



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE _____ July 11, 2006

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

The Department's purpose is to promote opportunities, advocate the rights, improve the conditions of poverty and to study the changing needs and problems of all Iowans.

A copy of the report is available for review in the Iowa Department of Human Rights, 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 HUMAN RIGHTS**

JUNE 30, 2005

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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July 5, 2006

To Mr. Walter Reed Jr., Director of the Iowa
Department of Human Rights:

The Iowa Department of Human Rights 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 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 include those reported in the State's Single Audit Report, as well as other recommendations pertaining to the Department's 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.

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 Human Rights, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Rights 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 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 7 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

June 30, 2005

Findings Reported in the State's Single Audit Report:

CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons

Agency Number: None

Federal Award Year: 2005

State of Iowa Single Audit Report Comment: 05-III-DOE-379-1

- (1) Allocation Approval – The contract between the Department of Human Rights and the United States Department of Energy requires both program and fiscal monitoring to be performed. The contract further requires written program monitoring and fiscal monitoring reports be sent to the subrecipient within 30 days of the review being completed.

Five of eighteen program monitoring reports and three of eighteen fiscal monitoring reports tested were not sent to the subrecipient within 30 days of the review being completed.

Recommendation – The Department should establish a policy to ensure both program and fiscal monitoring reports are sent out in a timely manner.

Response and Corrective Action Planned – Checklists are used to ensure we have all of the information we need for the program and fiscal monitoring. As a reminder, we will include on the checklist the date by which the report needs to be sent to the local agency in order to meet the 30-day threshold.

Conclusion – Response accepted.

CFDA Number: 93.568 – Low-Income Home Energy Assistance

Agency Number: G04B1IALIEA

Federal Award Year: 2005

State of Iowa Single Audit Report Comment: 05-III-HHS-379-11

- (2) Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. As stated in the Cash Management Improvement Act (CMIA) Agreement, the Low-Income Home Energy Assistance Program (LIHEAP) is funded on a cash advance basis. This means federal draws are not to be deposited more than three days prior to the date of disbursement.

From July 20, 2004 to July 29, 2004, a balance ranging from \$555,945 to \$2,841,098 was carried, and during the period August 17, 2004 to August 31, 2004 a balance ranging from \$66,460 to \$1,879,220 was carried.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The Department will continue to closely monitor its cash management procedures to ensure compliance with federal guidelines.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2005

The last instance cited by the Office of the State Auditor was August 17, 2004 to August 31, 2004. It appears for the rest of state fiscal year (SFY) 2005 procedures implemented by our Department prevented excessive federal funds from being drawn down.

Reports showing our daily cash balances for SFY 2006 from July 1, 2005 through the present day (February 7, 2006) will be forwarded to the auditors for a mid-year review.

Conclusion – Response accepted.

CFDA Number: 93.568 – Low-Income Home Energy Assistance

Agency Number: G04B1IALIEA

Federal Award Year: 2005

State of Iowa Single Audit Report Comment: 05-III-HHS-379-12

- (3) Monitoring of Subrecipient Audit Reports – OMB Circular A-133 Subpart C.300(e) and Subpart D.400(d)(4) require the Department to ensure subrecipients expending \$500,000 or more in federal awards submit audit reports to it within nine months of the subrecipient's fiscal year end. The Department has established a policy to perform timely reviews of the audit reports within six months of receipt and send out letters of findings as appropriate.

Thirteen of nineteen subrecipient audit reports received had been reviewed. Of the thirteen reviewed, ten were not reviewed in a timely manner.

Recommendation – The Department should follow established policy to ensure subrecipient audit reports are reviewed in a timely manner.

Response and Corrective Action Planned – Job duty assignments are being evaluated. Due to fiscal staff vacancy in state fiscal year 2006, tasks including the review of subrecipient audits will be redistributed to ensure they are being completed in a timely manner.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2005

Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Commission and Council Meetings – The Iowa Department of Human Rights includes eight councils and commissions established under Chapter 216A of the Code of Iowa.

Chapter 69.15 of the Code of Iowa states a person appointed to a commission is deemed to have submitted a resignation from office if they do not attend three or more consecutive meetings or if they attend less than one-half of the regular meetings within twelve calendar months beginning on July 1.

The Criminal and Juvenile Justice Planning Advisory Council had three members who did not comply with the attendance requirements of Chapter 69.15 of the Code of Iowa.

The Commission on the Status of Women had one vacancy.

Recommendation – The Department should continue its efforts to encourage member attendance as well as work with the Governor's Office to have the vacancies filled.

Response – The Department does encourage commission member attendance. Teleconferencing, using ICN sites, scheduling meetings on weekends and evenings, and utilizing various locations around the state are just four of the methods the divisions have tried. However, if a commissioner/council member has not attended three or more consecutive meetings and thus has been deemed to have submitted a resignation from office, the appropriate Department division will inform the Governor's Office of the situation. The Department of Human Rights does not have statutory authority to tender these resignations.

The Iowa Commission on the Status of Women (ICSW) had one vacancy during State Fiscal Year 2005. The ICSW provided the Governor's Office with several lists of names of potential Commission members for appointment consideration. The ICSW encourages potential members to submit applications

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2005

Staff:

Questions or requests for further assistance should be directed to:

Kay F. Dunn, CPA, Manager
Steven O. Fuqua, CPA, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Scott P. Boisen, Staff Auditor
Trevor L. Theulen, Staff Auditor
Nathan H. Kalkwarf, Assistant Auditor
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