



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

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE _____ September 7, 2017

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on the Iowa Department of Cultural Affairs for the year ended June 30, 2016.

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

Mosiman recommended the Department implement control procedures to ensure employees record actual hours worked on each separately funded program rather than a predetermined budgeted rate. The Department responded favorably to this recommendation.

A copy of the report is available for review in the Iowa Department of Cultural Affairs, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1760-2590-OR00>.

###

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

JUNE 30, 2016

Iowa Department of Cultural Affairs



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 242-6134

August 30, 2017

To Chris Kramer, Acting 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, 2016.

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 the recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department of Cultural Affairs' 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 matters, 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 these matters with you.

Mary Mosiman
MARY MOSIMAN, CPA
Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2016

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 Distribution – According to the amended session law, the Department may charge personal services for planning purposes to the Rebuild Iowa Infrastructure Fund for the Museum Renovation Project. The Department did not have a mechanism to support actual time spent on the program. The Department budgeted salary expenses at a set percentage for fiscal year 2016 at the beginning of the year for the museum renovation project before the services were performed. The use of a predetermined distribution percentage resulted in actual personal services of \$68,328 charged to the Museum Renovation Project. While the Department retained evidence work was done on the project, the support does not contain evidence of the number of hours spent working on the renovation project. Multiple Department employees worked on more than one program throughout the year and allocated time to the renovation project based on budgeted amounts versus verified supporting documentation.

Recommendation – The Department should ensure employees record actual hours worked on each separately funded program rather than a predetermined budgeted rate.

Response – This finding is a carryover from the fiscal year 2015 and it was addressed in the previous fiscal year's audit. Therefore, the Department has the same response:

The Department aligned salaries to the Rebuild Iowa Infrastructure Fund project in a manner that was consistent with our usual salary distribution practices. The Department uses the Department of Administrative Services (DAS) salary distribution process which aligns salaries with responsibilities. This practice was used during the period of fiscal year 2015 through February 2016 in fiscal year 2016 at which time our work on the project was completed. The Department acknowledges the finding and based upon this guidance, if the issue comes up again, we will track salary costs on an hourly basis.

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, 2016

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Jesse J. Probasco, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Mitchell W. Shipman, Assistant Auditor