



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

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NEWS RELEASE

FOR RELEASE

January 12, 2021

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department for the Blind for the year ended June 30, 2019.

The Iowa Department for the Blind is a statewide organization offering specialized, integrated services which blind and severely visually impaired Iowans need to live independently and work competitively.

AUDIT FINDINGS:

Sand reported one finding related to the reporting of capital assets. The finding is found on page 3 of this report. Sand recommended the Department establish procedures to ensure all capital asset activities and calculations are accurate and properly reported.

Management of the Iowa Department for the Blind have a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT FOR THE BLIND**

JUNE 30, 2019

Iowa Department for the Blind



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Des Moines, Iowa 50319-0006

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Rob Sand
Auditor of State

January 4, 2021

Iowa Department for the Blind
Des Moines, Iowa

To Emily Wharton, Director of the Iowa Department for the Blind:

I am pleased to submit to you the financial and compliance audit report for the Iowa Department for the Blind for the year ended June 30, 2019. The report includes an audit finding pertaining to the Department's internal control for the year ended June 30, 2019.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department for the Blind throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department for the Blind



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January 4, 2021

To Emily Wharton, Director of the
Iowa Department for the Blind:

The Iowa Department for the Blind 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, 2019.

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 a recommendation which is reported on the following page. We believe you should be aware of this recommendation which pertains to the Department's internal controls. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department for the Blind'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 for the Blind, citizens of the State of Iowa and other parties to whom the Iowa Department for the Blind 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 Department for the Blind 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 5 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA
Deputy 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 for the Blind

June 30, 2019

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

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.

Condition – The Department improperly reported adjustments to asset cost and accumulated depreciation in the amount of \$32,619 and \$10,612, respectively.

Cause – Policies have not been established and procedures have not been implemented to require an independent review of capital asset activity to ensure information reported is accurate and reliable.

Effect – Lack of policies and procedures resulted in Department employees not detecting the error in the normal course of performing their assigned functions.

Recommendation – The Department should establish procedures to ensure all capital asset activities and calculations are accurate and properly reported in the GAAP package.

Response – The Department for the Blind has consistently followed the same capital asset procedure of accounting for capital assets in a spreadsheet since before FY2014. On this spreadsheet, all required information is tracked and the accumulated depreciation can be calculated as it is the difference in the cost of the asset and the undepreciated balance of the asset. At the recommendation of the auditor, the Department will input all active capital assets into I/3 during FY21 to improve internal controls. The GAAP package for FY20 was submitted prior to the audit report so the beginning balances for FY21 will be adjusted for the errors reported by the auditor.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department for the Blind
June 30, 2019

Finding Related to Statutory Requirements and Other Matters:

No matters were reported.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2019

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Gwen D. Fangman, CPA, Manager
Jon G. Hanson, Staff Auditor