



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

**NEWS RELEASE**

FOR RELEASE

November 22, 2021

Contact: Marlys Gaston  
515/281-5834

Auditor of State Rob Sand today released an audit report on Iowa Department of Corrections – Iowa Prison Industries – Farms for the year ended December 31, 2020.

Iowa Prison Industries – Farms is managed by the Iowa Prison Industries, a division of the Iowa Department of Corrections. Farmland owned by the Iowa Department of Corrections and the Iowa Department of Human Services is rented or is used for gardens, row crops or raising livestock.

**AUDIT FINDINGS:**

Sand reported one finding related to a questionable gift. The finding is found on page 3 of the report. Sand recommended Iowa Prison Industries – Farms comply with the State Accounting Policy rule by limiting the amount spent on retirement gifts to \$75.

Management for Iowa Prison Industries have a fiduciary responsibility to provide oversight of the Farm’s operations and financial transactions. Oversight is typically defined as the “watchful and responsible care” management exercises in its fiduciary capacity.

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

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF CORRECTIONS – IOWA PRISON INDUSTRIES – FARMS  
DECEMBER 31, 2020**

**Iowa Prison Industries – Farms**



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November 8, 2021

Iowa Department of Corrections – Iowa Prison Industries – Farms

I am pleased to submit to you the financial and compliance audit report for Iowa Prison Industries – Farms for the year ended December 31, 2020. The report includes an audit finding pertaining Farm's internal control for the year ended December 31, 2020.

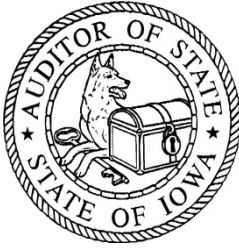
I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Department of Corrections – Iowa Prison Industries – Farms throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand  
Auditor of State

**Iowa Prison Industries – Farms**



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To Beth Skinner, Director of the Iowa Department of Corrections:

Iowa Prison Industries – Farms is a part of the State of Iowa and, as such, has been included in our audit of the State’s Comprehensive Annual Financial Report (CAFR) and the State’s Single Audit Report for the year ended June 30, 2020. Our audit covered the Farms operations for the year ended December 31, 2020.

In conducting our audits, we became aware of a certain aspect concerning the Iowa Prison Industries - Farm’s operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following pages. We believe you should be aware of this recommendation, which includes a finding pertaining to Farm’s internal control and statutory compliance and other matters. This recommendation has been discussed with Iowa Prison Industries - Farms personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the response, we did not audit the Iowa Prison Industries – Farm’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 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 Iowa Prison Industries – Farms 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 are listed on page 4 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA  
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor  
Kraig Paulson, Interim Director, Department of Management  
Tim McDermott, Interim Director, Legislative Services Agency  
Daniel Clark, Deputy Director, Iowa Prison Industries

Finding and Recommendation

Fiscal Year Ended June 30, 2020

**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:**

Questionable Gift – In accordance with the State Accounting Policy and Procedure Manual, Procedure 220.351, the cost of a Retirement Recognition Award cannot exceed \$75. During the Fiscal Year ending December 31, 2020, the Iowa Prison Industries – Farms provided a former employee with a mantle clock costing \$200, in violation of State Accounting Policy rules. This is a customary retirement gift given out to employees.

Recommendation – Iowa Prison Industries - Farms should comply with the State Accounting Policy rule by limiting the amount spent on retirement gifts to \$75.

Response – The entity will monitor its gift policy moving forward.

Conclusion – Response accepted.

Iowa Department of Corrections – Iowa Prison Industries – Farms

Staff

**Staff:**

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
David A. Slocum, CPA, Staff Auditor

Other individuals who participated in the audits include:

Matthew R. Baumhover, Assistant Auditor