



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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NEWS RELEASE

FOR RELEASE July 23, 2003

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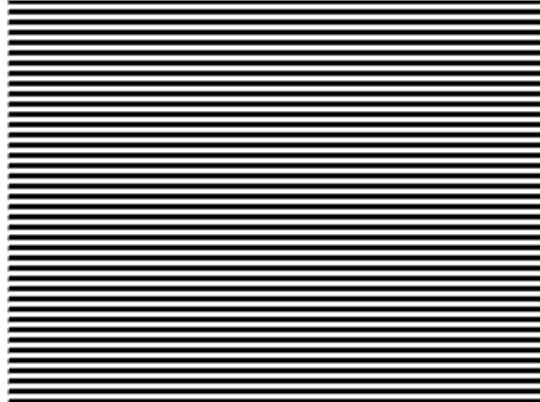
Auditor of State David A. Vaudt today released a report on the Iowa Department of Public Safety for the year ended June 30, 2002.

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.

Vaudt recommended that the Department improve controls over capital assets and comply with Iowa Department of Revenue and Finance procedures over personal service contracts. The Department responded that corrective action is being implemented.

A copy of the report is available for review in the Iowa Department of Public Safety or the Office of Auditor of State.

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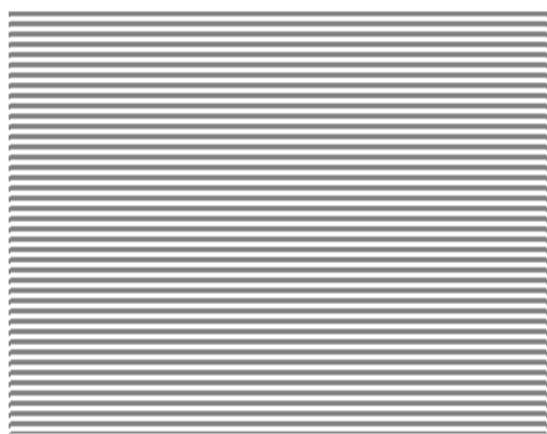
**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF PUBLIC SAFETY**

**JUNE 30, 2002**

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



**David A. Vaudt, CPA**  
**Auditor of State**





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June 30, 2003

To Kevin W. Techau, 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, 2002.

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. The recommendations pertain to the Department's internal control, compliance with statutory requirements and other matters which we believe you should be aware of. These recommendations have been discussed with Department personnel, and their responses to these recommendations are included in this report.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Department, citizens of the State of Iowa and other parties to whom the Department 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 any 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 Department 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 Thomas J. Vilsack, Governor  
Cynthia P. Eisenhauer, Director, Department of Management  
Dennis C. Prouty, Director, Legislative Services Agency

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2002

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

**Findings Related to Internal Control:**

Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of State government to maintain an accurate, up-to-date inventory of all real and personal property belonging to the State.

A review of the Department's capital asset inventory identified the following:

- a) The Department did not reconcile capital asset expenditures per Iowa's Financial Accounting System (IFAS) to assets added to the equipment records.
- b) Thirty assets were tested through observation or confirmation with Department personnel. Of the 30 items observed or confirmed, 4 confirmations were returned stating that the asset was no longer in possession of the employee identified on the capital asset listing and one confirmation was not returned.
- c) Assets may or may not be capitalized and reported on the capital asset listing of the organization reporting the expenditure on IFAS. As a result, it was not always clear which division was to capitalize and report the asset.

Recommendation – The Department should perform timely reconciliations between capital expenditures and additions reported on the equipment records. In addition, the reconciliation should include the organization that purchased the asset and the division that recorded the asset. The Department should review its capital asset procedures to ensure that accurate and current records are maintained.

Response – The Department strives to improve capital asset reporting and has further delineated the responsibilities for capital assets inventory by dedicating a portion of one position to additions and deletions while charging another position with the responsibility for reconciliation and physical inventory.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2002

**Findings Related to Statutory Requirements and Other Matters:**

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

Testing of eight personal service contracts identified the following:

- (a) For three contracts, a pre-contract questionnaire was not prepared.
- (b) For three contracts, the pre-contract questionnaires were signed after the start date of the contract.
- (c) For four contracts, the contract was signed after the start date of the contract.
- (d) For one contract, the contractor selection process was not documented.

Recommendation – The Department should complete the forms required by IDRF prior to signing a personal service contract. In addition, personal service contracts should include the required elements identified in Iowa Department of Revenue and Finance's Policy 240.102. All signatures should be obtained before services are performed.

Response – At times, the need for personal service contracts arise for reasons that do not permit completion of a contract before execution, such as the arrest of a non-English speaking individual requiring interpretive services, as one example. The Department has made every effort to make all administrators aware of the requirements contained in the Iowa Department of Revenue and Finance Policy 240.102, and will continue to do so.

Conclusion – Response acknowledged. The required paperwork should be completed before services are performed.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2002

**Staff:**

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager  
Travis J. Davis, CPA, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this audit include:

Jill M. Bergantzel, CPA, Staff Auditor  
Kevin P. Riley, CPA, Staff Auditor  
Heather L. Templeton, Assistant Auditor