



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

March 4, 2024

Auditor of State Rob Sand today released a report on the Iowa Department of Administrative Services for the year ended June 30, 2022.

The Iowa Department of Administrative Services is mandated by statute to provide services to other state agencies. To fulfill this responsibility, the Department is structured into the General Services Enterprise (GSE), the Human Resources Enterprise (HRE), the State Accounting Enterprise (SAE) and the Central Procurement and Fleet Services Enterprise (CPFSE).

AUDIT FINDINGS:

Sand reported one finding related to the Department. The finding is on page 3 of this report. Sand recommended that additional procedures should be implemented to review the GAAP package.

Management of the Iowa Department of Administrative Services has a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

A copy of the report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES**

JUNE 30, 2022

Iowa Department of Administrative Services



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February 27, 2024

Iowa Department of Administrative Services
Des Moines, Iowa

To Adam Steen, Director:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of Administrative Services for the year ended June 30, 2022. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2022 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Administrative Services throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of Administrative Services



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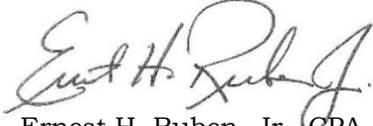
To Adam Steen, Director of the
Iowa Department of Administrative Services:

The Iowa Department of Administrative Services is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2022.

In conducting our audits, we became aware of an aspect concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following pages. We believe you should be aware of this recommendation, which pertain to the Department's internal control and compliance with statutory requirements and other matters. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department of Administrative Services' response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Administrative Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Administrative Services may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 4 and they are available to discuss these matters with you.


Ernest H. Ruben, Jr., CPA
Chief Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Tim McDermott, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Administrative Services

June 30, 2022

Findings Reported in the State's Single Audit Report:

No matters were reported.

Finding Reported in the State's Report on Internal Control:

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. Departments submit their GAAP packages to DAS-SAE by the first week of September each year.

Condition – The Iowa Department of Administrative Services and the Iowa Department of Management are responsible for the issuance of the Annual Comprehensive Financial Report. The DAS-SAE GAAP Team compiles I/3 system activity and activity reported in each Department's GAAP package in preparation of the State of Iowa's financial statements. Material amounts of cash, accounts receivable, compensated absences, revenues, expenditures and various related footnote disclosures were not properly reflected in the State's financial statements. Adjustments were subsequently made by the GAAP Team to properly report these amounts in the State of Iowa's audited financial statements.

Cause – Although policies and procedures exist to require review of I/3 system and activity reported in the GAAP packages, the review did not identify the misstatements.

Effect – The amounts reported as cash, accounts receivable, compensated absences, revenues, expenditures and various related footnote disclosures were misstated requiring adjustments to the financial statements.

Recommendation – Additional policies and procedures should be implemented to ensure accurate financial statements.

Response – The number of errors was significantly reduced throughout the preparation of the fiscal year 2022 Annual Comprehensive Financial Report. The GAAP Team will strive to reduce the number of errors further in the fiscal year 2023 preparation process.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Administrative Services

June 30, 2022

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Chief Deputy
Katherine L. Rupp, CPA, Manager
Ethan M. Snedigar, Senior Auditor

Other individuals who participated in the audits include:

William R. Bamber, CPA, Senior Auditor
Ronica H. Drury, Staff Auditor
Enoch D.N. Duval, Staff Auditor
Jared M. Ernst, CPA, Staff Auditor
Roxanne R. Stotler, Staff Auditor
Matthew W. Beerman, Staff Auditor
Austin C. Gohlmann, Assistant Auditor
Grant W. Johnson, Assistant Auditor
Kendall L. Miller, Assistant Auditor
Cassie L. Hermsen, Audit Intern
Qinghe Xia, Audit Intern