



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

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NEWS RELEASE

FOR RELEASE

August 4, 2017

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released a report on the Iowa Department of Public Safety for the year ended June 30, 2016.

The Iowa Department of Public Safety is a statewide organization charged with promoting the safety of all Iowans from hazards associated with crime, fire and traffic through law enforcement.

Mosiman recommended the Department improve controls over compliance with capital assets and fire incident reporting. 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 of Public Safety, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1760-5950-0R00>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF PUBLIC SAFETY**

JUNE 30, 2016



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July 28, 2017

To Roxann Ryan, Commissioner of the Iowa Department of Public Safety:

The Iowa Department of Public Safety 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, 2016.

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 pertaining to the Department's 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 of Public Safety'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 of Public Safety, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Safety 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 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 Department are listed on page 6 and they are available to discuss these matters with you.

Mary Mosiman
MARY MOSIMAN, CPA
Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Public Safety
June 30, 2016

Finding 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.

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Findings Related to Statutory Requirements and Other Matters:

- (1) Reports of Fire and Emergency Responses – Chapter 100.3 of the Code of Iowa requires local fire officials to file 90% of monthly fire reports with the State Fire Marshal (SFM) Division within 10 business days following the end of each month for all fires causing an estimated damage of \$50 or more or emergency responses by the fire service. For fires causing death, serious bodily injury or property damage in excess of \$200,000, the local fire official is required to notify the SFM Division immediately. However, less than 90% of fire reports are being submitted to the SFM Division by local officials within 10 businesses days following the end of the month.

Recommendation – The Department should establish procedures to require all local fire officials to report fires causing estimated damage of \$50 or more or emergency responses to the SFM Division within 10 business days following the end of each month.

Response – Fire reporting in Iowa has been as low as 30% for the preceding thirty years. In 2010, the SFM Division purchased a web-based fire reporting program called FIREBRIDGE which made it easier for fire departments to report their fires. We now require fire reporting monthly instead of annually. During calendar year 2016, 583 of 848 departments (68.75%) submitted reports. There were 180,031 incidents reported in calendar year 2016. With no dedicated full-time equivalent (FTE) position, the Department of Public Safety (DPS) continues to leverage other staff when available to provide training and assistance when possible to support the program. It should be noted the statute contemplates timely reporting, but provides no funding mechanism for DPS or local agencies, and DPS does not have the authority to sanction a fire chief who does not report. A legislative change likely would require additional funding and is unlikely to pass.

Conclusion – Response accepted.

- (2) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge and control. The following findings were noted:
 - a. Additions and deletions were underreported by \$93,521. This error was subsequently corrected for financial reporting.
 - b. An adjustment of \$1,073 to accumulated depreciation for machinery, equipment and vehicles was not included on the Department's GAAP package. This error was subsequently corrected for financial reporting.
 - c. Sales revenue for equipment was underreported on the GAAP package by \$206,973. This error was not corrected for financial reporting.
 - d. Depreciation was underreported on the GAAP package by \$11,928. This error was not corrected for financial reporting.

Recommendation – The capital asset listing should be updated and corrected to reflect the proper amounts for financial reporting purposes.

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Response – The Department has reviewed and made corrections regarding all of the above capital asset findings. In addition, DPS has reviewed the capital asset issues in detail with the staff auditor making notes and corrections for the current and subsequent fiscal years, implemented a separate reporting process to identify and correct the glitch in DPS’s computer system, and reviewed the issues with staff to ensure no reoccurrences.

Conclusion – Response accepted.

- (3) TSB Goals – Chapter 73.16 of the Code of Iowa requires the Director of each department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

The TSB procurement goal for the Department for fiscal year 2016 was not set at a level greater than fiscal year 2015 actual TSB spending.

Recommendation – The Department should set the TSB procurement goal at a level greater than the previous year’s actual TSB spending, or seek legislation to change this statutory requirement.

Response – Effective for FY2018 target, the Department will set the TSB goal above prior year spending. Given recent actions to reduce appropriations statewide, the Department is unable to commit to meeting the goal.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department of Public Safety

June 30, 2016

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Laura M. Wernimont, CPA, Senior Auditor
Erin J. Sietstra, Staff Auditor
David A. Cook, CPA, Staff Auditor
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