



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

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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE July 16, 2004

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Civil Rights Commission for the year ended June 30, 2003.

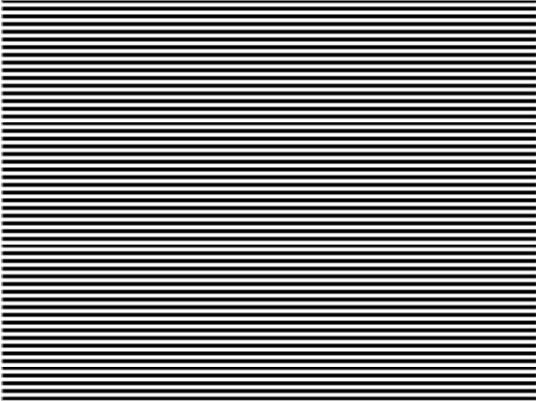
The Iowa Civil Rights Commission is charged with investigating, holding hearings and rendering decisions on any complaints of unfair or discriminatory practices in public accommodations, employment, credit, housing, apprenticeship programs, on-the-job training programs and vocational schools on the basis of age, race, creed, color, sex, religion, national origin or disability; and with planning and conducting programs designed to eliminate racial, religious, cultural and intergroup tensions.

Vaudt recommended the Commission develop written information system policies addressing password privacy, system backups and a disaster recovery plan. Vaudt also recommended the Commission review attendance of appointed commission members for compliance with Code requirements.

The Commission responded favorably to the recommendations.

A copy of the report is available for review in the Iowa Civil Rights Commission or the Office of Auditor of State.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA CIVIL RIGHTS COMMISSION**

JUNE 30, 2003

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



David A. Vaudt, CPA
Auditor of State



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March 15, 2004

To Ralph Rosenberg, Executive Director of the
Iowa Civil Rights Commission:

The Iowa Civil Rights Commission 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, 2003.

In conducting our audits, we became aware of certain aspects concerning the Commission's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations pertaining to the Commission's internal control, compliance with statutory requirements and other matters. These recommendations have been discussed with Commission 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 Iowa Civil Rights Commission, citizens of the State of Iowa and other parties to whom the Iowa Civil Rights Commission 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 Commission during the course of our audits. 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 audits of the Commission 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 Thomas J. Vilsack, Governor
Cynthia P. Eisenhauer, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

June 30, 2003

Findings Reported in the State's Single Audit Report:

No matters were noted.

Finding Related to Internal Control:

Information Systems – The Iowa Civil Rights Commission does not have written policies for password privacy and confidentiality. Also, the Commission does not have a written disaster recovery plan. In addition, the Commission does not require back up tapes to be stored off site daily in a fire proof vault or safe.

Recommendations – The Commission should develop written policies addressing the above items to improve the Commission's control over computer based systems. Back-up tapes should be stored off site daily in a fireproof vault or safe.

Response – The Civil Rights Commission is in the process of developing an agreement with the Information Technology Enterprise of the Department of Administrative Services to provide for the administration of our computer systems including password privacy and confidentiality, disaster recovery and back-up of our files. This should solve our weaknesses in our computer systems.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Commission Meeting Attendance – The Iowa Civil Rights Commission consists of seven members appointed by the Governor. According to Chapter 69.15 of the Code of Iowa, any person who has been appointed by the Governor to any board shall be deemed to have submitted a resignation from such office if the person does not attend three or more consecutive regular meetings or the person attends less than one-half of the regular meetings within any period of twelve calendar months beginning on July 1 or January 1.

The attendance of three members of the Iowa Civil Rights Commission did not comply with these attendance requirements.

Recommendation – The Executive Director should review the attendance of appointed Commission members for compliance with the requirements and action, if any, to be taken.

Response – The Commission has changed the scheduling of meetings in order to make it easier for commission members to attend. The change is in the starting time of the meetings from 10:00 a.m. to 3:00 p.m. This will make it easier for those commission members who are also teachers to attend. They will not have to try to obtain approval for substitute teachers. This has not always been possible because of reduced school budgets. A third commissioner had some serious health difficulties during the period audited. We expect the attendance to be improved during the current fiscal year.

Conclusion – Response acknowledged. The Commission should determine what action, if any, is required to be taken as the result of past member attendance.

Report of Recommendations to the Iowa Civil Rights Commission

June 30, 2003

- (2) Deferred Revenue – The Iowa Civil Rights Commission received \$50,000 from the Iowa Finance Authority during the year ended June 30, 2003. Per the agreement, these funds are to be used to provide assistance in marketing, training classes for homebuyer education and counselor training for under-served populations for the period May 7, 2003 through June 30, 2004. The Commission’s GAAP Package for the year ended June 30, 2003 did not report the \$43,981 unearned portion of this revenue.

Recommendation – The Commission should develop procedures to ensure unearned revenue is properly classified and reported on the GAAP Package.

Response – We understand our error in the proper reporting of deferred revenue and are now aware of the proper procedure for reporting deferred revenue. We will not repeat this error.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Hanft, CPA, Manager
Sarah M. Wright, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Elvir Alicic, Assistant Auditor