



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE _____ September 22, 2010

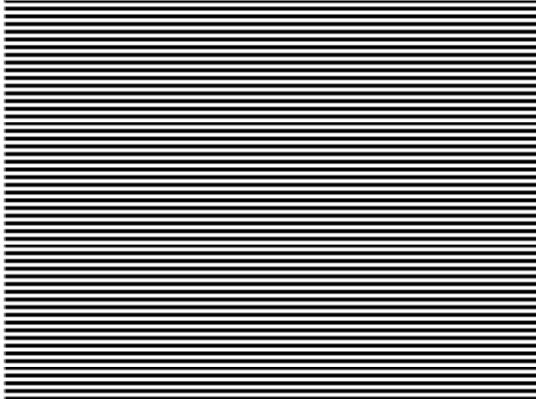
Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released a report on the Office of Governor for the year ended June 30, 2009.

As Chief Administrator of the state, the Governor is responsible for the operation of the various state agencies and departments. In addition, principal officers of the state not elected by the people are appointed by the Governor, subject to confirmation by the Senate. The Office of Governor also includes the Administrative Rules Coordinator who supervises, on behalf of the Governor, the administrative rules promulgation process.

A copy of the report is available for review in the Governor's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1060-3500-0R00.pdf>

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**REPORT OF RECOMMENDATIONS TO THE
OFFICE OF GOVERNOR**

JUNE 30, 2009

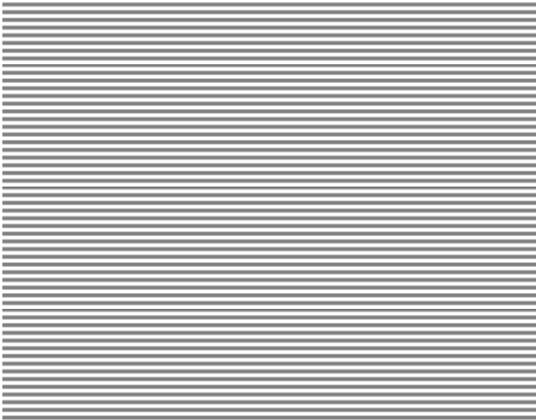
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September 13, 2010

To the Honorable Chester J. Culver, Governor:

The Office of Governor 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, 2009.

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 the following page. We believe you should be aware of this recommendation. This recommendation has been discussed with Office personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Office's response, we did not audit the Office'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 Office of Governor, citizens of the State of Iowa and other parties to whom the Office of Governor 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 of Governor during the course of our audit. Should you have questions concerning the above information, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audit of the Office of Governor 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: Richard C. Oshlo, Jr., Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2009

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

No matters were noted.

Other Findings Related to Internal Control:

Procurement Cards – A Procurement Card is a credit card issued by Commerce Bank to the State of Iowa. The purpose of the Procurement Card Program is to establish a faster, more cost-effective method for purchasing and payment. During our review of procurement cards, we noted six monthly statements which were paid more than 25 days after the statement date, which is contrary to the terms of the agreement and resulted in assessment of late fees.

Recommendation – The Office should establish procedures to ensure payment is made timely.

Response – The Office established procedures after going through changes in staff and the process in which bills are paid. The monthly statements are now received by email in a PDF format, and therefore we do not need to wait additional days for the mailed statement. Once received, the statements are forwarded to staff responsible for gathering the receipts for the Governor's and Lieutenant Governor's statements or their own statement. The receipts are submitted for final signoff to the Deputy Chief of Staff, with the goal of the 10th of each month as the deadline. Within 2-3 business days, the statement is forwarded for processing in order to meet the due date.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Office of Governor

June 30, 2009

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager
Michael R. Field, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audit include:

Joshua B. Ludwig, CPA, Staff Auditor