year. |
| 6.   |   | 15. |  |
| 7.   |   | 16. |  |
| 8.   |   | 17. |  |
| 9.   |   | 18. |  |

| <b>*Risk of Non-Compliance:</b> |          |
|---------------------------------|----------|
| H                               | High     |
| M                               | Moderate |
| L                               | Low      |

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This compliance guide was developed to implement a risk-based approach to testing compliance requirements. In implementing a risk-based approach, compliance requirements will be selected to test based on the compliance risk assessment. To document the auditor’s consideration of risk, a code compliance risk assessment form has been included in this guide.

Each compliance requirement in this guide has been placed into one of four categories. The categories are based on significance of the compliance requirements. The table below provides a description of each category.

| <b>Category</b>   | <b>Description</b>  |
|---|---|
| <b>Items which must be tested</b> – required comments or public expectation of oversight. |   |
| 1   | Test and document annually. (required statutory report comments)  |
| 2   | Test on a rotating basis, at least every three years, based on risk assessment. Workpaper documentation required.   |
| <b>Inquiry with limited observation and documentation:</b>                                |   |
| 3   | Inquire about compliance only if considered necessary based on risk assessment. Document the City’s response to inquiry and observation in remarks column. (If auditor becomes aware of non-compliance, it should be addressed).  |
| <b>Addendum:</b>  |   |
| 4   | Items which are not considered to be significant – test if considered necessary based on risk assessment and specific audit situation (if auditor becomes aware of non-compliance in one of these areas, it should be addressed). If procedures are performed, include workpaper documentation, as necessary. |

**Procedures**

- 1) Review prior year comments and enter “10” in the “Non-Compliance Noted/FY” column for each compliance requirement that had a comment.
- 2) Based on the risk of non-compliance set for each compliance area, indicate which procedures will be performed during the current year’s audit with a tick mark in the “Selected” column. Keep in mind the audit approach to compliance may need to be revised based on information obtained during the course of the audit. If you are aware a compliance requirement does not apply, indicate “N/A” in the “Selected” column.
- 3) Perform compliance procedures as selected.
- 4) Enter “11” in the “Non-Compliance Noted/FY” column for each compliance requirement that had a comment.
- 5) Guide should be filed in the Permanent File for multiple year use.

**2011 Revisions**

- 1) Current year new or revised procedures have been noted as **(11)**.
- 2) The following procedures were deleted from the prior year guide:
  - Fund Balance section – removed step 3(d) to determine whether cash on hand in the TIF fund is credited against the total outstanding TIF debt prior to the completion of the TIF debt certificate on December 1<sup>st</sup>.
  - Disbursements/Expenditure section – removed step 7(b) for Community Disaster Grants as the section is no longer applicable.

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- 3) In addition to this updated City Compliance Guide, we have made available a 2011 City Compliance Guide Supplement which details changes made to the prior year City Compliance Guide. The supplement may be used to update the prior year Compliance Guide in lieu of completing a new guide each year.



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|---|---------------|-----------------------------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|
|   |               |                             | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks |
| <b>AUDIT PLANNING (Continued):</b>  |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| f. Determine, on a test basis, if minutes were published (or posted) within 15 days of the meeting in accordance with Chapter 372.13(6) of the Code of Iowa and included:       |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 1) Total disbursements from each fund.  | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 2) A list of all claims allowed (including the reason for the claim).   | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 3) A summary of all receipts.   | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 4) A summary of ordinances or amendments adopted.   | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 2. 28E organizations, Municipal Utilities and Administrative Agencies:  |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| a. Determine if the City was a member of a Chapter 28E organization with gross receipts in excess of \$100,000 in a fiscal year.  | 1             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| b. Determine if the City has a separate Municipal Utility and/or Administrative Agency per Chapter 392.   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 1) If the City owns or operates a municipal utility providing telecommunication services, determine if the provisions of Chapter 388.10 of the Code of Iowa have been followed. | 1             |                             |               |            |           |         |               |            |           |         |               |            |           |         |

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|---|----------|-------------------------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|
|   |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>AUDIT PLANNING (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) If the City owns or operates a municipal utility providing telecommunication services, determine the City or the municipal utility annually certifies its compliance with Chapter 388.10 of the Code of Iowa and this certification is attested to by the Auditor of State or a Certified Public Accountant certified in Iowa. | 1        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| c. If so, determine if arrangements have been made for an audit in accordance with Chapter 11.6 of the Code of Iowa.  | 1        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|   |          |                         | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks |
| <b>CASH:</b>  |          |                         | <b>Risk:</b> H M L |         |        |         | <b>Risk:</b> H M L |         |        |         | <b>Risk:</b> H M L |         |        |         |
| 1. Determine unclaimed property per Chapter 556.1(12) of the Code of Iowa has been reported to the State Treasurer annually before November 1 per Chapter 556.11 of the Code of Iowa.           | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. Determine a depository resolution including all depositories used by the City has been approved as required by Chapter 12C.2 of the Code of Iowa.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. Determine the allowability of any sweep accounts.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 4. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.                                       | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 5. Stamped Warrants:  |          |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| a. Determine debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa   | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| b. Determine interest rates paid on stamped warrants are within legally allowable limits as established by the State Rate Setting Committee in accordance with Chapter 74A of the Code of Iowa. | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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|---|---------------|-----------------------------|--------------------|------------|-----------|---------|--------------------|------------|-----------|---------|--------------------|------------|-----------|---------|
|   |               |                             | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks |
| <b>INVESTMENTS:</b>   |               |                             | <b>Risk:</b> H M L |            |           |         | <b>Risk:</b> H M L |            |           |         | <b>Risk:</b> H M L |            |           |         |
| 1. Determine if the City has adopted a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa.   | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 2. Determine changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Council.  | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 3. Determine investment transactions complied with the written investment policy.   | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 4. Determine all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.  | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 5. If applicable, determine if the City has an appropriate public funds custodial agreement as prescribed in Chapter 12B.10C of the Code of Iowa and the Treasurer of State’s administrative rules.   | 3             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 6. <b>(11)</b> Determine the underlying collateral of repurchase agreements consists of authorized investments and the City has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(a)(5). | 3             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 7. <b>(11)</b> Determine investment income was received and recorded in the proper fund. Specifically:  |               |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |

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|   |               |                             | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks |
| <b>INVESTMENTS (continued):</b>   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| <ul style="list-style-type: none"> <li>a. <b>(11)</b> In accordance with Chapter 12C.9(2) of the Code of Iowa, interest earned on the proceeds of notes, bonds, refunding bonds and other evidence of indebtedness and funds being accumulated for the payment of principal and interest or reserves (debt service/TIF) is:                             <ul style="list-style-type: none"> <li>1) <b>(11)</b> Used to pay the principal or interest as it comes due on the indebtedness (credited to Debt Service or TIF Funds).</li> <li>2) Credited to the Capital Projects Fund for which the indebtedness was issued.</li> </ul> </li> <li>8. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.</li> <li>9. Identify the outside persons who invested public funds, provided advice on the investing of public funds, directed the deposit or investment of public funds or acted in a fiduciary capacity for the City.                             <ul style="list-style-type: none"> <li>a. Determine the contracts or agreements with outside persons require the outside person to notify the City in writing of the existence of material weaknesses in internal control or regulatory orders or sanctions regarding the type of services being provided under the contracts or agreements.</li> </ul> </li> <li>b. Obtain and review the following:                             <ul style="list-style-type: none"> <li>1) The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the City.</li> </ul> </li> </ul> | 3             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
|   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |

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| <b>INVESTMENTS (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
|  | 1        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) The most recent annual report to shareholders, call reports or the findings pursuant to a regular examination under state or federal law of a bank, savings and loan or credit union. |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 3) The most recent annual report to shareholders of an open-end management investment company, unincorporated investment company or investment trust registered with the SEC.            | 1        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|  |          |                         | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks |
| <b>CAPITAL ASSETS:</b>   |          |                         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         |
| 1. Determine compliance with the provisions of Chapter 364.7 of the Code of Iowa relating to the disposition of real property. | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |



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|   |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>LONG-TERM DEBT (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| h. Determine the City has complied with the reporting requirements in accordance with SEC Rule 15c2-12. Effective July 1, 2009, issuers are subject to ongoing filing requirements for issuances of more than \$1,000,000. All continuing disclosure submissions must be provided to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system. | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2. Anticipatory Warrants/Obligations:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Review authorization for issuance of these obligations.  | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. Determine debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa.  | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 3. Capital Leases And Installment Purchases:  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine agreements were properly authorized in accordance with Chapter 364.4 of the Code of Iowa.  | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 4. Determine loan and other agreements comply with Chapters 364.4(4), 384.24A, 384.83, 403.9 and 423B.9 of the Code of Iowa.  | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|   |          |                         | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks | Selected           | Done By | WP Ref | Remarks |
| <b>FUND BALANCE:</b>  |          |                         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         |
| 1. Determine that TIF collections were properly recorded in a separate Special Revenue Fund in accordance with Chapter 403.19 of the Code of Iowa.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. If applicable, determine any funds maintained for City police reserve peace officers are accounted for in a Special Revenue Fund. (Chapter 80D.11 of the Code of Iowa defines such officers as employees of the governing body.) | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. <b>(11)</b> Review the reasonableness of TIF fund balances at year-end.  |          |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| a. Determine whether deficits are due to timing differences in TIF collections and disbursements or whether the City's TIF request certified at December 1 was insufficient. Discuss with City officials.                           | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| b. <b>(11)</b> Determine whether existing balances are for debt associated with active TIF projects or whether the City has certified in excess of outstanding TIF debt.  | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| c. If excess funds have been accumulated, comment accordingly. The City should consult legal counsel regarding the disposition of the excess balance.   | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 4. Determine the Annual Financial Report required by Chapter 384.22 of the Code of Iowa was completed and filed by December 1.  | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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|   |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>FUND BALANCE (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 5. Determine the City filed the annual report for a perpetual care cemetery with the Insurance Commissioner within four months following the end of the cemetery’s fiscal year in accordance with Chapter 523I.813 of the Code of Iowa.   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 6. For urban renewal areas with public improvements related to housing and residential development, determine if assistance for low and moderate income (LMI) housing was provided in accordance with Chapter 403.22 of the Code of Iowa. | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|--|---------------|-----------------------------|--------------------|------------|-----------|---------|--------------------|------------|-----------|---------|--------------------|------------|-----------|---------|
|  |               |                             | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted      | Done<br>By | WP<br>Ref | Remarks |
| <b>RECEIPTS/REVENUES:</b>  |               |                             | <u>Risk:</u> H M L |            |           |         | <u>Risk:</u> H M L |            |           |         | <u>Risk:</u> H M L |            |           |         |
| 1. Property Tax:   |               |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| a. Determine the proceeds of any special levies were expended in accordance with statutory provisions (e.g. Chapter 670 of the Code of Iowa for insurance premium levy.)                                     | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| b. If the City received a portion of the physical plant and equipment levy tax from a school district in accordance with Chapter 403.19(2) of the Code of Iowa:  |               |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 1) Review the request prepared by the City for reasonableness.   | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 2) Determine the amount certified by the City was necessary to pay the principal and interest on indebtedness incurred by the City before July 1, 2001.  | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 2. Other City Taxes:   |               |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| a. Determine local option tax receipts were expended in accordance with local provisions. Obtain a copy of the ballot authorizing the local option tax.  | 2             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| b. Determine hotel/motel tax receipts were credited to the General Fund in accordance with Chapter 423A.7(3) of the Code of Iowa and were expended in accordance with Chapter 423A.7(4) of the Code of Iowa. | 2             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| c. For utility franchise fees collected pursuant to an ordinance adopted or amended on or after 5-26-09, determine:  |               |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 1) The fee does not exceed 5% of gross revenues generated from sales of the franchisee in accordance with Chapter 364.2(4)(f) of the Code of Iowa.   | 2             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |

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|   |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>RECEIPTS/REVENUES (continued):</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) A revenue purpose statement was prepared and published prior to adopting or amending the fee in accordance with Chapter 364.2(4)(f) of the Code of Iowa.   | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 3) The fees collected were credited to a utility franchise fee account within the General Fund and used in accordance with the City's revenue purpose statement and Chapter 384.3A of the Code of Iowa.   | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 3. Enterprise revenues:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Obtain copy of rates and test rates charged against those authorized and determine rates were properly established by ordinance of the Council or resolution of the Board of Trustees in accordance with Chapter 384.84 of the Code of Iowa. | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 4. Determine whether sales and hotel/motel taxes were collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2, 423.3 and 423A of the Code of Iowa.                           | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 5. I-Jobs [for local road improvements] received from the Iowa DOT:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine the funds received from the Iowa Department of Transportation were deposited to an appropriate fund (including the Road Use Tax Fund) in accordance with House File 822.   | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

**Sample City CITY COMPLIANCE GUIDE**

|  | Cate-<br>gory | Non-compl<br>iance Noted/<br>FY | FY11          |            |           |         | FY12          |            |           |         | FY13          |            |           |         |
|--|---------------|---------------------------------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|
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| <b>RECEIPTS/REVENUES (continued):</b>  |               |                                 |               |            |           |         |               |            |           |         |               |            |           |         |
| b. Determine funds were expended for construction, reconstruction, repair and maintenance of city roads and were expended within two years of receipt in accordance with House File 822. | 2             |                                 |               |            |           |         |               |            |           |         |               |            |           |         |
| c. Determine quarterly reports were submitted to the Iowa Department of Transportation in accordance with IDOT guidelines.   | 2             |                                 |               |            |           |         |               |            |           |         |               |            |           |         |
| 6. Other I-Jobs funding:   |               |                                 |               |            |           |         |               |            |           |         |               |            |           |         |
| a. Determine funds were expended in accordance with the applicable agreement(s).   | 2             |                                 |               |            |           |         |               |            |           |         |               |            |           |         |
| b. Determine the City complied with any reporting requirements in accordance with the applicable agreement(s).   | 2             |                                 |               |            |           |         |               |            |           |         |               |            |           |         |

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|  | Category | Non-compliance Noted/FY | FY11               |         |        |         | FY12               |         |        |         | FY13               |         |        |         |
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| <b>DISBURSEMENTS/EXPENDITURES:</b>   |          |                         | <b>Risk:</b> H M L |         |        |         | <b>Risk:</b> H M L |         |        |         | <b>Risk:</b> H M L |         |        |         |
| 1. For travel and questionable disbursements:  |          |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.   | 1        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| b. Prepare workpapers, as necessary, to adequately document for report presentation.   | 1        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. Review disbursements to determine if the City has incurred expenditures, including contributions to outside organizations, for economic development. If expenditures were incurred: |          |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| a. Review for appropriateness and public purpose in accordance with Chapter 15A of the Code of Iowa.   | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| b. For contributions to outside organizations, determine the City received documentation of how the funds were used.   | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. For tax increment financing (TIF) urban renewal projects, review disbursements for the following:   |          |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| a. Disbursements are in accordance with urban renewal plans.   | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| b. Disbursements are for the TIF district.   | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| c. Amendments to the plan(s), if any, were made in accordance with Chapter 403.5 of the Code of Iowa.  | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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| <b>DISBURSEMENTS/EXPENDITURES (continued):</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| d. Real property acquired for the urban renewal project was acquired in accordance with Chapter 403.5(4) of the Code of Iowa after the Council approved the urban renewal project.   | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 4. If canceled checks are not received, are electronically retained check images (both front and back) received per Chapter 554D.114(5) of the Code of Iowa?   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 5. <b>(11)</b> For capital projects and other construction contracts (for bid/quote thresholds applicable prior to 1-1-11, refer to the 2010 Compliance Guide):  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine the City complied with public hearing and bidding requirements in accordance with Chapters 26.3 through 26.13 of the Code of Iowa, including:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1) For public improvements (other than road, bridge and culvert projects) with an 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 (\$100,000 effective 1-1-07).  | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) <b>(11)</b> For contracts for road, bridge or culvert construction work where the engineer's estimate exceeds the amount established by the bid threshold committee per Chapter 314.1B of the Code of Iowa. (Cities with a population of 50,000 or less, \$47,000 effective 1-1-11 and Cities with a population of more than 50,000, \$67,000 effective 1-1-11. | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

**Sample City CITY COMPLIANCE GUIDE**

|  | Cate-<br>gory | Non-compl<br>iance Noted/FY | FY11          |            |           |         | FY12          |            |           |         | FY13          |            |           |         |
|--|---------------|-----------------------------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|
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| <b>DISBURSEMENTS/EXPENDITURES (continued):</b>   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 3) Determine the City advertised for sealed bids as provided in Chapter 26.3 of the Code of Iowa and published notice not less than 4 days but not more than 45 days before the date for filing bids.  | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 4) Determine the City published notice of the public hearing not less than 4 nor more than 20 days before the date of the hearing as provided in Chapters 26.12 and 362.3 of the Code of Iowa.   | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 5) Determine the City had an engineer licensed under Chapter 542B, a landscape architect licensed under Chapter 544B or an architect registered under Chapter 544A prepare the plans and specifications and calculate the estimated total cost of the proposed public improvement as required by Chapter 26.3 of the Code of Iowa.   | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 6) Determine the City awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa.  | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| b. <b>(11)</b> Determine the City 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. (Cities with a population of less than 50,000, \$46,000 effective 1-1-11 and Cities with a population of 50,000 or more, \$67,000 effective 1-1-11) | 2             |                             |               |            |           |         |               |            |           |         |               |            |           |         |

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|  | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
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| <b>DISBURSEMENTS/EXPENDITURES (continued):</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1) For work performed by City employees, other than repair or maintenance work, determine the City filed a quotation for the work to be performed in the same manner as a contractor as required by Chapter 26.14(3)(a) of the Code of Iowa. | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) Determine the City awarded the contract for the public improvement to the contractor submitting the lowest responsive, responsible quotation as required by Chapter 26.14(3)(b) of the Code of Iowa.                                      | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| c. Determine any enhancement payments made for early completion of the project did not exceed 10 percent of the value of the contract in accordance with Chapter 26.9 of the Code of Iowa.   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| d. Determine the City applied for and received sales tax refunds on completed projects unless an exemption certificate was issued by the City for the contractor per Chapter 423.3(80)(b) of the Code of Iowa.                               | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| e. For public improvement projects, including road, bridge and culvert projects, determine the City complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa.                 | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|   | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
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| <b>DISBURSEMENTS/EXPENDITURES (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 6. Determine mileage was paid at a rate approved by the Council and not in excess of the amount allowable under Federal Internal Revenue Service rules as provided by Chapter 70A.9 of the Code of Iowa.      | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 7. Community Disaster Grants:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine funds were disbursed in accordance with Iowa Administrative Code (IAC) Section 605 (Homeland Security and Emergency Management Division) Chapter 13.4 and as specified in the grant application. | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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| <b>PAYROLL:</b>   |          |                         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         |
| 1. Determine if Forms 941, W-3 or W-2 were filed with the IRS, as appropriate.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. Determine actual gross salaries have been published as required for all employees in accordance with Chapter 372.13 of the Code of Iowa and an Attorney General’s opinion dated April 12, 1978.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. If the City has a tax levy for employee benefits, review payments from this account to ensure the levy is used only for benefits for employees whose salary is paid from the General Fund or the Road Use Tax Account in accordance with City Finance Committee rules. | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 4. Determine, through testing, any increases in wages for the Mayor or Council Members comply with Chapter 372.13 of the Code of Iowa.  | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 5. Determine if any employees receive a flat dollar allowance for travel, clothing or uniform cleaning. If so, determine if this allowance is included in taxable income on the W-2.  | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 6. Determine if the City provides vehicles or housing for employee use. If so, determine if these qualify as taxable benefits per IRS regulations and, if applicable, were properly reported as taxable income on the employee’s W-2.                                     | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 7. Determine if the City properly prepared Form 1099 for outside services of \$600 or more and determine workers were properly classified as independent contractors rather than employees.   | 3        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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|   | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
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| <b>PAYROLL (continued):</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 8. Determine if the City is reporting employer provided accident and health plan benefits as taxable income on an employee's W-2 when the employee has elected coverage for an individual who is not considered a dependent by the IRS. |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
|   | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|  | Category | Non-compliance Noted/FY | FY11               |         |        |         | FY12               |         |        |         | FY13               |         |        |         |
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| <b>TRANSFERS:</b>  |          |                         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         |
| 1. Trace transfers to approval in the minutes or budget, as applicable.  | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. Review transfers for propriety and document findings.   | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. Determine transfers from TIF funds are in accordance with urban renewal plans and are for allowable activity within the TIF district. | 2        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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| <b>BUDGETS:</b>  |               |                             | <u>Risk:</u> H M L |            |           |         | <u>Risk:</u> H M L |            |           |         | <u>Risk:</u> H M L |            |           |         |
| 1. Examine proof of publication for published budget and reconcile to adopted budget. Notice of the public hearing on the budget must be published not less than ten nor more than twenty days before the hearing in accordance with Chapter 384.16(3) of the Code of Iowa. Determine the tax levy adopted was not in excess of the estimate published in accordance with Chapter 384.16(5) of the Code of Iowa.   | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 2. Compare property tax askings and total disbursements between the published budget and the budget certificate summary to determine tax askings and total disbursements were not increased after publication in accordance with Chapter 384.16(5) of the Code of Iowa.  | 1             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 3. Determine hearings were held and publications were made in accordance with Chapter 384.16 of the Code of Iowa.  | 3             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |
| 4. <b>(11)</b> Determine the following regarding the Tax Increment Debt Certificate:<br><br>a. <b>(11)</b> The amounts certified represent loans, advances, indebtedness or bonds which qualify for payment from the TIF revenues for each urban renewal area in the municipality in accordance with Chapter 403.19(5)(a) of the Code of Iowa and the certificate was filed by December 1. Note: For annual appropriated debt, the amount to be certified should be limited to the amount appropriated to be paid in the next fiscal year. | 2             |                             |                    |            |           |         |                    |            |           |         |                    |            |           |         |

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| <b>BUDGETS (continued):</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. (11) The City certified a reduction to the amount previously certified by December 1 in the year action was taken which resulted in the reduction, as required by Chapter 403.19(5)(b) of the Code of Iowa. Reductions may result from payment from sources other than TIF revenue, reduction of required principal and interest payments due to refunding or refinancing of the obligation or for any other reason (i.e. interest credited to the TIF fund). | 2        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 5. Determine if amendments were adopted before disbursements exceeded the function budget. (Chapter 384.20 of the Code of Iowa.)   | 1        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 6. If an amendment was adopted, determine if it was adopted by May 31 as required by Chapter 24.9 of the Code of Iowa.   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. If not, determine if amendment was protested.   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. If protested, determine if an Appeal Board decision was reached before June 30.   | 3        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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| <b>INSURANCE:</b>  |          |                         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         | <u>Risk:</u> H M L |         |        |         |
| 1. Verify and review surety bond coverage for reasonableness and compliance with statutory requirements for all officials and employees in accordance with Chapters 64.13 and 64.15 of the Code of Iowa. | 1        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 2. Determine bonds are approved and records are kept of the bonds in accordance with Chapters 64.19 to 64.24 of the Code of Iowa.  | 1        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |
| 3. If the City has a self-funded health insurance plan, including self-funded deductibles, obtain a copy of the actuarial report required by Chapter 509A.15 of the Code of Iowa.                        | 1        |                         |                    |         |        |         |                    |         |        |         |                    |         |        |         |

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| <b>ADDENDUM:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>AUDIT PLANNING:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Determine if the City has complied with Chapter 380.8 of the Code of Iowa regarding the City's Code of ordinances:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. If the City maintains a code of ordinances, it is done either by:  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1) At least annually compiling a supplement to the Code of ordinances consisting of all new ordinances and amendments to ordinances which became effective during the previous year and adopting the supplement by resolution or, |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2) Adding, at least annually, the new ordinances and amendments to ordinances to the code of ordinances itself.   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. If the City does not maintain a code of ordinances as stated in 1(a), the City compiles a code of ordinances at least once every five years in accordance with Chapter 380.8(1)(c) of the Code of Iowa.                        |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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| <b>ADDENDUM:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>CASH:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Determine the City has determined all public fund deposits with banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program). | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2. Stamped warrants – Determine if interest paid was computed in accordance with Chapter 74.6 of the Code of Iowa.   | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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| <b>ADDENDUM:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>INVESTMENTS:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Determine investment income was received and recorded in the proper fund. Specifically:   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Interest on Road Use Tax is recorded in the General Fund in accordance with Chapter 12C.7(2) of the Code of Iowa.   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. Interest on cemetery perpetual care is recorded in the General Fund or other fund used for cemetery operations in accordance with Chapter 523I.508 of the Code of Iowa. |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |

**Sample City CITY COMPLIANCE GUIDE**

|  | Category  | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
|--|---|-------------------------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|
|  |   |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>ADDENDUM:</b>   |   |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>LONG-TERM DEBT:</b>   |   |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Determine the disbursements of the Debt Service Fund were limited to the following purposes in accordance with Chapter 384.4 of the Code of Iowa: |   |                         |          |         |        |         |          |         |        |         |          |         |        |         |
|  | a. Judgments against the City, except those authorized by law to be paid from other funds.            | 4                       |          |         |        |         |          |         |        |         |          |         |        |         |
|  | b. Interest and principal of all general obligation bonds/notes issued by the City.                   | 4                       |          |         |        |         |          |         |        |         |          |         |        |         |
|  | c. Payments required to be made from the Debt Service Fund under a lease or lease-purchase agreement. | 4                       |          |         |        |         |          |         |        |         |          |         |        |         |
|  | d. Payments required to be made from the Debt Service Fund under a loan agreement.                    | 4                       |          |         |        |         |          |         |        |         |          |         |        |         |

**Sample City CITY COMPLIANCE GUIDE**

|  | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
|--|----------|-------------------------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|
|  |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>ADDENDUM:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>RECEIPTS/REVENUES:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Enterprise revenues:  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Review rate structure to determine rates are not discriminatory in accordance with Chapter 388.6 of the Code of Iowa.   | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2. Sale of Bonds/Notes:  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine if premiums or discounts and accrued interest from the sale of bonds were in compliance with Chapter 75.5 of the Code of Iowa.  | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. Determine interest rates on special assessment bonds are not in excess of the rates collected on individual assessments.  | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| c. Determine proceeds of notes, bonds, refunding bonds and other evidence of indebtedness, if not immediately needed, were invested in accordance with Chapter 12C.9(1) of the Code of Iowa. | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

**Sample City CITY COMPLIANCE GUIDE**

|  | Cate-<br>gory | Non-compl<br>iance Noted/FY | FY11          |            |           |         | FY12          |            |           |         | FY13          |            |           |         |
|--|---------------|-----------------------------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|---------------|------------|-----------|---------|
|  |               |                             | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks | Sele-<br>cted | Done<br>By | WP<br>Ref | Remarks |
| <b>ADDENDUM:</b>   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| <b>DISBURSEMENTS/EXPENDITURES:</b>   |               |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 1. For capital projects and other construction contracts, determine if the annual report to the Department of Transportation included the cost accounting of all instances of the use of day labor and contracts for construction per Chapter 312.14 and 314.1A of the Code of Iowa. | 4             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 2. If solid waste fees were retained or received from a separate entity 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.                                      | 4             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| 3. If additional solid waste fees of twenty-five cents of the tonnage fee 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.   | 4             |                             |               |            |           |         |               |            |           |         |               |            |           |         |
| b. Determine if the fees were expended only for the purposes allowed in Chapter 455B.310(3) of the Code of Iowa.   | 4             |                             |               |            |           |         |               |            |           |         |               |            |           |         |



**Sample City CITY COMPLIANCE GUIDE**

|  | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
|--|----------|-------------------------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|
|  |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>ADDENDUM:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>BUDGETS:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. Determine proof of publication exists for each published budget amendment.  | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 2. Determine the budget was certified by March 15. If not, determine the tax levy was limited to the prior year's budget amount per Chapter 384.16(6) of the Code of Iowa. | 4        |                         |          |         |        |         |          |         |        |         |          |         |        |         |

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|   | Category | Non-compliance Noted/FY | FY11     |         |        |         | FY12     |         |        |         | FY13     |         |        |         |
|---|----------|-------------------------|----------|---------|--------|---------|----------|---------|--------|---------|----------|---------|--------|---------|
|   |          |                         | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks | Selected | Done By | WP Ref | Remarks |
| <b>ADDENDUM:</b>  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| <b>INSURANCE:</b>   |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| 1. If the City has a self-funded health insurance plan, including self-funded deductibles:  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| a. Determine if a copy of the actuarial opinion and annual financial report were filed with the Insurance Commissioner within 90 days of year-end.  |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |
| b. If an actuarial report was not obtained because the City qualified under Chapter 509A.15(4) of the Code of Iowa, determine a waiver was properly requested from the Iowa Insurance Division. |          |                         |          |         |        |         |          |         |        |         |          |         |        |         |