



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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NEWS RELEASE

FOR RELEASE _____ September 11, 2008

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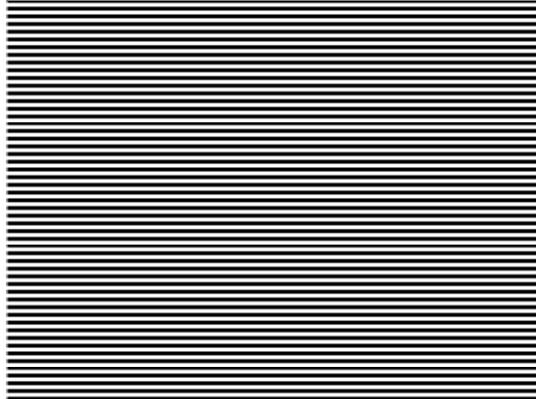
Auditor of State David A. Vaudt today released a report on the Iowa State Civil Rights Commission for the year ended June 30, 2007.

The Iowa State Civil Rights Commission is charged with investigating, holding hearings and rendering decisions on any complaints of unfair or discriminatory practices in public accommodations, employment, credit, housing, apprenticeship programs, on-the-job training programs and vocational schools on the basis of age, race, creed, color, sex, religion, national origin or disability; and with planning and conducting programs designed to eliminate racial, religious, cultural and intergroup tensions.

Vaudt recommended the Commission consult legal counsel regarding overpayment of the Director's salary. Vaudt also recommended the Commission deposit 90% of all receipts within ten business days of collection to comply with Code requirements. In addition, Vaudt recommended the Commission review attendance of appointed commission members for compliance with Code requirements.

A copy of the report is available for review at the Iowa State Civil Rights Commission, 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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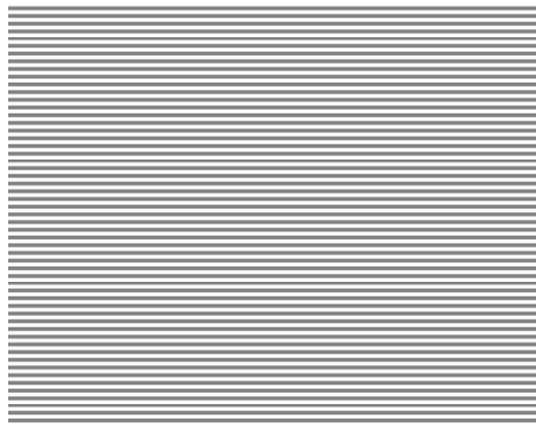
**REPORT OF RECOMMENDATIONS TO THE
IOWA STATE CIVIL RIGHTS COMMISSION**

JUNE 30, 2007

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



David A. Vaudt, CPA
Auditor of State



0860-1670-0R00



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September 8, 2008

To Ralph Rosenberg, Director of the
Iowa State Civil Rights Commission:

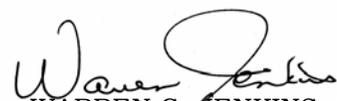
The Iowa State Civil Rights Commission is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2007.

In conducting our audits, we became aware of certain aspects concerning the Commission'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 pertain to the Commission's compliance with statutory requirements and other matters. These recommendations have been discussed with Commission 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 State Civil Rights Commission, citizens of the State of Iowa and other parties to whom the Iowa State Civil Rights Commission 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 Commission during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Commission 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
Director, Legislative Services Agency

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2007

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) Overpayment of Official Salaries - The salary for the Director of the Iowa State Civil Rights Commission is authorized by the Governor and is subject to limitations set by the General Assembly. The salary range set by the General Assembly for the fiscal year beginning July 1, 2006 was \$60,040 to \$91,860.

For the year ended June 30, 2007, the Director's salary exceeded the maximum allowable and the amount authorized by the Governor by \$1,895. The overpayment was the result of extra duty pay described below reduced by \$455 since the increase in compensation was not made retroactive to July 1, 2006 as approved by the Governor.

Prior to July 1, 2005, the Director was authorized to receive extra duty pay equal to \$90.40 per pay period. Effective July 1, 2005, the extra duty pay was supposed to cease since it was rolled into the annual base salary (\$84,250) authorized by the Governor. Although the Director's base salary was properly increased to the July 1, 2005 authorized level, the extra duty pay erroneously continued to be paid to the Director in addition to the base salary. As a result, the Director's salary exceeded the salary authorized by the Governor as follows:

	<u>Fiscal Year Ended</u>		
	<u>2006</u>	<u>2007</u>	<u>Total</u>
Extra duty pay (26 payments of \$90.40)	\$ 2,350	2,350	4,700
Reduced for effect of not making salary increase retroactive	-	(455)	(455)
Total	<u>\$ 2,350</u>	<u>1,895</u>	<u>4,245</u>

The extra duty pay was discontinued effective July 1, 2007.

Recommendation – The Iowa State Civil Rights Commission should consult legal counsel to determine disposition of this matter, including consideration of the need to require repayment of the salary overpayment. In addition, the Commission should implement procedures to ensure all future salaries are paid at the authorized amounts.

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2007

Response – The Director shared this finding with James C. Larew, General Counsel for the Governor, on August 8, 2008. The Director also reviewed this finding with the Commission’s human resources/payroll associate. Based on the figures provided by the above (Auditor) findings, the Director will reimburse the agency \$4,245 over a period of two years. The duration was chosen based on discussions with Department of Administrative Services staff that the reimbursement period can approximate the period of overpayment. A separate communication will be prepared (by the Director) directing that the Commission’s human resources/payroll associate to begin reducing the salary by \$90.40 per paycheck and that the repayment shall continue until \$4,245 has been repaid in full.

Conclusion – Response accepted.

- (2) Receipt Deposits - Chapter 12.10 of the Code of Iowa requires each Commission of the State to deposit with the Treasurer of State 90% of all fees, commissions and moneys received within ten days succeeding the collection. Thirty-seven of forty-four checks tested were not deposited within ten business days as required.

Recommendation – The Commission should ensure all receipts are deposited within ten business days of collection.

Response – Due to the size of the agency, there is only one Commission staff who is responsible for deposit. The same staff person has multiple duties and deadlines, frequently overlapping with the ten business day requirement. The Commission will work to ensure the percentage of compliance does not drop below 90%.

Conclusion – Response accepted.

- (3) Commission Meeting Attendance – The Iowa State Civil Rights Commission consists of seven members appointed by the Governor. According to Chapter 69.15 of the Code of Iowa, any person who has been appointed by the Governor to any board shall be deemed to have submitted a resignation if the person does not attend three or more consecutive regular meetings or the person attends less than one-half of the regular meetings within any period of twelve calendar months beginning on July 1 or January 1.

The attendance of one member of the Iowa State Civil Rights Commission did not comply with these attendance requirements.

Recommendation – The Director should review the attendance of appointed Commission members for compliance with the requirements and determine action to be taken.

Response – The Commission agrees with the recommendation. In the summer of 2007, the Commission conducted training for new Commissioners and intends to continue to implement new training, including attendance expectations, for newly appointed Commissioners. Regarding the specific Commissioner in question, there have also been health issues.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa State Civil Rights Commission

June 30, 2007

Staff:

Questions or requests for further assistance should be directed to:

Donna F. Kruger, CPA, Manager
Marta M. Sobieszkoda, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Joshua B. Ludwig, Assistant Auditor