



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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NEWS RELEASE

FOR RELEASE: September 15, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released an audit report on Iowa Department of Inspections, Appeals and Licensing for year ended June 30, 2025.

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 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 INSPECTIONS, APPEALS AND LICENSING**

JUNE 30, 2025



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Rob Sand
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September 10, 2026

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 the Report of Recommendations for the Iowa Department of Inspections, Appeals and Licensing for the year ended June 30, 2025. The report includes a finding pertaining to the Department's targeted small business compliance which resulted from the fiscal year 2025 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Inspections, Appeals and Licensing 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 that reads "Rob Sand". The signature is stylized, with the first letters of the first and last names being capitalized and prominent.

Rob Sand
Auditor of State



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September 10, 2026

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

The Iowa Department of Inspections, Appeals and Licensing is part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report 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 a recommendation which is reported on the following page. We believe you should be aware of the 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 parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of the audits. Should you have any 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 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

Report of Recommendations to the
Iowa Department of Inspections, Appeals and Licensing

June 30, 2025

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:

No matters were reported.

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's fiscal year 2025 goal was very close with the expenses of fiscal year 2024. Fiscal year 2024 actual expenses were \$11,719.13 and the goal for fiscal year 2025 was set as \$11,000. The actual expenses for fiscal year 2025 were higher due to infrequent expenses for an item that is purchased for a minimum print order quantity. As the items may be used over a period exceeding a year, setting a budget above the actual expenses for the previous fiscal year could result in wastage. The Department will ensure it establishes the TSB procurement goal at a level exceeding the previous fiscal year's actual expenses.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department of Inspections, Appeals and Licensing

June 30, 2025

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
Matthew W. Beerman, Staff Auditor
Aria G. Puetsch, Staff Auditor
Christopher S. Kingrey, Staff Auditor
Jason A. Weuve, Staff Auditor