



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 242-6134

Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ October 23, 2015

Contact: Andy Nielsen
515/281-5834

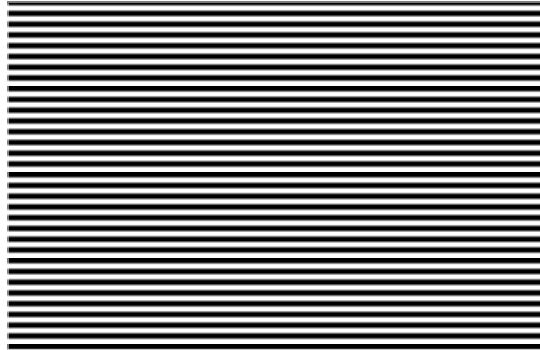
Auditor of State Mary Mosiman today released a report on the Iowa Department of Public Safety for the year ended June 30, 2014.

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 fire incident reporting, personal services contracts and timely deposits. 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/1560-5950-OR00.pdf>.

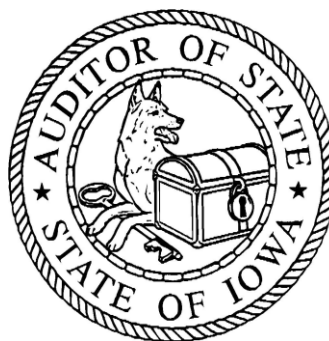
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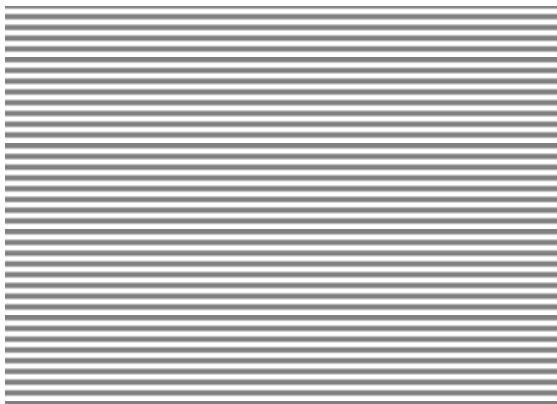
**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF PUBLIC SAFETY**

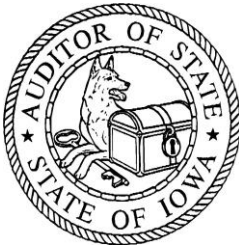
JUNE 30, 2014

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



Mary Mosiman, CPA
Auditor of State





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October 20, 2015

To Roxann Ryan, 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, 2014.

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 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 6 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, 2014

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:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

- (1) 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 of DAS.

Testing of fifteen personal services contracts for the Department identified five contracts which were not properly approved by the Department prior to contract execution.

In addition, the Department did not maintain a complete listing of all personal services contracts effective for fiscal year 2014.

Recommendation – Personal services contracts should be properly approved prior to contract execution. The Department should also maintain a listing of all contracts entered into and outstanding.

Response – The Department has established standards so contracts will be reviewed and maintained appropriately. In fiscal year 2014, the Department dedicated additional staff resources to contract compliance and is planning additional training for Department leadership and staff on contract requirements.

Conclusion – Response accepted.

- (2) Reports of Fire and Emergency Responses – Chapter 100.3 of the Code of Iowa requires local fire officials to file 90% of monthly fire reports 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.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2014

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, less than 90% of fire reports are being submitted to the SFM Division by local officials within 10 business days following the end of the month.

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.

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 fiscal year 2010 to 96% reporting during fiscal year 2014. There were 180,288 incidents reported in fiscal year 2014. With only .5 full-time equivalent (FTE) positions, 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 statute contemplates timely reporting, but provides no funding mechanism for DPS or local agencies, and DPS does not have authority to sanction a fire chief who does not report.

Conclusion – Response accepted.

- (3) Timely Deposit – Chapter 12.10 of the Code of Iowa requires 90% of monies received be deposited within ten days of collection. Eight of ten fee receipts tested for accident reports and nine of ten fee receipts tested for electrical permits and licenses were not deposited timely.

Recommendation – The Department should ensure 90% of all receipts are deposited within ten business days in accordance with Chapter 12.10 of the Code of Iowa.

Response – The majority of deposits tested were associated with the Electrical Licensing Bureau. This Bureau renews electrician licenses for all electricians statewide on a three year cycle. The timeframe of deposits tested corresponded to when the license renewals were due from October to December 2013, which consists of approximately 18,000 license renewals requiring proof of training, which must be verified before a license is issued. The Bureau employs 4 FTEs to process electrical licenses and hired three temporary workers to help process the large influx of license renewals (and the related checks). They were able to accept some electronic payments but were unable to accept all electronic payments at that time. The Bureau already has plans in place to mitigate the timely processing and deposit of license renewals for the next cycle. This includes a software implementation which will allow them to accept payments electronically. Leadership in Electrical Licensing as well as Iowa State Patrol have been notified and will communicate with the appropriate staff.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department of Public Safety
June 30, 2014

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:

Jamie T. Reuter, Senior Auditor II
Daniel J. Mikels, Staff Auditor
Leslie M. Downing, Staff Auditor
Miranda A. Shipman, Staff Auditor
Kristen R. Volkens, Assistant Auditor