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## FISCAL UPDATE Article

Fiscal Services Division

July 25, 2018



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### AUDIT — WIRELESS E911 EMERGENCY COMMUNICATIONS FUND

**Audit Report.** On July 5, 2018, the Auditor of State released an audit report on the Wireless E911 Emergency Communications Fund (Wireless Fund) of the Iowa Department of Homeland Security and Emergency Management (HSEMD) for the year ended June 30, 2017.

**FY 2017 Wireless Fund.** The audit reported on the following items for FY 2017:

- **Revenues.** Revenues totaled approximately \$25.5 million, a decrease of 11.4% from the prior year. The revenues included \$25.4 million from fees and \$131,595 from interest on investments.
- **Expenditures.** Expenditures totaled approximately \$32.0 million, a decrease of 4.2% from the prior year. Expenditures included \$27.2 million for contractual services, including payments to the Joint E911 Service Boards and for wireless carriers' transport costs related to wireless E911 services. The decrease is primarily due to a decrease in grants provided to local service boards to assist in upgrading the statewide next generation E911 system. A complete list of the expenditures may be found in the full audit report.
- **Legislative Appropriation.** The General Assembly appropriated approximately \$4.4 million from the Wireless Fund to the Iowa Department of Public Safety to be used to pay the first annual installment on the Iowa Statewide Interoperable Communications System capital lease.
- **Ending Balance.** The restricted fund balance at the end of FY 2017 was approximately \$10.0 million.

**Finding and Response.** The audit found a material amount of capital assets purchased in prior years were not properly recorded in the Wireless Fund's financial statements. A prior period adjustment was made to properly include these capital assets in the financial statements. The audit recommended the Department should ensure financial information is properly reviewed for accuracy to help ensure the financial statements are accurate and reliable. The Department responded by stating that proper training has been provided to staff and future information will be accurate.

**More Information.** The full audit report is available on the Auditor of State's website at: <https://auditor.iowa.gov/reports/1860-5830-b000>.

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