



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

FOR RELEASE

January 6, 2021

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Education for the year ended June 30, 2019.

The Department is empowered to exercise general supervision over the State system of education, including all Iowa local community school districts, merged area schools, area education agencies and other local agencies and non-public schools, to the extent necessary to ascertain compliance with Iowa school laws. In fulfilling the responsibilities assigned to it by law, the Department provides and strives to improve programs and support services necessary to meet the identified state and federal educational needs of Iowa, efficiently and effectively.

AUDIT FINDINGS:

Sand reported one finding pertaining to the Iowa Department of Education. The finding is found on page 4 of this report. Sand recommended the Department implement procedures to comply with Chapter 8F of the Code of Iowa.

Management of the Iowa Department of Education 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 <https://www.auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF EDUCATION**

JUNE 30, 2019

Iowa Department of Education



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December 21, 2020

To Ann Lebo, Director
of the Iowa Department of Education:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of Education for the year ended June 30, 2019. The report includes a finding pertaining to the Department's compliance with statutory requirements and other matters which resulted from the fiscal year 2019 audit.

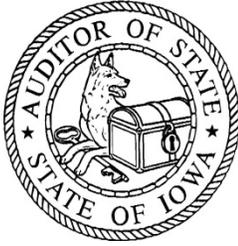
I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department of Education throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of Education



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December 21, 2020

To Ann Lebo, Director
of the Iowa Department of Education:

The Iowa Department of Education is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2019.

In conducting our audits, we became aware of certain aspects 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. 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 Education'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 Education, citizens of the State of Iowa and other parties to whom the Iowa Department of Education 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 matter, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audits of the Department are listed on page 5 and they are available to discuss this matter with you.

A handwritten signature in black ink that reads "Marlys K. Gaston".

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2019

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

Code of Iowa Compliance – The Department established a number of service contracts with outside parties for amounts greater than \$500,000 during the year ended June 30, 2019, in accordance with Chapter 8F.2(8) of the Code of Iowa. Three of the nine contract recipients tested did not file an annual report with the oversight agency and the legislative services agency within ten months following the end of the recipient's fiscal year as required by Chapter 8F.4 (1) and (2) of the Code of Iowa.

Recommendation – The Department should take steps to ensure compliance with the Code of Iowa.

Response – Although the Department can do more to reach out and collect this information, the Department is limited to the reporting of the vendor to be compliant with Code of Iowa Chapter 8F. The Department however will keep records of calls and email strings moving forward to ensure documentation of adequate requests to the vendors are captured. Adequate requests in this matter would be 4 times per vendor over the next 10 months after the end of the fiscal year. The Department will also answer any question on reporting to help assist the vendor when reporting to be compliant with the Code of Iowa Chapter 8F. If after the Department reaches out and we still have habitual offenders year after year, this may result in the offender being taken off future vendor lists.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Education

June 30, 2019

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Tammy A. Hollingsworth, CIA, Manager
Taylor I. Cook, Senior Auditor

Other individuals who participated in the audits include:

Cody J. Pifer, Staff Auditor
Coltin R. Collins, Staff Auditor
Maria R. Collins, Staff Auditor
April R. Davenport, Staff Auditor
Corey D. Hauptmann, Staff Auditor
Brandon G. Sommers, Staff Auditor
Tristan J. Swiggum, Assistant Auditor