OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: July 24, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Administrative Services for the year ended June 30, 2025.

The Iowa Department of Administrative Services is mandated by statute to provide services to other state agencies. To fulfill this responsibility, the Department is structured into the General Services Enterprise (GSE), the Human Resources Enterprise (HRE), the State Accounting Enterprise (SAE) and the Central Procurement and Fleet Services Enterprise (CPFSE).

AUDIT FINDINGS:

Sand reported five findings related to the Department. The findings are on pages 6 through 8 of this report. Sand recommended that appropriate controls be established to ensure information reported on the Department's GAAP package is accurate, an independent reviewer approves timesheets and employees are not allowed to circumvent procedures for timesheet approval and leave time.

Two of the findings discussed above are repeated from the prior year. Management of the Iowa Department of Administrative Services 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 audit 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 ADMINISTRATIVE SERVICES

JUNE 30, 2025

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Rob Sand
Auditor of State

July 22, 2026

Iowa Department of Administrative Services
Des Moines, Iowa

To Mark Campbell, Director:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of Administrative Services for the year ended June 30, 2025. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2025 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department of Administrative Services 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,

Rob Sand
Auditor of State

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Des Moines, Iowa 50319-0004

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Rob Sand
Auditor of State

July 22, 2026

To Mark Campbell, Director of the
Iowa Department of Administrative Services:

The Iowa Department of Administrative Services 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, 2025.

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, which include those reported in the State's Report on Internal Control as well as other 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 Administrative Services' 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 Department, 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 audits of the Department are listed on page 6 and they are available to discuss these matters with you.

Brian R. Brustkern, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Timothy McDermott, Director, Legislative Services Agency

Findings Related in the State's Single Audit Report:

No matters were reported.

Finding Reported in the States's Report on Internal Controls:

(A) 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 Department reported prepaid expenses in the wrong fund, originally reported $524,276 in an internal service fund instead of the general fund. This amount was properly adjusted for reporting purposes.

Additionally, unearned revenues were overstated in the capital projects fund by $606,285. This amount was properly adjusted for reporting purposes.

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

Effect – The amounts reported as prepaid expenses and unearned revenues were misstated.

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

Response – We will implement additional training to ensure that information reported in the GAAP package is accurate. Both errors have been corrected and reported correctly on the ACFR.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

(A) Approval of Timesheets – Departments process payroll transactions utilizing the Workday computer system. During our review of the Workday system we noted several departments had certain employees were found to have the ability to complete the three levels of “worker”, “initiator”, and “approved by” signatures. The Department of Public Safety continued to have this issue from prior year reports.

Recommendation – The Department of Administrative Services, in conjunction with the Department of Public Safety, should implement appropriate controls to ensure an independent reviewer approves timesheets. No employee should be allowed to approve their own timesheet. In addition, if a manager sets a delegation, employees should not be allowed to approve their own timesheet.

Response – The Department of Administrative Services has worked with the Department to improve security levels and have appropriate separation of initiating and approval of transactions.

Conclusion – Response accepted.

(B) Requested Time Off and Corrections of Time Off – Departments process payroll transactions utilizing the Workday computer system. During our review of the Workday system we noted for both the Department of Public Safety and the Department of Health and Human Services, Public Health Division, various employees were allowed to have double approvals for approval of their time off requests and time off corrections.

Recommendation – The Department of Administrative Services, in conjunction with the Department of Public Safety and the Department of Health and Human Services, Public Health Division, should implement appropriate controls to ensure an independent reviewer approves all business process transactions, such as request time off and corrections to time off.

Response – The Department of Administrative Services has worked with the Departments to improve security levels and have appropriate separation of initiating and approval of transactions.

Conclusion – Response accepted.

(C) Approval of both Timesheets and Time Off – Departments process payroll transactions utilizing the Workday computer system. During our review of the Workday system we identified 13 departments with individuals that approved transactions at both the initiator and approved by worker level for timesheets and request time off and/or correct time off.

Recommendation – The Department of Administrative Services, in conjunction with the Departments, should implement appropriate controls to ensure that the same person applying both the initiator and approved by worker level approvals for timesheets cannot do the same for request time off and correct time off.

Response – The Department of Administrative Services has worked with the Departments to improve security levels and have appropriate separation of initiating and approval of transactions.

Conclusion – Response accepted.

Findings 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. The TSB procurement goal for the Department for fiscal year 2025 was not set at a level exceeding fiscal year 2024 actual TSB spending

Recommendation – The Department should ensure they establish a goal in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

Response – The Department of Administrative Services will review policies to ensure compliance with Iowa Code Chapter 73.16.

Conclusion – Response accepted.

Staff

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Jared M. Ernst, CPA, Senior Auditor

Other individuals who participated in the audits include:

Enoch Duval, Senior Auditor
Jon G. Hanson, Senior Auditor
Mackenzie L. Johnson, Senior Auditor
Adam J. Sverak, Senior Auditor
Benjamin L. Albrecht, Staff Auditor
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Katherine A. Koele, Staff Auditor
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Benjamin I. Manchester, Staff Auditor
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Kacie J. Rickels, Assistant Auditor
Cohen T. Darsee, Audit Intern