



**OFFICE OF AUDITOR OF STATE**  
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NEWS RELEASE

FOR RELEASE

July 17, 2014

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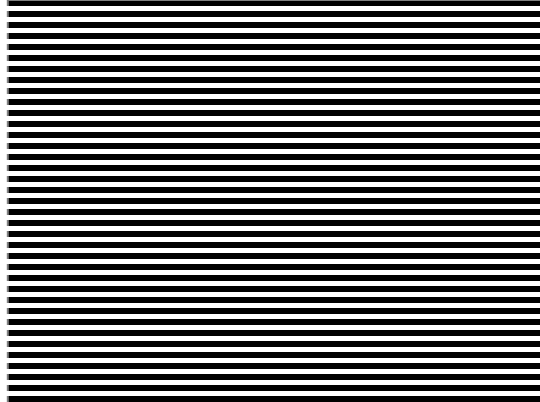
Auditor of State Mary Mosiman today released a report on the Iowa Department of Public Defense for the year ended June 30, 2013.

The Iowa Department of Public Defense is composed of the Military Division and the Homeland Security and Emergency Management Division. The main responsibilities of the Military Division are to protect the citizens of the state, recruit and train military personnel and maintain the National Guard armories throughout the state. The Homeland Security and Emergency Management Division is responsible for disaster preparedness and relief coordination throughout the state. Effective July 1, 2013, legislation created the Department of Homeland Security and Emergency Management separate from the Department of Public Defense.

A copy of the report is available for review at the Iowa Department of Public Defense, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1460-5820-0R00.pdf>.

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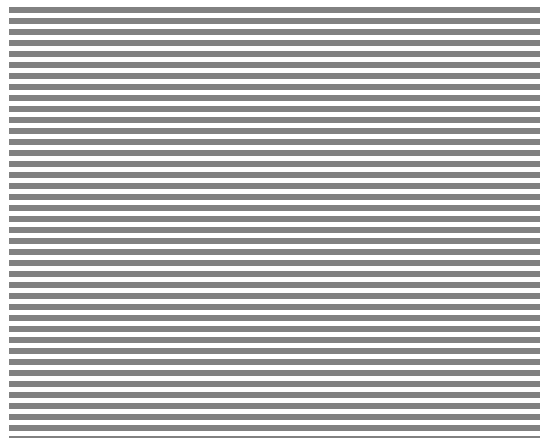
**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF PUBLIC DEFENSE**

**JUNE 30, 2013**

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



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July 14, 2014


To Major General Timothy Orr, Adjutant General  
of the Iowa Department of Public Defense:


The Iowa Department of Public Defense 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, 2013.

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. We believe you should be aware of these recommendations, which include the recommendation reported in the State's Single Audit Report as well as another recommendation pertaining to the Department's internal control. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Public Defense'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 Department of Public Defense, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Defense 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 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 5 and they are available to discuss these matters with you.

  
MARY MOSIMAN, 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, 2013

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

**CFDA Number: 97.036 – Disaster Grants - Public Assistance (Presidentially Declared Disasters)**

**Agency Number: FEMA-1737-DR, FEMA-1763-DR, FEMA-1854-DR, FEMA-1877-DR, FEMA-1880-DR, FEMA-1928-DR, FEMA-1930-DR, FEMA-1977-DR, FEMA-1998-DR, FEMA-4016-DR, FEMA-4018-DR, FEMA-4114-DR, FEMA-4119-DR**

**Federal Award Year: 2007, 2008, 2009, 2010, 2011, 2012, 2013**

**State of Iowa Single Audit Report Comment: 13-III-DHS-583-1**

- (1) Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. They also minimize the amount of State and other federal funds used to supplant programs until federal funds are received.

A review of the Department's ledgers and cash management system identified nine instances where the cash balance was in excess of \$100,000 for three days.

Recommendation – The Department should monitor cash balances to ensure balances on hand are sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The department developed a data report to more accurately monitor the draw and payment cycles. We have coordinated with Homeland Security and Emergency Management Division (HSEMD) to enhance the coordination of draws and approval for payments. We will continue to communicate and closely coordinate federal draws with approved requests for payment.

Conclusion – Response accepted.

**Other Finding Related to Internal Control:**

- (1) Compensatory (Comp) Time – Certain employees who work more than forty hours per week and do not elect to receive overtime pay are eligible to receive comp time at time and a half for the hours in excess of forty worked in a week.

Certain employees within the Homeland Security and Emergency Management Division (HSEMD) were noted who routinely earned and used comp time in the same pay period. They were using comp time in a week and then working extra hours later in the week, causing comp time to be earned at time and a half. This gives the appearance of taking advantage of compensatory time.

In addition, certain employees within HSEMD appear to work a significant amount of overtime during the fiscal year.

Recommendation – The Division should develop policies and procedures regarding comp time. These policies and procedures should address whether it is allowable to use and earn comp time within the same pay period.

Response – A new HSEMD overtime and comp time policy was implemented on March 15, 2013.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Public Defense

June 30, 2013

Questions or requests for further assistance should be directed to:

**Staff:**

Deborah J. Moser, CPA, Manager  
Dorothy O. Stover, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

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Trent M. Mussmann, Assistant Auditor