



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

FOR RELEASE

February 24, 2022

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department for the Blind for the year ended June 30, 2020.

The Iowa Department for the Blind is a statewide organization offering specialized, integrated services which blind and severely visually impaired Iowans need to live independently and work competitively.

AUDIT FINDINGS:

Sand reported one finding related to the reporting of capital assets. The finding is found on page 3 of this report. Sand recommended the Department establish procedures to ensure all capital asset activities are properly reported.

Management of the Iowa Department for the Blind have a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

A copy of the report is available for review on the Auditor of State's web site at <https://admin.auditor.iowa.gov/reports/file/67955/embed>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT FOR THE BLIND**

JUNE 30, 2020

Iowa Department for the Blind



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Rob Sand
Auditor of State

February 21, 2022

Iowa Department for the Blind
Des Moines, Iowa

To Emily Wharton, Director of the Iowa Department for the Blind:

I am pleased to submit to you the financial and compliance audit report for the Iowa Department for the Blind for the year ended June 30, 2020. The report includes an audit finding pertaining to the Department's internal control for the year ended June 30, 2020.

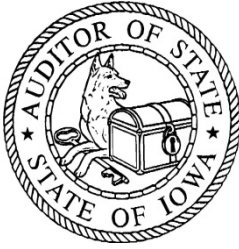
I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department for the Blind throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand".

Rob Sand
Auditor of State

Iowa Department for the Blind



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February 21, 2022

To Emily Wharton, Director of the
Iowa Department for the Blind:

The Iowa Department for the Blind 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 and the State's Single Audit Report for the year ended June 30, 2020.

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 a recommendation which is reported on the following page. We believe you should be aware of this recommendation which pertains to the Department's internal controls. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department for the Blind's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department for the Blind, citizens of the State of Iowa and other parties to whom the Iowa Department for the Blind 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 for the Blind 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 5 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA
Chief Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Interim Director, Department of Management
Tim McDermott, Interim Director, Legislative Services Agency

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2020

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Findings Related to Internal Control:

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 System is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS–SAE) in a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year.

Condition – The GAAP Package includes \$155,037 of vehicles which were no longer on the Department's eDAS Fleet Inventory listing.

Cause – Policies have not been established and procedures have not been implemented to require an independent review of capital asset activity to ensure information reported is accurate and reliable.

Effect – Lack of policies and procedures resulted in Department employees not detecting the error in the normal course of performing their assigned functions.

Recommendation – The Department should establish procedures to ensure a detailed, up-to-date capital asset listing is maintained and the correct amounts are included in the GAAP Package.

Response – The disposal of some vehicles was omitted from the FY20 GAAP Package. These vehicles were fully depreciated and replaced with new vehicles. Accordingly, the cost of the vehicles was overstated by \$155,037 and the accumulated depreciation was overstated by \$155,037. The vehicle depreciation expense for the period was calculated based on the eDAS fleet depreciation reports and the amount of depreciation recorded balanced to the eDAS fleet reports. Therefore, the amount of depreciation expense for the period was not affected by the error in accumulated depreciation. To prevent any similar errors in the future, each year the disposal of vehicles will be double checked against the purchase of replacement vehicles and the cost of the vehicles disposed of and the associated accumulated depreciation will be removed on the GAAP package. As all of the other capital assets are in I/3 this will ensure the accuracy of the detailed capital asset listing.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2020

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2020

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Chief Deputy

Pamela J. Bormann, CPA, Manager

Coltin R. Collins, CPA, Staff Auditor

Corey D. Hauptmann, Staff Auditor