

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

Mary Mosiman, CPA
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NEWS RELEASE

FOR RELEASE

December 22, 2017

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released a report on the Iowa Office of the Chief Information Officer for the year ended June 30, 2016.

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.

Mosiman recommended the Office ensure the GAAP package information reported is complete and accurate. The Office's response to this recommendation is included in the report.

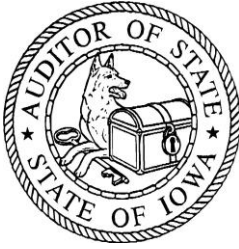
A copy of the report is available for review in the Iowa Office of the Chief Information Officer, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1760-1850-BR00>.

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

JUNE 30, 2016

Iowa Office of the Chief Information Officer



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STATE OF IOWA

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December 15, 2017

To Robert von Wolfradt, 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, 2016.

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 5 and they are available to discuss these matters with you.

Mary Mosiman
MARY MOSIMAN, CPA
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, 2016

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Findings Related to Internal Control:

Financial Reporting – Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including 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. The following finding was noted:

A service contract payment recorded in fiscal year 2016 included 23 months of service for fiscal years 2017 and 2018 which was not recorded as a prepaid expense. This resulted in an understatement of prepaid expense of \$1,233,750.

Recommendation – The Office should ensure the GAAP package information reported is complete and accurate.

Response – The Department had underestimated the volume of pre-paid expenses and the impact on both OCIO and the customer agencies' GAAP packages. Starting in fiscal year 2018, we will implement a new process to review pre-paid expenses quarterly and ensure the GAAP package reports accurate information.

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, 2016

Staff:

Questions or requests for further assistance should be directed to:

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

Other individuals who participated in the audits include:

Erin J. Sietstra, Senior Auditor
Cole L. Hocker, Staff Auditor
Chad C. Lynch, Staff Auditor
Mallory A. Sims, Staff Auditor
Tyler A. Propst, Assistant Auditor