



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

June 5, 2024

Auditor of State Rob Sand today released a report on the Iowa Department of Public Defense for the year ended June 30, 2020.

The Iowa Department of Public Defense was created to protect the citizens of the state, recruit and train military personnel and maintain the National Guard armories throughout the state.

AUDIT FINDING:

Sand reported one finding pertaining the understatement of capital assets depreciation. The finding is found on page 3 of this report. Sand provided the Department with a recommendation to address the finding.

The finding discussed above is repeated from the prior year. Department management have a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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

JUNE 30, 2020

Iowa Department of Public Defense



OFFICE OF AUDITOR OF STATE
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Rob Sand
Auditor of State

May 28, 2024

Iowa Department of Public Defense
Des Moines, Iowa

To the Members of the Iowa Department of Public Defense:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Public Defense for the year ended June 30, 2020. The report includes a finding pertaining to the Department's internal control which resulted from the fiscal year 2020 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Public Defense 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of Public Defense



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May 28, 2024

Iowa Department of Public Defense
Des Moines, Iowa

To Major General Stephen Osborn,
of the Iowa Department of Public Defense:

The Iowa Department of Public Defense is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2020.

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 reported in the State's Report on Internal Control. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department of Public Defense'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 Department of Public Defense, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Defense 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 any of 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 4 and they are available to discuss these matters with you.

A handwritten signature in black ink, appearing to read "Brian R. Brustkern".

Brian R. Brustkern, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Tim McDermott, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Public Defense

June 30, 2020

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

(1) Capital Assets

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.

Chapter 7A.30 of the Code of Iowa requires each department of the State to maintain a written, detailed and up-to-date inventory of property under its charge and control.

Condition – Current year depreciation on armory buildings was understated by \$1,378,294 because of the capital asset spreadsheet not being updated to reflect June 30, 2020 in the depreciation calculation.

Cause – Policies have not been established and procedures have not been implemented to require an independent review of capital asset additions to ensure they are properly capitalized.

Effect – Lack of policies and procedures resulted in Department employees not detecting the errors in the normal course of performing their assigned functions.

Recommendation – The Department should develop written procedures to ensure a detailed, up-to-date capital asset listing is maintained and is independently reviewed to ensure data is accurately entered and capital assets are properly recorded.

Response – The Department will develop written procedures on maintaining the capital asset listing spreadsheet and the process used to calculate the annual accumulated depreciation on capital assets. The Department has protected the excel spreadsheet used for the capital asset listing so that only those with training and editing permission can make changes. The Department will conduct an additional internal review to ensure the accuracy of information on our listing.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Public Defense

Staff

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Suzanne R. Dahlstrom, CPA, Manager
Sarah Swisher, Senior Auditor II
Priscilla M. Ruiz Torres, Staff Auditor
Kerillos M. Hana, Assistant Auditor