



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE July 12, 2006

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa Department of Public Health for the year ended June 30, 2005.

The Department exercises general supervision over public health programs, promotes health and sanitation, carries out specific responsibilities required by law and administers state and federal laws related to public health and vital records. The Department also exercises administrative authority over the medical, dental, pharmacy and nursing boards.

Vaudt recommended the Department improve controls over cash receipts. The Department responded that corrective action is being implemented.

A copy of the report is available for review in the Iowa Department of Public Health, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF PUBLIC HEALTH**

JUNE 30, 2005

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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July 7, 2006

To Dr. Mary Mincer Hansen, Director of the
Iowa Department of Public Health:

The Iowa Department of Public Health 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, 2005.

In conducting our audits, we became aware of an aspect 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 control. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report.

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 Public Health, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Health 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 questions concerning the above matter, 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.

A handwritten signature in black ink, reading "David A. Vaudt".

DAVID A. VAUDT, CPA
Auditor of State

A handwritten signature in black ink, reading "Warren G. Jenkins".

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Thomas J. Vilsack, Governor
Michael L. Tramontina, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Public Health
June 30, 2005

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

Initial Receipt Listings – Payments by cash and check are received at various locations in the Department. Initial receipt listings should be prepared upon receipt and later compared to the deposit by an independent person. Two of four locations tested did not properly prepare initial receipt listings and later compare them to the actual deposit, as follows:

Radiological Health – Initial receipt listings were created by the mail opener. However, these listings were not compared to the deposits.

Professional Licensure – Initial receipt listings were not prepared.

Recommendation – The Department should ensure initial receipt listings are prepared and reconciled to the actual deposits.

Responses –

Radiological Health – Staff within the Bureau of Radiological Health are now compiling and photocopying a list of checks received before sending them up to the Cashier's Office in the Bureau of Finance. After processing the incoming receipts, a staff member from the Bureau of Finance returns a copy of the Cash Receipt Document and the processed paperwork to the Bureau of Radiological Health staff whom then utilize this information to perform a reconciliation.

Professional Licensure – We currently do not have sufficient FTEs or an adequate computer system to address this recommendation. Legislation was passed by the 2006 General Assembly, which will allow the Bureau of Professional Licensure to retain 100% of their fees beginning in FY 2008. These additional resources will be used to correct this audit finding.

Conclusions – Response accepted for Radiological Health. Response acknowledged for Professional Licensure. Until the Department has the necessary resources to enhance controls over receipts, Professional Licensure staff should consider performing random checks of receipts to deposits to ensure receipts are properly deposited.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Public Health
June 30, 2005

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Steven O. Fuqua, CPA, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Karen J. Kibbe, Staff Auditor
Andrew J. Muff, Assistant Auditor
Joseph M. Seuntjens, Assistant Auditor
Janet M. Tiefenthaler, Assistant Auditor