



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

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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**NEWS RELEASE**

FOR RELEASE

July 23, 2018

Contact: Andy Nielsen  
515/281-5834

The Office of Auditor of State today released a report on the Office of Secretary of State for the year ended June 30, 2017.

The Secretary of State is the State Elections Commissioner, directs the State Land Office and commissions Iowa notaries public. In addition, the Office of Secretary of State receives and processes various reports and the related fees required of corporations, borrowers and lenders.

A copy of the report is available for review in the Office of Secretary of State, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1860-6350-0R00>.

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**REPORT OF RECOMMENDATIONS TO THE  
OFFICE OF SECRETARY OF STATE**

**JUNE 30, 2017**

**Office of Secretary of State**



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July 10, 2018

To the Honorable Paul Pate, Secretary of State:

The Office of Secretary of State 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, 2017.

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 pertaining to the Office's compliance with statutory requirements and other matters. 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 of Secretary of State'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 Secretary of State, citizens of the State of Iowa and other parties to whom the Office of Secretary of State 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 any questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Office of Secretary of State are listed on page 5 and they are available to discuss these matters with you.

  
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 Office of Secretary of State

Schedule of Findings

June 30, 2017

**Finding 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:**

No matters were noted.

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

Targeted Small Business Procurement Goals – 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 the 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 the Office for fiscal year 2017 was not set at a level exceeding the fiscal year 2016 actual TSB spending. In addition, three of the quarterly reports for fiscal year 2017 were not submitted to the Iowa Economic Development Authority within 15 business days of the end of each calendar year quarter.

Recommendation – The Office should set the TSB procurement goal at a level greater than the previous year's actual TSB spending or seek legislation to change this statutory requirement. The Office should also establish procedures to ensure the quarterly TSB reports are submitted within 15 business days of each calendar year quarter.

Response – In fiscal year 2016 we spent \$116,753 with targeted small business. We acknowledge our goal for fiscal year 2017 was not set at least one cent over our fiscal year 2016 spending. Our Office has hired a new Certified Public Accountant to ensure compliance with all requirements in the future. We are also accepting your recommendation to seek legislation to change this statutory requirement so it more effectively benefits TSBs.

Conclusion – Response accepted.

Report of Recommendations to the Office of Secretary of State

June 30, 2017

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager  
Joseph B. Sparks, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Ian N. Judson, Staff Auditor  
Nicholas A. Kruse, Assistant Auditor  
Matthew A. Miller, Assistant Auditor  
Erin M. Wittrock, Assistant Auditor