



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: Brian Brustkern
515/281-5834

FOR RELEASE

March 5, 2024

Auditor of State Rob Sand today released a report on the Department of Management Division of Information Technology (DOM-DoIT) previously operated as an independent agency known as Iowa Office of the Chief Information Officer for the year ended June 30, 2022.

The Department of Management Division of Information Technology 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 DOM-DoIT is to provide high-quality, customer-focused information technology services and business solutions to government and to citizens.

AUDIT FINDINGS:

Sand reported one finding related to the DOM-DoIT. The finding is on page 3 of this report. Sand recommended the DOM-DoIT implement procedures to ensure information reported on the GAAP package is complete and accurate. The DOM-DoIT's response to this recommendation is included in the report.

Management of the Department of Management Division of Information Technology 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 website at [Audit Reports – Auditor of State.](#)

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**REPORT OF RECOMMENDATIONS TO THE
DEPARTMENT OF MANAGEMENT
DIVISION OF INFORMATION TECHNOLOGY**

JUNE 30, 2022

Department of Management Division of Information Technology



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February 27, 2024

Department of Management Division of Information Technology
Des Moines, Iowa

To Dr. Matt Behrens, Chief Information Officer:

I am pleased to submit to you this Report of Recommendations for the Department of Management Division of Information Technology for the year ended June 30, 2022. The report includes findings pertaining to the Division's internal control and statutory compliance which resulted from the fiscal year 2022 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Department of Management Division of Information Technology 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

Iowa Department of Management Division of Information Technology



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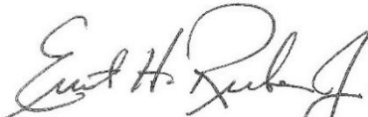
To Dr. Matthew Behrens, Chief Information Officer
of the Department of Management Division of Information Technology:

The Department of Management Division of Information Technology (DOM-DoIT) was originally created as the Office of the Chief Information Officer (OCIO), an independent agency for the purpose of leading, directing, managing, coordinating and providing accountability for the information technology resources of state government. The Iowa OCIO merged with the Department of Management in the year ended June 30, 2022 and became the DOM-DoIT. The DOM-DoIT 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 DOM-DoIT'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 pertains to the DOM-DoIT's internal control and statutory requirements and other matters. This recommendation has been discussed with DOM-DoIT's personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the DOM-DoIT's response, we did not audit the DOM-DoIT'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 Division of Information Technology, citizens of the State of Iowa and other parties to whom the Iowa Department of Management Division of Information Technology 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 Division 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 Division 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 Department of Management
Division of Information Technology

June 30, 2022

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design of operations 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 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 Office understated unearned revenues by \$13,743,298 related to CARES Act and ARPA grant funds. \$13,517,151 of these unearned revenues were properly adjusted for reporting purposes.

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 unearned revenues by the Office were misstated.

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

Response – A significant portion of the funds drawn were with the expectation of expenses for the Data Center Migration project. Anticipated projects were later determined to be unallowable under ARPA guidelines which led to excess fund balances in that unit. Other projects also encountered delays which led to an accumulation of fund balance. OCIO has halted the draw down of funds to help reduce the level of fund balance related to ARPA projects. Once that level is reduced, OCIO will request draws when expenses are incurred.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were reported.

Findings Related to Statutory Requirements and Other Matters:

No matters were reported.

Report of Recommendations to the Department of Management
Division of Information Technology

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:

Ronica H. Drury, Staff Auditor
Kendall L. Miller, Assistant Auditor
Austin C. Gohlmann, Assistant Auditor
Grant W. Johnson, Assistant Auditor
Cassie L. Hermsen, Audit Intern