



**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

November 4, 2025

Auditor of State Rob Sand today released a report on the Iowa Department of Inspections, Appeals and Licensing for the year ended June 30, 2024.

The Iowa Department of Inspections, Appeals and Licensing was created for the purpose of coordinating and conducting audits, appeals, hearings, inspections and investigations related to the operations of Iowa state government. The Department also provides administrative support services for the Employment Appeal Board, Hospital Licensing Board, Child Advocacy Board, State Public Defender and the Iowa Racing and Gaming Commission.

AUDIT FINDINGS:

Sand reported one finding related to targeted small business reporting requirements. The finding is found on page 3 of this report. Sand provided the Department with a recommendation to address the finding.

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 INSPECTIONS, APPEALS AND LICENSING
JUNE 30, 2024**

Iowa Department of Inspections, Appeals and Licensing



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November 4, 2025

Iowa Department of Inspections, Appeals, and Licensing
Des Moines, Iowa

To: Aaron Baack, Interim Director of the Iowa Department of
Inspections, Appeals and Licensing:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of Inspections, Appeals and Licensing for the year ended June 30, 2024. This 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 the Department 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 Inspections, Appeals, and Licensing



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November 4, 2025

To: Aaron Baack, Interim Director of the Iowa Department of
Inspections, Appeals and Licensing:

The Iowa Department of Inspections, Appeals, and Licensing 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 page. We believe you should be aware of this recommendation, which pertains to the Department's statutory requirements and other matters. 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 Inspections, Appeals and Licensing'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 Inspections, Appeals and Licensing, citizens of the State of Iowa and other parties to whom the Department 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 audit of the Department are listed on page 4 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, 2024

Findings Reported in the State’s Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

- (1) Targeted Small Businesses – 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 fiscal 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 certified targeted small businesses 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 fifteen business days following the end of each calendar quarter.

The Department did not establish a procurement goal for certified targeted small businesses for fiscal year 2024.

Recommendation – The Department should establish a procurement goal for certified targeted small businesses each year, as required.

Response – As a result of the State of Iowa’s alignment efforts, the department doubled in size on July 1, 2023. The administrative assistant tasked with completing and submitting the TSB report was temporarily assigned multiple other duties related to the addition of nearly 500 FTE’s and preparation efforts for the department’s consolidation and physical move to a new building. The Department hired a full-time purchasing position in the third quarter of fiscal year 2024 and has since tasked the TSB completion and submission to this role. The department will strive to ensure the report is submitted in a timely manner going forward.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Inspections and Appeals

June 30, 2024

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Tammy A. Hollingsworth, CIA, Manager

Other individuals who participated in the audits include:

Luke M. Bormann, CPA, Senior Auditor II
April R. Davenport, Senior Auditor
Aria G. Puetsch, Staff Auditor
Jennifer H. Wagner, Staff Auditor
Jason A. Weuve, Assistant Auditor