



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

FOR RELEASE

June 28, 2024

Contact: Brian Brustkern
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Education, Division of Vocational Rehabilitation Services for the year ended June 30, 2023.

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.

AUDIT FINDINGS:

Sand reported three findings pertaining to the Iowa Department of Education, Division of Vocational Rehabilitation Services. The findings can be found on pages 3 through 5 of this report. The findings address procurement cards, questionable disbursements, and leases. Sand provided the Department with recommendations to address the findings.

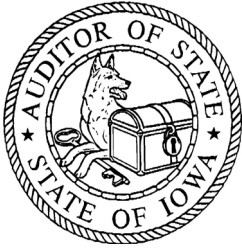
A copy of the report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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

JUNE 30, 2023

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



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June 11, 2024

Iowa Department of Education, Division of Vocational Rehabilitation Services
Des Moines, Iowa

To: James Williams Jr., Division Administrator of the
Iowa Vocational Rehabilitation Services:

I am pleased to submit to you the financial and compliance audit report for the Iowa Department of Education, Division of Vocational Rehabilitation Services for the year ended June 30, 2023. The audit was performed pursuant to Chapter 11.2 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Division 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 that reads "Rob Sand".

Rob Sand
Auditor of State

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



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June 11, 2024

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 Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2023.

In conducting our audits, we became aware of certain aspects concerning the Division'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 which pertain to the Division's internal control and statutory requirements. These recommendations have been discussed with Division personnel and their responses to these recommendations are included in this report. While we have expressed our conclusion on the Division's responses, we did not audit the Division'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 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 any of the above matters, we shall be pleased to discuss it with you at your convenience. Individuals who participated in our audit of the Division are listed on page 6, and they are available to discuss these matters with you.

A handwritten signature in black ink, appearing to read "Brian R. Brustkern".

Brian R. Brustkern CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Timothy McDermott, Director, Legislative Services Agency

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

June 30, 2023

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:

- (1) Procurement Cards (P-Cards) – The purchasing card (P-card) is a Visa credit card issued by a bank to the State of Iowa. The purpose of the P-card program is to establish a faster, more cost-effective method for purchasing and payment. The Department of Administrative Services (DAS) implemented policies and procedures governing the program.

The DAS Purchasing Card policy requires a cardholder to be an employee of the State of Iowa who is designated by their supervisor and approved by the Agency Administrator to utilize the Purchasing Card to purchase supplies and/or goods. The cardholder is subject to single transaction limitations and a monthly limit. Each purchase must be supported by a receipt or other supporting documentation. In addition, all purchases must have an approved purchase request prior to the purchase. Cardholders may only hold one card. A card without the cardholder's signature in the signature block is an invalid card.

Five monthly procurement statements tested were not paid within 30 days of the statement date as required by the Purchasing Card Policy and Procedures Manual.

Recommendation – The Division should develop procedures to ensure all procurement charges are paid within 30 days of the statement date as required.

Response – IVRS management will review the procurement card policy with processing staff to reinforce the importance and requirement of payment within 30 days of statement.

Conclusion – Response accepted.

- (2) Leases – 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 submit their GAAP packages to DAS-SAE by the first week of September each year. The Division reported a lease payable of \$1,094,955 with Iowa Workforce Development as the lessor. This should not have been reported as both are departments of the State and in the same Financial Statements. This was corrected for financial reporting purposes.

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

June 30, 2023

Recommendation – The Division should implement additional procedures to ensure information reported to DAS-SAE on the GAAP Package is accurate.

Response – Leases with IWD will not be reported for SFY2024. In addition, with the realignment as of July 1, 2023, IVRS and IWD are reviewing necessity of leases due to our new relationship.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Education,
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Finding Related to Statutory Requirements and Other Matters:

- (1) Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain disbursements were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits have not been clearly documented.

A late fee of \$10 was included on a Mediacom Business statement.

Recommendation – The Division should ensure statement payments are timely to avoid late fees.

Response – IVRS management will review payment processing expectations and align with state and federal rules.

Conclusion – Response accepted.

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

June 30, 2023

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Cole L. Hocker, CPA, Manager
Noelle M. Johnson, Senior II Auditor

Other individuals who participated in the audit include:

Tiffany M. Ainger, CPA, Manager
Stephen J. Hoffman, Senior II Auditor
Jon G. Hanson, Staff Auditor
Hunter W. Penton, Staff Auditor
Brianna M. Denton, Assistant Auditor
Matthew F. Perry, Assistant Auditor
Amila Tursunovic, Assistant Auditor