



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

Rob Sand  
Auditor of State

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Des Moines, Iowa 50319-0006  
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**NEWS RELEASE**

Contact: Brian Brustkern  
515/281-5834

FOR RELEASE

September 5, 2024

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The Office of Auditor of State today released a report on the Iowa Department of Natural Resources for the year ended June 30, 2022.

The Department has the primary responsibility for state parks and forests, protecting the environment and managing energy, fish, wildlife, land and water resources in the state.

Sand reported two findings related to the receipt and expenditure of taxpayer funds. The findings are found on pages 3 through 6 of this report. Sand recommended the Department review controls over field offices, and comply with certain statutory requirements pertaining to its operations or, where applicable, seek to have the provisions changed or repealed.

Both of the findings discussed above are repeated from the prior year Report of Recommendations. Management of the Iowa Department of Natural Resources 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" management 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 NATURAL RESOURCES**

**JUNE 30, 2022**

**Iowa Department of Natural Resources**



**OFFICE OF AUDITOR OF STATE**  
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Telephone (515) 281-5834

August 30, 2024

Iowa Department of Natural Resources  
Des Moines, Iowa

To the Members of the Iowa Department of Natural Resources:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Natural Resources for the year ended June 30, 2022. The report includes findings pertaining to the Department's internal control and statutory compliance which resulted from the fiscal year 2022 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department of Natural Resources 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 Natural Resources**



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August 30, 2024

To the Members of the Iowa Environmental Protection and Natural Resource Commissions:

The Iowa Department of Natural Resources 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, 2022.

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 pertaining to the Department's internal control and 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. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Natural Resources' responses and, accordingly, we express no opinion on them.

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 Natural Resources, citizens of the State of Iowa and other parties to whom the Iowa Department of Natural Resources 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, 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 Natural Resources  
June 30, 2022

**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:**

Field Offices – The Department has various sites throughout the state including parks, environmental offices, law enforcement offices, wildlife offices, management offices, fish hatchery/rearing stations and research stations.

During fiscal year 2022, thirteen sites were selected for on-site review, including nine state parks, one environmental office, one fish hatchery/rearing station and two forestry offices. During the on-site visits, internal controls were reviewed and certain revenues and capital assets were tested.

Capital Assets

- (a) Four sites had capital assets which were not properly tagged.

Internal Control

- (a) Eleven sites lacked segregation of duties related to responsibilities for the collection, deposit and reconciliation of receipts.
- (b) Revenues were not counted by an independent person in a secure location at ten sites.
- (c) One site did not restrictively endorse checks upon receipt.
- (d) Two sites did not prepare initial listings of receipts. In addition, seven sites did not reconcile their deposits and/or guest logs to the initial listings.
- (e) Two sites did not perform cash deposits timely.
- (f) At one site a receipt book was unaccounted for and another site was not maintaining guest log sheets.

Recommendation – The Department should review policies and procedures to ensure adequate controls are in place, policies and procedures are communicated to field office personnel and the policies and procedures are enforced.

Report of Recommendations to the  
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June 30, 2022

Response – The Department has policies and procedures in place for receipt collection, segregations of duties, and the reconciliation of receipts to the initial listing where staffing allows. However, due to the vast number of geographic locations some field locations do not have multiple field staff. The Department makes every effort to ensure segregation of duties during peak seasons utilizing temporary staff and seasonal employees.

The Department will work with field staff to ensure policies and procedures are adequately communicated and enforced at field locations.

Conclusion – Response acknowledged. The Department should ensure adequate controls are in place at all times and should establish procedures to ensure those controls are enforced.



Report of Recommendations to the  
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**Findings Related to Statutory Requirements and Other Matters:**

(1) Iowa Code Compliance – The Department was not in compliance with the following provisions of the Code of Iowa during the year ended June 30, 2022:

- (a) Compliance Advisory Panel – Chapter 455B.150 states the Department shall make appointments to the compliance advisory panel as created pursuant to the federal Clean Air Act Amendments of 1990. The panel shall consist of two persons appointed by the governor, four persons appointed by the leadership of the general assembly and the Department Director or Director's designee.

The Department has not complied with this provision.

- (b) Agricultural Easement Program – Chapter 456B.11 states the Department shall develop and implement a program for the acquisition of wetlands and conservation easements on and around wetlands which result from the closure or change in the use of agricultural drainage wells.

The Department has not implemented this program.

Recommendation – The Department should comply with the Code of Iowa or, where applicable, seek to have the provisions changed or repealed.

Responses –

- (a) This section creates the Compliance Advisory Panel and requires that the panel consist of two persons appointed by the Governor, four persons appointed by the leadership of the General Assembly, and the Department's Director, or designee. These appointments remain unfilled. The Panel has never been fully appointed since the requirements were established in the 1990 federal Clean Air Act amendments. The Department continues to work with the representatives of the Iowa Waste Reduction Center and representatives of small businesses to address the needs of small businesses.

Code Section 455B.150 was repealed when the Governor signed Senate File 2385 into law on May 3, 2024.

- (b) The Department is always interested in working with willing landowners to restore wetlands. However, the Department has not developed a specific program for the acquisition of wetlands and conservation easements resulting from the closure of agricultural drainage wells. Two reasons have prevented the Department from developing a program:

The Department has a strong interest in restoring wetlands. However, acquiring highly productive farmland, either by easement or fee simple, is very expensive. Additional sources of funding would be necessary for the successful implementation of this program. The Department has relied on federal programs to accomplish this work.

Report of Recommendations to the  
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The Department has worked closely with the Iowa Department of Agriculture and Land Stewardship (IDALS) in our mutual efforts to reduce the negative impacts of agricultural drainage wells. The IDALS agricultural drainage well closure program has had adequate funding and good landowner participation in its effort to close wells by cost-sharing alternative drainage systems. Although Iowa Code section 460.304 allows IDALS to use agricultural drainage well closure funding for alternatives such as restoration of wetlands, landowners have historically been interested in continuing to farm the land. History has shown that farmers prefer assistance with alternative drainage more than wetland restoration. To date, IDALS has found little landowner interest in the alternative to restore wetlands.

Conclusion – Response accepted.

Report of Recommendations to the  
Iowa Department of Natural Resources

June 30, 2022

**Staff:**

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy  
Lesley R. Geary, CPA, Manager  
Karen L. Brustkern, CPA, Manager

Other individuals who participated in the audits include:

Adam J. Sverak, Senior Auditor  
Charles P. Duff, Staff Auditor  
Jon D. Hedgecock, Staff Auditor  
Kari L. Middleton, Staff Auditor  
Nolen R. Schultz, Staff Auditor  
Patrick A. Stewart, Staff Auditor  
Derrick E. Aaron, Assistant Auditor  
Therese A. Berning, Assistant Auditor  
Christofer S. Kingrey, Assistant Auditor  
Benjamin D. Wong, Audit Intern