



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

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

NEWS RELEASE

FOR RELEASE _____ July 15, 2016

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on the Iowa Department of Revenue for the year ended June 30, 2015.

The Iowa Department of Revenue collects taxes and fees imposed by the General Assembly, enforces state revenue statutes to assure taxpayer compliance and apportions revenue collections for distribution to various state funds and local governments.

Mosiman recommended the Department implement procedures to set targeted small businesses procurement goals in accordance with the Code of Iowa. The Department's response to the recommendation is included in the report.

A copy of the report is available for review at the Iowa Department of Revenue, in the Office of Auditor of State and on the Auditor of State's website at <https://auditor.iowa.gov/reports/1660-6250-0R00>.

###

**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF REVENUE**

JUNE 30, 2015

Iowa Department of Revenue



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

June 30, 2016


To Courtney M. Kay-Decker, Director of the
Iowa Department of Revenue:


The Iowa Department of Revenue 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, 2015.

In conducting our audit, 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. 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 Department'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 Department of Revenue, citizens of the State of Iowa and other parties to whom the Iowa Department of Revenue 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 audit. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audit of the Department are listed on page 5 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the Iowa Department of Revenue

June 30, 2015

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

No matters were noted.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Iowa Code Compliance: Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include procurement of goods and services including construction but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

The TSB procurement goal for fiscal year 2015 was not set at a level greater than fiscal year 2014 actual TSB spending.

Recommendation – The Department should establish a procurement level, in terms of a dollar amount, at a level exceeding the procurement level from certified targeted small businesses during the previous fiscal year.

Response – The Department acknowledges the FY2015 TSB goal, was not set at a level higher than FY2014 actual spending and will take steps to ensure this goal is properly entered in the future. Although the budget goal was not accurately recorded, FY2015 actual TSB spending was 32%, or \$37,412, higher than FY2014.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Revenue

June 30, 2015

Staff:

Questions or requests for further assistance should be directed to:

Timothy D. Houlette, CPA, Manager
Selina V. Johnson, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audit include:

Megan Irvin, Staff Auditor
Emma McGrane, Staff Auditor
Dan S. Nilsen, Staff Auditor
Ryan P. Swanson, CPA, Staff Auditor
Cole L. Hocker, Assistant Auditor
Alex M. Kawamura, Assistant Auditor