



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

August 18, 2011

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Office of Secretary of State for the year ended June 30, 2010.

The Secretary of State is the State Elections Commissioner, directs the State Land Office and commissions Iowa notaries public. In addition, the Office of Secretary of State receives and processes various reports and the related fees required of corporations, borrowers and lenders.

A copy of the report is available for review in the Office of Secretary of State, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1160-6350-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
OFFICE OF SECRETARY OF STATE**

JUNE 30, 2010

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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August 12, 2011

To the Honorable Matt Schultz,
Secretary of State:

The Office of Secretary of State 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 certain aspects concerning the Office of Secretary of State's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which pertain to the Office's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Office personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Office's responses, we did not audit the Office of Secretary of State's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Office of Secretary of State, citizens of the State of Iowa and other parties to whom the Office of Secretary of State 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 Office during the course of our audits. 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 Office of Secretary of State are listed on page 6 and they are available to discuss these matters 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

Office of Secretary of State

Report of Recommendations to the Office of Secretary of State

Schedule of Findings

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 Findings Related to Internal Control:

Supporting Documentation – Written contracts contain important agreement terms and contract costs. Five of nine information technology software maintenance/upgrade contracts tested could not be located.

Recommendation – All contracts should be retained.

Response – The employee previously in charge of the IT software maintenance/upgrade contracts has retired and we were unable to locate the contracts in the Office. The new administration has identified and implemented measures to track and retain contracts.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

Unclaimed Property – Chapter 556.11 of the Code of Iowa requires each state agency to report and remit obligations, including checks, outstanding for more than two years to the Treasurer of State annually. The Office did not remit these obligations as required.

Recommendation – The outstanding checks should be reviewed annually and items over two years old should be remitted to the Treasurer of State as required by the Code of Iowa.

Response – The Office submitted items over two years old to the Iowa Treasurer of State on November 1, 2010, and also submitted items as required to each customer's state.

Conclusion – Response accepted.

Report of Recommendations to the Office of Secretary of State

June 30, 2009

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager
Dorothy O. Stover, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Melody M. Babcock, Assistant Auditor
Kassi D. Adams, Assistant Auditor