
FISCAL UPDATE Article

Fiscal Services Division

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AUDIT REPORT: IOWA DEPARTMENT OF EDUCATION — FY 2023

Audit Report. The Auditor of State released the FY 2023 audit report for the Iowa Department of Education (DE) on July 23, 2024. The Auditor made two findings related to the DE.

Findings — Federal Elementary and Secondary Education Act (ESEA) Funding Allocations. The ESEA limits the amount of funding that may be allocated for principals or other school leaders. The DE allocated a portion of the allocation for school leaders to paraeducator programs. The Auditor determined that paraeducators do not meet the school leaders criteria and considered the allocation for paraeducators to be unallowable under ESEA.

The Auditor recommended that the DE should contact the U.S. Department of Education for resolution. The DE should further follow established procedures to ensure federal funds are earmarked and spent in accordance with federal requirements for allowable purposes.

The DE responded that the allocation was not made for this purpose after FY 2023. Further, ESEA and federal grants management training for the Bureau of Federal Programs and all other relevant DE staff would be provided by the Council of Chief State School Officer's Federal Education Group.

Findings — Education Savings Account (ESA) Administration Contract. The Auditor found that the DE did not follow the DE contract amendment policy requiring documentation of the need to modify existing agreements or provide evidence that the draft amendment was provided to the Bureau of Accounting (BOA).

The Auditor recommended that the DE should retain documentation justifying a modification to an existing agreement, including timely evidence of review by the BOA, as required.

The DE responded that moving forward, the DE will ensure documentation of all relevant approvals at the time of execution.

Additional Information. The report is available [online](#). For additional information, please contact the Fiscal Services Division of the Legislative Services Agency.

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