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## FISCAL UPDATE Article

Fiscal Services Division

September 29, 2017



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

### AUDIT — SECRETARY OF STATE

**Audit Report Released.** The State Auditor's Office released a report on the Secretary of State's Office for the year ended June 30, 2016. There were no major findings; however, the following are other findings related to internal controls from the report:

**Financial Reporting.** Receipts and disbursements are recorded 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 Generally Accepted Accounting Principles (GAAP) package. The GAAP package is submitted to DAS-SAE by the first week of September each year. This year, there was an understatement of \$15,592 to accounts receivable and unearned revenue for the General Fund. The Auditor recommended the Office ensure the GAAP package information is reported completely and accurately. The Office responded that clarification of the GAAP package procedures is appreciated and will be fully implemented in the future. The Auditor accepted the response.

**Capital Assets.** Iowa Code section [7A.30](#) requires each State department to maintain a written, detailed, and up-to-date inventory of property under its charge and control. The Office's capital asset listing is not being properly maintained, including eight assets without identifying State tags and serial numbers, one asset not properly removed, and one asset counted twice. In addition, current year depreciation was not correctly calculated, resulting in an understatement of depreciation and accumulated depreciation of \$58,340. The Auditor recommended that the Office develop written procedures to ensure a detailed, up-to-date capital asset list is maintained and depreciation is properly calculated. The Office responded that it will coordinate with the DAS-SAE to input the capital assets into the I/3 System. The Office will also update the inventory list and train staff members on how to keep an accurate and complete list in the future. The Auditor accepted the response.

**More Information.** The audit report is available on the Auditor of State's website at: [auditor.iowa.gov/sites/default/files/audit\\_reports/1760-6350-0R00.pdf](http://auditor.iowa.gov/sites/default/files/audit_reports/1760-6350-0R00.pdf).

**STAFF CONTACT:** Jennifer Acton (515.281.7846) [jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov)