



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

May 15, 2024

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

The Department is responsible for state budget development, local government budget support, revenue estimating and economic forecasting for the State of Iowa, policy development and analysis, enterprise project management and governance system development and oversight. The Department is also responsible for community empowerment coordination for early childhood, utility tax replacement administration, state appeal board administration and collective bargaining support.

AUDIT FINDINGS:

Sand reported one finding related to the Department. The finding can be found on page 3 of this report. The finding addresses timely submission of Targeted Small Business (TSB) reports. Sand provided the Department with a recommendation to address the finding.

Management of the Department of Management have 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
DEPARTMENT OF MANAGEMENT**

JUNE 30, 2022

Department of Management



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May 10, 2024

Iowa Department of Management
Des Moines, Iowa

To Kraig Paulsen, Director of the Iowa Department of Management:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Management for the year ended June 30, 2022. The report includes a finding pertaining to the Department's 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 Management 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, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

Department of Management



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May 10, 2024

To Kraig Paulsen, Director of the Iowa Department of Management:

The Iowa Department of Management 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 page. We believe you should be aware of this recommendation, which pertains to the Department's compliance with statutory requirements and other matters. The recommendation has been discussed with Department personnel and their response to the 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 Management's 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 Management, citizens of the State of Iowa and other parties to whom the Iowa Department of Management 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 the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Iowa Department of Management are listed on page 4 and they are available to discuss these matters with you.

A handwritten signature in black ink, appearing to read "Brian R. Brustkern".

Brian R. Brustkern, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Timothy McDermott, Director, Legislative Services Agency

June 30, 2022

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

No matters were reported.

Findings Reported in the State's Single Audit Report:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

Targeted Small Business (TSB) Report – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each year. The procurement goal shall include the procurement of goods and services, including construction but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from a certified targeted small business during the previous fiscal year.

Departments with an established TSB procurement goal are required to report the dollar amount of purchases from certified targeted small businesses to the TSB Marketing and Compliance Manager of the IEDA within 15 business days following the end of each calendar quarter. The submission date of the 4th quarter TSB report for the Department for fiscal year 2022 was not reported timely, submitted within 15 days following the end of the quarter.

Recommendation – The Department should ensure the TSB report is submitted timely (within 15 business days of the end of each quarter).

Response – The Department of Administrative Services is now reporting quarterly Targeted Small Business results on behalf of the Department of Management with acknowledgement of the report done by Department of Management staff to ensure the reports are accurate and filed timely.

Conclusion – Response accepted.

Report of Recommendations to the Department of Management

June 30, 2022

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Ryan J. Pithan, CPA, Manager
Tristan J. Swiggum, Senior Auditor
Miranda L. Hoch-deGuzman, Staff Auditor