



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

July 31, 2008

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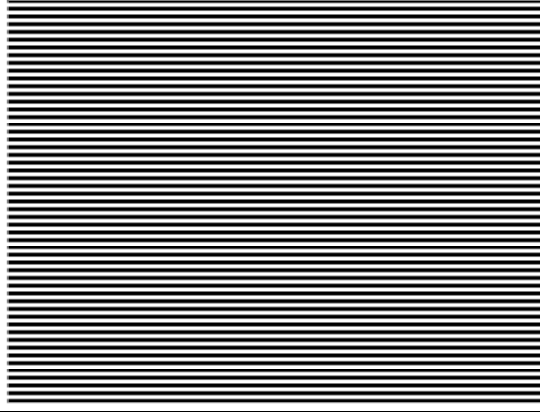
Auditor of State David A. Vaudt today released a report on the Iowa Department of Inspections and Appeals for the year ended June 30, 2007.

The Iowa Department of Inspections and Appeals was created for the purpose of coordinating and conducting audits, appeals, hearings, inspections and investigations related to the operations of Iowa state government. The Department also provides administrative support services for the Employment Appeal Board, Hospital Licensing Board, Child Advocacy Board, State Public Defender and the Iowa Racing and Gaming Commission.

Vaudt recommended the Department comply with provisions of the Code of Iowa which require the maintenance of an accurate and up-to-date listing of capital assets owned by the Department.

A copy of the report is available for review in the Iowa Department of Inspections and Appeals, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF INSPECTIONS AND APPEALS**

JUNE 30, 2007

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



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July 28, 2008

To Dean Lerner, Director of the
Iowa Department of Inspections and Appeals:

The Iowa Department of Inspections and Appeals 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, 2007.

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 which pertains to the Department's internal control. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report.

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


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor
Charles J. Krogmeier, Director, Department of Management
Timothy C. Faller, Interim Director, Legislative Services Agency

June 30, 2007

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 and division of the State to maintain an up-to-date inventory of all real and personal property belonging to the State. Errors noted included the following:

- 1) One item was incorrectly deleted from the asset listing, understating capital assets by \$5,229.
- 2) Two assets with a total cost of \$26,284 were sent to surplus property during the year but were still on the Departments capital asset listing at year end.
- 3) Depreciation expense for vehicles could not be recalculated because the listing of vehicles used to calculate depreciation expense did not agree with the listing of vehicles owned by the Department.
- 4) Depreciation expense was calculated incorrectly for one asset, resulting in an understatement of accumulated depreciation by \$2,635 for equipment.
- 5) One deletion was not supported with proper documentation.

Recommendation – The Department should review its capital assets procedures to ensure accurate and current records are maintained.

Response – The Department has reviewed capital asset procedures and has also been able to reassign some job duties to provide additional support in this area. Our goal has always been accurate and current maintenance of records, and we hope our internal procedural changes will help to avoid future issues in asset accounting.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa Department of Inspections and Appeals

June 30, 2007

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Heather L. Templeton, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Delynne M. Kroeger, Staff Auditor
Jim R. Wittenwyler, Staff Auditor
Brett M. Zeller, Staff Auditor
Tiffany M. Maske, Assistant Auditor