



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

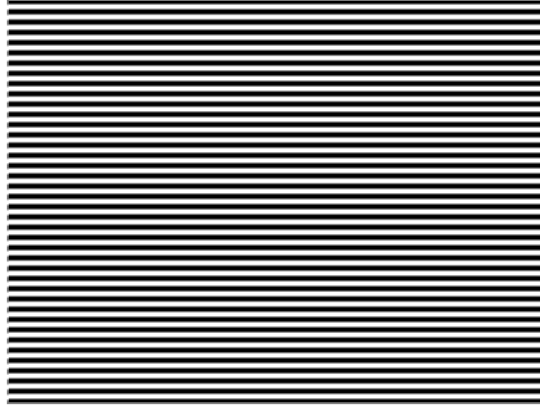
FOR RELEASE _____ July 7, 2003 _____ Contact: Andy Nielsen
515/281-5515

Auditor of State David A. Vaudt today released a report on the Iowa Law Enforcement Academy for the year ended June 30, 2002.

The Iowa Law Enforcement Academy is responsible for developing training programs, establishing hiring standards for law enforcement officers, and setting standards for law enforcement service.

Vaudt recommended the Academy improve its control procedures over capital assets, receipts and payroll. A copy of the report is available for review at the Iowa Law Enforcement Academy or the Office of Auditor of State.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA LAW ENFORCEMENT ACADEMY**

JUNE 30, 2002

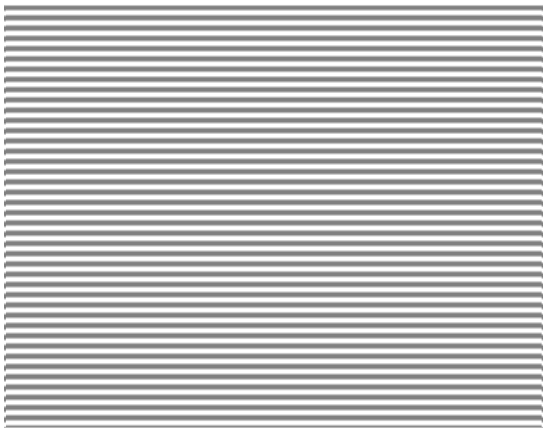
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June 30, 2003

To the Members of the
Iowa Law Enforcement Academy Council:

The Iowa Law Enforcement Academy 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, 2002.

In conducting our audits, we became aware of certain aspects concerning the Academy's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. The recommendations include those which pertain to the Academy's internal control. The recommendations have been discussed with Academy personnel, and their response to the recommendations have been 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 Law Enforcement Academy, citizens of the State of Iowa and other parties to whom the Academy 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 Academy during the course of our audits. Should you have any 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 Academy are listed on page 7 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
Cynthia P. Eisenhauer, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

June 30, 2002

Findings Reported in the State's Single Audit Report:

No matters were reported.

Finding Related to Internal Control:

(A) Segregation of Duties – An important aspect of internal control is the segregation of duties among employees so that activities of one employee act as an independent check on those of another. Some degree of effective control may always be obtained by appropriate organization or strengthening of supervisory control procedures.

- Capital assets – Generally one individual has control over accounting for capital assets.
- Receipts – Generally one individual has control over the duties of entering, posting, depositing and reconciling receipts.
- Payroll – One employee of the Academy can initiate and approve payroll transactions (time sheets) on the Human Resource Information System (HRIS).

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the Academy should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response –

- Capital assets – The accountant has control over accounting for capital assets. Further segregation of duties in this area is not possible because the Academy lacks adequate staff among whom to split the duties.
- Receipts – The accountant has control over the entering, posting, depositing and reconciling of receipts for the Academy's internal books. The same transactions, when entered or posted to IFAS, must be reviewed and approved by the Assistant Director, who signs the CRQ document as indication of his approval. Further segregation of duties in this area is not possible because the Academy lacks adequate staff among whom to split the duties.
- Payroll – This comment can be applied to every agency that utilizes HRIS electronic time sheets as part of the payroll function. The present layers of access to HRIS payroll transactions were established by the Department of Personnel under approved security procedures. The following statements should help clarify the Academy's situation:

Report of Recommendations to the Iowa Law Enforcement Academy

June 30, 2002

1. All Academy staff time sheets require approval by at least the employee AND the employee's supervisor before a paycheck can be generated. Some time sheets also require an additional department-level approval before a paycheck can be generated.
2. Every employee at the Academy has authority to apply "employee-level" approval exclusively to his/her own time sheet. This does nothing more than allow the employee to key the hours he/she actually worked. Until a time sheet has been approved by an employee's supervisor, it cannot generate a paycheck.
3. No employee can apply more than the employee-level of approval to his/her own time sheet; therefore, no employee can cause his/her own time sheet to go from time sheet to paycheck without the time sheet having been reviewed AND approved by that employee's supervisor.
4. Only Director E. A. "Penny" Westfall (HRIS cost centers 467-123456, 467-000001), Assistant Director Arlen Cicchanowski (HRIS cost centers 467-12356, 467-000001), Accountant Roger Sitterly (HRIS cost centers 467-123456, 467-000001), and Public Service Supervisor Shelley Cabalka (HRIS cost center 467-000001) have authority to apply supervisor-level approval to time sheets. Only the Director, Assistant Director, and Accountant have the authority to apply department-level approval to time sheets. No employee, no matter what level of approval authority he/she holds, can apply supervisor-level or department-level approval to his/her own time sheet.
5. Only the Director, Assistant Director and Accountant have authority to conduct any other business, key any other transactions, or approve any other activities in HRIS on behalf of the Academy. A few HRIS transactions (such as staff home address changes) require only "PA"-level approval (authority held by the Accountant) before they process, while all other HRIS transactions also require, in addition to "PA"-level approval, departmental level approval (held by the Assistant Director and by the Director). In addition, many HRIS transactions also require approval from two separate agencies, (the Department of Management and the Department of Personnel) before they will be processed.

All of the above levels of security and approval were established for the Academy by the Department of Personnel, which oversees operations in HRIS. When HRIS was implemented, the Auditor of State was involved in establishing levels of security and approval to ensure that adequate segregation of duties would be preserved within the system.

The Academy will continue to review its control procedures as necessary to obtain the maximum internal control possible under the circumstances.

Report of Recommendations to the Iowa Law Enforcement Academy

June 30, 2002

Conclusion – Response acknowledged.

- Capital assets – Internal controls can be strengthened if another individual was involved in verifying the existence of capital assets.
- Receipts – Internal controls can be strengthened if the Director or Assistant Director compared the CRQ document to the report prepared by the secretary before signing the CRQ document to make sure the amounts agree.
- Payroll – Internal control will be strengthened if the person who approves payroll transactions is different from the person who initiates the transaction. In those instances where the accountant enters the time sheet information for an employee, someone other than the accountant should review and approve the time sheet information on the HRIS for that employee.

Findings Related to Statutory Requirements and Other Matters:

No matters were reported.

Report of Recommendations to the Iowa Law Enforcement Academy

June 30, 2002

Staff:

Questions or requests for further assistance should be directed to:

Kay F. Dunn, CPA, Manager
Lora A. Van Essen, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this audit include:

Elvir Alicic, Assistant Auditor