



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

FOR RELEASE

October 30, 2023

Contact: Ernest Ruben
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Education for the year ended June 30, 2022.

The Department is empowered to exercise general supervision over the State system of education, including all Iowa local community school districts, merged area schools, area education agencies and other local agencies and non-public schools, to the extent necessary to ascertain compliance with Iowa school laws. In fulfilling the responsibilities assigned to it by law, the Department provides and strives to improve programs and support services necessary to meet the identified state and federal educational needs of Iowa, efficiently and effectively.

AUDIT FINDINGS:

Sand reported one finding pertaining to the Iowa Department of Education. This finding is on page 3 of this report. Sand recommended the Department strengthen procedures over the review of the annual GAAP package. The Department responded corrective action is being implemented.

Management of the Iowa Department of education have a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercise in its fiduciary capacity.

A copy of the report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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

JUNE 30, 2022

Iowa Department of Education



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October 26, 2023

Iowa Department of Education
Des Moines, Iowa

To McKenzie Snow, Director:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Education for the year ended June 30, 2022. The report includes a finding pertaining to the Department's internal control and compliance which resulted from the fiscal year 2022 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Education throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of Education



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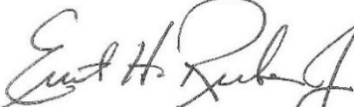
To McKenzie Snow, Director
of the Iowa Department of Education:

The Iowa Department of Education is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2022.

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 pages. We believe you should be aware of this recommendation, which include those reported in the State's Report on Internal Control. This recommendation has been discussed with Department personnel and their response to this 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 Education'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 Education, citizens of the State of Iowa and other parties to whom the Department 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 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 Department are listed on page 4 and they are available to discuss these matters with you.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Tim McDermott, Director, Legislative Service Agency

Report of Recommendations to the
Iowa Department of Education

June 30, 2022

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

Criteria – A deficiency in internal control over financial reporting exists when the design or operating of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record receipts and disbursements in the Integrated Information for Iowa (1/3) 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. Departments submit their GAAP packages to DAS-SAE by the first week of September each year.

Condition – Federal commodities were overstated by \$8,038,784 due to a mathematical error. This amount was properly adjusted for reporting purposes.

Cause – Although policies and procedures are in place to review GAAP package information, the review was not detailed enough and did not identify the misstatement.

Effect – The amount reported for federal commodities by the Department was misstated.

Recommendation – The Department should implement additional procedures to ensure federal commodities are properly reported in the GAAP package.

Response – The Department agrees with the auditors and when the overstatement was brought to the Department's attention, a revised GAAP package was submitted to make the correction. The Department will ensure a more detailed review of the information reported to DAS-SAE.

Conclusion – Response accepted.

Other Finding Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Education

June 30, 2022

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy
Deborah J. Moser CPA, Manager
Erin K. Sietstra, Senior Auditor

Other individuals who participated in the audits include:

Allison L. Carlon, Staff Auditor
Maria R. Collins, Staff Auditor
Miranda L. Hoch, Staff Auditor
Laurel P. Hoogenson, Staff Auditor
Mackenzie L. Johnson, Staff Auditor
Kimberly L. Behrens, Staff Auditor
Grant W. Johnson, Assistant Auditor