



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

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NEWS RELEASE

FOR RELEASE

August 18, 2017

Contact: Andy Nielsen
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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, 2016.

The School is governed by the Board of Regents, State of Iowa and provides 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, 2016, the School provided outreach services to 609 students and the average cost per student was \$12,894, compared to 532 students and an average cost per student of \$14,730 for the prior year.

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 <https://auditor.iowa.gov/reports/1761-8040-BR00>.

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

JUNE 30, 2016



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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Des Moines, Iowa 50319-0004

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August 11, 2017

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, 2016.

In addition to these reports, we also prepare a separate report of recommendations pertaining to the School'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 these 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.

We have also included certain unaudited financial and other information on page 6 to report an average cost per student for the School for the five years ended June 30, 2016, 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 5 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

Iowa Braille and Sight Saving School

Report of Recommendations to the
Iowa Braille and Sight Saving School

June 30, 2016

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:

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 the general accounting, general ledger and journal entry functions are not segregated from those for recording and accounting for assets, investments, accounts receivables, accounts payable and purchasing.
- (2) Responsibilities for the petty cash fund are not segregated from those for approving reimbursement vouchers and monitoring the frequency of petty cash fund replenishments.
- (3) Responsibilities for receipt collection and deposit preparation are not segregated from those for recording and accounting for receipts.
- (4) Responsibilities for disbursement preparation are not segregated from those for recording cash disbursements.
- (5) Responsibilities for journal entry preparation and entry are not segregated from the journal entry review process. Also, journal entries were not consistently reviewed during the fiscal year.
- (6) 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 – During fiscal year 2016 all of these items were addressed or in the process of being addressed. During fiscal year 2017 we have implemented procedures to have staff at Iowa School for the Deaf, an agency under common administration, to prepare bank reconciliations and perform other review tasks. General accounting functions and approval of disbursements is now properly segregated. In addition, we have segregated the opening of mail/receipt collection to other administrative staff. Finally, we have instituted procedures to ensure independent review of journal entries.

Conclusion – Response accepted.

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, 2016

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager
Erin J. Sietstra, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Anthony J.T. Mallie, CPA, Assistant Auditor
Brett S. Gillen, Assistant Auditor
Robert Quinn Barrett, Assistant Auditor

Iowa Braille and Sight Saving School

Average Cost per Student

(Unaudited)

Year ended June 30, 2016
with comparative figures for the four preceding years

Year	Average Number of Employees	Outreach Services Enrollment	Total Expenditures Related to Outreach Services	Average Cost Per Outreach Student
2016	80	609	\$ 7,852,254	12,894
2015	79	532	7,836,264	14,730
2014	81	562	7,926,249	14,104
2013	81	506	7,632,553	15,084
2012	82	515	7,416,072	14,400

* For fiscal years 2016 through 2012, expenditures related to outreach services exclude expenditures related to construction in progress and costs associated with the space leased by Americorps, which total \$580,212, \$1,726,758, \$3,059,235, \$3,009,804, and \$2,518,966, respectively.