



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

August 13, 2008

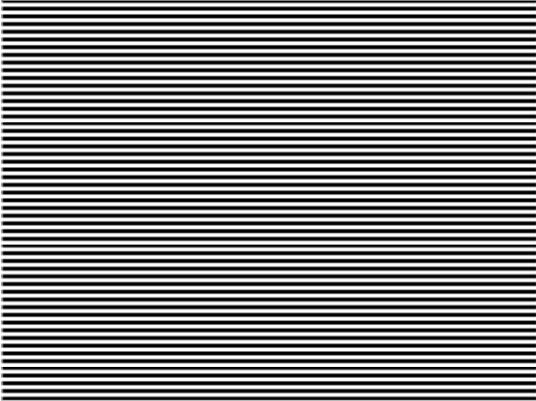
Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Department of Corrections for the year ended June 30, 2007.

The Iowa Department of Corrections oversees the financial administration of all correctional institutions and community-based corrections. The Department is responsible for a variety of services, such as planning for and monitoring correctional facilities and training correctional officers. The governing policy board for the Department is the Board of Corrections.

A copy of the report is available for review at the Iowa Department of Corrections, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF CORRECTIONS**

JUNE 30, 2007

Office of

**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



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August 11, 2008

To John Baldwin, Director of the
Iowa Department of Corrections:

The Iowa Department of Corrections is a part of the State of Iowa and, as such, has 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, 2007.

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 recommendations which are reported on the following pages. We believe you should be aware of these recommendations which pertain to the Department's internal control and statutory requirements. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report.

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 the Department 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 Department are listed on page 6 and they are available to discuss these matters with you.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor
Charles J. Krogmeier, Director, Department of Management
Timothy C. Faller, Interim Director, Legislative Services Agency

Report of Recommendations to the Iowa Department of Corrections

June 30, 2007

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:

Cash Receipt Reconciliation – All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to accounting personnel for processing. The same listing should then be compared to the cash receipt records. The Department has not performed a comparison of the initial listing to the cash receipts records since July 2006.

Recommendation – The Department should develop procedures to ensure the initial listing is compared to the cash receipts records on a timely basis.

Response – The Department will comply with the requirement in the future.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Corrections

June 30, 2007

Finding Related to Statutory Requirements and Other Matters:

Code Compliance – Section 8D.10 of the Code of Iowa requires the Department to submit an annual written report to the General Assembly certifying the identified savings associated with using the Iowa Communications Network on or before January 15. This report was not submitted.

Additionally, section 8.44 of the Code of Iowa requires the Department, upon receiving federal funds or any other funds from any public or private sources, to submit a written report to the Department of Management stating the source of these funds, the amount received and the terms under which they were received within thirty days after receipt. This report was not submitted.

Recommendation – The Department should comply with applicable Code of Iowa sections and submit reports when required.

Response – The Department will comply with these requirements in the future.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Corrections

June 30, 2007

Staff:

Questions or requests for further assistance should be directed to:

Ronald D. Swanson, CPA, Manager
Daniel L. Durbin, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jacob R. Chambers, Assistant Auditor
Tiffany M. Maske, Assistant Auditor