



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE September 9, 2008

Contact: Andy Nielsen
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Auditor of State David A. Vaudt 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, 2007.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$19,110 at the North Central Correctional Facility - Rockwell City to \$42,729 at the Iowa State Penitentiary in Fort Madison for the year ended June 30, 2007. General fund expenditures for the nine institutions totaled approximately \$241.3 million for the year ended June 30, 2007, an increase of approximately \$14.6 million, or 6.45%, over the year ended June 30, 2006. General Fund expenditures have increased 26.42% during the five year period ended June 30, 2007. The average daily cost per inmate of \$75.46 for the year ended June 30, 2007 was 20.75% greater than the average daily cost per inmate of \$62.45 for the year ended June 30, 2003. The average number of inmates increased 4.63% over the five year period, from 8,375 for the year ended June 30, 2003 to 8,763 for the year ended June 30, 2007.

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 <http://auditor.iowa.gov/reports/reports.htm>.

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

JUNE 30, 2007

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State

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August 29, 2008

To the Members of the Iowa Board of Corrections:

The Institutions under the control of the Iowa Department of Corrections are a 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, 2007.

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 pertain to internal control, 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.

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, 2007 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 28, 29, 31, 32, 33, 34, 35, 36 and 37 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

Iowa Department of Corrections

Overview

Background

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

Iowa State Penitentiary - Fort Madison – A penal institution for men consisting of the Penitentiary proper, a maximum security facility, the John E. Bennett unit, a medium security dormitory, and the Montrose and Augusta units, two minimum security farm dormitories.

Anamosa State Penitentiary – A penal institution for men consisting of the reformatory proper, a medium security facility, and Luster Heights, a minimum security facility. A primary objective is to release individuals who have learned to cope with their problems and live within the rules of society.

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 security setting, a security unit for persons requiring confinement in a security setting and a classification unit for the reception, orientation and classification of inmates before placement in the most appropriate correctional institution according to necessary security and custody arrangement and the assessed service needs of the inmates.

Mount Pleasant Correctional Facility – A medium security facility for men and women primarily for treatment of inmates who exhibit treatable personality disorders, with or without accompanying history of drug or alcohol abuse. The Institution emphasizes a treatment program directed toward developing the inmate's social skills to aid in his/her return to community life.

Clarinda Correctional Facility – A medium security facility primarily for chemically dependent, mentally retarded and socially inadequate offenders.

North Central Correctional Facility - Rockwell City – A minimum security facility for men.

Iowa Correctional Institution for Women - Mitchellville – A minimum security correctional institution for women providing care, custody and rehabilitative services.

Newton Correctional Facility – A minimum security release center utilized for the preparation of inmates of the correctional institutions for discharge, work release or parole. The Institution provides inmates with actual practice in functioning within society and with feedback regarding their performance.

Fort Dodge Correctional Facility – A medium security prison designed to house 1,150 adult male offenders in a double occupancy celled environment. The Facility specializes in assisting inmates making the transition to civilian living.

Iowa Department of Corrections

Overview

Scope

We have calculated an average cost per inmate at each Institution for the five years ended June 30, 2007, 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 purposes. For purposes of this report, we have included only the current year principal and interest payments 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.

For these Institutions, expenditures do not include the cost of improvements and additions to buildings financed by certificates of participation.

Summary Observation

The average cost per inmate ranged from \$19,110 at the North Central Correctional Facility - Rockwell City to \$42,729 at the Iowa State Penitentiary in Fort Madison for fiscal year 2007. The average cost per inmate has generally remained constant or increased over the past five years at each Institution.

During fiscal year 2007, the Iowa Department of Corrections completed construction of a Special Needs Unit at the Iowa Medical and Classification Center – Oakdale (IMCC). The facility includes a Health Services Clinic for outpatient services, in addition to housing for medical treatment and inmates with mental health and behavioral problems. The Special Needs Unit can house up to 178 inmates. Inmates will move into the new unit beginning in July 2007. IMCC began staffing the Special Needs Unit in April 2007. The total number of employees increased from 322 at March 2007 to 504 at June 2007. The increase in the average cost per inmate for fiscal year 2007 was due, in part, to the increased staffing.

While total general fund expenditures have increased 26.42%, from \$190,902,312 for fiscal year 2003 to \$241,344,030 for fiscal year 2007, the average number of inmates has increased 4.63%, from 8,375 to 8,763, and the average daily cost per inmate has increased 20.75%, from \$62.45 to \$75.46, over the same period.

Iowa Department of Corrections

Schedules

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, 2003			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	925	513	\$ 37,676	103.22
Anamosa State Penitentiary	1,288	355	19,434	53.24
Iowa Medical and Classification Center - Oakdale	884	320	25,345	69.44
Mount Pleasant Correctional Facility	1,001	314	21,634	59.27
Clarinda Correctional Facility	885	279	21,063	57.71
North Central Correctional Facility- Rockwell City	478	105	15,557	42.62
Iowa Correctional Institution for Women - Mitchellville	541	195	23,709	64.95
Newton Correctional Facility	1,137	334	20,397	55.88
Fort Dodge Correctional Facility	1,236	366	20,118	55.12
Total	8,375	2,781	\$ 22,794	62.45

Year ended June 30, 2004				Year ended June 30, 2005			
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
1,056	555	\$ 37,664	100.45	998	529	\$ 39,727	108.84
1,311	363	20,367	55.80	1,319	354	20,724	56.78
762	322	31,285	85.71	813	295	29,556	80.97
1,083	302	20,673	56.64	1,045	280	21,704	59.46
844	276	24,055	65.90	918	292	24,530	67.21
484	106	16,626	45.55	487	102	16,848	46.16
578	194	24,029	65.83	599	183	23,665	64.84
1,188	338	20,274	55.54	1,140	322	21,617	59.22
1,241	367	20,866	57.17	1,228	360	21,154	57.96
8,547	2,823	\$ 23,852	65.35	8,547	2,717	\$ 24,478	67.06

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, 2006			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	1,005	520	\$ 43,123	118.15
Anamosa State Penitentiary	1,325	351	22,008	60.30
Iowa Medical and Classification Center - Oakdale	840	297	31,620	86.63
Mount Pleasant Correctional Facility	1,056	297	23,269	63.75
Clarinda Correctional Facility	1,022	308	24,033	65.84
North Central Correctional Facility- Rockwell City	488	108	18,464	50.59
Iowa Correctional Institution for Women - Mitchellville	623	192	24,753	67.82
Newton Correctional Facility	1,194	322	22,041	60.39
Fort Dodge Correctional Facility	1,165	352	23,841	65.32
Total	8,718	2,747	\$ 26,006	71.25

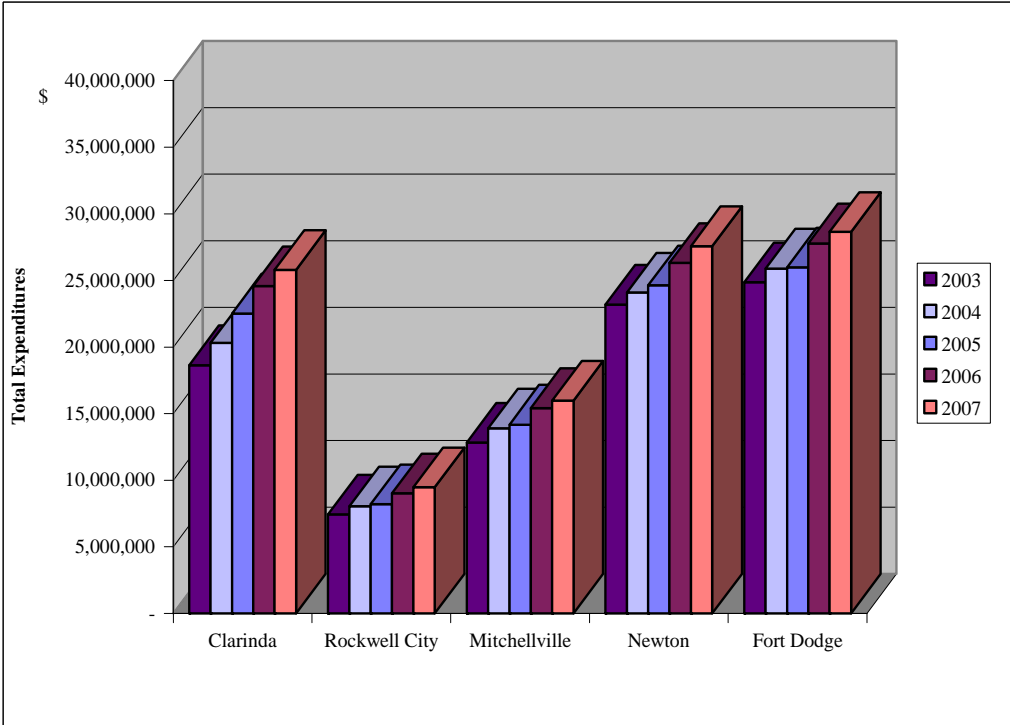
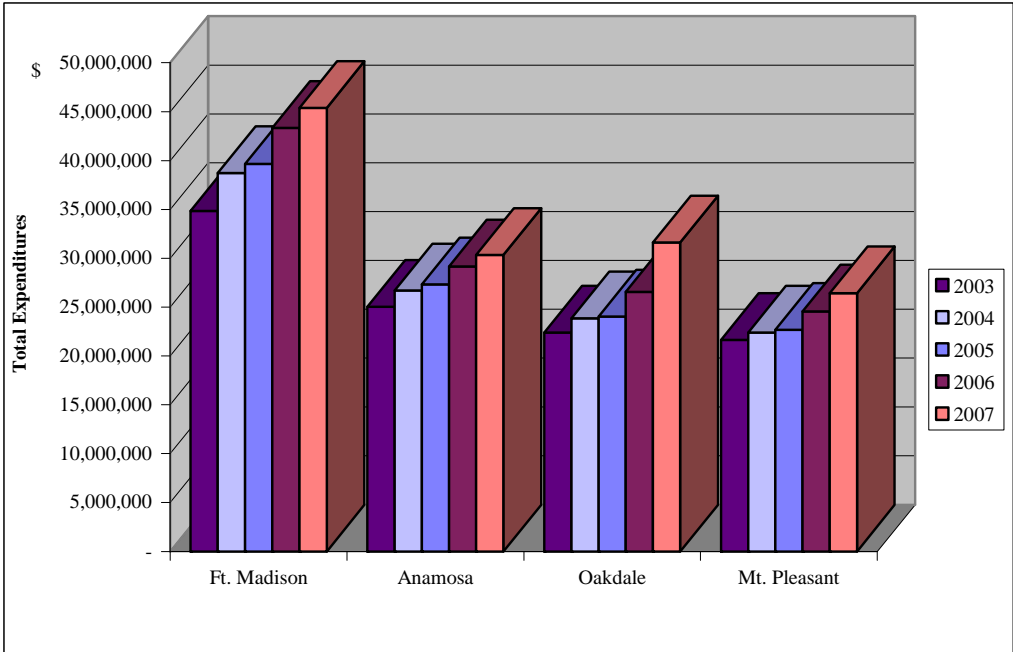
Year ended June 30, 2007				
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate		Average Daily Cost per Inmate
1,062	531	\$ 42,729		117.06
1,345	347	22,553		61.79
836	346	38,039		104.22
1,054	294	25,071		68.69
1,066	303	24,190		66.27
496	112	19,110		52.36
609	201	26,237		71.88
1,190	328	23,169		63.48
1,105	349	25,876		70.89
8,763	2,811	\$ 27,541		75.46

Iowa Department of Corrections

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate Information by Institution
 Total Expenditures
 (Unaudited)

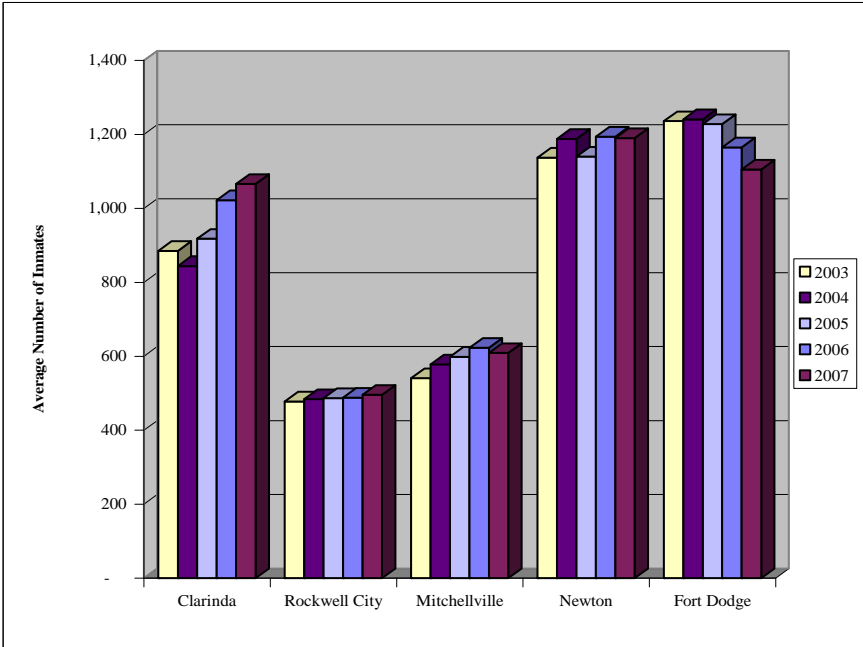
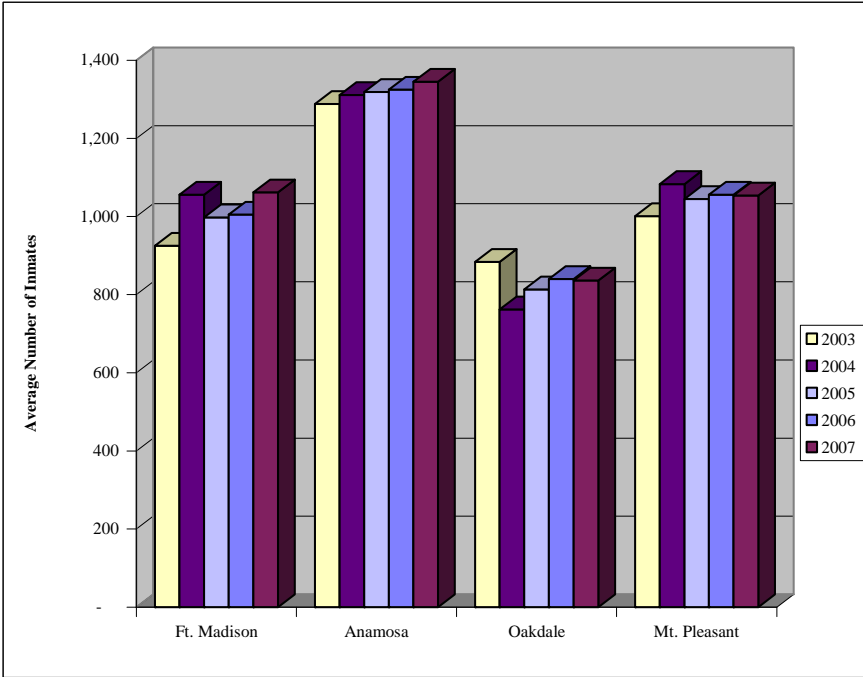
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

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

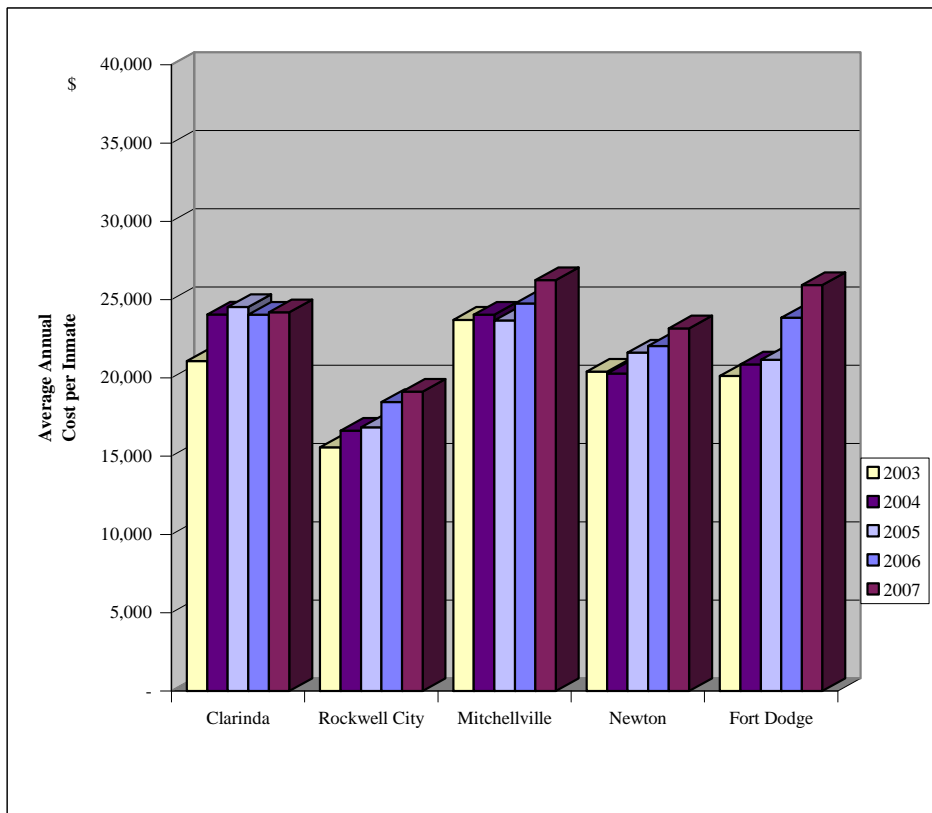
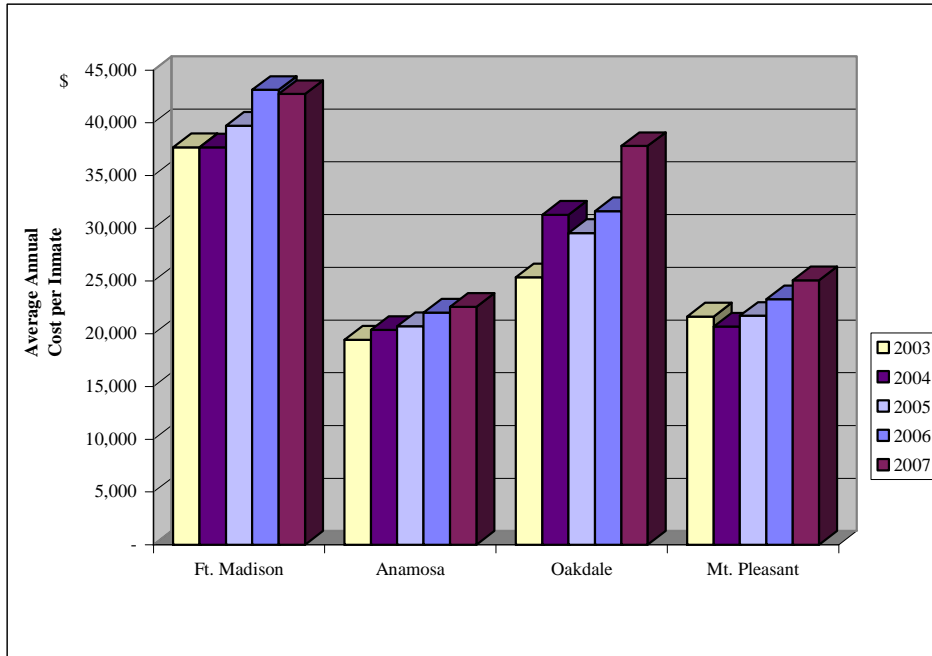
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

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

For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2003

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 28,489,841	20,169,286	18,263,996	17,527,117
Travel	119,664	61,935	92,324	74,761
Supplies and materials	2,998,965	2,757,099	2,053,622	2,213,916
Contractual services	2,503,381	1,443,139	1,688,579	1,276,816
Capital outlay	236,660	141,244	97,557	147,127
Claims and miscellaneous	497,655	458,456	208,830	415,567
Licenses, permits and refunds	4,573	-	-	-
Total	\$ 34,850,739	25,031,159	22,404,908	21,655,304

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
14,665,722	5,716,796	10,486,754	17,758,872	18,423,549	151,501,933
63,579	35,368	35,824	80,346	87,496	651,297
2,111,743	695,661	1,178,638	2,786,717	2,494,669	19,291,030
1,374,541	702,018	835,695	1,928,342	3,248,398	15,000,909
24,539	128,229	81,329	209,011	266,977	1,332,673
399,508	158,245	208,060	423,941	338,681	3,108,943
869	-	-	3,987	6,098	15,527
18,640,501	7,436,317	12,826,300	23,191,216	24,865,868	190,902,312

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2004

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 32,509,487	21,808,107	19,500,778	18,100,803
Travel	90,445	47,104	116,095	75,236
Supplies and materials	3,090,665	2,756,521	2,154,399	2,431,842
Contractual services	2,155,293	1,508,297	1,737,208	1,263,857
Capital outlay	306,861	119,586	132,469	95,720
Claims and miscellaneous	560,087	461,036	197,891	421,434
Licenses, permits and refunds	4,059	-	-	-
Total	\$ 38,716,897	26,700,651	23,838,840	22,388,892

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
15,520,112	6,169,374	11,178,936	19,193,618	20,481,253	164,462,468
129,006	42,301	129,953	96,415	37,270	763,825
2,338,590	775,950	1,247,033	2,505,179	2,542,797	19,842,976
1,662,216	628,513	1,009,344	1,720,194	2,252,252	13,937,174
242,589	280,627	118,319	172,183	253,176	1,721,530
408,710	150,415	205,124	397,422	324,112	3,126,231
888	-	-	345	3,538	8,830
20,302,111	8,047,180	13,888,709	24,085,356	25,894,398	203,863,034

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2005

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 32,952,833	22,141,657	19,032,391	18,425,339
Travel	187,420	68,220	159,439	220,314
Supplies and materials	3,185,930	2,813,891	2,474,854	2,198,440
Contractual services	2,512,872	1,619,558	1,785,608	1,329,761
Capital outlay	270,054	251,035	409,351	78,889
Claims and miscellaneous	534,803	440,816	167,274	428,453
Licenses, permits and refunds	3,967	-	-	-
Total	\$ 39,647,879	27,335,177	24,028,917	22,681,196

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
17,115,309	6,300,961	11,095,638	19,357,649	21,241,745	167,663,522
155,372	52,040	30,807	217,403	84,909	1,175,924
2,898,245	959,782	1,523,878	2,473,872	2,560,676	21,089,568
1,867,609	609,169	1,041,502	1,701,004	1,695,702	14,162,785
84,661	58,972	256,195	534,717	65,707	2,009,581
396,818	223,890	227,250	358,168	326,963	3,104,435
864	-	-	330	1,484	6,645
22,518,878	8,204,814	14,175,270	24,643,143	25,977,186	209,212,460

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2006

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 34,739,150	23,200,862	21,491,496	19,831,740
Travel	253,391	91,660	154,963	127,134
Supplies and materials	3,667,142	2,841,381	2,490,531	2,518,363
Contractual services	3,587,948	2,388,316	2,132,765	1,472,523
Capital outlay	592,189	183,890	114,159	163,578
Claims and miscellaneous	494,700	454,979	176,693	459,240
Licenses, permits and refunds	4,075	-	-	-
Total	\$ 43,338,595	29,161,088	26,560,607	24,572,578

	Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility		Total
19,379,005	6,720,136	11,983,384	20,769,392	22,158,465		180,273,630
53,125	161,263	62,847	144,278	190,803		1,239,464
3,007,450	975,390	1,618,943	2,791,186	2,791,945		22,702,331
1,526,129	842,249	1,246,732	2,189,588	2,120,139		17,506,389
89,163	96,781	263,608	70,235	184,670		1,758,273
506,019	214,517	245,749	351,486	324,460		3,227,843
869	-	-	330	3,737		9,011
24,561,760	9,010,336	15,421,263	26,316,495	27,774,219		226,716,941

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2007

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 36,761,422	23,866,475	24,629,799	21,082,706
Travel	92,230	11,841	145,185	173,414
Supplies and materials	4,292,726	3,208,806	3,853,563	2,690,854
Contractual services	3,296,611	2,402,452	1,041,670	1,846,346
Capital outlay	471,560	385,999	1,845,943	171,194
Claims and miscellaneous	460,496	457,889	178,616	459,823
Licenses, permits and refunds	2,795	-	106,034	-
Total	\$ 45,377,840	30,333,462	31,800,810	26,424,337

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
19,784,958	7,193,489	12,681,698	21,769,193	23,194,992	190,964,732
197,845	79,325	19,268	182,498	141,596	1,043,202
3,343,916	923,108	1,454,148	2,730,888	2,726,264	25,224,273
1,779,940	893,328	1,406,248	2,329,554	1,898,128	16,894,277
145,907	182,575	166,035	219,860	283,533	3,872,606
531,827	206,903	250,828	338,279	346,118	3,230,779
2,651	-	-	440	2,241	114,161
25,787,044	9,478,728	15,978,225	27,570,712	28,592,872	241,344,030

Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics
(Unaudited)

Year ended June 30, 2007

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Population beginning of year	1,028	1,335	779	1,045
Admissions:				
Admissions and transfers in	662	650	5,796	879
Released:				
Transfers out	135	263	5,360	-
Paroles	126	150	29	18
Work release	79	101	11	225
Parole/discharges	14	-	22	182
Expiration of sentence	156	125	171	186
Shock probation	7	3	18	23
Return to probation	-	-	-	-
Transfers out to OWI facility	22	-	100	2
Transfers out to MHI	-	-	3	218
Escapes	1	-	-	-
Release by Court Order	2	3	5	2
Iowa compact transfers out	2	1	2	-
Compact prisoners from other states out	5	-	-	-
Appeal bond	-	1	20	-
Deaths	6	2	2	1
Total released	555	649	5,743	857
Population end of year	1,135	1,336	832	1,067
Average number of inmates	1,062	1,345	836	1,054

	Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	
1,178	497	581	1,214	1,163	
1,387	533	771	1,921	1,151	
754	54	114	704	345	
198	180	225	268	223	
184	131	199	286	123	
41	23	49	15	168	
156	85	80	458	318	
17	8	38	15	46	
-	-	-	167	1	
1	28	15	30	-	
-	-	-	7	-	
-	-	-	-	-	
1	-	1	-	2	
1	28	22	11	1	
-	-	-	-	6	
-	-	-	-	-	
-	-	1	1	-	
1,353	537	744	1,962	1,233	
1,212	493	608	1,173	1,081	
1,066	496	609	1,190	1,105	

Findings and Recommendations for Iowa State Penitentiary - Fort Madison

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Joe T. Marturello, CIA, Manager
Daniel L. Durbin, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Scott G. Anderson, Assistant Auditor
Kurt D. Goldsmith, Assistant Auditor

Findings and Recommendations for Anamosa State Penitentiary

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Kay F. Dunn, CPA, Manager
Shawn R. Elsbury, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Gelu Sherpa, Staff Auditor
Tracey L. Gerrish, Assistant Auditor

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

- (1) Canteen Pop Tokens – The Institution sells tokens to inmates and employees to be used to purchase pop. The Institution does not have a system in place to account for or safeguard the tokens on hand to ensure the tokens issued are in agreement with inmate canteen orders and employee sales.

Recommendation – The Institution should implement a system to account for the total number of tokens on hand to ensure the tokens are properly safeguarded and to determine tokens issued are in agreement with inmate canteen orders and employee sales.

Response – The Institution will make an initial count of pop tokens. Store orders will be processed and only the amount for orders will be distributed. Unsold tokens will be recounted after sales to account for all tokens.

Conclusion – Response accepted.

- (2) Payroll – Four of ten time cards tested did not include documentation of supervisor approval of hours worked by the employee. In addition, one time card could not be located to support the payroll disbursement.

Recommendation – Time cards should be signed by the supervisor to document supervisory approval of hour worked. In addition, the Institution should maintain all time cards for all payroll disbursements.

Response – A policy will be developed to ensure the Human Resource Department forwards time cards to Supervisors for their signature and approval and staff signatures, and all time cards will be maintained to support all payroll disbursements.

Conclusion – Response accepted.

- (3) Capital Assets – The Institution is required to keep an up-to-date and accurate listing to track and maintain control over its capital assets. This includes making additions and deletions to the capital asset listing and ensuring items are properly tagged. We noted the following:

(a) The Power House was constructed and paid for by the Iowa Department of Corrections (IDOC). During fiscal year 2007, the Power House was completed and capitalized by IMMC – Oakdale. The amount capitalized by IMMC – Oakdale does not agree with the amount reported by the IDOC.

(b) Eight of 108 assets tested were either not capitalized or were capitalized at an incorrect amount.

(c) Two of 18 assets tested were not properly tagged.

(d) Deletions did not have proper authorization or supporting documentation for disposal.

Recommendation – The Institution should review and develop procedures to ensure its capital asset listing is accurate and all items are properly tagged. In addition, the Institution should ensure all items disposed of have supporting documentation authorizing the disposal.

June 30, 2007

Response – IMCC-Oakdale will have the capital assets listing reviewed by a third party staff member to ensure accuracy of the report and also a final review will be performed before submitting the GAAP package. Also, all items will be tagged and deletions will be authorized and supporting documentation maintained.

Conclusion – Response accepted.

- (4) Telephone Account Expenditures – Funds received by the Institution for inmate telephone charges are deposited into a separate inmate telephone checking account. Each month, the Institution writes a check from the inmate telephone checking account to the State Treasurer to be deposited with the State and reported on the State's accounting system. Checks written from the inmate telephone checking account were identified which were held by the Institution up to three months prior to issuance to the State Treasurer.

Recommendation – To properly record activity and safeguard assets from loss or theft, the Institution should develop procedures to ensure all checks written by the Institution are sent immediately to the payee and not held at the Institution.

Response – IMCC – Oakdale will develop policies and procedures to ensure checks written are not held at institution for a period of more than 24 hours.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

Timely Deposit of Receipts - Chapter 12.10 of the Code of Iowa requires 90% of moneys received be deposited within 10 days after collection. The Institution had deposits where 90% of the moneys received were not deposited within 10 days after collection.

Recommendation - The Institution should ensure moneys received are deposited within ten days after collection as required by the Code of Iowa.

Response – IMCC-Oakdale will deposit all funds at least weekly into the appropriate accounts.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Carrie L. Livingston, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Joshua B. Ludwig, Assistant Auditor
Tiffany M. Maske, Assistant Auditor

Findings and Recommendations for Mount Pleasant Correctional Facility

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Kay F. Dunn, CPA, Manager
Carrie L. Livingston, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Shannon M. Hoffman, Staff Auditor
Kurt D. Goldsmith, Assistant Auditor
Paula J. Smothers, Assistant Auditor

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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 of those of another. One or two individuals perform the duties of opening, collecting, depositing, posting and monthly reconciling for the Entertainment Fund.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Institution should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. Evidence of various reviews should be indicated by initials of the independent reviewer and the date of the review.

Response – We have taken steps to segregate the tasks related to the processing of Entertainment Fund receipts beginning with the opening and recording of the items. The deposits will be done by another person as needed.

Conclusion – Response accepted.

- (2) Payroll – The Institution processes and records payroll and personnel information on the Human Resources Information System (HRIS). The Human Resources Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. These individuals also have the ability to initiate and approve timesheets.

Recommendation – To strengthen controls, the Institution should develop and implement procedures to segregate the duties of the Human Resources Associates from the duties of payroll.

Response – Our Human Resources Associates now will only apply one level of approval.

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:

K. David Voy, CPA, Manager
Karen J. Kibbe, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Melissa M. Wellhausen, CPA, Senior Auditor
Aaron P. Wagner, CPA, Staff Auditor
James R. Wittenwyler, Staff Auditor
Mike D. Eckard, Assistant Auditor

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Ronald D. Swanson, CPA, Manager
Michael R. Field, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jessica N. Meierotto, Assistant Auditor

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

Procurement Cards – The Institution uses procurement cards to purchase items for its operations. The cards were issued through the State of Iowa Procurement Card Program with Commerce Bank. Three of five procurement card transactions tested included finance charges. The finance charges were billed because the entire balance of the procurement card was not paid at the end of the month and one payment was received by Commerce Bank after the due date. Also, for one of 5 procurement card transactions tested, adequate supporting documentation was not available to support the purchases made.

Recommendation – The Institution should ensure all future Commerce Bank payments are made before the due date and the entire balance is paid off at the end of each month to avoid finance charges. Adequate supporting documentation should be retained at the Institution for all purchases.

Response – Procurements have been reviewed and invoices will be paid timely to prevent finance charges. Supporting documentation will be attached for purchases.

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:

Joe T. Marturello, CIA, Manager
Michael P. Piehl, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jacob R. Chambers, Assistant Auditor
Kurt D. Goldsmith, Assistant Auditor
William J. Hanson, Assistant Auditor

Findings and Recommendations for Newton Correctional Facility

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Pamela J. Bormann, CPA, Manager
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Andrew E. Nielsen, CPA, Deputy Auditor of State

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Jenny M. Podrebarac, Assistant Auditor

Findings and Recommendations for Fort Dodge Correctional Facility

June 30, 2007

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Suzanne R. Dahlstrom, CPA, Manager
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Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Delynn M. Kroeger, Staff Auditor
Sharon K. Stickrod, Staff Auditor
Brett M. Zeller, Staff Auditor