



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

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FOR RELEASE

July 18, 2011

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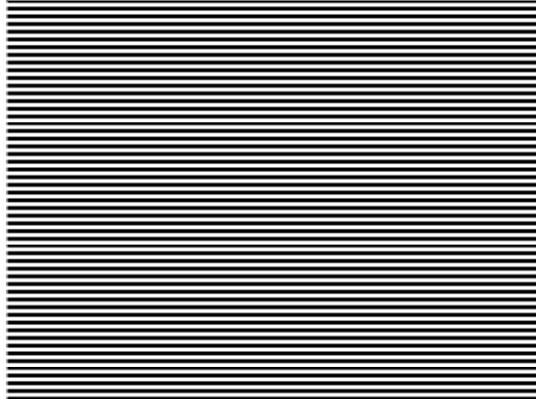
Auditor of State David A. Vaudt today released a report on the Iowa Department of Revenue for the year ended June 30, 2010.

The Iowa Department of Revenue collects taxes and fees imposed by the General Assembly, enforces state revenue statutes to assure taxpayer compliance and apportions revenue collections for distribution to various state funds and local governments.

Vaudt recommended the Department implement procedures to ensure travel claims are properly supported as required by the Department of Administrative Services - State Accounting Enterprise. The Department's response is included in the report.

A copy of the report is available for review in the Iowa Department of Revenue, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1160-6250-0R00.pdf>.

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

JUNE 30, 2010

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



David A. Vaudt, CPA
Auditor of State





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July 11, 2011

To Courtney M. Kay-Decker, Director of the
Iowa Department of Revenue:

The Iowa Department of Revenue 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, 2010.

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. 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 Department'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 Revenue, citizens of the State of Iowa and other parties to whom the Iowa Department of Revenue 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 matter, 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 this matter with you.

Handwritten signature of David A. Vaudt in black ink.

DAVID A. VAUDT, CPA
Auditor of State

Handwritten signature of Warren G. Jenkins in black ink.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2010

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:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Meal Reimbursements – Per the Department of Administrative Services – State Accounting Enterprise (DAS-SAE) procedure 210.102, effective July 1, 2009, Executive Branch employees shall submit an actual receipt provided by the supplier for each meal, travel and other work related allowable costs. During fiscal year 2010, 33 travel claims were tested. The following findings were noted:

- a) Two claims included only manual receipts not supported by any type of receipt from a vendor.
- b) Five claims were only supported by a credit card receipt.
- c) For 2 claims, the meal receipts attached to the claim did not include an adequate description of what was purchased (i.e. the receipt read “MDSE ST”).
- d) For twelve claims, the meal receipt did not document the city and state, as required.
- e) Three claims were supported with a grocery receipt covering multiple dates. However, the dates were not written on the receipt as required.

Recommendation – The Iowa Department of Revenue should ensure travel claims comply with DAS-SAE accounting policies.

Response – The Department released updated meal receipt guidance to all employees on July 22, 2010. All travel claims are being audited in accordance with that guidance and in compliance with DAS-SAE Policy 210.102.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Revenue

June 30, 2010

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Steven O. Fuqua, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audit include:

Daniel W. Henaman, Staff Auditor
Jenny M. Podrebarac, Staff Auditor
Ryan A. Yeager, CPA, Assistant Auditor