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NEWS RELEASE

FOR RELEASE

August 21, 2014

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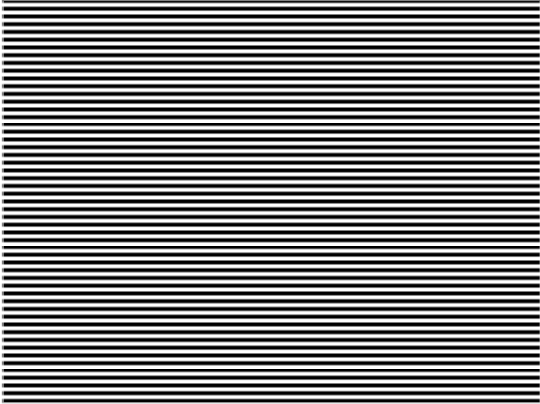
Auditor of State Mary Mosiman today released a report on the Iowa Department on Aging for the year ended June 30, 2013.

The Department has the primary responsibility for providing advocacy, educational and prevention services to older Iowans. The Department receives funding from the U.S. Administration on Aging and distributes funds to Area Agencies on Aging.

Mosiman recommended the Department review audits submitted by the Area Agencies on Aging and follow up on any findings included in the audits. The Department should also ensure the GAAP package information reported is complete and accurate. In addition, the Department should review its policies and procedures over contracts to ensure compliance with Iowa Administrative Code requirements. The Department's responses to the recommendations are included in the report.

A copy of the report is available for review in the Iowa Department on Aging, in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1460-2970-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT ON AGING**

JUNE 30, 2013

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



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Auditor of State





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August 18, 2014


To the Members of the Commission on Aging:


The Iowa Department on Aging 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, 2013.

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 recommendations pertaining to the Department's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department on Aging's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department on Aging, citizens of the State of Iowa and other parties to whom the Iowa Department on Aging 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.


MARY MOSIMAN, CPA
Auditor of State


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

June 30, 2013

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 Finding Related to Internal Control:

Audit Reviews – The Department is responsible to monitor the use of funds provided to Area Agencies on Aging (AAA) for compliance with State and Federal regulations. As part of its monitoring procedures, the Department receives audit reports of the AAA's. Although the Department ensured audit reports were received, the Department did not document its review and follow-up of findings included in the audit reports. However, the Department performed on-site reviews of the AAA's during fiscal year 2013.

Recommendation – The Department should implement procedures to ensure audit reports submitted by the Area Agencies on Aging are reviewed and the follow up of findings, if any, is documented.

Response – The Department will formally document the review and follow up on all Area Agency on Aging audit findings. It should be noted the Department did review the audit findings for potential disallowed costs identified and to assure recovery.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Service Contracts – Service contracts are contracts entered into by a department to aid in carrying out its programs and to provide specialized services through an independent contractor qualified by education, experience and/or technical ability. Service contracts may be with individuals, partnerships, firms, corporations or other business entities.

Iowa Administrative Code (IAC) Chapters 11-106 and 11-107 require service contracts be signed prior to the start date of the contract, include an indemnification clause, a termination clause and clauses requiring the service provider to comply with all applicable state/federal regulations. For the year ended June 30, 2013, 6 of the 8 contracts reviewed started before they were signed.

Recommendation – The Department should ensure all requirements of IAC Chapters 11-106 and 11-107 are met when entering into service contracts.

Response – The Department will continue to review its procedures to ensure all requirements of IAC 11-106 through 11-107 are met when entering into service contracts.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department on Aging

June 30, 2013

- (2) Financial Reporting – 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. The Department did not include its operating lease activity in the GAAP Package.

Recommendation – The Department should ensure the GAAP package information reported is complete and accurate.

Response – The Department will review the GAAP Package to ensure all applicable sections are submitted to the GAAP Team without error.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department on Aging

June 30, 2013

Staff:

Questions or requests for further assistance should be directed to:

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Other individuals who participated in the audits include:

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Laura M. Wernimont, Staff Auditor
Ryan J. Pithan, Assistant Auditor