OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0006

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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: August 28, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released a report on the Iowa Department on Aging for the year ended June 30, 2023.

The Iowa Department on Aging has the primary responsibility for providing advocacy, educational and prevention services to older Iowans. The Department receives funding from the U.S. Administration on Aging and distributes funds to Area Agencies on Aging.

The Governor signed Senate File 514 in April 2023. In part, this legislation combined the Iowa Department on Aging with the Iowa Department of Health and Human Services starting on July 1, 2023.

AUDIT FINDINGS:

Sand reported one finding pertaining to the Department. The finding can be found on page 3 of this report. The finding addresses Code of Iowa 73.16 related to targeted small businesses. Sand provided the Department with a recommendation to address the finding.

Management of the Iowa Department on Aging 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
IOWA DEPARTMENT ON AGING

JUNE 30, 2023

Iowa Department on Aging

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Rob Sand
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August 28, 2026

Iowa Department on Aging
Des Moines, Iowa

To Kraig Paulson, Director of the Iowa Department of Health and Human Services:

I am pleased to submit to you the Report of Recommendations for the Iowa Department on Aging for the year ended June 30, 2023. The report includes a finding pertaining to the Department's compliance with statutory requirements and other matters which resulted from the fiscal year 2023 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department on Aging 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,

Rob Sand
Auditor of State

Iowa Department on Aging

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STATE OF IOWA

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August 28, 2026

To Kraig Paulsen, Director of the Iowa Department of Health and Human Services:

The Iowa Department on Aging 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, 2023.

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 on Aging'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 on Aging, citizens of the State of Iowa and other parties to whom the Department 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 on Aging are listed on page 4 and they are available to discuss these matters with you.

Brian R. Brustkern, CPA
Deputy Auditor of State

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

<u>Finding Reported in the State's Report on Internal Control</u>:

No matters were noted.

<u>Findings Reported in the State's Single Audit Report</u>:

No matters were reported.

<u>Other Findings Related to Internal Control</u>:

No matters were noted.

<u>Findings Related to Statutory Requirements and Other Matters</u>:

<u>Targeted Small Business (TSB) Report</u> – 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 Department did not provide one of four quarterly reports to the TSB Marketing and Compliance Manager of the IDEA within 15 business days, as required.

<u>Recommendation</u> – The Department should ensure quarterly reports are submitted to the TSB Marketing and Compliance manager of the IDEA within 15 business days, as required.

<u>Response</u> – The Department acknowledges the Targeted Small Business (TSB) report for the fourth quarter of fiscal year 2023 was not submitted timely. The Iowa Department on Aging had experienced turnover in the finance division during this time and reports were being completed as quickly as possible.

Since this time, the responsibilities have been assigned to a single individual within Iowa HHS with appropriate backups in place. Training has been completed to help ensure all required reports are submitted timely in the future.

<u>Conclusion</u> – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Jennifer L. Wall, CPA, Director
Ronica H. Drury, Staff Auditor
Kerillos M. Hana, Staff Auditor