



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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NEWS RELEASE

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FOR RELEASE \_\_\_\_\_ October 18, 2011

Auditor of State David A. Vaudt today released a reaudit report on Linn County, Iowa for the period July 1, 2009 through June 30, 2010. The reaudit also covered certain items to determine practices applicable to the years ended June 30, 2009 and June 30, 2011. The reaudit was performed at the request of the Linn County Auditor pursuant to Chapter 11.6(4)(a)(2) of the Code of Iowa.

The reaudit report addressed concerns regarding the significant balances and number of separate bank accounts held by the County Sheriff at June 30, 2010, the significant balances held by the County Recorder's Office at June 30, 2010, potential conflict of interest related to transactions by the County Sheriff's Office for chaplaincy ministry services and the agreement and activities of the County Medical Examiner's Office.

The County's responses to the recommendations are included in the reaudit report. A copy of the reaudit report was filed with the Linn County Attorney for his review and information.

A copy of the reaudit report is available for review in the Linn County Finance Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1010-0057-T00Z.pdf>.

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**LINN COUNTY**  
**AUDITOR OF STATE'S REPORT ON REAUDIT**  
**FOR THE PERIOD**  
**JULY 1, 2009 THROUGH JUNE 30, 2010**

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**Linn County**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Lu Barron	Supervisor	Jan 2011
James Houser	Supervisor	Jan 2011
Linda Langston	Supervisor	Jan 2013
Brent Oleson	Supervisor	Jan 2013
Ben Rogers	Supervisor	Jan 2013
Joel Miller	County Auditor	Jan 2013
Michael Stevenson	County Treasurer	Retired July 2010
Vickie Dippel	Interim County Treasurer	Nov 2010
Sharon Gonzalez	County Treasurer	Jan 2015
Joan McCalmant	County Recorder	Jan 2011
Brian Gardner	County Sheriff	Jan 2013
Harold Denton	County Attorney	Retired June 2010
Jerry Vander Sanden	County Attorney	Jan 2015

**Linn County**



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Auditor of State's Report on Reaudit

To the Officials of Linn County:

We received a request to perform a reaudit of Linn County (County) under Chapter 11.6(4)(a)(2) of the Code of Iowa. As a result, we performed a review of the fiscal year 2010 audit report and workpapers prepared by the County's certified public accounting firm to determine whether the CPA firm may have addressed any or all of the specific issues identified in the request for reaudit during the annual audit of the County. Based on this review and our review of the preliminary information available, we determined a partial reaudit was necessary to further investigate specific issues identified in the request for reaudit. Accordingly, we have applied certain tests and procedures to selected accounting records and related information of Linn County for the period July 1, 2009 through June 30, 2010. We also inquired and performed procedures for certain items applicable to the years ended June 30, 2009 and 2011.

The procedures we performed are summarized as follows:

1. We obtained and reviewed County Board minutes for certain actions related to the County Sheriff's Office, the County Recorder's Office, approval of agreements and certain policies and activities of the County Medical Examiner's Office.
2. We obtained and reviewed certain County documents pertaining to the separate bank accounts maintained by the County Sheriff's Office and the County Recorder's Office, including, but not limited to, bank statements and cancelled checks.
3. We performed selected testing of the County Sheriff's Office expenditures made directly from the separate bank accounts.
4. We performed selected review of credit card payments and supporting documentation related to the County Sheriff's Office.
5. We obtained a listing of contracts over \$75,000 entered into by the County Engineer's Office and reviewed project files for selected projects for documentation of bidding and change orders.
6. We reviewed the County's policy regarding cell phones and reviewed the listing and payments to County employees for cell phone allowances and the listing of County owned cell phones for proper reporting in accordance with Internal Revenue Service rules and regulations.
7. We reviewed the County's policy regarding potential conflicts of interest.
8. We reviewed transactions and related documents to determine whether a potential conflict of interest exists between the County Sheriff's Office and a 501c.3 entity providing chaplaincy ministry services to the County.
9. We obtained and reviewed the agreement between the County and the County Medical Examiner.
10. We reviewed payments made by the County to the County Medical Examiner and the Deputy Medical Examiners, including proper Form 1099 reporting.

Based on the performance of the procedures described above, we identified instances of non-compliance and have developed various recommendations for the County. Our recommendations and the instances of non-compliance are described in the Detailed Findings of this report. Unless reported in the Detailed Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

The procedures described above are substantially less in scope than an audit of financial statements made in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion on financial statements. Accordingly, we do not express an opinion. Had we performed additional procedures, or had we performed an audit of Linn County, additional matters might have come to our attention that would have been reported to you. A copy of this reaudit report has been filed with the Linn County Attorney.

We would like to acknowledge the assistance extended to us by personnel of Linn County. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

September 8, 2011

## **Detailed Findings**

Linn County

Detailed Findings

July 1, 2009 through June 30, 2010

- (A) County Sheriff's Office Bank Accounts – Chapter 331.552(1) of the Code of Iowa states, in part, “The treasurer shall receive all money payable to the county unless otherwise provided by law.” Chapter 331.552(2) of the Code of Iowa states, in part, “The treasurer shall disburse money owed or payable by the county on warrants or checks drawn and signed by the auditor and sealed with the official county seal.”

As of June 30, 2010, the County Sheriff's Office maintained fourteen active bank accounts with balances totaling \$1,563,017.73. **Exhibit 1** includes a listing of the bank account and other balances held by the County Sheriff's Office as of June 30, 2010, including the purpose and current status of each account.

Five of the accounts should not have been maintained separately and the activity for the accounts was not included in the County's budget or annual financial reports. In June 2011, these five accounts were closed and remitted to the County Treasurer.

Bank reconciliations are performed by the County Sheriff's Office staff for each bank account each month. However, there is no documentation the reconciliations have been reviewed and approved by an individual independent of the receipt and disbursement functions.

During the year ended June 30, 2010, the County Sheriff's Office received a grant related to the American Recovery and Reinvestment Act of 2009 (ARRA) from the U.S. Department of Justice. The County Sheriff's Office was to be the administrative entity for two local cities. The funds were provided to the County in advance for the County's use and also paid to the cities upon request. The monies were received by the County Treasurer and deposited into the County's bank account. These funds were then remitted to the County Sheriff's Office and deposited into a separate bank account maintained by the County Sheriff's Office. One city requested its entire award and the other city requested a portion of its award. The County Auditor's Office prepared the warrants to the cities, which were approved by the County Board of Supervisors for payment. The County Sheriff's Office then reimbursed the County for those expenditures. The remainder of the grant was maintained by the County Sheriff's Office in the separate account until the account was closed on June 25, 2011 when the balance of the account was paid to the County with a money order.

Of fifteen transactions selected, the following three transactions paid from the County Sheriff's Office separate bank accounts were not included in the County's budget or annual financial reports and were not approved by the County Board of Supervisors.

Date	Account	Payee	Purpose	Amount
05/07/2010	Weapons	Linn Co. Izaak Walton	Weapons Class	\$ 1,800.00
05/20/2010	State Seizure	Linn County	Money order to Iowa Department of Justice	100.00
06/11/2010	Civil	Gazette Communications	Publication	36.36

Recommendation – Federal grants and awards should be accounted for in the County accounting system and not be maintained in separate bank accounts in the County Sheriff’s Office.

Also, all bank reconciliations should be reviewed and approved by an individual independent of the receipt and disbursement functions and this independent review should be documented.

In addition, while the three transactions noted above appear to be reasonable expenditures, all expenditures for the County Sheriff’s Office should be paid by claims approved by the County Board of Supervisors and reflected in the County’s budget, the County’s accounting system, the County’s financial statements and the County’s annual financial report.

Response – At the time of the reaudit, the federal grants and awards were already placed with the Treasurer’s Office and were not maintained in separate bank accounts in the Sheriff’s Office. The fact that we were no longer maintaining the Federal Grant Accounts should be noted in the audit comments/recommendations.

The bank reconciliations are currently reviewed and approved by an individual independent of the receipt and disbursement functions and the independent review is documented. Typically, the Financial Analyst runs the reports and gives them an initial review. They are then forwarded to the Financial Division Commander for review and final approval. Both parties initial the bank reconciliation forms. This procedure was implemented immediately after our discussions with the on-site state auditor.

Prior to Jan 1, 2011, applicants needed to pass an approved firearms class before being issued a weapons carry permit. As such, applicants that were applying for a weapons permit would pay the full fee to the Sheriff’s Office for permit purchase and the firearms class. Once they attended the class the Sheriff’s Office would forward the applicant’s class fee to Izaak Walton. We did not view these as County funds, but were merely helping to facilitate a financial transaction between the weapons permit applicant and the training organization in ensuring that the payment was made. It should be noted the weapon permit laws changed drastically effective January 1, 2011, and the Sheriff’s Office is no longer involved in collecting or forwarding instruction fees to Izaak Walton or any other weapons training organization.

At the time of the reaudit, the State Seizure account was already placed with the Treasurer’s Office and was not maintained in a separate bank account in the Sheriff’s Office. The fact that we were no longer maintaining the State Seizure account should be noted in the audit comments/recommendations.

The Civil Account checks issued to Gazette Communications are for publication for Sheriff’s Sales and Condemnations, as required by the Code of Iowa. This is, in part, money collected by the Sheriff’s Office for advanced fees which covers the

fees of the Sheriff as well as the publication which is required per the Code of Iowa. These funds are collected and passed on to the Gazette and are not Sheriff's Office funds. These publication fees are part of the entire civil process. The SoftCode financial accounting software package the Civil Division utilizes tracks all aspects of the civil processes, including the payment of publication fees. It is specifically designed, in part, for that very purpose. In checking with other Sheriff's Office's, including the Polk County Sheriff's Office, we find all of them utilize their Civil account to pay for mandated publication fees. Additionally, the Iowa State Sheriffs' and Deputies' Association Civil School instructs Sheriff's Offices to pay for their publication fees in this manner.

Conclusion – Response acknowledged. While the County appropriately closed the Federal grants and awards accounts, these accounts were not closed until June 2011, shortly before the reaudit commenced. Federal grants and awards should be accounted for in the County's accounting system.

- (B) Contracts – Pursuant to Chapter 26 of the Code of Iowa and in accordance with Chapter 309 of the Code of Iowa, the County Engineer contracts for road and road related construction projects as well as necessary sand and salt. The County Engineer's Office performs the bid letting for the road and road related construction contracts and County Engineer's Office staff represented they send out requests for proposal (RFP) for sand and salt. The results of the bids and the RFPs are provided to the County Board of Supervisors for review and approval. However, the County Board of Supervisors does not approve change orders for road or road related construction projects or extensions to existing contracts for additional product.

Recommendation – The County Board of Supervisors should approve all change orders and extensions to existing contracts for additional product or should pass a resolution providing the County Engineer the explicit authority to approve change orders and contract extensions on their behalf.

Response – Linn County, Iowa (County), like all ninety-nine (99) counties in the State of Iowa, constructs and maintains, pursuant to Chapters 309 and 310, Code of Iowa, a secondary road system, including farm to market roads. Pursuant to Sections 309.21 and 310.19, Code of Iowa, the Linn County Engineer, Mr. Steven Gannon (Engineer), has the authority and duty to direct and supervise construction and maintenance work performed on the Linn County secondary road system. Further, the Engineer is responsible for the efficient, economical and good-faith performance of such work.

Pursuant to Section 309.39, Code of Iowa, contracts for secondary road construction and maintenance projects are to be performed in the most efficient, practicable and economical manner and “shall, as far as possible, be accompanied by standard specifications,...”. When the County enters into secondary road construction and maintenance project contracts, including contracts for the purchase of materials to be applied to secondary roads, such as rock and salt, a contract promulgated for this purpose by the Iowa Department of Transportation (IDOT) is utilized. This contract incorporates and makes a part thereof plans and specifications. Such specifications include specifications set forth in a volume entitled “Iowa Department of Transportation, Standard Specifications for Highway and Bridge Construction, Series 2009. (IDOT Specifications)” Included in the IDOT Specifications is Section 1109.03(B), which authorizes the Engineer to order extra work “of a quality or class not covered by the contract,” and pay contractor(s) for such extra work. In addition to the Engineer, the IDOT also approves such extra work or materials beyond the contract amount. It is the understanding of the Engineer that the

aforementioned practice, based upon contracts incorporating the IDOT Specifications, is standard practice in counties throughout the State of Iowa.

It is respectfully submitted the Iowa Department of Transportation, Standard Specifications for Highway and Bridge Construction, Series 2009, incorporated and made a part of the IDOT contract, which contract is executed by the Linn County Board of Supervisors, in conjunction with the aforementioned code sections authorizes the Engineer to order extra work of a quality or class not covered by the contract and materials, such as rock and salt, in excess of the contract amount. It is further respectfully submitted that a resolution providing the Engineer with explicit authority to approve change orders and contract extensions would be redundant and needless duplication of the aforementioned authority.

Conclusion – Response acknowledged. At a minimum, the County Engineer should include a monthly listing of all change orders and extensions to existing contracts in the Board of Supervisor’s consent agenda.

- (C) Cell Phones – The County has a cellular telephone usage policy approved by the County Board of Supervisors on July 16, 2008. The County currently provides a number of employees with an allowance for use of the employee’s personal cell phone and also provides County owned cell phones to other employees.

Under Internal Revenue Service (IRS) rules and regulations, the County’s plan is considered a non-accountable plan since employees are not required to track and document personal use versus business use of cell phones. As such, the benefits received by the employees should be taxable wages and included in the employee’s W-2 each year.

There is no evidence the County reviews the County owned cell phone bills for personal use. The County is not properly determining the benefit derived for each employee and has not included this as taxable wages. As a result, County employees have not been subject to income and other taxes on the cell phone benefit.

Recommendation – The County should comply with IRS rules and determine the benefit derived for each employee and include the benefit as taxable wages on the employee’s W-2, so the employees are subject to income and other taxes on the benefit.

Response – We agree with the recommendation. As of August 5, 2011, the County added year-to-date personal cell phone reimbursements to all applicable employees’ taxable wages for the period January 1, 2011, through August 5, 2011. All future reimbursements for personal cell phones will be added to employees’ wages as reimbursements are paid.

Individual departments with the County will review the monthly statements of County owned cell phones to determine their employees’ use of County owned cell phones. Each department head will be responsible for reporting their employees’ personal use of County owned cell phones to the County Auditor on a monthly basis for the purpose of including the benefit in the employees’ taxable wages.

Conclusion – Response accepted.

(D) Potential Conflict of Interest – Chapter 331.342 of the Code of Iowa addresses “Conflicts of interest in public contracts.” This section states, in part:

- “1. As used in this section, “*contract*” means a claim, account, or demand against or agreement with a county, express or implied, other than a contract to serve as an officer or employee of the county. However, contracts subject to section 314.2 are not subject to this section.
2. An officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. A contract entered into in violation of this section is void. The provisions of this section do not apply to:
  - a. The designation of a bank or trust company as a depository, paying agent, or for investment of funds.
  - b. An employee of a bank or trust company, who serves as treasurer of a county.
  - c. Contracts made by a county upon competitive bid in writing, publicly invited and opened.
  - d. Contracts in which a county officer or employee has an interest solely by reason of employment, or a stock interest of the kind described in paragraph “h”, or both, if the contracts are made by competitive bid, publicly invited and opened, or if the remuneration of employment will not be directly affected as a result of the contract and the duties of employment do not directly involve the procurement or preparation of any part of the contract. The competitive bid qualification of this paragraph does not apply to a contract for professional services not customarily awarded by competitive bid.
  - e. The designation of official newspapers.
  - f. A contract in which a county officer or employee has an interest if the contract was made before the time the officer or employee was elected or appointed, but the contract shall not be renewed.
  - g. A contract with volunteer fire fighters or civil defense volunteers.
  - h. A contract with a corporation in which a county officer or employee has an interest by reason of stockholdings when less than five percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by the officer or employee or the spouse or immediate family of the officer or employee.
  - i. A contract made by competitive bid, publicly invited and opened, in which a member of a county board, commission, or administrative agency has an interest, if the member is not authorized by law to participate in the awarding of the contract. The competitive bid qualification of this paragraph does not apply to a contract for professional services not customarily awarded by competitive bid.
  - j. Contracts not otherwise permitted by this section, for the purchase of goods or services by a county, which benefit a county officer or employee, if the purchases benefiting that officer or employee do not exceed a cumulative total purchase price of one thousand five hundred dollars in a fiscal year.

- k. A contract that is a bond, note, or other obligation of the county and the contract is not acquired directly from the county, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract.”

The County Sheriff's Office pays the Linn County Correctional Chaplaincy Ministry, Inc. (LCCCM) a fee every year to provide services to the correctional facility. The LCCCM has contracts with three people who provide services.

The following items were noted:

1. The County did not have a conflict of interest policy until June 22, 2011.
2. There is no written contract or agreement between the County and LCCCM.
3. The County pays LCCCM based on a letter of request for funds for the upcoming year based on what was obligated in the County Sheriff's Office budget and not based on any actual supporting documentation noting the dates and hours of service provided.
4. The Treasurer of LCCCM, who is also a Linn County Deputy Sheriff, signed the request for \$41,453 for the year ending June 30, 2011 on June 3, 2010, which was paid on July 14, 2010, and the request for \$41,453 for the year ending June 30, 2012 on July 1, 2011, which was paid on July 13, 2011.

Recommendation – The County should evaluate whether these services are necessary and reasonable for the correctional facility. If they are deemed necessary and reasonable, the County should consider whether requests for proposals are necessary to ensure a fair price is being paid.

A contract should be written and approved by the County Board of Supervisors. The County should also require the entity to submit adequate documentation noting the actual services provided and the date and time incurred for those services. Payments should be made on a reimbursement basis based on actual time rather than remitting the total amount in advance based on the amount budgeted by the County Sheriff.

In addition, requests for funds should not be signed and submitted by a current County employee, even though acting in the capacity of the Treasurer of a separate organization.

Response – The County has already evaluated whether these services are necessary and reasonable to the correctional facility. They did so during the fiscal year 2012 budgeting process, which is clearly documented. The LCCCM is the only organization wishing to provide such services.

A contract has been written between Linn County and the LCCCM. This contract outlines the services to be provided, the cost of those services, and provides payment shall be made on a semi-annual basis upon receipt of proper documentation.

The Sheriff's Office Chief Deputy has submitted his resignation as LCCCM treasurer and will no longer act in that capacity. Additionally, we have reviewed with staff the County's policy prohibiting one person from submitting and authorizing a claim. It was acknowledged that this was done unintentionally in error.

Conclusion – Response accepted.

- (E) County Medical Examiner's Office – The County entered into an agreement for the services of the County Medical Examiner. According to the agreement, the County Medical Examiner may also appoint Deputy Medical Examiners with County Board of Supervisor approval.

Part I, Section 8 of the 2011 Linn County Medical Examiner Service Agreement states “Medical Examiner shall ... provide the following services:

“Keep, maintain and make available to County adequate time records indicating the number of hours devoted the provision of the aforementioned services by Medical Examiner and any duly appointed Deputy Linn County Medical Examiner(s) pursuant to this Agreement. Medical Examiner shall be solely responsible for payment of fees, costs and expenses to any Deputy Linn County Medical Examiner(s) for services provided pursuant to this Agreement.”

Part III, Section 3 of the 2011 Linn County Medical Examiner Service Agreement states, in part:

“Medical Examiner and Deputy Linn County Medical Examiner(s) will provide medical liability and malpractice insurance in amounts to be determined by Medical Examiner, and will indicate in such insurance documents that Deputy Linn County Medical Examiner(s) serve as Deputy Linn County Medical Examiner, and provide service pursuant to part 8 of Chapter 331, Code of Iowa. Linn County, Iowa, shall be included as an additional named insured on such insurance policies.”

Time records have not been requested or provided to the County pursuant to the agreement. Reimbursements for fees, costs and expenses to Deputy Medical Examiners have been paid through the County's records rather than making payments to the County Medical Examiner who would then reimburse the Deputy Medical Examiners. It is unclear how, why or when the County determined it would make these payments contrary to the agreement or whether this change in the terms of the agreement was approved by the County Board of Supervisors.

Based upon inquiry, the County has not requested documentation or proof of insurance coverage pursuant to the current or previous agreements. As a result of our inquiry, the County requested proof of medical liability and malpractice insurance. However, the County Medical Examiner and/or the Deputy Medical Examiners have not secured the insurance required by the agreement.

Recommendation – While it appears to be more efficient for the County to pay the County Medical Examiner and/or Deputy Medical Examiners directly, the agreement signed by the Chairperson of the County Board of Supervisors and the County Medical Examiner is not being followed. If this practice is to continue, the agreement should be modified to reflect what is actually being done by the County.

The County should require the County Medical Examiner and Deputy Medical Examiners to secure the medical liability and malpractice insurance required by the agreement to avoid potential risk to Linn County. Proof of insurance coverage should be submitted to the County at least annually.

Response – Linn County, Iowa, has, for a number of years, entered into annual agreements with its duly appointed and serving Linn County Medical Examiner. The current Linn County Medical Examiner Service Agreement (Agreement) between Linn County, Iowa, (County) and Linn County Medical Examiner, Donald J. Linder, D.O. (Medical Examiner) commenced on January 1, 2011, and is in effect until December 31, 2011. Said Agreement sets forth duties and responsibilities under the Agreement of the Medical Examiner and the County, including payment of any fees, costs and expenses for services provided. The Agreement recognizes and anticipates that Deputy Linn County Medical Examiner(s) (Deputy Medical Examiner) may be appointed to assist the Medical Examiner in the performance of statutory duties. Currently, several Deputy Medical Examiners have been appointed and assist the Medical Examiner in discharging the statutory duties of that office.

In its draft report, the State Auditor raises three (3) issues pertaining to two sections of the current Agreement. The first two (2) issues pertain to Part I, Section 8 of the Agreement which provides “MEDICAL EXAMINER SHALL . PERSONALLY OR BY DULY APPONTED DEPUTY LINN COUNTY MEDICAL EXAMINER(S). . . PROVIDE THE FOLLOWING SERVICES:

“8. Keep, maintain and make available to County adequate time records indicating the number of hours devoted the provision of the aforementioned services by Medical Examiner and any duly appointed Deputy Linn County Medical Examiner(s) pursuant to this Agreement. Medical Examiner shall be solely responsible for payment of fees, costs and expenses to any Deputy Linn County Medical Examiner(s) for services provided pursuant to this Agreement.”

First, the draft report states “time records have not been requested or provided to the County pursuant to the agreement.” The Agreement does not require the County request such time records or that Medical Examiner provide same absent a request from the County. The Agreement does require that the Medical Examiner maintain adequate time records and make them available to Linn County upon request. Apparently, the draft audit report acknowledges as much in that it contains no recommendation directed to this issue.

The second issue raised in the draft report of the State Auditor arising from Part I, Section 8 of the Agreement pertains to payment of Deputy Medical Examiner fees, costs and expenses. Again, the Agreement provides:

“8. . . . Medical examiner shall be solely responsible for payment of fees, costs and expenses to any deputy Linn County medical examiner(s) for services provided pursuant to this Agreement.”

The Agreement is a contract between two parties, the County, and the Medical Examiner, Donald J. Linder, D.O. While several of the provisions of the Agreement restate statutory duties or responsibilities of the Linn County Medical Examiner, others do not and are simply provisions agreed between the parties concerning, among other things, how the Agreement will be performed. The Linn County Budget Director, Ms. Dawn Jindrich, administers the Agreement on behalf of the County. Ms. Jindrich and the Medical Examiner have agreed that the fees, costs and expenses of Deputy Medical Examiners will be paid by Linn County warrant made out to the appropriate Deputy Medical Examiner upon submission by the Medical Examiner of a properly documented claim. This interpretation of the Agreement is in accord, and not in conflict, with the Agreement language. The intent of the Agreement language in question, drafted

by legal counsel for the County, is that any dispute between the Medical Examiner and a Deputy Medical Examiner concerning who may be entitled to fees, costs or expenses on a given case is to be resolved between the Medical Examiner and the Deputy Linn County Medical Examiner. The language ensures that County is not subjected to multiple or duplicate claims for the same services, and nothing more. The intent of the language is not to dictate the manner by which fees, costs and expenses of Deputy Medical Examiners are to be processed. Unless the above-described practice concerning payment of the fees, costs and expenses of Deputy Medical Examiners engenders an increased financial risk or exposure to the County, it is respectfully submitted that the interpretation of the Agreement by the parties concerning payment of Deputy Medical Examiner fees, costs and expenses is reasonable, within the province of the parties in performing the Agreement, and outside the purview of the reaudit and draft report.

I would note that the language pertaining to payment of fees, costs and expenses of Deputy Medical Examiners is contained in Part I of the Agreement, which part sets forth duties and responsibilities of the Medical Examiner under the Agreement. Placement of this provision in Part I, rather than Part III, which deals with administration of the Agreement, indicates the intent of the parties concerning the meaning of the language pertaining to payment of fees, costs and expenses of Deputy Medical Examiners is as stated herein. It is further submitted the Agreement as signed by the chairperson of the Board of Supervisors is being followed is shown by the Board's continued approval of claims submitted by the Medical Examiner for payment directly to Deputy Medical Examiner(s).

This having been said, it is anticipated the language in future agreements will clarify the intent of the parties that fees, costs and expenses of Deputy Medical Examiners be paid directly by the County upon claims submitted by the Medical Examiner.

The third issue raised in Section E of the draft report states the Medical Examiner has not provided medical liability and malpractice insurance listing the County as an additional named insured, as required in Part III, Section 3 of the Agreement. It does appear the Medical Examiner is not in compliance with this contractual requirement. The Medical Examiner and Deputy Medical Examiners, are county officers and, as recognized in Part III, Section 1 of the Agreement, are entitled, pursuant to Section 670.8, Code of Iowa, to be defended, saved harmless and indemnified against any tort claim or demand arising out of an alleged act or omission occurring within the scope of their duties. The insurance requirement of Part III, Section 3, affords the County an added measure of protection. If the current Medical Examiner, due to his medical practice being performed as an employee of a Cedar Rapids hospital, is unable to reasonably provide medical liability and malpractice insurance, listing the County as an additional named insured, the County will reevaluate the insurance requirement in the Agreement. It is, however, incumbent upon the Medical Examiner to provide medical liability and malpractice insurance listing County as an additional named insured absent the parties eliminating such requirement from the Agreement.

Conclusion – Response acknowledged. The County should ensure the agreements are modified or take appropriate action to bring the County and County Medical Examiner into compliance with the terms of the existing agreement.

Linn County  
 Summary of Bank and Other Account Balances – County Sherriff's Office  
 June 30, 2010

Bank/Other Accounts	Book Balance	Purpose	Current Status
Civil	\$ 1,013,136.26	Used for processing funds received on garnishments, levies and other court orders, commonly referred to collectively as trusts. Includes trusts of \$735,226.35 and \$142,783.00 remitted to the County on July 15, 2010.	Allowable
General	29,670.74	Used primarily for processing room and board payments collected from prisoners, Federal and State payments for housing prisoners and automated debit card payments.	Allowable
Weapons	11,588.79	Used for the collection of payments received for permits to purchase, permits to carry and required class fees.	Allowable
Financial Grants	141.44	Used to receive financial grant payments and State of Iowa ACH payments.	Allowable
Informant	2,859.77	Used to hold funds set aside for discreet investigations.	Allowable
Evidence Forfeiture	6,948.73	Used to secure cash taken from individuals when arrested for drug related offense until the case is completed.	Allowable
Federal Seizure	63,542.87	Used to deposit the Linn County Sheriff's equitable share of Federally forfeited property.	Closed June 2011
State Seizure	21,484.50	Used to deposit the Linn County Sheriff's equitable share of State forfeited property.	Closed June 2011
Collections	23,856.76	Used to account for past due court fine collection efforts.	Closed June 2011
Inmate	8,095.39	Used to hold inmate funds to be used by the inmates for personal purchases from the commissary.	Allowable
Work Release	6,758.31	Used for accepting room and board payments of inmates who are allowed to continue working at their regular place of employment while incarcerated.	Allowable
Bond	326.86	Used to accept cash bonds for release of inmates.	Allowable
Disparate	119,340.50	Used to ensure the accounting accuracy of disparate funds received.	Closed June 2011
ARRA Disparate	<u>255,266.81</u>	Used to ensure the accounting accuracy of disparate funds received.	Closed June 2011
Total Bank Accounts	\$ 1,563,017.73		
Condemnations	5,203.00	Checks payable to individuals held by the County Sheriff until adjudicated.	Allowable
Cash on Hand	<u>729.19</u>		Allowable
Total Bank and Other Account Balances	<u><u>\$ 1,568,949.92</u></u>		

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Linn County

Staff

This reaudit was performed by:

Susan D. Battani, CPA, Director  
Pamela J. Bormann, CPA, Manager  
Brian R. Brustkern, CPA, Senior Auditor II

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State