



OFFICE OF AUDITOR OF STATE
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NEWS RELEASE

FOR RELEASE

August 21, 2012

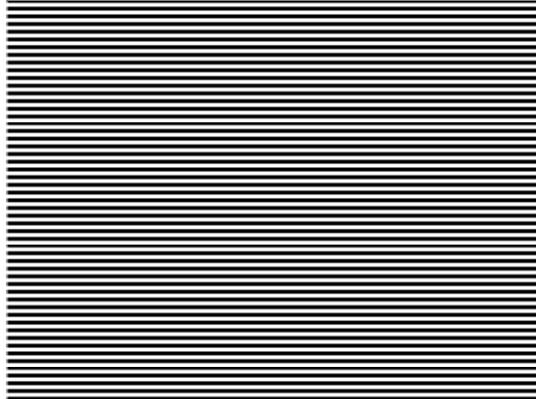
Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa State Civil Rights Commission for the year ended June 30, 2011.

The Iowa State Civil Rights Commission is charged with investigating, holding hearings and rendering decisions on any complaints of unfair or discriminatory practices in public accommodations, employment, credit, housing, apprenticeship programs, on-the-job training programs and vocational schools on the basis of age, race, creed, color, sex, religion, national origin or disability and with planning and conducting programs designed to eliminate racial, religious, cultural and intergroup tensions.

A copy of the report is available for review at the Iowa State Civil Rights Commission, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1260-1670-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA STATE CIVIL RIGHTS COMMISSION**

JUNE 30, 2011

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



David A. Vaudt, CPA
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August 16, 2012

To Beth Townsend, Director of the
Iowa State Civil Rights Commission:

The Iowa State Civil Rights Commission 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, 2011.

In conducting our audits, we became aware of certain aspects concerning the Commission's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include recommendations pertaining to the Commission's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Commission personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Commission's responses, we did not audit the Iowa State Civil Rights Commission's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa State Civil Rights Commission, citizens of the State of Iowa and other parties to whom the Iowa State Civil Rights Commission 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 Commission during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Commission are listed on page 6 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 Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2011

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 Finding Related to Internal Control:

Payroll – The Commission processes and records payroll and personnel information on the Human Resource Information System (HRIS). One employee can utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. This individual also has the ability to initiate and approve timesheets. In addition, the payroll journal is not reviewed by an individual independent from all other payroll duties.

Recommendation – To strengthen controls, the Commission should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.

Response – These two functions were consolidated as a cost saving measure to address significant budget reductions faced by the ICRC several years ago. Additionally, it was determined that there was insufficient work available for two individuals to cover each individual function. The ICRC needed to consolidate its administrative duties as much as possible to maximize the allotted FTEs as civil rights specialists. The budget condition has changed little and the ICRC continues to face budget cuts each year. The current arrangement of having the one employee handle both duties has worked effectively and is the only feasible arrangement to maximize the limited resources available to the ICRC. The Director now approves all payroll activities which provides the controls recommended.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Donations in Lieu of Fines – The Commission utilized a practice of soliciting donations to the Commission in lieu of the Commission filing charges for certain civil rights violations during the fiscal year. Two of five claims tested specifically for donations contained donation receipts. These receipts had a “pre-determination settlement” agreement attached, essentially stating the charges would be dropped if the business in question would voluntarily give a donation to the Commission. There is nothing in the Code of Iowa, agency rules or case law which expressly gives the Commission authority to seek voluntary monetary contributions as part of the mediation or pre-determination process.

Recommendation – The Commission should no longer solicit voluntary monetary contributions in lieu of filing charges for noted violations.

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2011

Response – Historically when negotiating settlement agreements in cases with housing providers, the Commission occasionally sought voluntary monetary contributions. During this time, and after consultation with the Attorney General’s office, the Commission relied upon its statutory authority to receive, administer, dispense and account for any funds voluntarily contributed to it to believe this was a legally authorized term for settlement of cases under the Iowa Civil Rights Act. The contributions were generally in the range of \$100-\$300 and the amounts were then used to provide fair housing training. The practice was subject of an Ombudsman’s complaint in early 2011. Upon review of the practice and further consultation with the Attorney General’s office, it was decided the Commission would no longer seek voluntary contributions as a term of settlement and ceased doing so in February 2011.

Conclusion – Response accepted.

- (2) Meeting Minutes – The Commission conducts meetings in person and through conference calls. Commission policy is to approve prior Commission meeting minutes at a following meeting which is in person. After minutes are approved, the minutes are signed by the Commission’s Executive Secretary. The Commission held meetings on August 12, 2010, September 20, 2010, October 7, 2010, December 7, 2010, February 10, 2011, April 14, 2011 and June 9, 2011. However, minutes could not be found for the August 2010 through December 2010 meetings.

Recommendation – The Commission should ensure meeting minutes are properly retained.

Response – The Commission was unable to find minutes from part of 2010 kept by the previous Director. The Executive Director now maintains a file copy of all minutes of Commissioner meetings which are available for review.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2011

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Manager
Kassi D. Adams, Assistant Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Alison P. Herold, Staff Auditor
Emily K. Creighton, Assistant Auditor
Ryan A. Yeager, Assistant Auditor