



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: September 8, 2026

Contact: Pam Bormann – (515) 281-5834

Auditor of State Rob Sand today released an agreed-upon procedures report on the Iowa Sheep and Wool Promotion Board for the period July 1, 2023 through June 30, 2025.

Sand reported six findings related to the receipt and disbursement of taxpayer funds. They are found on page 7 of this report. The findings addressed a lack of segregation of duties and the lack of independent review of bank reconciliations. Sand provided the Board with recommendations to address the findings.

Three of the findings discussed above are repeated from the prior report. The Board 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 agreed-upon procedures report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

#

IOWA SHEEP AND WOOL PROMOTION BOARD
AUDITOR OF STATE'S INDEPENDENT REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
JULY 1, 2023 THROUGH JUNE 30, 2025



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

August 23, 2026

Officials of the Iowa Sheep and Wool Promotion Board
Des Moines, Iowa

Dear Board Members:

I am pleased to submit to you the agreed-upon procedures report for the Iowa Sheep and Wool Promotion Board for the period July 1, 2023 through June 30, 2025. The agreed-upon procedures engagement was performed pursuant to Chapter 182.23 of the Code of Iowa and in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Sheep and Wool Promotion Board throughout the agreed-upon procedures engagement. 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 that reads "Rob Sand". The signature is stylized, with the first letters of the first and last names being prominent.

Rob Sand
Auditor of State

Table of Contents

Officials.....	3
Auditor of State’s Independent Report on Applying Agreed-Upon Procedures.....	4
Detailed Findings and Recommendations.....	6
A. Segregation of Duties.....	7
B. Bank Reconciliations.....	7
C. Disbursements.....	7
D. Receipts.....	7
E. Debit Card.....	7
F. Board Minutes.....	7
Appendix – Supplementary Information.....	8
Summary of Receipts, Disbursements and Changes in Cash Balances.....	9
Staff.....	10

Iowa Sheep and Wool Promotion Board

Officials

Name	Title
State	
Honorable Kim K. Reynolds	Governor
Kraig Paulsen	Director, Department of Management
Tim McDermott	Director, Legislative Services Agency
Board	
Randall Vos	Chairperson
Nolan Abel	Vice Chairperson
Dan Ahlers	Member
Kyle Hoogendoorn	Member
Kyle Hurley	Member
Patrick Wood	Member
Vacant	Member
Vacant	Member
Vacant	Member
Ex-Officio Members	
Michael Naig	Secretary, Iowa Department of Agriculture and Land Stewardship
Vacant	Dean, College of Agriculture, Iowa State University



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Members of the Iowa Sheep and Wool Promotion Board:

We performed the procedures below, which were agreed to by the Iowa Sheep and Wool Promotion Board (Board), solely to assist you in evaluating the operations of the Board. Accordingly, we have applied certain procedures to selected accounting records and related information of the Iowa Sheep and Wool Promotion Board for the period July 1, 2023 through June 30, 2025. The Iowa Sheep and Wool Promotion Board's management, which agreed to the performance of the procedures performed, is responsible for the Board's records.

This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. The Iowa Sheep and Wool Promotion Board's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, in accordance with Chapter 11.6 of the Code of Iowa, recommendations pertaining to selected accounting records and related information of the Iowa Sheep and Wool Promotion Board including the Board's compliance with certain Code of Iowa requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We observed selected meeting minutes of the Board for propriety and compliance with Chapter 182 of the Code of Iowa.
2. We obtained an understanding of the Board's internal controls to determine if proper internal control procedures were in place and incompatible duties, from a control standpoint, were not performed by the same employee.
3. We obtained and observed the Board's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances, journal entries and financial reports provided to the Board.
4. We observed the depository resolution and the Board's investment policy to determine compliance with Chapters 12C.2 and 12B.10B of the Code of Iowa.
5. We traced selected receipts for accurate accounting and propriety.
6. We traced selected disbursements to proper approval, adequate supporting documentation, accurate accounting and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.

Based on the performance of the procedures described above, we identified certain findings and recommendations for the Board. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, no exceptions were noted during the performance of the specific procedures listed above.

We were engaged by the Iowa Sheep and Wool Promotion Board's management to perform this agreed-upon-procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on specific accounting records and related information of the Board, including compliance with specific Code of Iowa requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Iowa Sheep and Wool Promotion Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to report, in accordance with Chapter 11.6 of the Code of Iowa, certain agreed-upon-procedures and the resulting findings and recommendations pertaining to selected accounting records and related information of the Board, including the Board's compliance with certain Code of Iowa requirements. This report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Sheep and Wool Promotion Board during the course of our agreed-upon-procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

A handwritten signature in black ink that reads "Pam Bormann". The signature is fluid and cursive, with the first name "Pam" and last name "Bormann" clearly distinguishable.

Pam Bormann, CPA
Deputy Auditor of State

August 23, 2026

Detailed Findings and Recommendations

Iowa Sheep and Wool Promotion Board

Detailed Findings and Recommendations

Year ended June 30,2024 and June 30, 2025

- A. Segregation of Duties – 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. Generally, one individual has control over each of the following areas for the Board:

1. Receipts – opening mail, collecting, depositing, recording and reconciling.
2. Disbursements – processing, check writing, mailing, reconciling and recording.
3. Financial reporting – preparing and reconciling.

Recommendation – We realize segregation of duties is difficult with a limited number of Board members. However, the Board should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available individuals. Independent reviews of reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

- B. Bank Reconciliations – For the two bank reconciliations observed, there was no evidence of independent review.

Recommendation – An independent person should review the bank reconciliations and document the review by the signature or initials of the reviewer and the date of the review.

- C. Disbursements – Supporting documentation such as invoices for two of eight disbursements observed were not canceled to prevent their reuse.

Recommendation – The Board should ensure invoices or other supporting documentation are canceled to prevent reuse.

- D. Receipts – Two of eight receipts observed were not supported by a remittance report.

Recommendation – The Board should establish procedures to ensure all receipts are supported by a remittance report to ensure assessments rates are accurately applied.

- E. Debit Card – The Board had a debit card available for use; therefore, there was no process for prior approval of purchases made with the debit card.

Recommendation – The Board should prohibit the use of a debit card for purchases. The function of a debit card is to provide immediate access to the Board's funds. Unlike credit cards, debit cards offer limited ability to set guidelines for access and limited, if any, repercussions for fraudulent transactions.

- F. Board Minutes – Chapter 21.3 of the Code of Iowa requires minutes show the results of each vote taken and information sufficient to indicate the vote of each member present. None of the nine minutes observed showed information sufficient to indicate the vote of each member present.

Recommendation – The Board should comply with the Code of Iowa, and the minutes should include information sufficient to indicate the vote of each member present, as required.

Appendix – Supplementary Information

Iowa Sheep and Wool Promotion Board

Summary of Receipts, Disbursements and Changes in Cash Balances

For the years ended June 30, 2024 and June 30, 2025

Class of Transaction	2025	2024
Operating receipts:		
Assessments	\$ 19,139	18,474
Operating disbursements:		
Administration	3,273	2,816
Education - consumer	4,933	6,700
Education - producer	3,333	8,333
Total disbursements	11,539	17,849
Changes in cash balance	7,600	625
Cash balance beginning of year	84,899	84,274
Cash balance end of year	\$ 92,499	84,899

Iowa Sheep and Wool Promotion Board

Staff

This agreed upon procedures engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Gwen D. Fangman, CPA, Manager
Maria R. Collins, Staff Auditor