



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

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

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

April 11, 2024

Auditor of State Rob Sand today released a report on the Iowa Department of Revenue for the year ended June 30, 2022.

The Iowa Department of Revenue collects taxes and fees imposed by the General Assembly, enforces state revenue statutes to assure taxpayer compliance and apportions revenue collections for distribution to various state funds and local governments.

AUDIT FINDINGS:

Sand reported one finding pertaining to the Iowa Department of Revenue. The finding can be found on pages 4 and 5 of this report. The finding addresses the qualifications needed to become a county assessor. Sand provided the Department with a recommendation to address the finding.

Management of the Iowa Department of Revenue 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" a governing body 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 OF REVENUE**

JUNE 30, 2022

Iowa Department of Revenue



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Rob Sand
Auditor of State

March 1, 2024

To Mary Mosiman, Director
of the Iowa Department of Revenue:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of Revenue for the year ended June 30, 2022. The report includes audit findings, if any, pertaining to the Department's internal control and compliance which resulted from the fiscal year 2022 audit. The report also includes data provided by Department Personnel related to individual income tax refunds.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Revenue 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 Revenue



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March 1, 2024

To Mary Mosiman, Director
of the Iowa Department of Revenue:

The Iowa Department of Revenue is a part of the State of Iowa and, as such, has been included in our audit of the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022.

In addition to this report, we also prepare a separate report of recommendations pertaining to each Department's internal control, compliance with statutory requirements and other matters when our audits disclose findings we believe should be brought to your attention.

In conducting our audit, 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 pages. We believe you should be aware of this recommendation which pertains to the qualifications needed to become a county assessor. This 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 Department's response and, accordingly, we express no opinion on it.

We have included certain unaudited financial and other information on pages 7 and 8 of this report to report information related to individual income tax refunds for the three calendar years ended December 31, 2022 and to report taxes owed but unpaid to the Iowa Department of Revenue at the end of fiscal year 2022.

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 Revenue, citizens of the State of Iowa and other parties to whom the Iowa Department of Revenue 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 audit. Should you have any 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 Iowa Department of Revenue are listed on page 6 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
Chief Deputy Auditor of State

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

June 30, 2022

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

No matters were reported.

Other Findings Related to Internal Control:

No material weaknesses in internal control over financial reporting were noted.

Findings Related to Statutory Requirements and Other Matters:

County Assessor Positions

The Auditor of State has heard from multiple county officials about barriers preventing the timely filling of county assessor positions and creating a shortfall in qualified assessors.

There are three ways to qualify to take the assessor or deputy assessor exams.

1. Complete the Iowa Assessment and Taxation Review course offered by the Institute of Iowa Certified Assessors. This course is offered twice each year.

OR

2. Complete the Iowa Laws Course offered by the Iowa Department of Revenue and one of the following:
 - a. Course 101 – Fundamentals of Real Property Appraisal
 - b. Course 200 – Fundamentals of Mass Appraisal
 - c. Basic Appraisal Principles and Basic Appraisal Procedures
 - d. Basic Appraisal Practices and Procedures

The Department of Revenue offers the Iowa Laws Course once a year and is capped at 30 participants. For those individuals over the 30-participant limit or for anyone wanting to take the course after the Fall, they must wait until the following year when the course is offered again. This could make it difficult, and slow, to create more qualified assessors. In fiscal year 2022, the Iowa Laws Course was held in November 2021 and offered only online due to COVID-19. There were 25 participants in the class.

OR

3. Have any of the following current designations:
 - a. Iowa Certified Assessor (through Institute of Iowa Certified Assessors)
 - b. Certified Assessment Evaluator (through International Association of Assessing Officers)
 - c. Residential Evaluation Specialist (through International Association of Assessing Officers)
 - d. Member of Appraisal Institute (through Appraisal Institute)
 - e. Accredited Rural Appraiser (through American Society of Farm Managers and Rural Appraisers)

Report of Recommendations to the Iowa Department of Revenue

June 30, 2022

Recommendation – The Department of Revenue should consider streamlining and modernizing the process for qualification as a county assessor. Making qualification more flexible in timing and location would help improve the number of qualified assessors, which could reduce unfilled openings. The Department could consider offering the Iowa Laws Course multiple times each year or offering it on-demand online.

Response – The March 1, 2024 Report of Recommendations by the Auditor of State is reporting on the fiscal year ended June 2022. The Department of Revenue complied with Iowa Code 441.5(4) during this time frame by setting forth preliminary education requirements in Iowa Administrative Code rule 701-103.3(2) and offered the Iowa Laws Course annually for prospective assessors and deputy assessors. We presume the Auditor of State’s comments in this report pertain to conversations held in more recent years. Numerous changes have been made by the Department of Revenue during these years, including offering the Iowa Laws Course online and expanding the number of available seats.

Conclusion – Response acknowledged. The Auditor of State’s Office has had recent conversations with the Department regarding this matter. The Department could consider offering the Iowa Laws Course multiple times each year or offering it on-demand online in order to improve the number of qualified assessors.

Report of Recommendations to the Iowa Department of Revenue

June 30, 2022

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Chief Deputy
Tiffany M. Ainger, CPA, Manager
Luke M. Bormann, CPA, Senior II Auditor

Other individuals who participated in the audits include:

Ronica H. Drury, Staff Auditor
Jared A. Marshall, Staff Auditor
Jorge M. Morales, Assistant Auditor
Seth W. Franklin, Audit Intern

Iowa Department of Revenue
 Individual Income Tax Refund Data
 (Unaudited)

Calendar year ended December 31, 2022
 with comparative information for the two preceding years

Calendar Year	Method of Return Filing	Count of Refunds	Total Refunds Issued	Average Refund Issued	Average Days between Return Receipt and Refund Issuance
2022	Electronic	886,650	\$ 701,267,405	790.92	28.57
2022	Paper	57,626	106,568,182	1,849.31	45.59
2021	Electronic	1,029,190	754,526,308	733.13	33.31
2021	Paper	78,475	96,083,854	1,224.39	46.79
2020	Electronic	1,054,926	765,371,192	725.52	28.83
2020	Paper	89,240	94,233,000	1,055.95	31.98

Iowa Department of Revenue

Tax Receivable

(Unaudited)
June 30, 2022

Tax Type	Number of Accounts	Unpaid Tax as of 6/30/22
Individual Income	116,869	\$ 402,986,276
Withholding	10,916	160,560,076
Fiduciary	208	1,193,616
Corporation Income	1,552	66,139,456
Franchise	5	13,188,869
Retail Sales	17,322	210,440,863
Retail Use	3,274	111,758,224
Consumer Use	1,146	9,643,298
Motor Vehicle Use	391	5,084,912
Motor Fuel	46	2,445,023
Cigarette/Tobacco	55	757,204
Inheritance	132	3,116,155
Drug Tax	251	25,584,485
HHM	9	225
Elderly Credit	835	553,621
Water Service Excise	30	70,547
Refund Claim	4	52,453
Total	153,045	\$ 1,013,575,303