



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

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NEWS RELEASE

FOR RELEASE

December 7, 2020

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Judicial Branch for the year ended June 30, 2019. The Iowa Judicial Branch is comprised of the Supreme Court, the Court of Appeals, the District Courts, the Clerks of District 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.

AUDIT FINDINGS:

Sand reported one finding related to the receipt and expenditure of taxpayer funds. The finding is found on page 3 of this report. Sand recommended the Judicial Branch implement procedures to ensure information reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package is complete and accurate.

Management of the Iowa Judicial Branch have a fiduciary responsibility to provide oversight of the Iowa Judicial Branch operations and financial transactions. Oversight is typically defined as the “watchful and responsible care” management exercises in its fiduciary capacity

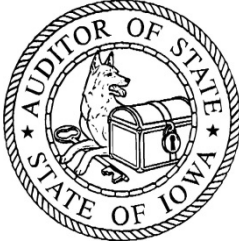
A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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

JUNE 30, 2019

Iowa Judicial Branch



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December 2, 2020

Iowa Judicial Branch
Des Moines, Iowa

To the Iowa Judicial Branch:

I am pleased to submit to you the Report of Recommendations for the Iowa Judicial Branch for the year ended June 30, 2019. The report includes an audit finding pertaining to the Department's internal control which resulted from the fiscal year 2019 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Judicial Branch 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 that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Judicial Branch



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December 2, 2020

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 audit of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2019.

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 a recommendation which is reported on the following page. We believe you should be aware of this recommendation which pertains to the Judicial Branch's internal controls. This recommendation has been discussed with Iowa Judicial Branch personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Iowa Judicial Branch's response, we did not audit the Iowa Judicial Branch's response and, accordingly, we express no opinion on it.

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 audit. 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 4 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2019

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 – Certain financial activity is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. The Judicial Branch omitted one prepaid expense in the GAAP Package which understated the Judicial Branch's prepaid expenses by \$75,431. This amount was properly adjusted for reporting purposes.

Cause – Although policies and procedures have been established to require independent review of GAAP package information to ensure financial information is accurate and reliable, the review did not identify the omitted prepaid expense.

Effect – The prepaid expenses was understated by \$75,431.

Recommendation – The Judicial Branch should ensure financial information generated for the GAAP package is properly reviewed for accuracy.

Response – We will continue to improve our policies and procedures regarding our GAAP reporting and the review that takes place at the departmental and branch level before submission is made.

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, 2019

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Suzanne R. Dahlstrom, CPA, Manager
Prem Gobin, Senior Auditor

Other individuals who participated in the audit include:

Andy J. Salwolke, Staff Auditor
Ethan M. Snedigar, Staff Auditor
Kile J. Bean, Staff Auditor
Valerie R. Davis, Assistant Auditor
Corey D. Hauptmann, Assistant Auditor
Kelly M. Disney, Accountant II