



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: August 21, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released a report on the Iowa Ethics and Campaign Disclosure Board for the year ended June 30, 2025.

The Iowa Ethics and Campaign Disclosure Board is charged with promoting the public's trust and confidence in government by ensuring integrity of political campaigns, the ethical standards for officials and employees of the executive branch of state government and lawful conduct of executive branch lobbyists.

AUDIT FINDINGS:

Sand reported two findings pertaining to the receipt of taxpayer funds. The findings are on pages 3 and 4 of this report. The findings address a lack of segregation of duties and campaign penalties and enforcement. Sand provided the Board with recommendations to address the findings.

All of the findings discussed above are repeated from the prior year. Board management has a fiduciary responsibility to provide oversight of the Board's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body 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 ETHICS AND CAMPAIGN DISCLOSURE BOARD**

JUNE 30, 2025



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Rob Sand
Auditor of State

August 19, 2026

Iowa Ethics and Campaign Disclosure Board
Des Moines, Iowa

To the Members of the Iowa Ethics and Campaign Disclosure Board:

I am pleased to submit to you this Report of Recommendations for the Iowa Ethics and Campaign Disclosure Board for the year ended June 30, 2025. The report includes findings pertaining to the Department's internal control which resulted from the fiscal year 2025 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Ethics and Campaign Disclosure Board 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", written in a cursive style.

Rob Sand
Auditor of State



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Rob Sand
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August 19, 2026

To the Members of the Ethics and Campaign Disclosure Board, State of Iowa:

The Iowa Ethics and Campaign Disclosure Board is a part of the State of Iowa and, as such, has been included in our audit of the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2025.

In conducting our audit, we became aware of certain aspects concerning the Board'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 pertain to the Board's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Board personnel and their responses to the recommendations are included in this report. While we have expressed our conclusions on the Board's responses, we did not audit the Board'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 Ethics and Campaign Disclosure Board, citizens of the State of Iowa and other parties to whom the Iowa Ethics and Campaign Disclosure Board may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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
Timothy McDermott, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Ethics and Campaign Disclosure Board

Year ended June 30, 2025

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

No matters were reported.

Other Findings Related to Internal Control:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Board's financial statements.

Condition – Generally, one individual has control over the following area for which no compensating control exists:

- (1) Responsibilities for maintaining detailed accounts receivable records are not segregated from collections.
- (2) Mail is not opened by someone other than accounting personnel.

Cause – The Board has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Board's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Board should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff to provide additional control through review of financial transactions, reconciliations and reports.

Response – We will continue to explore options for segregating duties and for independent reviews, though the limited resources of the Board make most options impractical.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Ethics and Campaign Disclosure Board

Year ended June 30, 2025

Findings Related to Statutory Requirements and Other Matters:

(1) Campaign Penalties and Enforcement

Per Chapter 68B.32A of the Code of Iowa, the Iowa Ethics and Campaign Disclosure Board is responsible for establishing and imposing penalties, and recommendations for discipline of persons who are subject to penalties of or discipline by the Board or by other bodies, for the failure to comply with the requirements of Chapters 68A, 68B or Section 8.7.

Penalties range from \$20 for a late-filed campaign finance disclosure report to a maximum amount of \$2,000 per violation following the conclusion of a contested case.

During the year ended June 30, 2025, the Iowa Ethics and Campaign Disclosure Board issued penalties for both minor and major violations. The Board would send a notice letter when a penalty was assessed. The notice letter includes information on how to pay the penalty and requests payments be made within 30 days. Follow-up attempts occurred if payments were not made timely; however, a policy does not exist stating when a follow-up attempt should be made. Once the initial notice letter is sent, the Department does not have the ability to mandate payment or take action against a committee if they do not pay. This resulted in penalties not being paid. As of June 30, 2025, there were approximately \$16,430 unpaid campaign penalties.

During the 2024 legislative session, the Board began an effort to reform how they handle unpaid penalties. A bill was drafted to codify a deadline for payment and provide consequences if a committee refused to pay; however, this bill was never passed.

In addition, the Board updated the notice letters with new language requesting payment within 30 days and provides information on how to pay and where to send the payment. The Committee's request to dissolve is no longer approved if the committee has any outstanding penalties. The Board has also moved to a unified tracking system within their Web Reporting System (WRS) to ensure information is accurate and accessible for all staff and members of the public. The WRS system now sends automated penalty letters, with second and third notices, if needed.

Recommendation – The Board should continue to seek Legislative action to set a deadline for the payment of penalties and consequences for not paying timely. A policy should be adopted stating when to follow up on unpaid penalties.

Response – The Board will continue to push for policies to better enforce Iowa's ethics and campaign disclosure laws. Follow-up policies for unpaid penalties have been adopted in recent years by each campaign auditor individually resulting in significant increases in collections.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Ethics and Campaign Disclosure Board

Year ended June 30, 2025

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Stephen J. Hoffman, CIA, Manager
Miranda L. Hoch, Senior Auditor