



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

September 13, 2024

Auditor of State Rob Sand today released a report on the Iowa Judicial Branch for the year ended June 30, 2020. 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 two findings related to the Iowa Judicial Branch. The findings are found on pages 3 and 4 of this report. The findings address timely submission and accurate reporting of Targeted Small Business (TSB) reports and compliance with requirements for timely submission of unclaimed property to the Office of Treasurer of State. Sand provided the Iowa Judicial Branch with recommendations to address these findings.

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 website at [Audit Reports – Auditor of State](#).

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

JUNE 30, 2020

Iowa Judicial Branch



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

September 3, 2024

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, 2020. The report includes audit findings 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 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Judicial Branch



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STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

September 3, 2024

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 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 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 pages. We believe you should be aware of these recommendations which pertain to the Judicial Branch's statutory requirements and other matters. These recommendations have been discussed with Iowa Judicial Branch personnel and their responses to these recommendations are included in this report. While we have expressed our conclusion on the Iowa Judicial Branch's responses, we did not audit the Iowa Judicial Branch's 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 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 audit of the Iowa Judicial Branch are listed on page 5 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

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:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Targeted Small Business (TSB) Report – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each year. The procurement goal shall include the procurement of goods and services, including construction but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from a certified targeted small business during the previous fiscal year.

Departments with an established TSB procurement goal are required to report the dollar amount of purchases from certified targeted small businesses to the TSB Marketing and Compliance Manager of the IEDA within 15 business days following the end of each calendar quarter. The submission date of the 4th quarter TSB report for the Department for fiscal year 2020 was not reported timely, submitted within 15 days following the end of the quarter. In addition, the TSB procurement goal for the Department for fiscal year 2020 was not set at a level exceeding fiscal year 2019 actual TSB spending.

Recommendation – The Judicial Branch should ensure the TSB report is submitted timely (within 15 business days of the end of each quarter) and should establish a dollar amount procurement level exceeding the previous fiscal year actual targeted small businesses procurements or seek Legislation to change this statutory requirement.

Response – This condition was a result of oversight by the Interim Director of Finance due to her taking on these responsibilities in addition to her regular duties. This position has been filled by a new Director of Finance who is aware of the statutory deadlines and amounts for the Targeted Small Business Program.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Judicial Branch

June 30, 2020

(2) Unclaimed Property – Chapter 556.11 of the Code of Iowa requires each County Clerk of District Court to report and remit outstanding obligations, including checks, trusts and bonds held for more than two years, to the Office of Treasurer of State annually. In addition, each state and territory in the United States requires each County Clerk of District Court to report and remit outstanding obligations, including checks, trusts and bonds. Each state has its own holding period for reporting and submittal. The Iowa Judicial Branch, State Court Administrator’s Office is responsible for preparing this report for certain County Clerk of District Court Offices.

(a) The State Court Administrator’s Office did not remit all non-trust obligations for certain County Clerk of District Court Offices to the Office of Treasurer of State on a timely basis.

(b) The State Court Administrator’s Office did not remit all trust obligations for certain County Clerk of District Court Offices to the Office of Treasurer of State on a timely basis.

Recommendation – The Judicial Branch should implement policies and procedures to ensure the report is filed before November 1, in accordance with Chapter 556.11(4) of the Code of Iowa.

Response – We will provide training to the finance staff to educate them on the requirement that the trust list for each clerk’s office is reviewed each year along with the outstanding check list. This will assist in educating them that all items eligible will be remitted at the appropriate time.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Judicial Branch

June 30, 2020

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Suzanne R. Dahlstrom, CPA, Manager
Premnarayan Gobin, Senior Auditor II

Other individuals who participated in the audit include:

Taylor A. Hepp, Senior Auditor II
Bianca M. Cleary, Staff Auditor
Connor G. McMurphy, Assistant Auditor
Matthew K. Nnanna, Assistant Auditor
Carina I. Rios, Assistant Auditor