



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

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**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_

July 25, 2012

Contact: Andy Nielsen  
515/281-5834

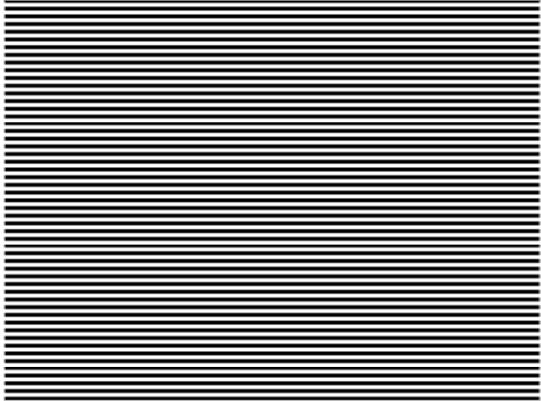
Auditor of State David A. Vaudt today released a report on the Department of Management for the year ended June 30, 2011.

The Department is responsible for state budget development, local government budget support, revenue estimating and economic forecasting for the state of Iowa, policy development and analysis, enterprise project management and governance system development and oversight. The Department is also responsible for community empowerment coordination for early childhood, utility tax replacement administration, state appeal board administration and collective bargaining support.

A copy of the report is available for review in the Department of Management, in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1260-5320-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE  
DEPARTMENT OF MANAGEMENT**

**JUNE 30, 2011**

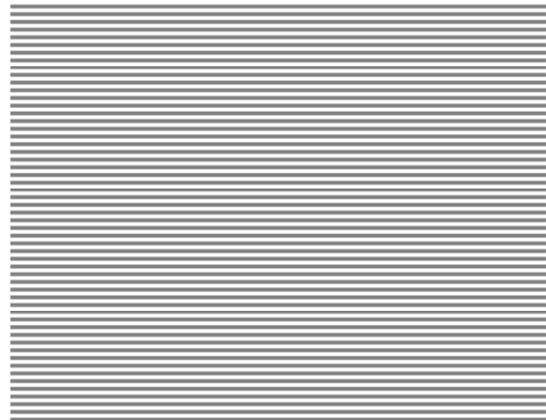
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July 19, 2012

To David Roederer, Director of the  
Department of Management:

The Department of Management is a part of the State of Iowa and, as such, has been included in our audit of the State's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011.

In conducting our audit, 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 of Management'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 Department of Management, citizens of the State of Iowa and other parties to whom the Department of Management 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 of Management during the course of our audit. 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 audit of the Department of Management 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  
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2011

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

No matters were noted.

**Other Findings Related to Internal Control:**

Payroll – The Department processes and records payroll and personnel information on the Human Resource Information System (HRIS). The Human Resources Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. Certain individuals have the ability to initiate and approve P-1 documents.

Recommendation – To strengthen controls, the Department should develop and implement procedures to segregate the duties of the Human Resources Associates.

Response – The Department of Management has designated four staff with specific approval levels to accomplish the various tasks related to managing human resource activities and to ensure adequate back-up for these functions. While the potential exists for payroll oversight issues to occur, it should be noted the Auditor did not identify any instances where a violation of the segregation of HRIS duties occurred. The Department will take steps to further strengthen the segregation of duties with respect to multiple levels of approval in the Human Resource Information System.

Conclusion – Response accepted.

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

No matters were noted.

Report of Recommendations to the Department of Management

June 30, 2011

**Staff:**

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom., CPA, Manager  
Michael R. Field, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audit include:

David C. McQuarry, Assistant Auditor  
Todd E. Pudenz, Assistant Auditor