



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

September 3, 2020

Contact: Marlys Gaston
515/281-5834

The Office of Auditor of State today released a report on the Iowa Department of Public Defense for the year ended June 30, 2019.

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 to the understatement of capital assets. The finding is found on page 3 of this report. Sand recommended the Department ensure capital assets are accurately recorded.

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 DEPARTMENT OF PUBLIC DEFENSE**

JUNE 30, 2019

Iowa Department of Public Defense



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
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Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

August 26, 2020

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 Iowa Department of Public Defense for the year ended June 30, 2019. The report includes a finding pertaining to the Department's internal control which resulted from the fiscal year 2019 audit.

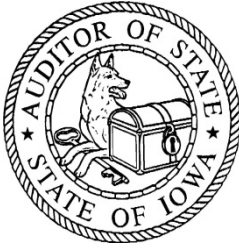
I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department of Public Defense throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Department of Public Defense



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Rob Sand
Auditor of State

August 26, 2020

To Major General Ben Corell,
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 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 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 pertaining to the Department's 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 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.

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:

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 – Building additions were understated by \$1,342,029 and accumulated depreciation additions to buildings were understated by \$230,062.

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

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 independently reviewed to ensure capital assets and depreciation are properly recorded and reported.

Response – The Department will develop written procedures to ensure a detailed, up-to-date and accurate capital asset listing is maintained. The Department is coordinating with the Geographic Information Systems Manager as well as the Construction and Facilities Management Office to identify the complete acquisition costs of new facilities as well as the costs of capitalized projects. We are also coordinating with Purchasing Office and State Property Book Office to identify all new capital assets and capture the disposal of assets no longer required.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the Iowa Department of Public Defense

June 30, 2019

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Brian R. Brustkern, CPA, Manager
Alex N. Kawamura, CPA, Senior Auditor

Other individuals who participated in the audits include:

Steven D. Rater, Staff Auditor
April R Davenport, Assistant Auditor
Maria R. Collins, Assistant Auditor