



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ July 29, 2016 _____

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on the Iowa Public Employees' Retirement System for the year ended June 30, 2015.

The System provides retirement, disability and death benefits to most public employees in the State of Iowa. The System covered 346,109 active, inactive and retired members in fiscal year 2015.

Mosiman recommended the System implement procedures to set targeted small businesses procurement goals in accordance with the Code of Iowa. The System's response to the recommendation is included in the report.

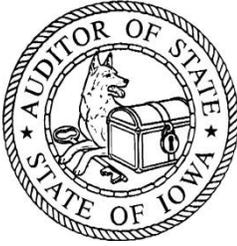
A copy of the report is available for review at the Iowa Public Employees' Retirement System, in the Office of Auditor of State and on the Auditor of State's website at <https://auditor.iowa.gov/reports/1660-5530-BR00>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

JUNE 30, 2015

Iowa Public Employees' Retirement System



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June 30, 2016

To Donna M. Mueller, Chief Executive Officer of the Iowa Public Employees' Retirement System:

The Iowa Public Employees' Retirement System is a part of the State of Iowa and, as such, has been included in our audit of the State's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015. We have also audited the financial statements of IPERS as of and for the year ended June 30, 2015 and have issued our report thereon dated December 9, 2015.

In addition, we also prepare a separate report of recommendations pertaining to the System's internal control, compliance with statutory requirements and other matters when our audit discloses findings we believe should be brought to your attention.

In conducting our audits, we became aware of an aspect concerning the System'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 System's compliance with statutory requirements and other matters. This recommendation has been discussed with System personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the System's response, we did not audit the Iowa Public Employees' Retirement System'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 Public Employees' Retirement System, citizens of the State of Iowa and other parties to whom the Iowa Public Employees' Retirement System 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 System 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 System are listed on page 5 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State


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

Report of Recommendations to the
Iowa Public Employees' Retirement System

June 30, 2015

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:

Targeted Small Business Procurement Goal – Chapter 73.16 of the Code of Iowa requires the Director of each 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 System for fiscal year 2015 was not set at a level greater than fiscal year 2014 actual TSB spending.

Recommendation – The System should set the TSB procurement goal at a level greater than the previous year's actual TSB spending.

Response – In the future, IPERS will set the TSB procurement goal at a level greater than the previous year's actual TSB spending.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Public Employees' Retirement System

Staff

Questions or requests for further assistance should be directed to:

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Lesley R. Geary, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Kyle C. Smith, CPA, Senior Auditor
Laura M. Wernimont, Senior Auditor
Marcus B. Johnson, Staff Auditor
Jenna M. Paysen, Staff Auditor
Jessica L. Russell, Staff Auditor
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Trent B. Huss, Auditor Intern