



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Ernest Ruben
515/281-5834

FOR RELEASE

March 10, 2023

Auditor of State Rob Sand today released a report on the Iowa Office of the Chief Information Officer for the year ended June 30, 2019.

The Iowa Office of the Chief Information Officer was created for the purpose of leading, directing, managing, coordinating and providing accountability for the information technology resources of state government. The mission of the Office is to provide high-quality, customer-focused information technology services and business solutions to government and to citizens.

AUDIT FINDINGS:

Sand reported three findings related to the Office. The findings are on pages 3 and 4 of this report. Sand recommended the Office implement procedures to comply with certain statutory requirements including setting targeted small business goals in accordance with the Code of Iowa and to ensure the GAAP package information reported is complete and accurate. The Office's responses to these recommendations are included in the report.

Two of the findings discussed above are repeated from the prior year. Management of the Iowa Office of the Chief Information Officer has a fiduciary responsibility to provide oversight of the Office'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 web site at [Audit Reports – Auditor of State](#).

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**REPORT OF RECOMMENDATIONS TO THE
IOWA OFFICE OF THE CHIEF INFORMATION OFFICER**

JUNE 30, 2019

Iowa Office of the Chief Information Officer



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STATE OF IOWA

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February 27, 2023

Iowa Office of the Chief Information Officer
Des Moines, Iowa

To Matt Behrens, Chief Information Officer:

I am pleased to submit to you this Report of Recommendations for the Iowa Office of the Chief Information Officer for the year ended June 30, 2019. The report includes findings pertaining to the Office's internal control and statutory compliance which resulted from the fiscal year 2019 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Office of the Chief Information Officer 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". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Office of the Chief Information Officer



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February 27, 2023

To Matt Behrens, Chief Information Officer of the Iowa
Office of the Chief Information Officer:

The Iowa Office of the Chief Information Officer 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, 2019.

In conducting our audits, we became aware of aspects concerning the Office's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which pertain to the Office's internal control and statutory requirements and other matters. These recommendations have been discussed with Office personnel and their responses to these recommendations are included in this report. While we have expressed our conclusion on the Office's responses, we did not audit the Iowa Office of the Chief Information Officer's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Office of the Chief Information Officer, citizens of the State of Iowa and other parties to whom the Iowa Office of the Chief Information Officer 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 Office 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 Office are listed on page 5 and they are available to discuss these matters with you.

A handwritten signature in cursive script, appearing to read "Ernest H. Ruben, Jr.".

Ernest H. Ruben, Jr., CPA
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 Office of the
Chief Information Officer

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:

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.

Condition – The following conditions were noted:

- (a) The Department understated prepaid expenses by \$616,569.
- (b) The Department overstated unearned revenues by \$312,290.
- (c) The Department understated accounts receivable by \$499,950.

Cause – Although policies and procedures are in place to review GAAP package information, the review did not identify the misstatements.

Effect – The amounts reported as prepaid expenses, unearned revenues and accounts receivable by the Department were misstated.

Recommendation – The Department should implement procedures to ensure information reported to DAS-SAE on the GAAP package is accurate.

Response – We will continue to develop procedures and ensure that prepaid expenses, unearned revenues, and accounts receivable are properly reported in the GAAP package.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

1) Targeted Small Business Procurement Goals

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 business each fiscal 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 certified targeted small businesses during the previous fiscal year.

Report of Recommendations to the Iowa Office of the
Chief Information Officer

June 30, 2019

The TSB procurement goal for the Office of the Chief Information Officer for fiscal year 2019 was not set at a level exceeding the fiscal year 2018 actual TSB spending.

Recommendation – The Office should establish a procurement goal exceeding the previous fiscal year certified targeted small business procurement level as required or seek legislation to change this statutory requirement.

Response – The Office of Chief Information Officer will work to establish a targeted small business procurement goal that complies with Chapter 73.16 of the Code of Iowa.

Conclusion – Response accepted.

2) Acceptance of Funds

Chapter 8B.6 of the Code of Iowa requires, by September 1 of each year, the Office to report donations, grants, gifts, and contributions of \$1,000 or more to the general assembly. The Office submitted the fiscal year 2019 report on September 22, 2020.

Recommendation – The Office should ensure the report is provided timely, as required by Chapter 8B.6 of the Code of Iowa.

Response – We concur that the Donations, Grants, Gifts and Contributions Report for fiscal year 2019 was not filed timely.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Office of the
Chief Information Officer

June 30, 2019

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy
Tammy A. Hollingsworth, CIA, Manager
Brandon J. Vogel, Senior Auditor II

Other individuals who participated in the audits include:

Molly Kalkwarf, Senior Auditor
Andrew J. Dunne, Staff Auditor
Vivian J. Hustad, Staff Auditor
Samantha J. Coster, Assistant Auditor
Matthew K. Nnanna, Assistant Auditor
Joseph G. Timmons, Assistant Auditor