

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

August 31, 2017

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released a report on the Iowa Department of Education, Division of Vocational Rehabilitation Services for the year ended June 30, 2016.

The Iowa Department of Education, Division of Vocational Rehabilitation Services is responsible for determining eligibility of individuals for vocational rehabilitation and the nature and scope of vocational rehabilitation services to be provided. In addition, the Division has assumed the duties relating to making determinations of disability under the Social Security Act pursuant to an agreement between the Division and the Social Security Administration.

Mosiman recommended the Division review its internal controls relating to processing online P-1 documents to initiate and approve payroll actions through the Human Resource Interface System. The Division's response to the recommendation is included in the report.

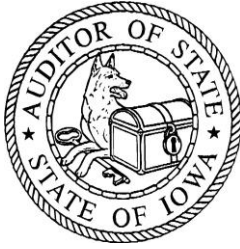
A copy of the report is available for review in at the Iowa Department of Education, Division of Vocational Rehabilitation Services, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1760-2830-BR00>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF EDUCATION, DIVISION OF
VOCATIONAL REHABILITATION SERVICES**

JUNE 30, 2016

**Iowa Department of Education
Division of Vocational Rehabilitation Services**



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August 22, 2017

To the Members of the State Board of Education:

The Iowa Department of Education, Division of Vocational Rehabilitation Services is 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 an aspect concerning the Division's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation which pertains to the Division's internal control. This recommendation has been discussed with Division personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the Division's response, we did not audit the Division's response and, accordingly, we express no opinion on it.

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 Education, Division of Vocational Rehabilitation Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Education, Division of Vocational Rehabilitation Services 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 Division during the course of our audits. Should you have questions concerning the above matter, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audits of the Division are listed on page 5 and they are available to discuss this matter 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 Education,
Division of Vocational Rehabilitation Services

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 Findings Related to Internal Control:

Payroll – The Department processes and records payroll and personnel information in the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises.

Two employees have the ability to initiate and approve P-1 documents. In addition, we identified thirty-three instances in which the same employee initiated and approved a P-1 document.

Recommendation – To strengthen controls, the Division should obtain a listing from the Department of Administrative Services to verify Division approvals of P-1 documents are being applied appropriately. This report should be independently reviewed by the Bureau Chief or designee.

Response – Iowa Vocational Rehabilitation Services (IVRS) recognizes the importance of internal control mechanisms. IVRS does not encourage the Human Resources Associate (HRA) to both initiate and approve P-1 documents. However, circumstances occur when the HRA must both initiate and approve a P-1 document due to short deadlines and lack of other permitted staff available to approve the document. In these situations the HRA will enter remarks within the P-1 document as justification for why he is both initiating and approving the document.

Conclusion – Response accepted.

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa Department of Education,
Division of Vocational Rehabilitation Services

June 30, 2016

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Anthony M. Heibult, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audit include:

Jacob N. Bennett, Assistant Auditor
Elizabeth P. Dawson, Assistant Auditor
Cole J. Hanley, Assistant Auditor