



OFFICE OF AUDITOR OF STATE
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NEWS RELEASE

FOR RELEASE _____ October 14, 2005

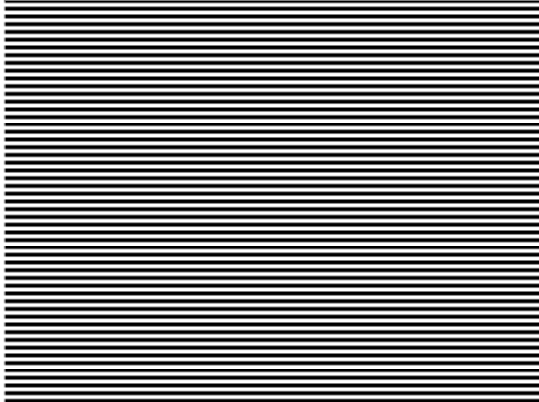
Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on a review of selected general controls for the Iowa Department of Workforce Development information system for the period April 18, 2005 through May 13, 2005.

Vaudt recommended the Department develop and implement procedures to strengthen its contingency plan.

A copy of the report is available for review at the Iowa Department of Workforce Development or the Office of Auditor of State.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF WORKFORCE DEVELOPMENT
ON A REVIEW OF SELECTED GENERAL CONTROLS**

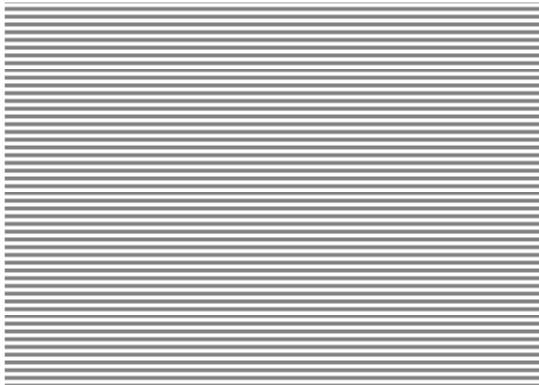
APRIL 18, 2005 TO MAY 13, 2005

Office of
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September 29, 2005

To Richard V. Running, Director of the
Iowa Department of Workforce Development:

In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2005, we conducted an information technology review of selected general controls for the Iowa Department of Workforce Development for the period April 18, 2005 through May 13, 2005. Our review focused on the general controls of the Iowa Department of Workforce Development's information system as they relate to our audit of the financial statements. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure all deficiencies in internal controls are disclosed.

In conducting our review, we became aware of certain aspects concerning information technology controls 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 pertain to the Department's information system general controls. These recommendations have been discussed with Department 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 Department of Workforce Development, citizens of the State of Iowa and other parties to whom the Iowa Department of Workforce Development 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 Iowa Department of Workforce Development during the course of our review. Should you have any questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our review of general controls 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
Michael L. Tramontina, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

Report of Recommendations to the Iowa Department of Workforce Development

April 18, 2005 through May 13, 2005

Information System Controls

A. Scope and Methodology

In conjunction with our audit of the financial statements of the State of Iowa, we reviewed selected aspects of the general controls in place over the Iowa Department of Workforce Development's (Department) information system for the period April 18 through May 13, 2005. Specifically, we reviewed the general controls: access controls, system software controls, segregation of duties and service continuity. We interviewed staff of the Department and we reviewed Department policies and procedures. To assess the level of compliance with identified controls, we performed selected tests.

We planned and performed our review to adequately assess those Department operations within the scope of our review. We developed an understanding of the Department's internal control relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendations.

We used a risk-based approach when selecting activities to be reviewed. We focused our review efforts on those activities identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, we used our finite review resources to identify where and how improvements can be made. Thus, we devoted little effort to reviewing operations that may be relatively efficient or effective. As a result, we prepare our review reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

B. Results of the Review

As a result of our review, we found certain controls can be strengthened to further ensure the reliability of financial information. Our recommendation, along with the Department's response, are detailed in the remainder of this report.

General Controls

- (1) Contingency Plan – Losing the capacity to process, retrieve and protect information maintained electronically can significantly affect a Department's ability to accomplish its mission. A contingency plan would include: (1) procedures to protect information resources and minimize the risk of unplanned interruptions and (2) a plan to recover critical operations should interruptions occur.

The Department's contingency plan does not include formalized arrangements for alternate data processing and telecommunication services that would be available and operational in the event of a disaster and does not periodically test the contingency plan.

Recommendation – The Department should negotiate agreements to ensure alternate data processing facilities and telecommunication services would be available and operational in the event of a disaster and should periodically test the contingency plan.

Response – Iowa Workforce Development (IWD) will work with the Department of Transportation (DOT) and the Department of Administrative Services/Iowa Communications Network (DAS/ICN) to formalize arrangements for alternate data processing facilities and telecommunication services. As part of the Enterprise Business Continuity Planning Process, IWD will be formalizing a periodic testing process of the contingency plan.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Workforce Development

April 18, 2005 through May 13, 2005

Staff:

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director
Denise A. Walter, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this review include:

Donald N. Miksch, Staff Auditor