



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE \_\_\_\_\_ July 18, 2011

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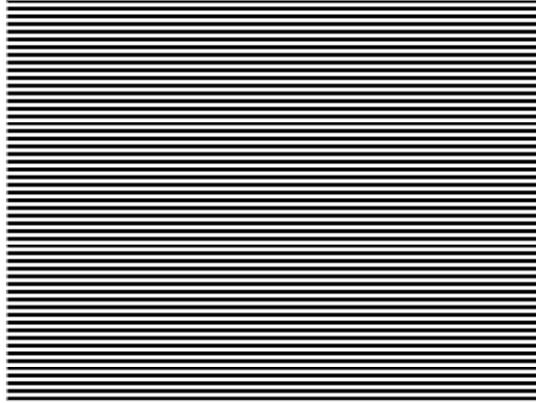
Auditor of State David A. Vaudt today released a report on the Iowa Department of Cultural Affairs for the year ended June 30, 2010.

The Iowa Department of Cultural Affairs has primary responsibility for development of the state's interest in arts, history and other cultural matters.

A copy of the report is available for review at the Iowa Department of Cultural Affairs, in the Office of Auditor of State and on the Auditor of State's web site at: <http://auditor.iowa.gov/reports/1160-2590-OR00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF CULTURAL AFFAIRS**

**JUNE 30, 2010**

Office of  
**AUDITOR  
OF STATE**  
State Capitol Building • Des Moines, Iowa



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July 11, 2011

To Mary Cownie, Director of the  
Iowa Department of Cultural Affairs:

The Iowa Department of Cultural Affairs is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

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 pertaining to the Department's internal control. This recommendation has been discussed with Department personnel and their response to this 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.

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 Cultural Affairs, citizens of the State of Iowa and other parties to whom the Iowa Department of Cultural Affairs 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 matter, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audits of the Department are listed on page 5 and they are available to discuss this matter with you.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2010

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Finding Related to Internal Control:**

Payroll - The Department processes and records payroll and personnel information on the Human Resource Information System (HRIS). One employee may utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. This individual also has the ability to initiate and approve timesheets.

Recommendation - To strengthen controls, the Department should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.

Response - We are aware of the concern the Auditor's Office has expressed regarding the payroll/personnel functions not having the duties divided as they would like. However, as with many small departments, we face the dilemma of a small staff, already made smaller by budget cuts, etc. and it is more efficient in this instance that our HR Associate perform most of these duties. In this Department, when the HR associate applies both the initial and the department level approval, any P-1's which involve new hires, pay increases, other pay, lead pay, etc. have already been approved by the supervisor and the director by e-mail, or signing off on performance evaluations and the HR Associate has been directed to do the P-1 by them so it would be redundant to have a supervisor also put another approval on the HRIS system. To alleviate some of this concern, we can have one of our supervisors or the director sign off on the payroll journals.

Conclusion - Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Report of Recommendations to the Iowa Department of Cultural Affairs

June 30, 2010

**Staff:**

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager  
Samantha Brincks, CPA, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jennifer Kopp, Staff Auditor  
Lori Dinville, Staff Auditor  
Clinton Krapfl, Assistant Auditor  
Kassi Adams, Assistant Auditor