



**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

June 25, 2020

Contact: Ernest Ruben
515/281-5834

Auditor of State Rob Sand today released an agreed-upon procedures report on the Iowa Sheep and Wool Promotion Board for the period July 1, 2017 through June 30, 2019.

Sand reported one finding related to the receipt and disbursement of taxpayer funds. It is found on page 9 of this report. The finding addressed the lack of supporting documentation for receipts and refunds to producers for the fiscal year ended June 30, 2018. Sand provided the Board with a recommendation to address the finding.

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

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IOWA SHEEP AND WOOL PROMOTION BOARD
AUDITOR OF STATE'S INDEPENDENT REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
JULY 1, 2017 THROUGH JUNE 30, 2019

Iowa Sheep and Wool Promotion Board



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June 18, 2020

Officials of the Iowa Sheep and Wool Promotion Board
Des Moines, Iowa

To the Members of the Iowa Sheep and Wool Promotion Board:

I am pleased to submit to you the agreed-upon procedures report for the Iowa Sheep and Wool Promotion Board for the period July 1, 2017 through June 30, 2019. The agreed-upon procedures engagement was performed pursuant to Chapter 182.23 of the Code of Iowa and in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Sheep and Wool Promotion Board throughout the agreed-upon procedures engagement. 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Iowa Sheep and Wool Promotion Board

Officials

Name

Title

State

Honorable Kim K. Reynolds
David Roederer
Glen P. Dickinson

Governor
Director, Department of Management
Director, Legislative Services Agency

Board

Carl Ginapp
Dan Smicker
Barb Clawson
Deb Pullin-Vanauken
Tabatha Shahan
Janna Feldman
Jacob Peterson
Jim Vermazen
Kenneth Zimmerman

Chairperson
Vice Chairperson
Secretary
Treasurer
Member
Member
Member
Member
Member

Ex Officio Members

Michael Naig
Dr. Donald Beermann
Regina Frahm

Secretary, Iowa Department of Agriculture and Land
Stewardship
ISU Animal Science Department Head
Chair, Iowa Sheep Industry Association



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Rob Sand
Auditor of State

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Members of the
Iowa Sheep and Wool Promotion Board:

We have performed the following procedures, which were agreed to by the Iowa Sheep and Wool Promotion Board (Board), solely to assist you in evaluating the operations of the Board for the period July 1, 2017 through June 30, 2019. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed were as follows:

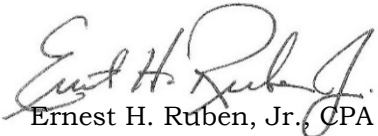
1. Reviewed certain receipts and disbursements of the Board for propriety.
2. Reviewed bank reconciliations of the Board for propriety.
3. Reviewed minutes of the Board for propriety.
4. Reviewed internal controls over receipts and disbursements of the Board.

Based on the performance of the procedures described above, we identified a finding and recommendation for the Board. Our finding and recommendation is described in the Detailed Finding and Recommendation section of this report. Unless reported in the detailed Finding and Recommendation, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specific accounting records and related information of the Board. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is to report certain agreed-upon procedures and the resulting findings and recommendations pertaining to selected accounting records and related information of the Board. This report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Sheep and Wool Promotion Board during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Ernest H. Ruben, Jr., CPA
Director

June 18, 2020

Iowa Sheep and Wool Promotion Board

Iowa Sheep and Wool Promotion Board

Summary of Receipts, Disbursements and Changes in Cash Balances

For the years ended June 30, 2019 and June 30, 2018

	2019	2018
Operating receipts:		
Assessments	\$ 27,566	31,909
Less refunds	(1,164)	(1,473)
Net operating receipts	<u>26,402</u>	<u>30,436</u>
Operating disbursements:		
Administration	1,798	4,957
Education - consumer	6,700	6,946
Education - producer	12,700	8,400
Total disbursements	<u>21,198</u>	<u>20,303</u>
Changes in cash balances	5,204	10,133
Cash balance beginning of year	<u>59,896</u>	<u>49,763</u>
Cash balance end of year	<u>\$ 65,100</u>	<u>59,896</u>

Detailed Finding and Recommendation

Sheep and Wool Promotion Board

Detailed Finding and Recommendation

For the period July 1, 2017 through June 30, 2019

- (A) Receipts and Refunds – For the year ended June 30, 2018, documentation to support producer receipts and refunds was not retained.

Recommendation – The Board should establish procedures to ensure supporting documentation for producer receipts and refunds is retained.

Response – The Board will establish procedures to ensure all supporting documents for receipts and refunds are retained.

Conclusion – Response accepted.

Iowa Sheep and Wool Promotion Board

Staff

This agreed-upon procedures engagement was performed by:

Ernest H. Ruben, Jr., CPA, Director
Gwen D. Fangman, CPA, Manager
Nicholas J. Gassman, Staff Auditor