



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

Rob Sand  
Auditor of State

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

**NEWS RELEASE**

Contact: Pam Bormann  
515/281-5834

FOR RELEASE

October 6, 2025

Auditor of State Rob Sand today released a report on the Iowa Economic Development Authority for the year ended June 30, 2024.

The Authority's purpose is to enhance the economic development of Iowa and provide for job creation and increased prosperity and opportunities for citizens.

**AUDIT FINDINGS:**

Sand reported two findings related to the receipt and expenditure of taxpayer funds. These findings are found on pages 3 and 4 of this report. Sand recommended the Authority should develop and adhere to additional procedures to ensure accurate financial reporting and follow established procedures to ensure federal funds are disbursed in a timely manner.

One of the findings discussed above was repeated from the prior year. Management of the Iowa Economic Development Authority has a fiduciary responsibility to provide oversight of the Authority'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 ECONOMIC DEVELOPMENT AUTHORITY**

**JUNE 30, 2024**

**Iowa Economic Development Authority**



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**STATE OF IOWA**

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

Rob Sand  
Auditor of State

September 30, 2025

Iowa Economic Development Authority  
Des Moines, Iowa

To the Members of the Iowa Economic Development Authority:

I am pleased to submit to you the Report of Recommendations for the Iowa Economic Development Authority for the year ended June 30, 2024. The report includes findings pertaining to the Authority'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 Economic Development Authority 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 Economic Development Authority**



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Rob Sand  
Auditor of State

September 30, 2025

To Deborah V. Durham, Director of the Iowa Economic Development Authority:

The Iowa Economic Development Authority is a discretely presented component unit 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 certain aspects concerning the Authority'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 include those pertaining to the Authority's internal control. These recommendations have been discussed with Authority personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Authority's responses, we did not audit the Iowa Economic Development Authority'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 Economic Development Authority, citizens of the State of Iowa and other parties to whom the Iowa Economic Development Authority 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 Authority 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 Authority are listed on page 5 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Pam Bormann".

Pam Bormann, 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 Economic Development Authority

June 30, 2024

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

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

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 should submit their GAAP packages to DAS-SAE by the first week of September each year.

Condition – The Authority overstated contractual commitments by \$488,001.

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

Effect – The amount reported for contractual commitments was misstated.

Recommendation – The Authority should implement additional policies and procedures to ensure information reported on the GAAP package is accurate.

Response – This error occurred on a specific program fund and was due to the primary reviewer including an award twice. It was picked up on the obligation control log and then again on an email detailing out several recaptures of awards on this program. While it was a mistake on the primary review, the information on recaptures was not provided to the secondary reviewer. The Authority will ensure all documentation for its' contractual commitments are provided to all necessary fiscal staff to provide for a more thorough review.

Conclusion – Response accepted.

Report of Recommendations to the  
Iowa Economic Development Authority

June 30, 2024

**Other Findings Related to Internal Control:**

(1) Cash Management

Criteria – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds by the Authority. Effective cash management also minimizes the amount of state and other federal funds used to supplant programs until federal funds are received. Generally, a maximum of three days is considered acceptable between the receipt of federal funds and the disbursement of those funds.

Condition – A review of the Authority’s records identified eight instances where excessive cash balances were held for four to fifteen days related to the Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii program.

Cause – Although procedures have been established to draw federal funds only in amounts sufficient to cover current needs, the Authority did not always follow established procedures.

Effect – Failure to follow procedures resulted in Authority employees not detecting the error in the normal course of performing their assigned duties.

Recommendation – The Authority should follow established procedures to ensure federal funds are drawn only in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response – The Authority strives to ensure that no more than three days pass before disbursement of these drawdowns happen. A number of the delays were due to IEDA accounting staff having to make adjustments to individual payments in order to break out costs that occurred in the previous fiscal year ensuring that financial statement accruals were properly accounted for. The Accounting Supervisor will increase monitoring/review efforts going forward along with better communication with accounting staff responsible for these drawdowns and disbursements.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were reported.

Report of Recommendations to the  
Iowa Economic Development Authority

June 30, 2024

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Deputy  
Karen L. Brustkern, CPA, Manager  
Mackenzie L. Johnson, Senior Auditor

Other individuals who participated in the audits include:

Stephen J. Hoffman, CIA, Manager  
Karen J. Kibbe, Senior Auditor II  
Jon G. Hanson, Senior Auditor  
Laurel P. Hoogensen, Senior Auditor  
Adam J. Sverak, Senior Auditor  
Benjamin L. Albrecht, Staff Auditor  
Allison L. Carlon, Staff Auditor  
Katherine A. Koele, Staff Auditor  
Hunter W. Penton, Staff Auditor  
Amila Tursunovic, Staff Auditor  
Aiden M. Ernsteen, Intern Auditor