



# Iowa Workforce Development

Thomas J. Vilsack, Governor

Sally J. Pederson, Lt. Governor

Richard V. Running, Director

Putting Iowa  
to Work

February 28, 2003

Robert R. Wallace, Regional Inspector General for Audit  
U. S. Department of Labor – OIG  
61 Forsyth Street, SW, Room 6T20  
Atlanta, GA 30303-3104

Re: Draft Report by Navarro

Dear Mr. Wallace:

Iowa Workforce Development takes issue with the draft report relating to the monitoring and review by R. Navarro and Associates, Inc.

First, I will address comments to the numbered Procedures and Findings:

4. Navarro staff indicated they were unable to perform this procedure. The State of Iowa Auditor of State performs an annual audit of the agency's programs. The Auditor of State was able to trace all costs from the State's accounting system to the, "off-ledger" system. The basic reason for the, "off-ledger," system was that the agency had been using the USDOL provided cost accounting system which did not link to the State's accounting system. The agency abandoned the USDOL provided system on July 1, 2000 and went to the State's system as the sole system. Navarro staff were well of this.

It is our contention that the inability of Navarro staff to perform this procedure was their own unfamiliarity with the JTPA program, and was further exacerbated by two of the staff's limited English speaking ability. Explanations were very difficult.


5. Navarro staff indicated that they were unable to perform this procedure. Please note that in the executive summary and number 8 they were able to take the Financial Status Report that we provided them and reconcile it to the sub recipient's books of account. Obviously, some of the procedure could be accomplished.
6. Comments relating to the agency's most recent single audit indicated that the, "modifications were not complete as of the date of our audit

fieldwork." This is totally incorrect. The agency implemented the sole use of the State's accounting system on July 1 2000. Navarro's visit was in February 2002. This information was relayed to Navarro's staff on numerous occasions during their visit.

All in all, we feel that Navarro's report is an unfair representation of the agency's performance. We again stress the inadequate preparation and knowledge of the JTPA programs involved and the difficulty with communication.

If you have questions relating to this response, please feel free to contact me at 515/281-5095.

Sincerely,



Stephen H. Morris, Division Administrator  
Administrative Services