



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

September 16, 2025

Auditor of State Rob Sand today released a report on the Iowa Department of Public Defense for the year ended June 30, 2024.

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, 2024.

AUDIT FINDINGS:

Sand reported one finding related to financial reporting. This finding is found on pages 3 and 4 of this report. The Department's response to the recommendation is included in the report.

Management of the Iowa Department of Public Defense has 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 PUBLIC DEFENSE**

JUNE 30, 2024

Iowa Department of Public Defense



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

Rob Sand
Auditor of State

September 12, 2025

Iowa Department of Public Defense
Des Moines, Iowa

To: Major General Stephen Osborn
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, 2024. The report includes a finding pertaining to the Department's internal control which resulted from the fiscal year 2024 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of Public Defense



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September 12, 2025

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, 2024.

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 pages. We believe you should be aware of this recommendation, which includes a finding pertaining to the Department's internal control. This recommendation has been discussed with Department personnel and their response to the 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 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

Report of Recommendations to the
Iowa Department of Public Defense
June 30, 2024

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

(1) 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.

Departments record receipts and disbursements in the Iowa Advantage system throughout the year, including the accrual period. Activity not recorded in the Iowa Advantage system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. Departments submit their GAAP packages to DAS-SAE by the first week of September each year.

Condition – The following conditions were noted:

- (a) The Department overstated the amount of capital assets reclassified from construction in progress to buildings and improvements by \$8,499,347. This was properly adjusted for reporting purposes.
- (b) The Department understated buildings and improvements accumulated depreciation by \$1,330,376. This was properly adjusted for reporting purposes.
- (c) The Department understated construction in progress additions by \$9,755,525. This was properly adjusted for reporting purposes.
- (d) The Department understated capital asset additions by \$273,494, understated capital asset deletions by \$33,367 and overstated the gain on sale of capital assets by \$11,717. These were not adjusted for reporting purposes.

Cause – Although policies and procedures are in place to review GAAP package information, the review did not identify the misstatements.

Effect – The amounts reported for capital assets were misstated requiring adjustments to the financial statements.

Recommendation – The Department should implement effective policies and procedures to ensure information reported to DAS-SAE on the GAAP package is accurate.

Report of Recommendations to the

Iowa Department of Public Defense

June 30, 2024

Response – The Department of Public Defense Accounting Manager accepted a position outside the Department of Public Defense in May 2024, and the GAAP Package for state fiscal year 2024 was completed by a new State employee. These errors are due to a new team member and a need for additional training. As issues have been identified, a review of the GAAP package has been ongoing, errors corrected, and training coordinated with the DAS team for future submissions.

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, 2024

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Ryan J. Pithan, CPA, Manager

Other individuals who participated in the audits include:

Jon D. Hedgecock, Senior Auditor
Gabriel D. Waz, Assistant Auditor