

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>If there is no separate code compliance guide available for the Entity, the following code compliance guide steps should be completed. The guide includes steps applicable to all entities and steps that are applicable to specific entities.</p> <ul style="list-style-type: none"> <li><b>A. All Entities</b></li> <li><b>B. Hospitals</b></li> <li><b>C. Area Education Agencies</b></li> <li><b>D. Community Colleges</b></li> <li><b>E. Mental Health Regions</b></li> <li><b>F. Landfill Associations/Commissions</b></li> </ul> <p><b>A. All Entities</b></p> <p><b><u>Audit Planning</u></b></p> <ol style="list-style-type: none"> <li>1. Determine, on a test basis, if meetings of the governing body were preceded by proper notice in accordance with Chapter 21.4 of the Code of Iowa.</li> <li>2. Determine the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa.</li> <li>3. Determine if minutes document the governing body followed proper proceedings for any closed sessions in accordance with Chapter 21.5 of the Code of Iowa.               <ol style="list-style-type: none"> <li>a. The session was closed by affirmative roll call vote of at least two-thirds of the members.</li> <li>b. The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented.</li> <li>c. Final action was taken in open session.</li> </ol> </li> <li>4. If the Entity is established under Code of Iowa Chapter 28E, determine, on a test basis, if the proceedings were published in accordance with Chapter 28E.6 of the Code of Iowa, including:               <ol style="list-style-type: none"> <li>a. The Entity furnished a summary of the proceedings for publication to the newspaper within 20 days following the adjournment of the meeting.</li> <li>b. Publication included a schedule of bills allowed.</li> <li>c. Salaries of employees were published annually.</li> </ol> </li> </ol> <p><b><u>Cash</u></b></p> <ol style="list-style-type: none"> <li>1. For cancelled checks retained electronically, determine both the front and back of the check are retained in accordance with Chapter 554D.114(5) of the Code of Iowa.</li> <li>2. Determine a depository resolution, including all depositories used by the Entity, has been approved as required by Chapter 12C.2 of the Code of Iowa.</li> <li>3. Determine the allowability of any sweep accounts.</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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4. Determine 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.				
<b><u>Investments</u></b>				
1. Determine if the Entity has adopted a written investment policy that complies with the provisions of Chapter 12B.10B of the Code of Iowa.				
2. Determine if changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Board.				
3. Determine investment transactions complied with the written investment policy.				
4. Determine all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.				
5. Determine the underlying collateral of repurchase agreements consists of authorized investments and that the Entity has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(a)(5) of the Code of Iowa.				
6. Determine if, 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 on reserves (debt service/TIF) is:				
<ul style="list-style-type: none"> <li>a. Used to pay the principal or interest as it comes due on the indebtedness (credited to the Debt Service or TIF Funds).</li> </ul>				
<ul style="list-style-type: none"> <li>b. Credited to the Capital Projects Fund for which the indebtedness was issued.</li> </ul>				
7. Determine if interest earned on investments was credited to the General Fund, except as specifically provided by Chapter 12C.7(2) of the Code of Iowa.				
8. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>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 Entity.</p> <p>a. Determine the contracts or agreements with outside persons require the outside person to notify the Entity 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.</p> <p>b. Obtain and review the following:</p> <p>1) The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the Entity.</p> <p>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.</p> <p>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.</p>				
<p><b><u>Liabilities/Deferred Inflows of Resources</u></b></p>				
<p>1. Determine debt instruments issued complied with provisions of Chapter 74 of the Code of Iowa.</p> <p>2. Determine and document the interest rates on bonds/notes sold during the period are within legally established limits as established by the State Rate Setting Committee (Chapter 74A) of the Code of Iowa.</p> <p>3. Determine and document bond or note proceeds are being used in accordance with bond/note provisions.</p> <p>4. If proceeds from new debt are not immediately needed, determine whether they were invested and if the interest earned was credited to the project fund or used to reduce the debt, in accordance with Chapter 12C.9(2) of the Code of Iowa.</p> <p>5. Determine and document the procedures for bonds or notes sold during the current year were in compliance with Chapter 75 of the Code and, if applicable, Chapter 28E of the Code of Iowa.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>6. Determine the Entity has complied with the reporting requirements of 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 (<a href="http://www.emma.msrb.org">www.emma.msrb.org</a>).</p> <p>7. Determine other long-term debt (lease-purchase agreements, deferred payment contracts, real estate contracts, loans, TIF development agreements, local option sales tax bonds, nonexchange financial guarantees) is included in the financial statements, if applicable, is properly disclosed and adequate documentation is filed in the workpapers. 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.</p>				
<p><b><u>Disbursements/Expenditures/Expenses</u></b></p> <p>1. Travel and questionable disbursements:</p> <p>a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.</p> <p>b. Prepare workpapers as necessary to adequately document the disbursements for report presentation.</p> <p>2. For capital projects and other construction contracts:</p> <p>a. Determine construction contracts do not contain clauses which would make in-state construction contracts subject to the laws of another state or which require litigation, mediation, arbitration or other dispute resolution proceedings be conducted in another state in accordance with Chapter 537A.6 of the Code of Iowa.</p> <p>b. For public improvements with estimated total cost exceeding the competitive bid threshold established by Chapter 26.3 or as established in Chapter 314.1B (\$135,000 before January 1, 2019 and \$139,000 effective January 1, 2019), determine the public hearing and bidding requirements of Chapters 26.2 through 26.13 of the Code of Iowa were followed:</p> <p>1) Determine the Entity advertised for sealed bids as provided in Chapter 26.3 of the Code of Iowa and posted a notice to bidders not less than 13 days but not more than 45 days before the date for filing bids.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>2) Determine the Entity published notice of the public hearing, including a description of the public improvement and its location, 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.</p> <p>3) Determine the Entity 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.</p> <p>4) Determine the Entity awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa.</p> <p>5) For public improvement projects requiring competitive bids, determine the Entity complied with the requirement to not restrict potential bidders to any predetermined class of bidder, as required by Chapter 26.16 of the Code of Iowa.</p> <p>c. Determine the Entity 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 the 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. (For an area with a population of 50,000 or more, \$75,000 before January 1, 2019 and \$77,000 effective January 1, 2019.)</p> <p>1) For work performed by Entity employees, other than repair or maintenance work, determine the Entity 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.</p> <p>2) Determine the Entity 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.</p> <p>d. 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.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>e. Determine the Entity applied for and received sales tax refunds on completed projects, unless an exemption certificate was issued by the Entity for the contractor per Chapter 423.3(80)(b) of the Code of Iowa.</p> <p>f. For public improvement projects, determine the Entity complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa.</p>				
<p><b><u>Payroll</u></b></p> <ol style="list-style-type: none"> <li>1. Determine if Forms 941, W-3 or W-2 were filed with the IRS, as appropriate.</li> <li>2. 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.</li> <li>3. Determine if the Entity provides vehicles or housing for employee use. If so, determine if these qualify as taxable fringe benefits per IRS regulations and, if applicable, were properly reported as taxable income on the W-2.</li> <li>4. Determine if the Entity properly prepared Form 1099 for outside services of \$600 or more and determine workers were properly classified as independent contractors rather than employees.</li> </ol>				
<p><b><u>Budgets</u></b></p> <ol style="list-style-type: none"> <li>1. Compare property tax askings between the published budget and budget certificate summary to determine tax askings were not increased after publication in accordance with Chapter 24.15 of the Code of Iowa.</li> <li>2. Determine whether an amendment was adopted by May 31. If not, was the amendment protested? If protested, was an Appeal Board decision reached before June 30?</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p><b>B. Hospitals</b></p> <p><b><u>Audit Planning</u></b></p> <ol style="list-style-type: none"> <li>1. Determine if the receipts and/or expenditures of the Hospital were published as required by Chapters 392.6(5) and 347.13(11) of the Code of Iowa.</li> <li>2. Determine if the Hospital has entered into a Corporate Integrity Agreement (CIA) with the Office of Inspector General of the U.S. Department of Health and Human Services in accordance with SOP 99-1. Review the agreement and annual report of compliance. Modify/expand audit program guide, as necessary, for weaknesses noted in the reports.</li> </ol> <p><b><u>Investments</u></b></p> <ol style="list-style-type: none"> <li>1. Determine if instruments held are in accordance with Chapter 12B.10(6)(i) of the Code of Iowa.</li> </ol> <p><b><u>Liabilities/Deferred Inflows of Resources</u></b></p> <ol style="list-style-type: none"> <li>1. Determine if money borrowed for the purposes of improvement, maintenance or replacement of the Hospital or the hospital equipment was secured solely by Hospital revenues as required by Chapter 347.14(4) of the Code of Iowa.</li> </ol> <p><b><u>Expenditures/Expenses</u></b></p> <ol style="list-style-type: none"> <li>1. Review amounts paid to Trustees and determine amounts were limited to reimbursement of actual and necessary expenses incurred in the performance of the trustee's duties in accordance with Chapter 347.19 or 392.6(4) of the Code of Iowa.</li> <li>2. Review Hospital transactions with a Trustee or Trustee's spouse to determine compliance with conflict of interest provisions of Chapter 347.9A. of the Code of Iowa.</li> <li>3. Determine the propriety of the allocation of expenses between the Hospital and affiliated organizations.</li> <li>4. Test charges to material research grants are in accordance with grant agreements and, if applicable, review the apportionment of indirect costs to such grants for reasonableness.</li> <li>5. If material, test fund-raising costs and the propriety of their classification. Determine joint activities costs are properly reported in accordance with SOP 98-2.</li> <li>6. Review comparative operational statistics and the relationship of such statistics to expenses.</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

<b>PROCEDURE</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<ol style="list-style-type: none"> <li>7. Review and, where material variances exist from the prior year, analyze the following expense accounts:                             <ol style="list-style-type: none"> <li>a. Maintenance and repair.</li> <li>b. Operations of plant.</li> <li>c. Professional fees (other than medical).</li> <li>d. Administration and general expense.</li> <li>e. Laboratory supplies and expense.</li> <li>f. X-ray supplies and expense.</li> <li>g. Pharmacy supplies and expense.</li> <li>h. Food service supplies and expense.</li> <li>i. Operating room supplies and expense.</li> <li>j. Medical and surgical expense.</li> <li>k. Miscellaneous expense.</li> <li>l. New or unusual expense accounts.</li> </ol> </li> <li>8. Review Hospital procedures for awarding contracts.                             <ol style="list-style-type: none"> <li>a. Construction.</li> <li>b. Purchasing.</li> <li>c. Audit Service.</li> </ol> </li> </ol>				
<p><b><u>Payroll</u></b></p>				
<ol style="list-style-type: none"> <li>1. Determine actual gross salaries have been published as required by Chapter 347.13(11) of the Code of Iowa. Obtain a copy of the publication and test selected items for accuracy.</li> <li>2. Determine the compensation of the Hospital Administrator was set by the Board of Trustees in accordance with Chapter 347.13(5) of the Code of Iowa.</li> <li>3. Examine agreements between the Hospital and independent contractors (including physicians.)                             <ol style="list-style-type: none"> <li>a. Test contract amounts paid were based on written agreements.</li> <li>b. Obtain written representation from management outlining terms of any verbal agreements, and, where appropriate, request confirmation of the details of agreements.</li> <li>c. Analyze the basis upon which the Hospital has segregated charges if it bills for physicians.</li> </ol> </li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>d. If material amounts are involved, test the Hospital's method of recording services and supplies furnished to employees, such as value of meals, housing and laundry. Test the distribution of those items to various departments and their treatment for Social Security, withholding tax and insurance purposes.</p> <p>4. If material amounts are involved, test procedures for recording costs for special nurses and the billing of those costs to patients.</p> <p>5. For Hospitals which record values for contributed services, the following procedures should ordinarily be considered:</p> <p>a. Test the compensation value assigned to services contributed by non-paid persons based on time spent and job description by comparison with compensation paid to workers in similar positions.</p> <p>b. Determine living and support costs for those non-paid individuals have been considered in arriving at salary equivalents.</p> <p>c. If non-salaried positions are involved, test time records and test computations supporting the salary equivalent amount for voluntary services.</p>				
<p><b><u>Budgets</u></b></p> <p>1. Determine if the Board certified the amount necessary for improvement and maintenance of the Hospital and for support of ambulance service to the County Auditor before March 15 in accordance with Chapter 347.13(12) of the Code of Iowa.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p><b>C. Area Education Agencies</b></p> <p><b><u>Capital Assets</u></b></p> <ol style="list-style-type: none"> <li>1. Determine whether Agency disposals comply with Chapter 273.3(21) of the Code of Iowa.</li> <li>2. Determine if the Agency complied with Chapter 273.2(7) of the Code of Iowa requiring a public hearing, Board approval and Department of Education approval before entering into lease-purchase agreements greater than ten years or annually exceeding \$25,000.</li> <li>3. Determine if the Agency complied with Chapter 273.3(21) of the Code of Iowa requiring approval from the Director of the Department of Education before leasing property belonging to the Agency.</li> </ol> <p><b><u>Liabilities/Deferred Inflows of Resources</u></b></p> <ol style="list-style-type: none"> <li>1. Determine loan agreements entered into to purchase equipment comply with Chapter 279.48 of the Code of Iowa.               <ol style="list-style-type: none"> <li>a. The issuance of a note payable from the debt service levy must mature within five years or the useful life of the equipment, whichever is less.</li> <li>b. Before entering into the loan agreement, a notice containing the dollar amount and purpose of the agreement must be published at least once in a newspaper of general circulation within the Agency area at least 10 days before the meeting when the loan agreement is to be approved.</li> <li>c. The total annual payments of principal and interest due on all loan agreements authorized by Chapters 279.48 and 285.10(7) of the Code of Iowa must not exceed ten percent of the last authorized budget for the General Operating Fund of the Agency.</li> </ol> </li> </ol> <p><b><u>Expenditures</u></b></p> <ol style="list-style-type: none"> <li>1. Chapter 273.13 of the Code of Iowa states administrative expenditures are not to exceed 5% of the operating fund. Determine whether administrative expenditures are in compliance with the Code of Iowa. (The Department of Education considers this to be executive administrative expenditures as reported in section 6, line 16 of the Certified Annual Report).               <ol style="list-style-type: none"> <li>a. Administrative charges - determine and document:                   <ol style="list-style-type: none"> <li>1) Basis for assignment of administrative charges to programs.</li> <li>2) Reasonableness of allocation.</li> <li>3) Recalculations of allocation.</li> </ol> </li> </ol> </li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p><b><u>Budgets</u></b></p> <p>1. Examine publication in newspapers for public hearing on the proposed budget in accordance with Chapter 273.3(12) of the Code of Iowa.</p> <p><b><u>Miscellaneous</u></b></p> <p>Categorical Funding:</p> <p>Audits of Area Education Agencies must document compliance with Chapter 11.6 of the Code of Iowa regarding categorical funding.</p> <p>According to the Iowa Department of Education administrative rules (Iowa Administrative Code (IAC) Section 281, Chapter 98), “Categorical funding means financial support from state and federal governments that is targeted for particular categories of students, special program or special purposes. Categorical funding includes both grants in aid and budgetary allocations.”</p> <p>Evidence of testing categorical funding is required annually. Auditors should document testing each year and the specific categorical funding tested each year so all categorical funding is tested on a rotating basis, at least every three years. Workpaper documentation is required.</p> <p>Refer to the Iowa Department of Education administrative rules for listings of appropriate and inappropriate uses of the following specific categorical funding (4 digit project dimension):</p> <ol style="list-style-type: none"> <li>1. Educator quality, professional development (3376) (Chapter 284 of the Code of Iowa).</li> <li>2. Beginning teacher mentoring and induction (3202) (Chapter 284 of the Code of Iowa).</li> <li>3. Beginning administrator mentoring and induction (3209) (Chapter 284A of the Code of Iowa).</li> <li>4. Teacher salary supplement (3204 &amp; 3205) (Chapter 284 of the Code of Iowa).</li> </ol> <p>Categorical funding compliance procedures (Duplicate as needed to test programs):</p> <p>(categorical funding program)</p> <ol style="list-style-type: none"> <li>a. Determine the moneys received for categorical funding are credited to the appropriate fund per Chapters 257 and 298A of the Code of Iowa and Iowa Department of Education administrative rules (IAC Section 281, Chapter 98).</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>b. Determine moneys received are spent in accordance with the applicable statutes of the Code of Iowa and Iowa Department of Education administrative rules. Specifically:</p> <ol style="list-style-type: none"> <li>1) Indirect cost recovery was not applied to categorical funding provided by the State, unless permitted by the Code of Iowa.</li> <li>2) Categorical funding was used to supplement, not supplant, expenditures unless expressly permitted by the Code of Iowa.</li> <li>3) Unexpended categorical funding at year-end, if any, has been reported as reserved fund balance.</li> <li>4) Discontinued categorical funding has been carried forward to be expended within 24 months unless a longer period is expressly permitted.</li> <li>5) Expenditures were limited to direct costs of providing the program or service and did not include allocated costs or indirect costs or overhead.</li> <li>6) Expenditures have not been duplicated or charged to more than one categorical funding program.</li> <li>7) Expenditures charged to the categorical funding program do not exceed the total of the current year's funding or allocation plus any carry forward balance from the previous year.</li> <li>8) Categorical funding was not commingled with other funding. According to the administrative rules, "Categorical funding shall not be commingled with other funding. AEA's shall use a project code and program code as defined by Uniform Financial Accounting (UFA) manual."</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p><b>D. Community Colleges</b></p> <p><b><u>Liabilities/Deferred Inflows of Resources</u></b></p> <ol style="list-style-type: none"> <li>1. Determine if premiums/discounts and issue costs are properly recorded and amortized in accordance with Code of Iowa Chapter 260E.6(1).</li> <li>2. Determine if the College published a notice to issue certificates stating the purpose, amount and project(s) as required by Chapter 260E.6(5) of the Code of Iowa.</li> <li>3. Determine if loans/notes and certificates/bonds payable were retired from appropriate revenue sources as provided by Chapters 260C.22, 260E and 260F of the Code of Iowa.</li> </ol> <p><b><u>Fund Balance/Net Position</u></b></p> <ol style="list-style-type: none"> <li>1. Determine changes in the cash reserve fund were in accordance with Chapter 260C.22(3) of the Code of Iowa.</li> </ol> <p><b><u>Payroll</u></b></p> <ol style="list-style-type: none"> <li>1. If the College participates in TIAA, the employer's contribution is limited to the employer's contribution rate under IPERS in accordance with Code of Iowa Chapter 260C.14(17). Determine compliance.</li> </ol> <p><b><u>Miscellaneous</u></b></p> <ol style="list-style-type: none"> <li>1. Determine a summarized statement showing receipts and disbursements for all funds of the College were published during the second week in August in accordance with Chapter 260C.14(12) of the Code of Iowa. <b>Note:</b> The statement of disbursements shall show the name of persons, firms, corporations and the total amount paid to each.</li> <li>2. Compare Annual Report (AS-15D/AS-15E) submitted to the Iowa Department of Education with the College's ledger for reasonableness.</li> <li>3. Verify and review surety bond coverage for reasonableness and compliance with statutory requirements for all officials and employees in accordance with Code of Iowa Chapters 260C.12 and 291.2.</li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p><b>E. Mental Health Regions</b></p> <p><b><u>Disbursements/Expenditures</u></b></p> <p>1. Determine Mental Health Region expenditures are coded correctly.</p> <p>a. Expenditures for direct and purchased administrative costs must be coded to program 4411 and 4412. Distributions to MHDS regional fiscal agent must be coded to program 4413.</p> <p>b. Expenditures for purchased core services must be coded to appropriate diagnosis codes (40XX, 42XX, 43XX and 47XX).</p> <p>c. Expenditures necessary to provide County-operated case management must be coded to program 45XX.</p> <p>d. Expenditures necessary to provide other County-operated services other than County-operated case management (such as expenditures for a County care facility, supported community living and sheltered workshops) must be coded to program 46XX.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p><b>F. Landfill Associations/Commissions</b></p> <p><b><u>Miscellaneous</u></b></p> <ol style="list-style-type: none"> <li>1. 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).                             <ol style="list-style-type: none"> <li>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.</li> </ol> </li> <li>2. 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:                             <ol style="list-style-type: none"> <li>a. Trust fund.</li> <li>b. Surety bond.</li> <li>c. Letter of credit.</li> <li>d. Insurance.</li> <li>e. Corporate financial test.</li> <li>f. Local government financial test.</li> <li>g. Corporate guarantee.</li> <li>h. Local government guarantee.</li> <li>i. Local government dedicated fund.</li> <li>j. Use if multiple financial mechanisms.</li> </ol> </li> <li>3. For Landfills using the local government dedicated fund mechanism to demonstrate financial assurance:                             <ol style="list-style-type: none"> <li>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).</li> <li>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).</li> </ol> </li> </ol>				

**ENTITY** 2019 Audit Programs

June 30, 2019

**CODE COMPLIANCE GUIDE**

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<p>4. 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.</p> <p>5. 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.</p> <p>a. Obtain and file in the workpapers a copy of the valid operating permit approved by DNR.</p> <p>b. Obtain and file a copy of the plan of operation.</p> <p>c. Obtain and file a copy of the emergency response and remedial action plan.</p> <p>d. Obtain and file a copy of the inspection report and the financial assurance document.</p> <p>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)</p> <p>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)</p> <p>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.</p>				
<p><b><u>Disbursements/Expenditures</u></b></p>				
<p>1. 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.</p>				

**ENTITY** 2019 Audit Programs

June 30, 2019

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<b>PROCEDURE</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p>2. 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.</p> <p style="padding-left: 40px;">a. Determine if an updated comprehensive plan has been approved by the Iowa Department of Natural Resources.</p> <p style="padding-left: 40px;">b. Determine if the fees were expended only for the purposes allowed in Chapter 455B.310(3) of the Code of Iowa.</p>				
<p><b><u>Fund Balance/Net Position</u></b></p>				
<p>1. 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.</p>				