



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

David A. Vaudt, CPA  
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State Capitol Building  
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**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_ August 21, 2012

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Communications Network (ICN) for the year ended June 30, 2011.

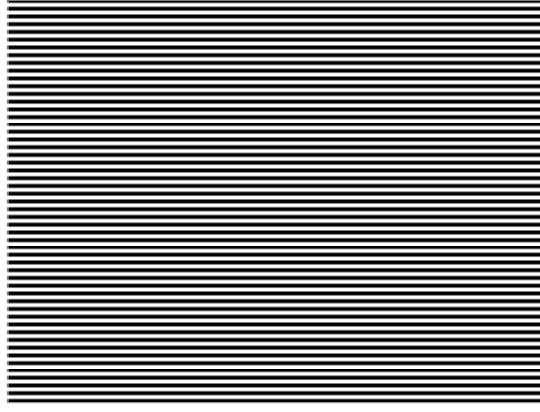
The ICN is responsible for the management, development and operation of the statewide telecommunications network which carries and switches full motion interactive video, voice and data traffic for Iowa's educational institutions and other authorized users.

Vaudt recommended the ICN strengthen internal controls over uncollectible accounts and information systems. The ICN's responses to the recommendations are included in the report.

A copy of the report is available for review at the Iowa Communications Network, in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1260-3360-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA COMMUNICATIONS NETWORK**

**JUNE 30, 2011**

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



**David A. Vaudt, CPA**  
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August 16, 2012

To the Members of the Iowa Telecommunications  
and Technology Commission:

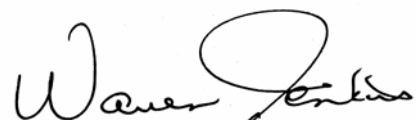
The Iowa Communications Network (ICN) is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2011.

In conducting our audits, we became aware of certain aspects concerning the Iowa Communications Network's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following page. We believe you should be aware of these recommendations pertaining to the Iowa Communications Network's internal control. These recommendations have been discussed with Iowa Communications Network personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Iowa Communications Network's responses, we did not audit the Iowa Communications Network'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 Communications Network, citizens of the State of Iowa and other parties to whom the Iowa Communications Network 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 Network 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 Iowa Communications Network are listed on page 5 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

June 30, 2011

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

No matters were noted.

**Findings Reported in the State's Report on Internal Control:**

No matters were noted.

**Other Findings Related to Internal Control:**

- (1) Uncollectible Accounts – The ICN does not have a formal written policy for writing off uncollectible accounts.

Recommendation – The ICN should implement a policy for writing off uncollectible accounts. At a minimum, the policy should identify the criteria for determining which accounts are deemed uncollectible.

Response – A policy is currently being written and should be completed July 2012. The policy will then be put into effect and followed for fiscal year 2013.

Conclusion – Response accepted.

- (2) Information Systems – Passwords are not periodically changed every 60 to 90 days. The software does not require the user to periodically change log-ins/passwords.

Recommendation – The ICN should require periodic password changes.

Response – We are working on system changes at this time and will include this recommendation when making changes.

Conclusion – Response accepted.

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

No matters were noted.

Report of Recommendations to the Iowa Communications Network

June 30, 2011

**Staff:**

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager  
Selina V. Johnson, CPA, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Ryan T. Jelsma, Staff Auditor  
Victor L. Kennedy, Assistant Auditor  
Philip A. Rethwisch, Assistant Auditor  
Jamie T. Reuter, Assistant Auditor  
Jason R. Ropte, Assistant Auditor