



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

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NEWS RELEASE

FOR RELEASE September 20, 2018

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released a report on the Iowa Department of Cultural Affairs for the year ended June 30, 2017.

The Iowa Department of Cultural Affairs has primary responsibility for development of the State's interest in arts, history and other cultural matters.

Mosiman recommended the Department implement control procedures to ensure a detailed, up-to-date capital asset listing is maintained for all assets. Procedures should include, but not be limited to, ensuring all capital asset deletions are supported by documentation and approval prior to deletion. The Department responded favorably to this recommendation.

A copy of the report is available for review in the Iowa Department of Cultural Affairs, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF CULTURAL AFFAIRS**

JUNE 30, 2017

Iowa Department of Cultural Affairs



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September 11, 2018

To Chris Kramer, Acting Director of the Iowa Department of Cultural Affairs:

The Iowa Department of Cultural Affairs 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 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 pertaining to the Department's internal control. 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 Iowa Department of Cultural Affairs' 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 Cultural Affairs, citizens of the State of Iowa and other parties to whom the Iowa Department of Cultural Affairs 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 audits. Should you have questions concerning the above matters, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audits of the Department 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

June 30, 2017

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:

Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge, control and management. The following were noted:

- (a) Fifteen assets disposed of in previous years were not removed from the capital asset listing. In addition, for these fifteen assets, there was no evidence of approval documented.
- (b) The Department does not have a written surplus asset disposal policy.

Recommendation – The Department should develop procedures to ensure a detailed, up-to-date capital asset listing is maintained for all assets. Procedures should include, but not be limited to, ensuring all capital asset deletions are approved timely and prior to deletion. Approval should be documented by an independent reviewer's signature including the date of disposal. In addition, a surplus asset disposal policy should be implemented.

Response – The Department has developed a written procedure to ensure a detailed, up-to-date capital asset listing is maintained and a new asset disposal form has been implemented, which requires the signature of the preparer's manager and by the Finance Division. The Department reviewed its documentation again and was able to find additional documentation regarding disposal of seven of the fifteen assets that were listed as disposals in fiscal year 2017.

All staff members in this Department have been diligent in caring for the Department's assets and have disposed of assets with appropriate consideration. However, because there was no policy in place, the staff did not have a framework for communicating this and the documentation was not collected correctly. Now that there is a policy and forms, this problem has been resolved.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa Department of Cultural Affairs

June 30, 2017

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Mallory A. Sims, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Luke M. Bormann, CPA, Staff Auditor
McKenzie M. Anderson, Assistant Auditor
Matthew K. Nnanna, Assistant Auditor