



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

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**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_ July 13, 2009

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Office of Energy Independence for the year ended June 30, 2008.

The Iowa Office of Energy Independence (OEI) sets the strategic direction for Iowa's clean energy future by identifying goals to achieve desired results. The Office will align state government efforts for achieving energy independence through partnerships with business and industry, community leaders, government and public agencies and other stakeholders.

A copy of the report is available for review at the Iowa Office of Energy Independence, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA OFFICE OF ENERGY INDEPENDENCE**

**JUNE 30, 2008**

— Office of —  
**AUDITOR  
OF STATE**

State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA**  
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July 10, 2009

To Roya Stanley, Director of the  
Iowa Office of Energy Independence:

The Iowa Office of Energy Independence 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, 2008.

In conducting our audit, 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 page 4. We believe you should be aware of the recommendation, which pertains to the Office's internal control. The recommendation has been discussed with Office personnel and their response to the recommendation is included in this report.

The Iowa Office of Energy Independence's response to the finding identified in our audit is described on page 4. While we have expressed our conclusion on the Office's response, we did not audit the Iowa Office of Energy Independence'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 Energy Independence, citizens of the State of Iowa and other parties to whom the Iowa Office of Energy Independence 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 audit. Should you have questions concerning the above matter, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audit of the Office are listed on page 5 and they are available to discuss this matter with you.

Handwritten signature of David A. Vaudt in black ink.

DAVID A. VAUDT, CPA  
Auditor of State

Handwritten signature of Warren G. Jenkins in black ink.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor  
Director, Department of Management  
Glen Dickinson, Director, Legislative Services Agency

June 30, 2008

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

No matters were noted.

**Other Findings Related to Internal Control:**

Segregation of Duties – During our review of the internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Office's financial statements. One person had control over each of the following areas for the Office:

- (a) Accounting System – performing general accounting/ledger/journal entry duties and recording payables.
- (b) Receipts – collecting, depositing, journalizing and posting.
- (c) Disbursements – preparation of claims, reconciling disbursements with the warrant register, approval of claims and use of travel and non-travel procurement cards.
- (d) Financial Reporting – preparation and reconciliation.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Office should review the operating procedures to obtain the maximum internal control possible under the circumstances. Current personnel should be utilized to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and should be evidenced by initials or signature of the reviewer and the date of the review.

Response – As a result of the finding and initial discussions with the Office of Auditor of State's staff, OEI has established a memorandum of understanding with the Iowa Department of Administrative Services to assist with the budget and invoice support and assist OEI with segregation of duties.

Conclusion – Response accepted.

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

No matters were noted.

Report of Recommendations to the Iowa Office of Energy Independence

June 30, 2008

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager  
Brian R. Brustkern, CPA, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Brett M. Zeller, Staff Auditor  
Kurt D. Goldsmith, Assistant Auditor