



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE _____

June 11, 2007

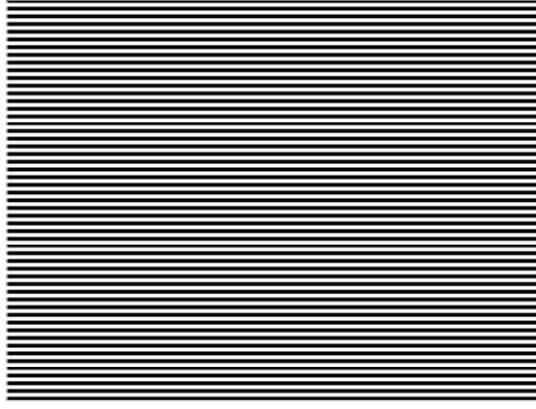
Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa Department of Human Rights for the year ended June 30, 2006.

The Department's purpose is to promote opportunities, advocate the rights, improve the conditions of poverty and to study the changing needs and problems of all Iowans.

A copy of the report is available for review in the Iowa Department of Human Rights, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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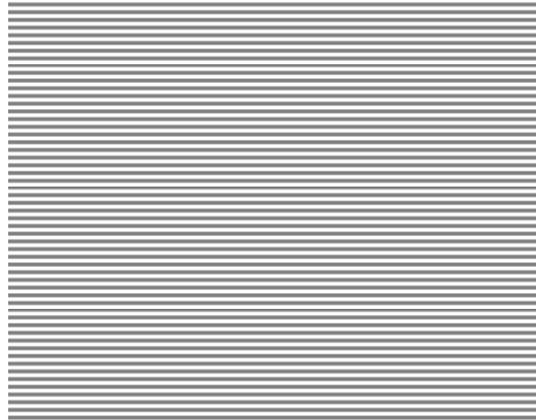
**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF HUMAN RIGHTS**

JUNE 30, 2006

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



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June 4, 2007

To Mr. Walter Reed Jr., Director of the Iowa
Department of Human Rights:

The Iowa Department of Human Rights 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, 2006.

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 those reported in the State's Single Audit Report. 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 Human Rights, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Rights 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.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor
Charles J. Krogmeier, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

June 30, 2006

Findings Reported in the State's Single Audit Report:

CFDA Number: 93.568 – Low-Income Home Energy Assistance

Agency Number: G04B1IALIEA

Federal Award Year: 2006

State of Iowa Single Audit Report Comment: 06-III-HHS-379-12

- (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. As stated in the Cash Management Improvement Act (CMIA) Agreement, the Low-Income Home Energy Assistance Program (LIHEAP) is funded on a cash advance basis. This means federal draws are not to be deposited more than three days prior to the date of disbursement.

From May 31, 2006 to June 7, 2006, a balance ranging from \$916,766 to \$920,507 was carried.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – From state fiscal year 2005 to state fiscal year 2006, the Department reduced the number of instances when excessive funds were on hand from two instances to one. For this one instance, excessive funds were on hand for only three days past the CMIA time limit. The Department will continue to closely monitor its cash management procedures to ensure compliance with federal guidelines.

Conclusion – Response accepted.

CFDA Number: 93.568 – Low-Income Home Energy Assistance

Agency Number: G04B1IALIEA

Federal Award Year: 2006

06-III-HHS-379-13

State of Iowa Single Audit Report Comment: 06-III-HHS-379-12

- (2) Monitoring of Subrecipient Audit Reports – OMB Circular A-133 Subpart C.300(e) and Subpart D.400(d)(4) require the Department to ensure subrecipients expending \$500,000 or more in federal awards submit audit reports to it within nine months of the subrecipient's fiscal year end. The Department has established a policy to perform timely reviews of the audit reports within six months of receipt and send out letters of findings as appropriate.

Nineteen of nineteen subrecipient audit reports received had been reviewed. Of the reports reviewed, one was not reviewed in a timely manner.

Recommendation – The Department should follow established policy to ensure subrecipient audit reports are reviewed in a timely manner.

Response and Corrective Action Planned – The Department reduced the number of subrecipient audits which were not reviewed in a timely manner from ten in state fiscal year 2005 to one in state fiscal year 2006. The Department will continue to follow established policies to ensure the timely review of audit reports and resolution of the audit findings, if any.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2006

Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2006

Staff:

Questions or requests for further assistance should be directed to:

Kay F. Dunn, CPA, Manager
Steven O. Fuqua, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Michael J. Hackett, Staff Auditor
Michael P. Piehl, Staff Auditor
Matthew R. Ritchey, Assistant Auditor
Aaron P. Wagner, Assistant Auditor