



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

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

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NEWS RELEASE

FOR RELEASE September 19, 2017

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on the Office of Treasurer of State for the year ended June 30, 2016.

The Office of the Treasurer of State acts as the state's banker, invest Iowa's pooled money, coordinates bonding, and is responsible for returning funds through the Great Iowa Treasure Hunt.

Mosiman recommended the Office comply with requirements related to the establishment of a certified targeted small business procurement level goal. The Office responded corrective action is being implemented.

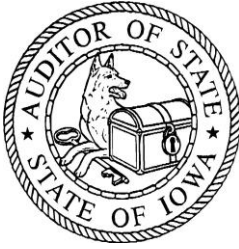
A copy of the report is available for review in the Office of the Treasurer of State, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1760-6550-0R00>.

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

JUNE 30, 2016

Office of the Treasurer of State



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September 11, 2017

To the Honorable Michael L. Fitzgerald, Treasurer of State:

The Office of the Treasurer 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, 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 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 the Treasurer 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 the Treasurer of State, citizens of the State of Iowa and other parties to whom the Office 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 the above matter, we shall be pleased to discuss it 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

June 30, 2016

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 Finding Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Iowa Code Compliance – 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 of the Treasurer of State for fiscal year 2016 was not set at a level exceeding the actual procurement levels for fiscal year 2015.

Recommendation – The Office of the Treasurer of State should establish a dollar amount procurement level exceeding the previous fiscal year certified targeted small businesses procurement level as required or seek legislation to change this statutory requirement.

Response – The Office of the Treasurer of State will comply with the recommendation. We have sent a revised fiscal year 2017 goal to IEDA that exceeds our fiscal year 2016 TSB expenditures and will set future goals in excess of the previous fiscal year certified targeted small businesses procurement level.

Conclusion – Response accepted.

Report of Recommendations to the Office of the Treasurer of State

June 30, 2016

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Karen J. Kibbe, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Colton L. Barton, Staff Auditor
Melinda D. Lawrence, Assistant Auditor
Ian N. Judson, Assistant Auditor
Grant W. Pomerenk, Assistant Auditor
Mitchell W. Shipman, Assistant Auditor