



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

NEWS RELEASE

Contact: Pam Bormann
515/281-5834

FOR RELEASE

September 30, 2024

Auditor of State Rob Sand today released a report on the Iowa Department for the Blind for the year ended June 30, 2023.

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 two findings pertaining to the Department. The findings can be found on pages 3 and 4 of this report. Sand recommended the Department establish a review process to ensure the Schedule of Federal Expenditures is accurate and implement procedures to ensure compliance with Chapter 73.16 of the Code of Iowa related to targeted small businesses.

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

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 FOR THE BLIND**

JUNE 30, 2023

Iowa Department for the Blind



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STATE OF IOWA

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

Rob Sand
Auditor of State

September 25, 2024

Iowa Department for the Blind
Des Moines, Iowa

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

I am pleased to submit to you this Report of Recommendations for the Iowa Department for the Blind for the year ended June 30, 2023. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2023 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the 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". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Department for the Blind



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STATE OF IOWA

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Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

September 25, 2024

To: Emily Wharton, Director of 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 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 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 which pertain to the Department's internal control and 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 conclusion on the Department's responses, we did not audit the Department'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 for the Blind, citizens of the State of Iowa and other parties to whom the Department 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 any 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 Iowa Department for the Blind are listed on page 5 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Pam Bormann".

Pam Bormann, CPA
Director

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

June 30, 2023

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.

Condition – The Department understated Social Security Disability Insurance program expenditures of the Schedule of Federal Expenditures (SEFA) by \$158,611 and overstated Rehabilitation Services Vocational Grants to States program expenditures by \$97,765. This was properly adjusted for reporting purposes.

Cause – Although policies and procedures were in place to review the SEFA, the review did not identify the misstatements.

Effect – The amounts reported as federal expenditures on the SEFA by the Department were initially misstated.

Recommendation – The Iowa Department for the Blind should follow the established policies and procedures to ensure SEFA amounts are recorded correctly and establish a review process which ensures errors are caught and corrected.

Response – The Iowa Department for the Blind Certified Financial Officer (CFO) and accounting team have designed and implemented an internal control procedure to follow in preparing the SEFA to ensure its accuracy.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department for the Blind

June 30, 2023

Findings Related to Statutory Requirements and Other Matters:

Targeted Small Businesses – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or 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 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 a certified targeted small business during the previous fiscal year.

Departments with an established TSB procurement goal are required to report the dollar amount of purchases from certified targeted small businesses to the TSB Marketing and Compliance Manager of the IEDA within 15 business days following the end of each calendar quarter.

The Department did not submit the fourth quarter report to the TSB Marketing and Compliance Manager of the IEDA within 15 business days, as required.

Recommendation – The Department should ensure quarterly reports are submitted to the TSB Marketing and Compliance Manager of the IEDA within 15 business days, as required.

Response – It appears that this report was filed on July 12, 2023, the data and report were created on this date, but there is no record documenting the filing. This is in part due to staff that have left the Department for the Blind and staff that have retired from the Department of Administrative Services. The procedure is established for the Accounting Clerk 3 to prepare the report, review the report with the CFO (which was done on July 12, 2023) then file the report. The procedure has now changed to include copying the CFO on the submittal of the report by the 15th day of the end of each quarter.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department for the Blind

June 30, 2023

Staff:

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Director
Karen L. Brustkern, CPA, Manager

Other individuals who participated in the audits include:

Stephen J. Hoffman, Senior Auditor II
Allison L. Carlon, Staff Auditor