



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

David A. Vaudt, CPA  
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**NEWS RELEASE**

FOR RELEASE May 3, 2005

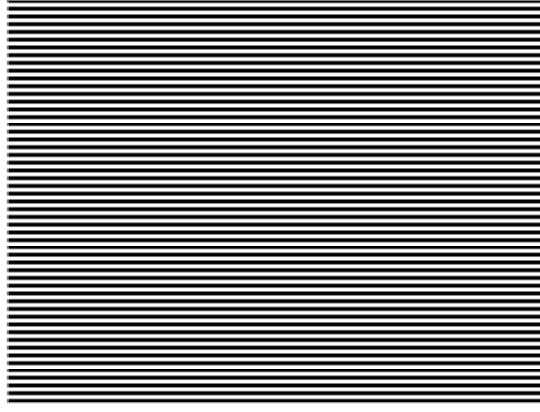
Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Judicial Branch for the year ended June 30, 2004. The Iowa Judicial Branch is comprised of the Supreme Court, the Court of Appeals, the District Court, the Clerk of Court and the Court Administrator.

The Iowa Judicial Branch's purpose is to exercise general, general appellate and original jurisdiction in civil and criminal cases and in all proceedings including probate and juvenile matters. The Iowa Judicial Branch determines rules for admission and discipline of the bar and adopts rules regulating appellate practice and procedures and promulgates regulations of the Commission on Judicial Qualifications, the Board of Law Examiners and the Board of Shorthand Reporters.

A copy of the report is available for review in the Office of Auditor of State.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA JUDICIAL BRANCH**

**JUNE 30, 2004**

Office of

**AUDITOR  
OF STATE**

State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA**  
Auditor of State



0560-4440-0000



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May 3, 2005

To the Iowa Judicial Branch:

The Iowa Judicial Branch 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, 2004.

In conducting our audits, we became aware of certain aspects concerning the Iowa Judicial Branch's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following page. We believe you should be aware of these recommendations which pertain to the Iowa Judicial Branch's internal control. These recommendations have been discussed with Iowa Judicial Branch 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 Judicial Branch, citizens of the State of Iowa and other parties to whom the Iowa Judicial Branch 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 Iowa Judicial Branch 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 Iowa Judicial Branch are listed on page 5 and they are available to discuss these matters with you.

Handwritten signature of David A. Vaudt.

DAVID A. VAUDT, CPA  
Auditor of State

Handwritten signature of 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 Judicial Branch

June 30, 2004

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

**Findings Related to Internal Control:**

(A) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department and division of the State to maintain up-to-date inventory of all real and personal property belonging to the State. The following were noted:

- 1) One asset tested was at a location different from the location noted on the capital asset listing.
- 2) Three assets included in the capital assets record could not be located.

Recommendation – The Iowa Judicial Branch should review its capital asset procedures to ensure accurate and current records are maintained.

Response – We will continue to work to improve our capital asset procedures.

Conclusion – Response accepted.

(B) GAAP Package – The GAAP Package is prepared by the Iowa Judicial Branch and submitted to the Iowa Department of Administrative Services, State Accounting Enterprise. The GAAP Package provides additional financial information that cannot be obtained from the State's Accounting System (I3). The GAAP Package completed by the Iowa Judicial Branch contained several errors which required numerous corrections and revisions. Some of the errors included the following:

- 1) Current year depreciation for capital assets was overstated by \$5,775,796.
- 2) Accounts receivable were overstated by \$31,472,936.
- 3) Allowance for doubtful accounts was overstated by \$8,405,512.

Recommendation – The GAAP Package should be accurately completed and reviewed by management prior to submission.

Response – We will work to improve the accuracy of our GAAP Package.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Report of Recommendations to the Iowa Judicial Branch

June 30, 2004

**Staff:**

Questions or requests for further assistance should be directed to:

Joe T. Marturello, CIA, Manager  
Tammy A. Wolterman, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jennifer R. Edgar, Staff Auditor  
Brad T. Holtan, Staff Auditor  
Janet M. Tiefenthaler, Assistant Auditor