



OFFICE OF AUDITOR OF STATE
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NEWS RELEASE

FOR RELEASE _____ September 11, 2014

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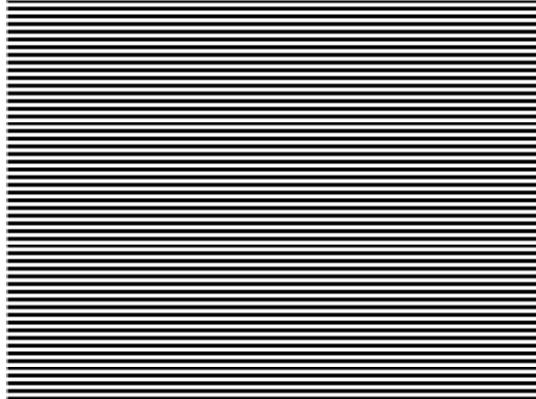
Auditor of State Mary Mosiman today released a report on the Iowa Department of Public Safety for the year ended June 30, 2013.

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.

Mosiman recommended the Department improve controls over compliance with targeted small business reporting, fire incident reporting and personal services contracts. The Department's responses to the recommendations are included in the report.

A copy of the report is available for review in the Iowa Department of Public Safety, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1460-5950-OR00.pdf>.

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

JUNE 30, 2013

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



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September 8, 2014

To Larry L. Noble, 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, 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 includes a recommendation reported in the State's Single Audit Report, as well as other recommendations pertaining to the Department's compliance with statutory requirements and other matters. 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 Safety'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 Safety, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Safety 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 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 7 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

Report of Recommendations to the
Iowa Department of Public Safety
June 30, 2013

Finding Reported in the State's Single Audit Report:

CFDA Number: 93.777 – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Agency Number: None

Federal Award Year: 2011, 2012, 2013

State of Iowa Single Audit Report Comment 13-III-HHS-595-15

Payroll Distribution – OMB Circular A-87 states employees who work on multiple programs will distribute their time based on actual activity. Budget estimates or other distribution percentages determined before services are performed do not qualify as support. Fourteen employees in the State Fire Marshal Division work on both state and federal programs. The employees use predetermined percentages, ranging from 42% to 90%, rather than actual hours to allocate payroll costs. The Department could not provide support for the payroll allocation percentages.

Recommendation – The Department should develop policies and procedures to ensure payroll is properly allocated to federal programs in compliance with OMB Circular A-87.

Response and Corrective Action Planned – Changes were made with the Fire Marshal Division to track and bill for actual hours only. This change went into effect toward the end of State fiscal year 2013.

Conclusion – Response accepted.

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

No matters were noted.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Targeted Small Business Reports – Chapter 73.16 of the Code of Iowa requires each agency or department to report total purchases from certified targeted small businesses (TSB). This report is due to the Iowa Economic Development Authority within fifteen days following the end of each calendar quarter.

For two of four quarters in fiscal year 2013, the Department did not submit the required quarterly reports within fifteen days of the end of the quarter.

Recommendation – The Department should establish procedures to ensure all TSB quarterly reports are submitted on a timely basis.

Response – Reporting for the TSB reports was completed for fiscal year 2013. The Department will complete the reports in fiscal year 2014 as required by Chapter 73.16.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2013

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

Testing of fifteen personal services contracts for the Department identified the following:

- (1) For six contracts, the contract did not contain a non-availability of funds clause.
- (2) For two contracts, the required pre-contract questionnaire was not on file
- (3) For six contracts, evidence of proper bidding was not maintained.
- (4) For two contracts, the contract was not signed by the contractor prior to the contract execution date.

In addition, the Department did not maintain a complete listing of all personal service contracts effective for fiscal year 2013.

Recommendation – Personal services contracts should include the required elements identified in the laws and regulations governing state contracts. The Department should also maintain a listing of all contracts entered into and outstanding.

Response – The Department has established standards so contracts will be submitted and maintained appropriately.

Conclusion – Response accepted.

- (3) Reports of Fire and Emergency Responses – Chapter 100.3 of the Code of Iowa requires local fire officials to file a report with the State Fire Marshal (SFM) Division within 10 business days following the end of each month for all fires causing an estimated damage of \$50 or more or emergency responses by the fire service. For fires causing death, serious bodily injury or property damage in excess of \$200,000, the local fire official is required to notify the SFM Division immediately.

The SFM Division requires local fire officials to file a report for fires causing estimated damage of \$50 or more or emergency responses by the fire service. However, the timeliness of submission is not being tracked.

Recommendation – The Department should establish procedures to require all local fire officials to report fires causing estimated damage of \$50 or more or emergency responses to the SFM Division within 10 business days following the end of each month.

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Response – Fire reporting in Iowa has been as low as 30% for the preceding thirty years. In 2010, the SFM Division purchased a web-based fire reporting program called FIREBRIDGE which made it easier for fire departments to report their fires. We now require fire reporting monthly instead of annually. Iowa’s population which is covered by a reporting fire department has seen a dramatic climb from 38% reporting in 2010 to 95% reporting during fiscal year 2013. With only .5 full-time equivalent (FTE) position, the Department of Public Safety (DPS) continues to provide training and assistance to support the program and are continually seeking improvements. It should be noted the DPS does not have the authority to sanction a fire chief who does not report.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2013

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

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Brooke A. Robb, Staff Auditor
Amanda L. Burt, Assistant Auditor
Leslie M. Downing, Assistant Auditor
Tyler L. Bishop, Audit Intern