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NEWS RELEASE

FOR RELEASE _____ January 31, 2011

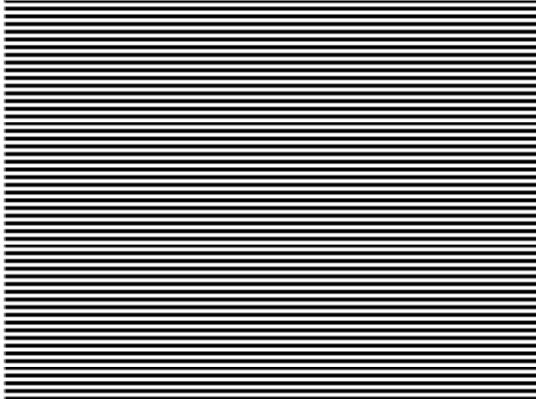
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Auditor of State David A. Vaudt today released a report on a review of selected application controls over the Iowa Department of Human Services' KinderTrack system for the period March 12, 2010 through April 2, 2010.

Vaudt recommended the Department develop an administrator's guide to ensure guidance is provided for granting access rights and roles to the KinderTrack system and general administration of the system. The Department has responded positively to the recommendations.

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/1160-4010-BT01.pdf>.

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

MARCH 12, 2010 THROUGH APRIL 2, 2010

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**AUDITOR
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January 7, 2011

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, 2010, we conducted an information technology review of selected application controls of the Iowa Department of Human Services for the period March 12, 2010 through April 2, 2010. Our review focused on the 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 application controls over the KinderTrack system. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion 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.

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

March 12, 2010 through April 2, 2010

KinderTrack System Application Controls

A. Background

The Iowa Department of Human Services' KinderTrack system provides a web portal for parents, childcare providers and Department staff managing the Department's Childcare Program and has been designed to replace the following applications:

- The Day Childcare Provider Display (DCPD) system, which provided a listing used to track all providers open in the State of Iowa.
- The Social Services Reporting System (SSRS), which provided a listing of eligible children in the State of Iowa. The listing gave information about the child, the program in which the child was enrolled and the approved provider for the child.
- The Purchase of Service Data System (POSS), which maintained information on providers of and payments for certain services, such as child care for the Department's clients.

B. Scope and Methodology

In conjunction with our audit of the financial statements of the State of Iowa, we reviewed selected aspects of the application controls in place over the Iowa Department of Human Services' KinderTrack system for the period March 12, 2010 through April 2, 2010. Specifically, we reviewed the application controls: access controls, segregation of users, interface controls and business process controls, including input, processing and output. 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 recommendation.

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.

March 12, 2010 through April 2, 2010

Application Controls

Kinder Track Administrator's Guide – The KinderTrack system has been developed to manage the Iowa Department of Human Services' Childcare Program and replaces the Purchase of Services Data System, the Day Childcare Provider Display and the Social Services Reporting System. The KinderTrack administrator establishes and controls access rights and roles for Department employees and child care providers using the system, as well as for the general administration of the system.

Written guidance has not been developed to outline the procedures for how Department users and child care providers are granted access rights and roles for the KinderTrack system or for the general administration of the system.

Recommendation – The Iowa Department of Human Services Division of Data Management should develop an administrator's guide for the KinderTrack system to provide guidance on granting and controlling access rights and roles for Department users and child care providers and for general administration of the system.

Response – Since placing the KinderTrack system into a production status, a security administrator's guide has been developed, documented and used to grant access to all users of the KinderTrack system. The documentation is routinely reviewed and updated as needs arise.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Human Services

March 12, 2010 through April 2, 2010

Staff:

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director
Steven O. Fuqua, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in this review include:

Tiffany M. Ainger, Staff Auditor
Casey L. Johnson, Assistant Auditor