

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 478	House Committee:	PASSED March 30 (15-7)
Committee:	State Government	House Floor:	PASSED April 20 (55-41)
Floor Manager:	Rep. Kaufmann	Senate Floor:	PASSED March 7 (33-16)
Date:	April 20, 2023	Governor:	
Staff:	Jason Covey (1-3626)		

Information Made Available to Auditor of State

- Clarifies and defines personal information protected from audits when deemed unnecessary to the audit or examination.
- **Fiscal Note:** Senate File 478 may impact the scope of an audit performed by the AOS, which may impact the State's ability to comply with federal award requirements. An increase in audit frequency could increase costs to the State; however, the fiscal impact cannot be determined.

Section by Section Analysis

Section 1 – When audits and examinations begin (Iowa Code 11.3)

New section – Defines that the audit or examination starts when professional engagement begins as defined by the government auditing standards prescribed by the US Comptroller General.

Section 2 – Access to information — confidentiality (Iowa Code 11.41(3))

Strikes prohibition on the auditor's access to income tax returns of individuals or to an individual's name or address from a reportable disease report.

Section 3 – Access to information — confidentiality (Iowa Code 11.41)

New subsection – Prohibits the auditor of state from having access to

- income tax returns of individuals
- information that identifies a person infected with a reportable disease
- criminal identification of law enforcement agencies
- personal information of a student, prospective student, or former student maintained by a school or educational institution
- Hospital, medical, and professional counselor records of the condition, diagnosis, care, or treatment of a patient or former patient
- Peace officers' investigative reports
- Records and information obtained or held by an independent special counsel investigation
- Information and records concerning physical infrastructure, cyber security, critical infrastructure, security procedures, or emergency preparedness of a government body
- Any other personal information that an individual would reasonably expect to be kept private that is unnecessary to the scope of the audit or examination

The Auditor of State may have access to the above information (except tax returns or reportable disease) if the auditor demonstrates to the agency being audited the necessity of the information, that the agency being audited agrees the information is necessary, and that the information is anonymized before given to the auditor.

Section 4 – Disclosures prohibited (Iowa Code 11.42(3))

The Auditor shall not disclose any information obtained in Section 3 without the written consent of the individual identified.

Section 5 – Disclosures prohibited (Iowa Code 11.42(3A))

New subsection - The Auditor shall not retain any information obtained in Section 3 in the workpapers following the completion of the audit report.

Section 6 – Disputes between governmental agencies (Iowa Code 679A.19)

Includes in the section on litigation between governmental agencies to include constitutional and statutory offices and the executive branch boards and commissions.

Amendment Analysis

H-1177 by State Government Committee (adopted by voice vote)

Strike-after amendment.

Updates language regarding information given to HHS, a local board of health, or a local health department that identifies an individual infected with a reportable disease.

Adds an exemption to requiring the individual's approval for cases of embezzlement, theft, or other significant financial irregularity.

Removes the prohibition on retaining information identified in this bill in the workpapers following the completion of an audit report.

Adds that any dispute brought to arbitration established in this bill is resolved within 60 days of submission.

H-1275 2nd Degree by Bergan (adopted by VV)

Adds language for suspected or alleged embezzlement, theft, or in order to comply with any other federal or state regulation for an exception to the prohibition on information.

H-1276 by Konfrst (failed 36-60)

Strikes the language protection information that an individual would have reasonable expectation of privacy. Strikes the arbitration piece from section 5 of the bill.

H-1277 by Nielsen (failed 35-61)

Amends the language so "embezzlement" and "theft" include fraud. There are already measures in place for fraud and the amendment would make the legislation redundant and confusing.

H-1278 2nd Degree by Nielsen (not germane)

Strike-after 2nd degree amendment to replace with requiring the Auditor of State to follow the most recent version of the generally accepted accounting principles. This requirement already exists and would restrict the Auditor even more in the scope of conducting audits and examinations.
Changes the title of SF478