

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ December 3, 2015

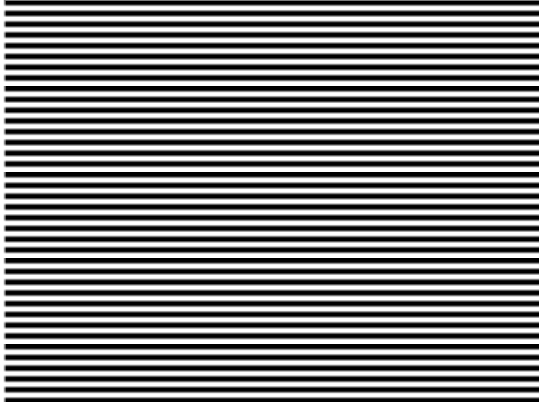
Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on a review of selected general and application controls over the Iowa Department of Human Services' Kindertrack System for the period March 30, 2015 through April 17, 2015.

Mosiman recommended the Department strengthen its procedures related to performing and documenting periodic reviews of user roles. The Department has responded positively to the recommendation.

A copy of the report is available for review at the Iowa Department of Human Services, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1660-4010-BT01.pdf>.

###

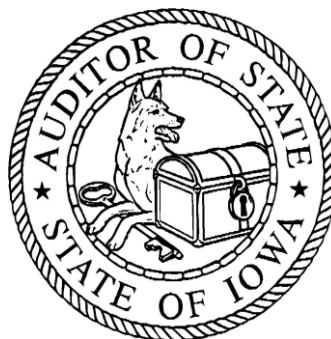


**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF HUMAN SERVICES
ON A REVIEW OF SELECTED GENERAL AND APPLICATION
CONTROLS OVER THE DEPARTMENT'S
KINDERTRACK SYSTEM**

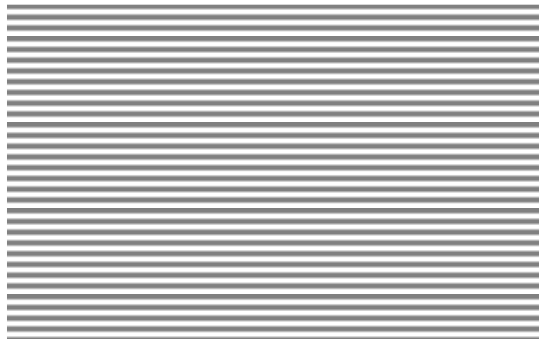
MARCH 30, 2015 THROUGH APRIL 17, 2015

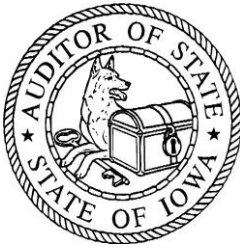
Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



**Mary Mosiman, CPA
Auditor of State**





OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

November 6, 2015

To Charles Palmer, Director of the
Iowa Department of Human Services:

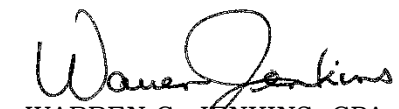
In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2015, we conducted an information technology review of selected general and application controls of the Iowa Department of Human Services for the period March 30, 2015 through April 17, 2015. Our review focused on the general and application controls of the Iowa Department of Human Services' Kindertrack System as they relate to our audit of the financial statements. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure all deficiencies in internal controls are disclosed.

In conducting our review, we became aware of certain aspects concerning information technology controls for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following pages. We believe you should be aware of this recommendation which pertains to the Department's general and application controls over the Kindertrack System. This recommendation has been discussed with Department personnel and their response to the recommendation is included in this report. While we have expressed our conclusions 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 Human Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Services 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 Iowa Department of Human Services during the course of our review. 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 review of the Kindertrack System are listed on page 6 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

March 30, 2015 through April 17, 2015

Kindertrack System General and Application Controls

A. Background

The Iowa Department of Human Services' Kindertrack System is designed to manage child care services offered by the Department of Human Services (DHS), including the Child Care Assistance (CCA) program and regulation of child development homes.

B. Scope and Methodology

In conjunction with our audit of the financial statements of the State of Iowa, we reviewed selected aspects of the general and application controls in place over the Iowa Department of Human Services' Kindertrack System for the period March 30, 2015 through April 17, 2015. Specifically, we reviewed the general controls: access controls, segregation of duties and configuration management and the application controls: business process controls, including input, output and processing, and interface controls. We interviewed staff of the Department and we reviewed Department policies and procedures. To assess the level of compliance with identified controls, we performed selected tests.

We planned and performed our review to adequately assess those Department operations within the scope of our review. We developed an understanding of the Department's internal controls relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendations.

We used a risk-based approach when selecting activities to be reviewed. We focused our review efforts on those activities we identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, we used our finite review resources to identify where and how improvements can be made. Thus, we devoted little effort to reviewing operations that may be relatively efficient or effective. As a result, we prepare our review reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

C. Results of the Review

As a result of our review, we found certain controls can be strengthened to further ensure the reliability of financial information. Our recommendation, along with the Department's response, is detailed in the remainder of this report.

Report of Recommendations to the Iowa Department of Human Services

March 30, 2015 through April 17, 2015

General Controls

Review of Access Rights – A DHS employee’s access to the Kindertrack System is controlled by their assigned roles. When an employee begins employment, they are assigned a specific role based on duties performed. The Department has not established procedures to require periodic reviews of user roles to ensure they are set up properly and remain appropriate over time.

Recommendation – The Department should establish procedures to perform and document periodic reviews of user roles.

Response – The Department will send a quarterly list of state employees who have access to KinderTrack to DHS supervisors and managers to review and confirm access is still appropriate or if access should be revoked.

Conclusion – Response accepted.

Application Controls

No recommendations were noted in our review of application controls for the Department of Human Services’ Kindertrack System.

Report of Recommendations to the Iowa Department of Human Services

March 30, 2015 through April 17, 2015

Staff:

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director
Tiffany M. Ainger, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in this review include:

April D. Harbst, Senior Auditor
Ramona E. Daly, Staff Auditor