



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ October 2, 2014

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the National Deaf-Blind Equipment Distribution Program administered by the Iowa Utilities Board Division (Board) of the Iowa Department of Commerce.

The Board's National Deaf-Blind Equipment Distribution program disbursements totaled \$104,788 for the year ended June 30, 2013.

A copy of the audit report is available for review in the Iowa Utilities Board Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1460-2110-BC00.pdf>.

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**IOWA UTILITIES BOARD DIVISION
OF THE IOWA DEPARTMENT OF COMMERCE
NATIONAL DEAF-BLIND EQUIPMENT DISTRIBUTION PROGRAM**

**INDEPENDENT AUDITOR'S REPORTS
SCHEDULE OF EXPENDITURES AND
SCHEDULE OF FINDINGS**

YEAR ENDED JUNE 30, 2013

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Iowa Utilities Board Division of the Iowa Department of Commerce

Officials

Name

Title

State

Honorable Terry E. Branstad
David Roederer
Glen P. Dickinson

Governor
Director, Department of Management
Director, Legislative Services Agency

Iowa Utilities Board

Elizabeth S. Jacobs
Nick Wagner
Sheila K. Tipton

Chairperson
Member
Member

Iowa Department of Commerce

JoAnn Johnson

Director

**Iowa Utilities Board Division of the Iowa Department of Commerce
National Deaf-Blind Equipment Distribution Program**



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Independent Auditor's Report


To JoAnn Johnson, Director of the
Iowa Department of Commerce:


We have audited the accompanying Schedule of Expenditures (Schedule) for the Iowa Utilities Board Division of the Iowa Department of Commerce's National Deaf-Blind Equipment Distribution Program for the year ended June 30, 2013. The Schedule is the responsibility of the Iowa Utilities Board's management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the Schedule of Expenditures referred to above presents fairly, in all material respects, the Iowa Utilities Board's expenditures under the National Deaf-Blind Equipment Distribution Program for the year ended June 30, 2013.

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 Commerce, citizens of the State of Iowa and other parties to whom the Department may report, including awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 24, 2014

Iowa Utilities Board Division of the Iowa Department of Commerce
National Deaf-Blind Equipment Distribution Program

Schedule of Expenditures

Year ended June 30, 2013

Program	Program Expenditures
Federal Communications Commission:	
National Deaf-Blind Equipment Distribution Program	<u>\$ 104,788</u>

Iowa Utilities Board Division of the Iowa Department of Commerce
National Deaf-Blind Equipment Distribution Program

Note to Schedule of Expenditures

June 30, 2013

(1) Summary of Significant Accounting Policies

The Iowa Utilities Board (Board) is a division of the Iowa Department of Commerce. The Board regulates and supervises all public utilities which operate within the state, and enforces the laws promulgated under Iowa Code chapters 476, 476A, 478 and 479.

A. Reporting Entity

The Schedule of Expenditures includes only the program expenditures of the Board's National Deaf-Blind Equipment Distribution Program.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Board maintains its financial records in accordance with generally accepted accounting principles and the Schedule of Expenditures is prepared on that basis.

**Independent Auditor's Report on Compliance
for the National Deaf-Blind Equipment Distribution Program**



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Mary Mosiman, CPA
Auditor of State

Independent Auditor's Report on Compliance
for the National Deaf-Blind Equipment Distribution Program and on
Internal Control over Compliance Required by the Federal Communications Commission

To JoAnn Johnson, Director of the
Iowa Department of Commerce:

Report on Compliance for the National Deaf-Blind Equipment Distribution Program

We have audited the Iowa Utilities Board's compliance with the types of compliance requirements described in the Federal Communications Commission's Rules for the National Deaf-Blind Equipment Distribution Program which could have a direct and material effect on the National Deaf-Blind Equipment Distribution Program for the year ended June 30, 2013.

Management's Responsibility

Management of the Iowa Utilities Board Division of the Iowa Department of Commerce (Board) is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Board's National Deaf-Blind Equipment Distribution Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Communications Commission's National Deaf-Blind Equipment Distribution Program occurred. An audit includes examining, on a test basis, evidence about the Board's National Deaf-Blind Equipment Distribution Program's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the Board's National Deaf-Blind Equipment Distribution Program. However, our audit does not provide a legal determination of the National Deaf-Blind Equipment Distribution Program's compliance.

Opinion on the Board's National Deaf-Blind Equipment Distribution Program

In our opinion, the Iowa Utilities Board complied, in all material respects, with the types of compliance requirements referred to above which could have a direct and material effect on the Board's National Deaf-Blind Equipment Distribution Program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Iowa Utilities Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on the National Deaf-Blind Equipment Distribution Program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the National Deaf-Blind Equipment Distribution Program and to test and report on internal control over compliance in accordance with the Federal Communications Commission's Rules for the National Deaf-Blind Equipment Distribution Programs, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, described in the accompanying Schedule of Findings, we consider to be a significant deficiency.

The Board's response to the internal control over compliance finding identified in our audit is reported in the accompanying Schedule of Findings. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Federal Communications Commission's Rules and Questions and Answers. Accordingly, this report is not suitable for any other purpose.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 24, 2014

National Deaf-Blind Equipment Distribution Program

Schedule of Findings

Year ended June 30, 2013

Findings:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

National Deaf-Blind Equipment Distribution Program (NDBEDP) Reporting – Quarterly reimbursement request reports are completed and submitted to Rokla Loube Saltzer Associates, the entity certified by the Federal Communications Commission to distribute funds. These reports were not reviewed and approved by an independent person for propriety prior to submission.

Recommendation – The Board should establish procedures to ensure the quarterly reports are reviewed and approved by an independent person who is knowledgeable of the requirements of the program. This independent review should be documented by the reviewer’s signature or initials and the date of review.

Response – Acknowledged; however, as of July 1, 2014, the Iowa Utilities Board no longer operates the program. Thus, it would be a moot point to establish such review and approval at this time.

Conclusion – Response accepted.

Iowa Utilities Board Division of the Iowa Department of Commerce

National Deaf-Blind Equipment Distribution Program

Staff

This audit was performed by:

Deborah J. Moser, CPA, Manager
Karen L. Brustkern, CPA, Senior Auditor II
Elissa R. Olson, Staff Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large, prominent initial "A".

Andrew E. Nielsen, CPA
Deputy Auditor of State