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NEWS RELEASE

FOR RELEASE

October 7, 2013

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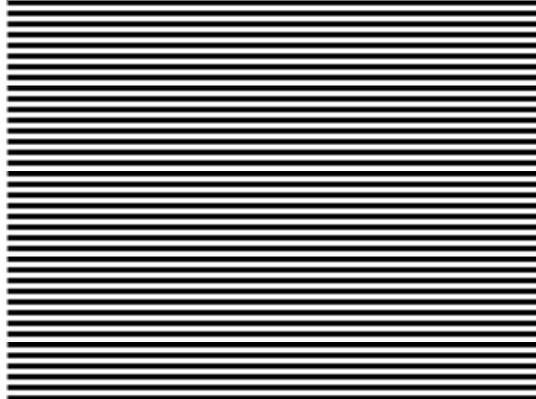
Auditor of State Mary Mosiman today released a report on the Iowa Department of Public Safety for the year ended June 30, 2012.

The Iowa Department of Public Safety is a statewide organization charged with promoting the safety of all Iowans from hazards associated with crime, fire and traffic through law enforcement.

Mosiman recommended the Department improve controls over the segregation of duties for payroll, compliance with targeted small business reporting, personal services contracts and fire incident reporting. The Department's responses to the recommendations are included in the report.

A copy of the report is available for review in the Iowa Department of Public Safety, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1360-5950-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF PUBLIC SAFETY**

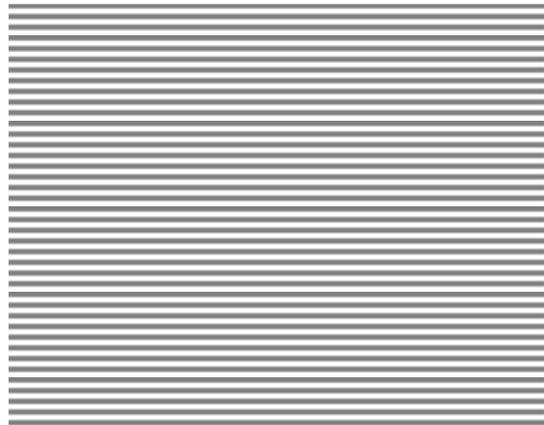
JUNE 30, 2012

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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October 4, 2013

To Larry L. Noble, Commissioner of
the Iowa Department of Public Safety:

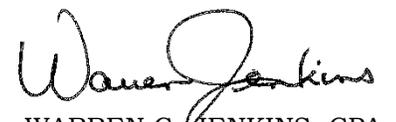
The Iowa Department of Public Safety is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2012.

In conducting our audits, we became aware of certain aspects concerning the Department'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 those reported in the State's Single Audit Report and the State's Report on Internal Control, as well as other recommendations pertaining to the Department's compliance with statutory requirements and other matters. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Public Safety'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 Department of Public Safety, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Safety 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 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 7 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 Department of Public Safety

June 30, 2012

Finding Reported in the State's Single Audit Report:

CFDA Number: 93.777 – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Agency Number: None

Federal Award Year: 2011, 2012

State of Iowa Single Audit Report Comment: 12-III-HHS-595-16

Payroll Distribution – OMB Circular A-87 states employees who work on multiple programs will distribute their time based on actual activity. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support. Fourteen employees in the State Fire Marshal Division work on both state and federal programs. The employees use predetermined percentages, ranging from 42% to 90%, rather than actual hours to allocate payroll costs. The Department could not provide support for the payroll allocation percentages.

Recommendation – The Department should develop policies and procedures to ensure payroll is properly allocated to federal programs in compliance with OMB Circular A-87.

Response and Corrective Action Planned – Starting this month (March 2013), we will bill on actual hours worked on CMS facilities rather than a percentage. Therefore monthly, the amounts for each person will change. This will be done through monitoring hours in our system and reporting them to the Administrative Services Division within the Department of Public Safety.

Conclusion – Response accepted.

Finding Reported in the State's Report on Internal Control:

Payroll – The Department processes and records payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. Four individuals have the ability to initiate and approve P-1 documents.

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

Response – Prior to the end of fiscal year 2012, changes were made which no longer allowed anyone in the Department the ability to both initiate and put department level approvals on any P-1s.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2012

Findings Related to Statutory Requirements and Other Matters:

- (1) Targeted Small Business Reports – Chapter 73.16 of the Code of Iowa requires each agency or department to report total purchases from certified targeted small businesses (TSB). This report is due to the Iowa Economic Development Authority within fifteen days following the end of each calendar quarter.

The Department did not submit the required quarterly reports to the Iowa Economic Development Authority.

Recommendation – The Department should establish procedures to ensure all TSB quarterly reports are submitted on a timely basis.

Response – Starting with fiscal year 2013, the Department has submitted quarterly TSB reports as required by Chapter 73.16.

Conclusion – Response accepted.

- (2) Personal Services Contracts – Iowa Department of Administrative Services (DAS) Policy 240.102 provides general guidelines to be used by departments when entering into personal services contracts. The required procedures include a determination, prior to signing the contract, as to whether the contractor has an employer/employee relationship with the State. To make this determination, departments are to submit copies of the pre-contract questionnaire, Internal Revenue Service (IRS) form SS-8 and the proposed contract to the State Accounting Enterprise at DAS.

Testing of fifteen personal services contracts for the Department identified the following:

- (1) For six contracts, the contract did not contain a non-availability of funds clause.
- (2) For seven contracts, the required pre-contract questionnaire was not on file.
- (3) For three contracts, the required IRS form SS-8 was not on file.
- (4) For four contracts, the contract was not signed by the Department prior to the contract execution date.
- (5) For one contract, the contract was not bid out and the sole source justification form was outdated.

Recommendation – Personal services contracts should include the required elements as identified in the laws and regulations governing state contracts.

Response – The Department is in the process of hiring a Purchasing Agent 3 to help ensure all purchasing is done properly in the future.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2012

- (3) Reports of Fire and Emergency Responses – Chapter 100.3 of the Code of Iowa requires local fire officials to file a report with the State Fire Marshal (SFM) Division within 10 business days following the end of each month for all fires causing estimated damage of \$50 or more or emergency responses by the fire service. For fires causing death, serious bodily injury or property damage in excess of \$200,000, the local fire official is required to notify the SMF Division immediately.

The SFM Division is only requiring local fire officials to file a report for fires causing estimated damage of \$50 or more or emergency responses by the fire service on an annual basis.

Recommendation – The Department should establish procedures to require all local fire officials to report fires causing estimated damage of \$50 or more or emergency responses to the SFM Division within 10 business days following the end of each month.

Response – Fire reporting in Iowa has been as low as 30% for the preceding thirty years. In 2010, the SFM Division purchased a web-based fire reporting program called FIREBRIDGE which made it easier for fire departments to report their fires. We now require fire reporting monthly instead of annually. We have seen fire reporting dramatically climb from 38% of Iowa's population being covered by a reporting fire department in 2010 to 95% currently. We continue to provide training and assistance using the .5 FTE which supports this program. We continue to seek improvements and, in spite of there being no legal repercussion for a fire chief who does not report, fire reporting is being better received by the fire services.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2012

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Alison P. Herold, CPA, Senior Auditor
Tracey L. Gerrish, Staff Auditor
Brett A. Hoffman, Staff Auditor
Philip A. Rethwisch, Staff Auditor
Brooke A. Robb, Staff Auditor
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Matthew S. Nye, Assistant Auditor