



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

October 20, 2025

The Office of Auditor of State today released a report on the Iowa Department of Natural Resources for the year ended June 30, 2023.

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 and 4 of this report. Sand recommended the Department review controls over reporting of retainage payable, and comply with certain statutory requirements pertaining to its operations or, where applicable, seek to have the provisions changed or repealed.

One of the findings discussed above is 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, 2023

Iowa Department of Natural Resources



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STATE OF IOWA

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

October 17, 2025

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, 2023. The report includes findings pertaining to the Department's internal control and statutory compliance which resulted from the fiscal year 2023 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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October 17, 2025

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, 2023.

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 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 Natural Resources
June 30, 2023

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:

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 the 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 Department did not report retainage payable related to construction projects. As a result, accounts payable and construction in progress were understated on the GAAP Package by \$602,471.

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

Recommendation – The Department should implement additional procedures to ensure information reported in the Department's GAAP package is accurate.

Response – The Department implemented policies and procedures in fiscal year 2024 to ensure retainage payable and construction in progress are accurately reported on the affected GAAP Package pages.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department of Natural Resources
June 30, 2023

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, 2023:
- (a) 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) 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.

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, 2023

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Lesley R. Geary, CPA, Manager
Jamie T. Reuter, Senior Auditor II

Other individuals who participated in the audits include:

Charles P. Duff, Staff Auditor
Miranda L. Hoch, Staff Auditor
Deborah S. Krueger, Staff Auditor
Jared A. Marshall, Staff Auditor
David R. Roszak, Staff Auditor
Nolen R. Schultz, Staff Auditor
Therese A. Berning, Assistant Auditor
Matthew F. Perry, Assistant Auditor
Shawn P. Weuve, Audit Intern