



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

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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____

June 6, 2003

Contact: Andy Nielsen
515/281-5515

Auditor of State David A. Vaudt today released a report on the Iowa Department of Corrections for the year ended June 30, 2002.

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.

Vaudt recommended that the Department develop and implement procedures to improve controls over cash receipts and comply with the Code of Iowa. The Department responded favorably to the recommendations.

A copy of the report is available for review in the Iowa Department of Corrections or the office of Auditor of State.

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

JUNE 30, 2002

Office of
**AUDITOR
OF STATE**

State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA
Auditor of State**

0360-2380-0000



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David A. Vaudt, CPA
Auditor of State

May 29, 2003

To Gary D. Maynard, 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, 2002.

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. The recommendations pertain to the Department's internal control, compliance with statutory requirements and other matters which we believe you should be aware of. 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 any 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 5 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 Thomas J. Vilsack, Governor
Cynthia P. Eisenhauer, Director, Department of Management
Dennis C. Prouty, Director, Legislative Fiscal Bureau

Report of Recommendations to the Iowa Department of Corrections

June 30, 2002

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Related to Internal Control:

- (1) Cash Receipts – The budget analyst prepares a spreadsheet of all cash and checks received. The accountant records the date that cash and/or checks are deposited on the spreadsheet. It is the policy of the Iowa Department of Corrections that an independent individual reconcile the amounts received to the amounts deposited.

The reconciliation has not been performed for the time period July 1, 2002 to December 11, 2002.

Recommendation – The Iowa Department of Corrections should reinstate procedures that provide for an independent reconciliation of amounts received to amounts deposited to ensure that all receipts are deposited intact.

Response – The Department will try to implement the above procedure. The continued decrease in staff continues to cause concern that we are not complying with good accounting practices.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Section 905.4 of the Code of Iowa requires that each District Department file with the Board of Supervisors of each county in the district and with the Iowa Department of Corrections within ninety days of the close of each fiscal year a report covering the District Department's proceedings and a statement of revenues and expenditures during the preceding fiscal year.

Seven of eight District Departments did not complete the report timely.

Recommendation – The Iowa Department of Corrections should implement procedures to ensure that District Departments comply with Section 905.4 of the Code of Iowa.

Response – The Iowa Department of Corrections had implemented a new offender automated tracking system called ICON and is currently writing programming code to begin the process of getting data out of the database. The preparation of the annual report was delayed as a result of the deployment of the new system.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Corrections

June 30, 2002

Staff:

Questions or requests for further assistance should be directed to:

Joe T. Marturello, CIA, Manager
Steven O. Fuqua, CPA, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this audit include:

Cory A. Warmuth, Staff Auditor
Brad T. Holtan, Assistant Auditor