

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

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NEWS RELEASE

FOR RELEASE

January 17, 2020

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Office of the Chief Information Officer for the year ended June 30, 2017.

The Iowa Office of the Chief Information Officer was created for the purpose of leading, directing, managing, coordinating and providing accountability for the information technology resources of state government. The mission of the Office is to provide high-quality, customer-focused information technology services and business solutions to government and to citizens.

Sand recommended the Office ensure the transactions recorded in the I/3 system during the accrual period are recorded in the proper fiscal year. The Office's response to this recommendation is included in the report.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA OFFICE OF THE CHIEF INFORMATION OFFICER**

JUNE 30, 2017

Iowa Office of the Chief Information Officer



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December 23, 2019

Iowa Office of the Chief Information Officer
Des Moines, Iowa

To Annette Dunn, Chief Information Officer:

I am pleased to submit to you this Report of Recommendations for the Iowa Office of the Chief Information Officer for the year ended June 30, 2017. The report includes a finding pertaining to the Office's internal control which resulted from the fiscal year 2017 audit.

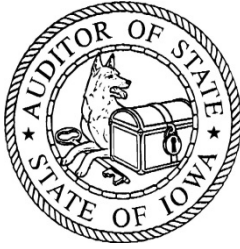
I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Office of the Chief Information Officer throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Office of the Chief Information Officer



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December 23, 2019

To Annette Dunn, Chief Information Officer of the Iowa
Office of the Chief Information Officer:

The Iowa Office of the Chief Information Officer 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, 2017.

In conducting our audits, we became aware of an aspect concerning the Office'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, which pertains to the Office's internal control. This recommendation has been discussed with Office personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Office's response, we did not audit the Iowa Office of the Chief Information Officer'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 Office of the Chief Information Officer, citizens of the State of Iowa and other parties to whom the Iowa Office of the Chief Information Officer 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 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 are listed on page 4 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Marlys K. Gaston".

Marlys K. Gaston, CPA
Deputy Auditor of State

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

Report of Recommendations to the Iowa Office of the
Chief Information Officer

June 30, 2017

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Findings Related to Internal Control:

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including during the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. The GAAP package is to be submitted to DAS-SAE by the first week of September each year.

Condition – The Office incurred expenses of \$568,328 in August 2017 for licenses and software with maintenance support for the period of July 1, 2016 through June 30, 2017. The Office incorrectly recorded these expenses in fiscal year 2018, resulting in an understatement of fiscal year 2017 expenses of \$568,328.

Cause – Although policies and procedures have been established to require independent review of year-end cut off transactions to ensure financial statements are accurate and reliable, the review did not identify the material error.

Effect – Office employees did not detect the error in the normal course of performing their assigned functions.

Recommendation – The Office should ensure that transactions recorded in the I/3 system during the accrual period are recorded in the proper fiscal year.

Response – Due to the volume of prepaid expense transactions, the Department of Administrative Services has started to review the Office's prepaid expenses throughout the year.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa Office of the
Chief Information Officer

June 30, 2017

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Tammy A. Hollingsworth, CIA, Manager
Brandon J. Vogel, Senior Auditor II

Other individuals who participated in the audits include:

Adjoa S. Adanledji, Staff Auditor
Alexia M. Grgurich, Staff Auditor
Molly N. Kalkwarf, Staff Auditor
Matthew A. Miller, Staff Auditor