

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

July 3, 2013

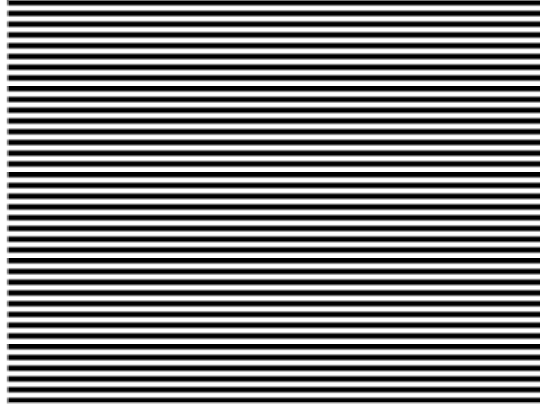
Contact: Andy Nielsen
515/281-5834

The Office of Auditor of State today released a report on the Iowa Braille and Sight Saving School, Vinton, Iowa, for the year ended June 30, 2012.

The School is governed by the Board of Regents, State of Iowa and provides residential and day school educational programs for visually impaired youth, as well as a variety of resource services for mainstreamed students. During the year ended June 30, 2012, the School provided outreach services to 515 students and the average cost per student was \$14,400, compared to 534 students and an average cost per student of \$12,074 for the prior year. The School's residential student program ended during the year ended June 30, 2011 with a student enrollment of 5 students and an average cost per student of \$416,765.

A copy of the report is available for review at the Iowa Braille and Sight Saving School, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1361-8040-BR00.pdf>.

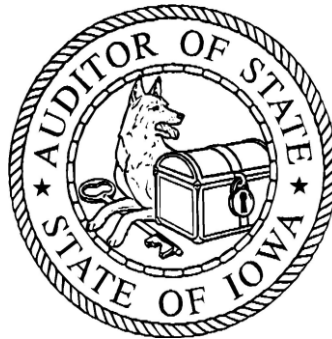
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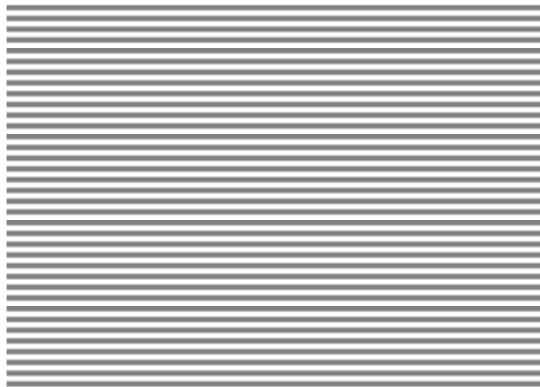
**REPORT OF RECOMMENDATIONS TO THE
IOWA BRAILLE AND SIGHT SAVING SCHOOL**

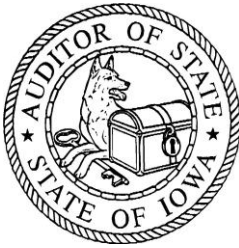
JUNE 30, 2012

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



Mary Mosiman, CPA
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Mary Mosiman, CPA
Auditor of State

June 28, 2013

To the Members of the Board of Regents,
State of Iowa:

The Iowa Braille and Sight Saving School 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, 2012.

In addition to these reports, we also prepare a separate report of recommendations pertaining to each Board's internal control, compliance with statutory requirements and other matters when our audits disclose findings we believe should be brought to your attention.

In conducting our audits, we became aware of certain aspects concerning the School's operations for which we believe corrective action is necessary. As a result, we have developed recommendations pertaining to the School's internal control which are reported on the following page. These recommendations have been discussed with School personnel and their responses to the recommendations are included in this report. While we have expressed our conclusions on the School's responses, we did not audit the Iowa Braille and Sight Saving School's responses and, accordingly, we express no opinion on them.

Also, we have included certain unaudited financial and other information on page 7 of this report to report an average cost per student for the School for the five years ended June 30, 2012, as required by Section 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Braille and Sight Saving School, citizens of the State of Iowa and other parties to whom the Iowa Braille and Sight Saving School 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 Braille and Sight Saving School during the course of our audits. 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 audits of the Iowa Braille and Sight Saving School are listed on page 6 and they are available to discuss these matters with you.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Braille and Sight Saving School
June 30, 2012

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:

(A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The following areas were noted where there is inadequate segregation of duties:

- (1) Responsibilities for receipt collection and deposit preparation are not segregated from those for recording and accounting for receipts.
- (2) Responsibilities for disbursement preparation are not segregated from those for recording cash disbursements.
- (3) Responsibilities for bank reconciliations are not segregated from those for handling incoming mail receipts, outgoing check payments and entering journal entries.

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

Response – The Iowa Braille School will continue to explore, evaluate and implement procedures to mitigate the segregation of duties exposure. This audit finding will be present in FY2013.

Conclusion – Response accepted.

(B) Data Processing System – The School does not have a written policy for requiring passwords to be changed at least every 60-90 days. Although the School has a written disaster recovery plan and crisis management plan, the plan does not identify an alternate business location, a requirement the plan be provided to the appropriate personnel and a requirement a copy of the plan, user documentation and policy and procedures manual be located off-site.

Recommendation – The School should develop a written policy requiring passwords be changed more timely for those with access to financial data. The disaster recovery plan should be reviewed and modified to include the recommended items.

Response – The Iowa Braille School has drafted a password policy that is scheduled for review and approval at the Iowa Braille School's May 2013 Cabinet Meeting. Regarding the Iowa Braille School's written Crisis Management and Disaster Recovery plans, the above noted recommended changes will be incorporated into both plans, then submitted, reviewed and approved at the Iowa Braille School's June 2013 Cabinet Meeting.

Conclusion - Response accepted.

Report of Recommendations to the
Iowa Braille and Sight Saving School
June 30, 2012

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Braille and Sight Saving School
June 30, 2012

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Manager
Gwen D. Fangman, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Daniel L. Grady, Senior Auditor II
Tyler L. Carter, Staff Auditor
Kelsey J. Kranz, Assistant Auditor

Iowa Braille and Sight Saving School

Average Cost per Student

(Unaudited)

Year ended June 30, 2012
with comparative figures for the four preceding years

Year	Average Number of		Total Expenditures			Total Expenditures		Average Cost Per Outreach Student
	Employees	Residential Students *	Related to Residential Program	Average Cost Per Residential Student	Outreach Services Enrollment	Related to Outreach Services **		
2012	82	-	\$ -	-	515	\$ 7,416,072	14,400	
2011	106	5	2,083,825	416,765	534	6,447,358	12,074	
2010	107	9	2,283,363	253,707	453	6,081,219	13,424	
2009	95	12	2,765,184	230,432	376	4,448,503	11,831	
2008	95	17	2,963,950	174,350	474	3,692,989	7,791	

* Fiscal year 2011 was the last year the School operated a residential program.

** For fiscal years 2012, 2011, 2010, 2009 and 2008, expenditures related to outreach services exclude expenditures related to the residential program, construction in progress and costs associated with the space leased by Americorps totaling \$2,518,966, \$3,116,701, \$2,977,986, \$3,974,519 and \$4,220,106, respectively.