



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

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**NEWS RELEASE**

FOR RELEASE

November 14, 2018

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released a combined report on the institutions under the control of the Iowa Department of Corrections. The report includes findings and recommendations and average cost per inmate information for the five years ended June 30, 2017.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$21,744 at the North Central Correctional Facility – Rockwell City to \$58,685 at the Iowa Medical & Classification Center – Oakdale for the year ended June 30, 2017. General Fund expenditures for the nine institutions totaled approximately \$280 million for the year ended June 30, 2017, a decrease of approximately \$1.9 million, or 0.7%, from the year ended June 30, 2016. General Fund expenditures increased 3.6% during the five year period ended June 30, 2017. The average daily cost per inmate of \$92.19 for the year ended June 30, 2017 was 2.2% more than the average daily cost per inmate of \$90.18 for the year ended June 30, 2013. The average number of inmates increased 1.3% over the five year period, from 8,214 for the year ended June 30, 2013 to 8,321 for the year ended June 30, 2017.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**COMBINED REPORT ON THE INSTITUTIONS UNDER THE  
CONTROL OF THE IOWA DEPARTMENT OF CORRECTIONS  
SCHEDULES  
FINDINGS AND RECOMMENDATIONS**

**JUNE 30, 2017**

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Telephone (515) 281-5834 Facsimile (515) 242-6134

October 30, 2018

To the Members of the Iowa Board of Corrections:


The Institutions under the control of the Iowa Department of Corrections are part of the State of Iowa and, as such, have been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2017.

In conducting our audits, we became aware of certain aspects concerning the various Institutions' 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 include recommendations pertaining to internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with applicable Institution personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Institutions' responses, we did not audit the Institutions' responses and, accordingly, we express no opinion on them.

We have also included certain unaudited financial and other information for the Institutions under the control of the Iowa Department of Corrections for the five years ended June 30, 2017 to report an average cost per inmate at each Institution as required by Chapter 11.28 of the Code of Iowa.

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 Corrections, the Institutions under the control of the Iowa Department of Corrections, citizens of the State of Iowa and other parties to whom the Iowa Department of Corrections may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Institutions during the course of our audits. 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 Institutions are listed on pages 29, 30, 31, 32, 34, 35, 36, 37 and 38 and they are available to discuss these matters with you.

  
MARY MOSIMAN, CPA  
Auditor of State

cc: Honorable Kim Reynolds, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

## Iowa Department of Corrections

### Overview

#### **Background**

In accordance with Chapter 904 of the Code of Iowa, the Iowa Department of Corrections (IDOC) is responsible for the control, treatment and rehabilitation of offenders committed under law to the following nine Institutions:

Iowa State Penitentiary – Fort Madison – Institutions for men consisting of the Penitentiary proper, a maximum security facility, and the John E. Bennett unit, a minimum security dormitory. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

Anamosa State Penitentiary – Institutions for men consisting of the Penitentiary proper, a maximum/medium security facility, and Luster Heights, a minimum security dormitory. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

Iowa Medical and Classification Center – Oakdale – A forensic psychiatric hospital for persons displaying evidence of mental illness or psychosocial disorders and requiring diagnostic services or treatment in a secure setting, secure housing units that serve as the reception center for all incoming male offenders and secure housing units for offenders with mental health and/or medical treatment needs.

Mount Pleasant Correctional Facility – A medium security facility for men that has treatment programs for sex offenders and substance abusers. A primary objective of this facility is to offer programs that reduce risk and assist offenders to make a successful transition from prison to their communities.

Clarinda Correctional Facility – A male facility composed of two sites, a medium security facility which provides rehabilitative services for offenders with intellectual disabilities, mental illness or a chemical dependency, and the Lodge which prepares offenders for discharge, work release or parole.

North Central Correctional Facility – Rockwell City – A minimum security facility for men. The facility prepares offenders for discharge, work release or parole and provides many offenders with actual opportunities to practice functioning within society through work programs.

Iowa Correctional Institution for Women – Mitchellville – A medium/minimum security facility for female offenders. The facility serves as the reception center for all female offender custody classifications committed to IDOC, provides gender responsive rehabilitative services and prepares offenders for discharge, work release or parole.

Newton Correctional Facility – A male facility composed of two sites, a medium security site which provides rehabilitative services and a separate minimum security site, CRC, which prepares offenders for discharge, work release or parole.

Fort Dodge Correctional Facility – A medium security facility designed to house adult male offenders. The facility provides rehabilitative services which assist offenders to make a successful transition from prison to their communities.

## **Scope and Methodology**

We have calculated an average cost per inmate at each Institution for the five years ended June 30, 2017 based on their General Fund expenditures. Certain reclassifications and changes have been made to these expenditures to provide comparable averages between Institutions. Therefore, expenditure amounts and cost per inmate averages may differ from those used for statewide financial statement purposes. These reclassifications and changes are as follows:

- (1) Operating transfers, primarily reimbursements to other state agencies for services, have been reclassified as expenditures for purposes of this report.
- (2) At the inception of a capital lease, total principal payments are recorded as expenditures and as other financing sources for statewide financial statement purposes. For purposes of this report, only the current year principal and interest payments are included as expenditures.
- (3) Canteen operations have been excluded from General Fund expenditures since the canteen is a self-supporting operation at each Institution.
- (4) Non-cash assistance, consisting of USDA commodities, has been excluded from General Fund expenditures.

## **Summary Observation**

The average cost per inmate ranged from \$21,744 at the North Central Correctional Facility – Rockwell City to \$58,685 at the Iowa Medical & Classification Center – Oakdale for the year ended June 30, 2017. The average cost per inmate has generally decreased over the past two years, with the average cost per inmate for the year ended June 30, 2017 significantly decreasing from the prior year for five of the nine Facilities. These five Facilities saw a corresponding significant increase in average number of inmates.

Over the last five fiscal years, total General Fund expenditures increased 3.6%, from \$270,359,737 for the year ended June 30, 2013 to \$279,988,724 for the year ended June 30, 2017, the average number of inmates increased 1.3%, from 8,214 to 8,321, and the average daily cost per inmate increased 2.2%, from \$90.18 to \$92.19.

**Iowa Department of Corrections**



## **Schedules**

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Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2013			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	922	425	\$ 47,246	129.44
Anamosa State Penitentiary	1,075	310	31,319	85.80
Iowa Medical and Classification Center - Oakdale	954	531	55,847	153.00
Mount Pleasant Correctional Facility	922	261	29,334	80.37
Clarinda Correctional Facility	876	262	30,319	83.07
North Central Correctional Facility - Rockwell City	488	97	21,167	57.99
Iowa Correctional Institution for Women - Mitchellville	551	169	31,597	86.57
Newton Correctional Facility	1,214	262	23,154	63.44
Fort Dodge Correctional Facility	1,212	290	25,082	68.72
Total	8,214	2,607	\$ 32,915	90.18

Year ended June 30, 2014				Year ended June 30, 2015			
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
773	419	\$ 57,869	158.55	725	409	\$ 60,820	166.63
1,058	311	32,562	89.21	1,080	310	32,071	87.87
972	544	54,854	150.28	939	551	58,300	159.73
865	247	29,414	80.59	863	241	29,662	81.27
805	260	33,278	91.17	873	255	31,078	85.15
494	95	21,294	58.34	490	93	21,194	58.07
581	217	37,251	102.06	647	225	36,277	99.39
1,302	258	21,972	60.20	1,293	257	22,183	60.78
1,310	289	23,159	63.45	1,285	286	23,981	65.70
8,160	2,640	\$ 33,804	92.61	8,195	2,627	\$ 34,113	93.46

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Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2016			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	735	413	\$ 60,858	166.28
Anamosa State Penitentiary	1,004	308	34,292	93.69
Iowa Medical and Classification Center - Oakdale	962	530	57,192	156.26
Mount Pleasant Correctional Facility	883	248	30,246	82.64
Clarinda Correctional Facility	892	253	31,283	85.47
North Central Correctional Facility- Rockwell City	494	91	21,095	57.64
Iowa Correctional Institution for Women - Mitchellville	689	226	34,103	93.18
Newton Correctional Facility	1,166	245	24,566	67.12
Fort Dodge Correctional Facility	1,269	276	24,083	65.80
Total	8,094	2,590	\$ 34,830	95.16

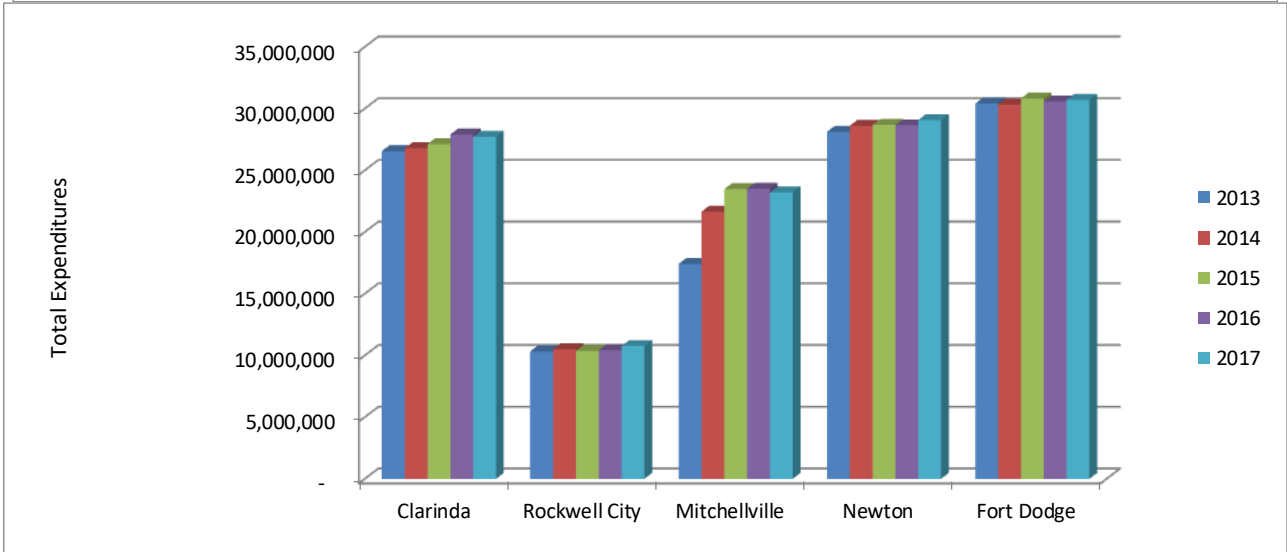
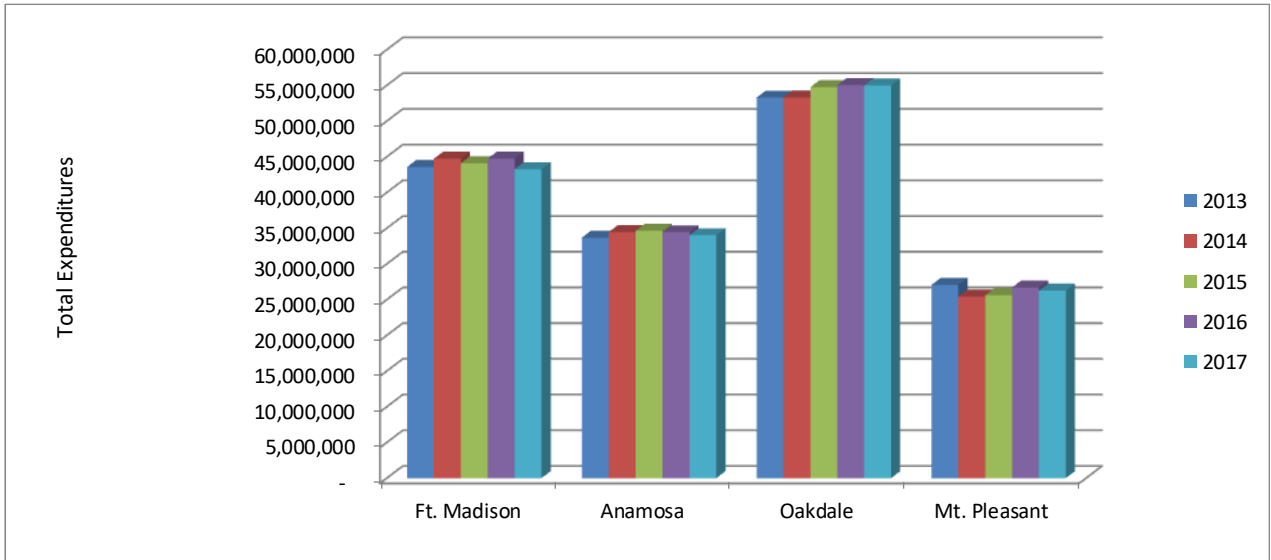
Year ended June 30, 2017				
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate	
791	387	\$ 54,691	149.84	
936	307	36,334	99.55	
937	518	58,685	160.78	
910	231	28,845	79.03	
1,004	242	27,611	75.65	
495	93	21,744	59.57	
720	208	32,238	88.32	
1,265	245	22,981	62.96	
1,263	269	24,319	66.63	
8,321	2,500	\$ 33,648	92.19	

**Iowa Department of Corrections**

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
Total Expenditures  
(Unaudited)

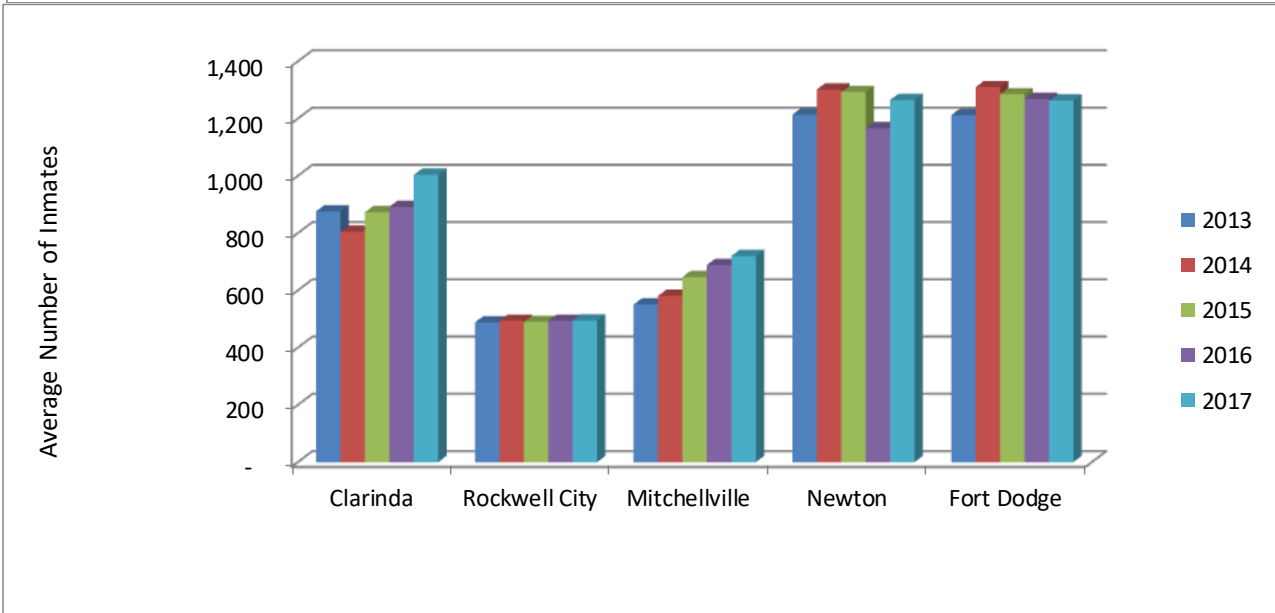
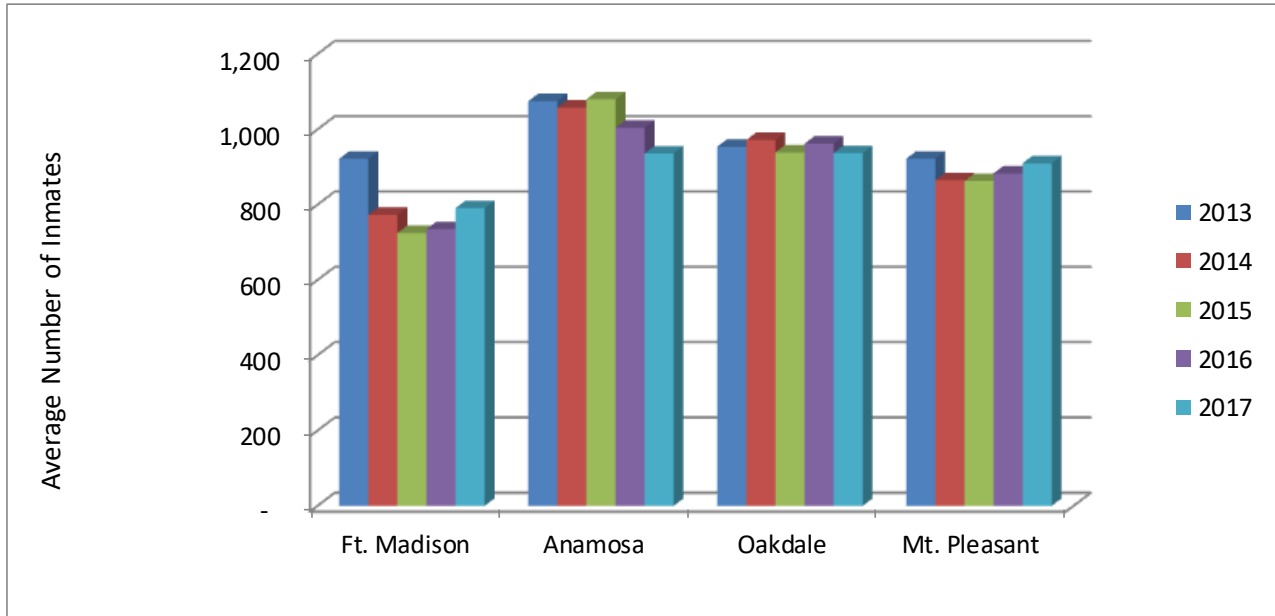
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
Average Number of Inmates  
(Unaudited)

For the Last Five Fiscal Years

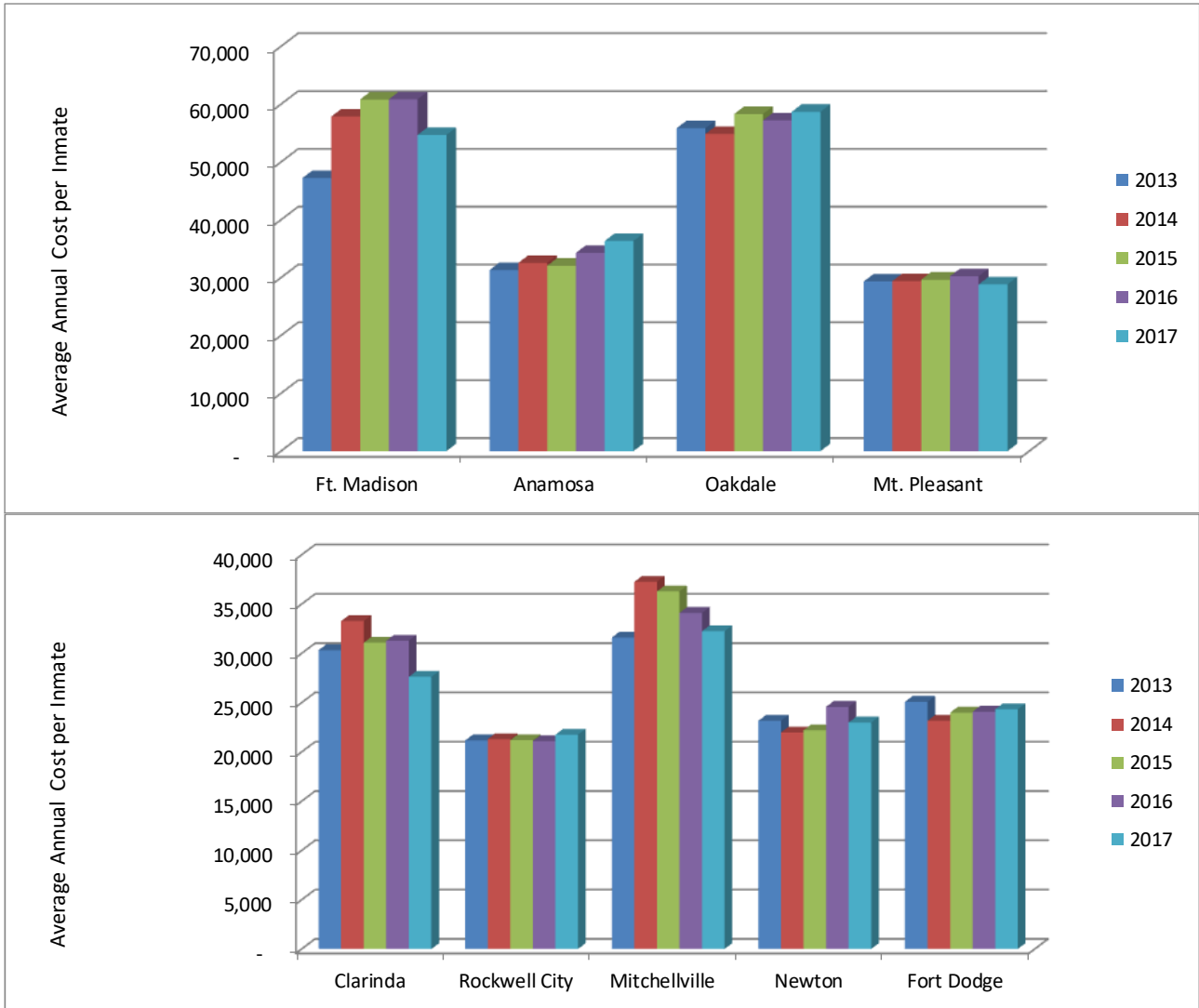




Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
 Average Annual Cost per Inmate  
 (Unaudited)

For the Last Five Fiscal Years



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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2013

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,792,323	26,516,448	43,274,867	22,353,935
Travel	178,170	124,410	115,266	256,878
Supplies and materials	3,278,539	3,835,984	4,079,049	2,304,640
Contractual services	3,482,169	2,265,872	3,754,412	1,595,196
Capital outlay	444,677	318,272	1,639,528	214,785
Claims and miscellaneous	381,624	603,206	414,549	320,541
Licenses, permits and refunds	3,343	3,401	-	-
Total	<u>\$ 43,560,845</u>	<u>33,667,593</u>	<u>53,277,671</u>	<u>27,045,975</u>

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	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,517,372	8,113,466	13,765,653	21,971,440	23,569,129	215,874,633
113,655	86,896	73,572	41,507	101,578	1,091,932
2,971,680	1,026,714	1,743,409	3,269,773	3,456,637	25,966,425
2,049,421	839,644	1,389,107	2,093,942	1,991,868	19,461,631
444,056	54,514	229,026	419,800	664,902	4,429,560
460,319	208,069	209,374	312,909	613,479	3,524,070
2,777	-	-	180	1,785	11,486
<u>26,559,280</u>	<u>10,329,303</u>	<u>17,410,141</u>	<u>28,109,551</u>	<u>30,399,378</u>	<u>270,359,737</u>

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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2014

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,424,796	27,059,052	44,717,974	21,213,939
Travel	181,483	137,242	260,342	106,278
Supplies and materials	3,099,877	3,837,874	3,591,137	1,994,207
Contractual services	4,484,317	2,527,035	3,335,677	1,546,432
Capital outlay	1,205,054	374,691	1,088,365	280,445
Claims and miscellaneous	332,809	513,219	324,343	301,625
Licenses, permits and refunds	4,532	1,944	-	380
Total	<u>\$ 44,732,868</u>	<u>34,451,057</u>	<u>53,317,838</u>	<u>25,443,306</u>

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	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,971,758	8,155,219	16,458,427	22,003,381	23,702,080	219,706,626
103,152	76,780	132,100	119,456	95,586	1,212,419
2,770,671	1,067,963	2,224,670	3,600,523	3,654,251	25,841,173
2,232,207	986,452	2,073,501	2,292,512	1,873,297	21,351,430
230,027	19,326	515,455	263,302	355,527	4,332,192
478,302	213,504	238,396	327,718	655,492	3,385,408
2,513	39	-	215	2,317	11,940
<u>26,788,630</u>	<u>10,519,283</u>	<u>21,642,549</u>	<u>28,607,107</u>	<u>30,338,550</u>	<u>275,841,188</u>

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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2015

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,223,357	27,282,838	45,877,990	21,336,138
Travel	138,910	106,753	226,552	92,369
Supplies and materials	2,971,692	3,787,763	4,267,448	2,170,129
Contractual services	4,820,727	2,470,870	3,467,190	1,445,626
Capital outlay	607,962	421,022	537,209	254,614
Claims and miscellaneous	327,913	565,369	367,249	298,492
Licenses, permits and refunds	3,840	2,337	-	518
Total	\$ 44,094,401	34,636,952	54,743,638	25,597,886

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,110,359	8,168,354	18,710,772	22,116,354	23,873,540	223,699,702
101,221	55,019	84,615	133,187	73,068	1,011,694
3,114,220	960,362	2,535,111	3,868,336	4,175,797	27,850,858
2,049,261	947,263	1,671,298	2,117,720	1,835,643	20,825,598
227,272	40,270	181,206	129,744	187,518	2,586,817
525,806	214,033	287,946	316,981	667,438	3,571,227
3,333	-	-	50	2,987	13,065
27,131,472	10,385,301	23,470,948	28,682,372	30,815,991	279,558,961

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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2016

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,974,235	26,856,280	47,120,065	22,431,383
Travel	127,950	83,101	217,533	95,465
Supplies and materials	3,642,692	4,063,838	3,817,802	2,008,913
Contractual services	4,338,548	2,371,229	3,194,533	1,623,848
Capital outlay	319,828	526,650	284,474	251,353
Claims and miscellaneous	322,666	526,386	384,565	295,811
Licenses, permits and refunds	5,005	1,780	-	423
Total	<u>\$ 44,730,924</u>	<u>34,429,264</u>	<u>55,018,972</u>	<u>26,707,196</u>



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	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,935,309	8,136,673	19,238,331	22,177,832	23,670,549	227,540,657
79,998	53,245	70,126	100,262	71,027	898,707
2,893,795	972,728	2,288,685	3,688,296	4,083,609	27,460,358
2,029,524	974,140	1,559,870	2,072,225	1,825,695	19,989,612
411,165	65,203	96,374	285,996	275,456	2,516,499
550,836	219,070	243,828	319,522	632,163	3,494,847
3,939	-	-	-	2,736	13,883
<u>27,904,566</u>	<u>10,421,059</u>	<u>23,497,214</u>	<u>28,644,133</u>	<u>30,561,235</u>	<u>281,914,563</u>

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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2017

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,008,439	27,127,040	46,772,160	21,952,281
Travel	124,090	82,540	192,983	73,757
Supplies and materials	3,296,265	3,610,270	4,518,406	2,002,937
Contractual services	4,197,170	2,440,640	2,990,131	1,729,674
Capital outlay	293,411	291,278	83,256	184,367
Claims and miscellaneous	335,647	456,355	431,299	305,468
Licenses, permits and refunds	5,730	725	-	410
Total	<u>\$ 43,260,752</u>	<u>34,008,848</u>	<u>54,988,235</u>	<u>26,248,894</u>

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	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,788,952	8,351,057	18,577,598	22,463,689	23,888,369	225,929,585
83,435	60,236	65,576	82,914	71,385	836,916
3,087,598	1,131,400	2,381,284	3,590,959	3,930,962	27,550,081
2,154,690	890,585	1,804,927	2,308,730	1,912,219	20,428,766
37,002	95,908	144,327	228,377	338,751	1,696,677
566,278	234,140	237,721	395,255	570,522	3,532,685
3,656	-	-	1,327	2,166	14,014
<u>27,721,611</u>	<u>10,763,326</u>	<u>23,211,433</u>	<u>29,071,251</u>	<u>30,714,374</u>	<u>279,988,724</u>

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Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics  
(Unaudited)

Year ended June 30, 2017

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Population beginning of year	847	962	908	916
Increases:				
Admissions and transfers in	553	960	5,860	1,058
Decreases:				
Deaths	2	2	11	-
Discharged - Expiration of sentence	48	68	148	124
Paroled to Detainer - INS	-	-	59	1
Paroled to Detainer - Iowa	2	-	2	-
Paroled to Detainer - Out of state	1	3	2	3
Paroled to Detainer - U.S. Marshall	-	4	5	1
Paroled with immediate discharge	9	2	9	12
Parole granted	78	84	49	259
Probation - Reconsideration of sentence	2	3	12	27
Released on bond	-	-	1	1
Released to OWI continuum	3	1	26	2
Released to special sentence	4	4	15	63
Returned to sending jurisdiction	1	225	114	1
Released to Custody of US Bureau of Prisons	1	-	-	-
Revoked	-	-	17	-
Revoked from parole - Discharged	-	-	1	-
Revoked from parole - Work release granted	-	-	9	-
Terminated by appeal - Conviction overturned	4	3	-	-
Terminated by court	-	-	-	1
Work release granted	73	78	25	245
Work unit - Hospital	-	-	89	-
Work unit - Field to field	-	1	232	-
Work unit - Prison to corrections compact	-	1	3	-
Work unit - Prison to/from field	1	-	1	-
Work Unit - Prison to escape	-	-	1	-
Work unit - Prison to prison	441	514	4,927	275
Work unit - Prison to/from residential	-	-	4	1
Work unit - Prison to stayed under appeal	1	-	10	1
Work Unit - Transfer to/from county jail	-	-	14	-
Total released	671	993	5,786	1,017
Population end of year	729	929	982	957
Average number of inmates	791	936	937	910

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	
1,050	507	696	1,284	1,273	
1,451	825	2,123	2,212	1,188	
1	-	-	1	-	
101	101	117	165	179	
3	-	1	-	4	
2	1	5	3	2	
21	5	21	-	25	
18	-	3	-	17	
8	15	29	16	2	
271	269	311	216	239	
16	7	15	13	14	
-	-	-	-	-	
3	16	4	69	1	
7	1	5	82	-	
-	-	2	14	-	
-	-	-	-	-	
-	-	38	219	-	
-	-	-	1	-	
-	-	20	146	-	
-	-	1	3	-	
-	-	1	-	-	
292	250	262	155	278	
129	-	6	4	1	
-	-	1	-	-	
1	-	-	1	-	
-	-	1	1	-	
-	-	-	1	-	
612	176	1,173	756	389	
1	-	1	3	-	
1	-	3	2	-	
-	-	48	251	-	
1,487	841	2,068	2,122	1,151	
1,014	491	751	1,374	1,310	
1,004	495	720	1,265	1,263	

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

- (1) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. The following were noted in relation to the Employee Scholarship Bank Account:
  - a) Responsibilities for deposit preparation, check writing and reconciliation functions are not segregated from those of recording and accounting for receipts and disbursements.
  - b) Bank reconciliations were not formally prepared, reconciled or reviewed.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Facility should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. Such reviews should be performed by independent persons to the extent possible, and should be evidenced by initials or signature of the reviewer and the date of the review.

Response – The Facility will review our control procedures and try to obtain the maximum internal control we can for segregation of duties.

Conclusion – Response accepted.

- (2) Financial Reporting – Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not reported in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) in a GAAP package. The GAAP package is to be submitted to DAS-SAE by the first week of September each year. The following were noted related to the GAAP package:
  - a) The Summary of Changes in Capital Assets beginning balance did not agree to the prior year ending balance of \$2,035.11.
  - b) The Summary of Changes in Accumulated Depreciation ending balance does not add because land valued at \$590,303 was not included in the calculation.
  - c) Ending balances and additions reported in the Accumulated Depreciation section did not trace to support by \$522,369. The variance was due to addition errors in the capital asset listing.
  - d) For 7 of 10 assets tested, accumulated depreciation was not calculated correctly. This resulted in accumulated depreciation being understated by \$537,364.
  - e) The Capital Assets Statistics section included an amount of \$1,343,439 in the Hatcheries category that was intended for the Buildings category.

Findings and Recommendations for the Iowa State Penitentiary - Fort Madison

June 30, 2017

- f) Ending balances and additions reported in the Federal Commodities section were overstated by \$540 and \$729, respectively.

Recommendation – The Penitentiary should ensure GAAP package information reported is complete and accurate.

Response – The Penitentiary will review procedures to ensure GAAP package information is reported correctly on the GAAP package. We will make the appropriate adjustments on the fiscal year 2018 GAAP package.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager  
Jesse J. Probasco, CPA, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Nicholas J. Gassman, Staff Auditor  
Edward K. Schroder, Staff Auditor  
Heather M. Poula, Assistant Auditor

Findings and Recommendations for the Anamosa State Penitentiary

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager  
Jesse J. Harthan, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Edward J. Schroder, Staff Auditor  
Taran E. McCusker, Assistant Auditor  
Matthew K. Nnanna, Assistant Auditor



June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Katherine L. Rupp, CPA, Manager  
Sidot K. Shipley, Staff Auditor  
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Other individuals who participated in the audits include:

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Edward J. Schroder, Staff Auditor  
Libby C. Lamfers, Assistant Auditor

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Finding Related to Internal Control:**

P-1 Approvals – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. During payroll testing, one P-1 document was identified that was approved at the personnel assistant and Department level by the same individual. No documentation was provided supporting the reason why one person approved the P-1 at both levels.

Recommendation – The Facility should establish procedures to require remarks be entered in the comment section of the P-1 document when the same person is applying both the personnel assistant and Department level approvals to explain why it was necessary to do so.

Response – A procedure has been set up and discussed with relevant staff related to documenting approval for personnel assistant and Department levels should only one staff be available. It is always the preference to have two distinct signoffs but in the rare event one person is available for approvals documentation will be made to explain the circumstances surrounding signoff by one person.

Conclusion – Response accepted.

**Finding Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, CGFM, Manager  
Mallory A. Peters, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Nicholas J. Gassman, Staff Auditor  
Edward J. Schroder, Staff Auditor  
Kristin R. Finke, Assistant Auditor  
Erin K. Howland, Assistant Auditor  
Matthew K. Nnanna, Assistant Auditor

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

- (1) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. The following were noted:

- a) Mail is not opened and distributed by someone other than accounting personnel. A list of receipts is not prepared by the mail opener. Responsibilities for receipt collection, deposit preparation and reconciliation functions are not segregated from those of recording and accounting for receipts.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Facility should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel.

Response – In November of 2017, we started to have one of the staff in Human Resources receipt in the checks that came in the mail. She then gives the checks to the Associate Warden of Administration to make the deposit for the cash receipt.

Conclusion – Response accepted.

- (2) Sales Tax Paid – The Clarinda Correctional Facility is exempt from paying sales tax except for items purchased from the Activity Fund which is for inmate use. During the year, sales tax was paid on seven transactions for purchases from the Canteen Fund. All seven purchases were for Netflix and the sales tax paid totaled \$29.82.

Recommendation – The Facility should ensure they are not being charged sales tax when items are purchased with funds other than those in the Activity Fund.

Response – We will start to pay for this out of the Facility's Activity Fund (Recreation Fund), as it is for offender benefit. Therefore it can be charged tax.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

Timely Deposits – Pursuant to Chapter 12.10 of the Code of Iowa, the Facility must deposit 90% of all fees collected with the Office of Treasurer of State within 10 business days following collection. A total of 24 receipts out of 30 tested were not deposited timely. Receipts are held until the end of the week and then recorded in bulk. The receipts are recorded on the day the deposit is prepared rather than when received.

Findings and Recommendations for the Clarinda Correctional Facility

June 30, 2017

Recommendation – As required by the Code of Iowa, the Facility should deposit 90% of all fees collected with the Office of Treasurer of State within 10 business days following collection. Receipts should be recorded on the date of the actual receipt and not when the deposit is prepared.

Response – This comment is for the Facility’s Activity Fund, not the General Fund. We will start having a staff member from Human Resources open and receipt in all checks/cash that are received for the Activity Fund. She will then give the checks/cash to the accounting clerk for a deposit ticket to be made.

Conclusion – Response accepted.

**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager  
Mallory A. Peters, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Erin K. Howland, Assistant Auditor  
Erin W. Wittrock, Assistant Auditor

June 30, 2017

**Findings Reported in the State’s Single Audit Report:**

No matters were noted.

**Findings Reported in the State’s Report on Internal Control:**

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Katherine L. Rupp, CPA, Manager  
Premnarayan Gobin, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Jacob N. Bennett, Staff Auditor  
Cody J. Pifer, Staff Auditor

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Katherine L. Rupp, CPA, Manager  
Jonathan M. Mader, CPA, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Matthew K. Nnanna, Assistant Auditor  
Taryn Plunkett, Assistant Auditor  
Mitchell W. Shipman, Assistant Auditor

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

Targeted Small Business Procurement Goal – 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 at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year. TSB procurement goal for the Facility for fiscal year 2017 was not set a level greater than fiscal year 2016 actual TSB spending.

Recommendation – The Facility should establish a goal which exceeds the 2016 actual TSB spending, as required or seek legislation to change this statutory requirement.

Response – We reviewed and corrected for fiscal year 2018.

Conclusion – Response accepted.

**Staff:**

Questions or requests for further assistance should be directed to:

Donna F. Kruger, CPA, CGFM, Manager  
Elizabeth P. Dawson, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Brett S. Gillen, CPA, Staff Auditor  
Matthew A. Miller, Staff Auditor

Findings and Recommendations for the Fort Dodge Correctional Facility

June 30, 2017

**Findings Reported in the State's Single Audit Report:**

No matters were noted.

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

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Finding Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager  
Jenna M. Paysen, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Ian N. Judson, Staff Auditor  
Malika Moutiq, Staff Auditor  
Taran E. McCusker, Assistant Auditor