



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE September 16, 2010

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, 2009.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$20,898 at the North Central Correctional Facility - Rockwell City to \$51,133 at the Iowa Medical and Classification Center in Oakdale for the year ended June 30, 2009. General fund expenditures for the nine institutions totaled approximately \$273 million for the year ended June 30, 2009, an increase of approximately \$4 million, or 1.61%, over the year ended June 30, 2008. General Fund expenditures have increased 30.66% during the five year period ended June 30, 2009. The average daily cost per inmate of \$85.98 for the year ended June 30, 2009 was 28.21% greater than the average daily cost per inmate of \$67.06 for the year ended June 30, 2005. The average number of inmates increased 1.91% over the five year period, from 8,547 for the year ended June 30, 2005 to 8,710 for the year ended June 30, 2009.

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/1064-0000-0R00.pdf>

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

JUNE 30, 2009

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State

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David A. Vaudt, CPA
Auditor of State

September 13, 2010

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, 2009.

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 those reported in the State's Report on Internal Control, as well as other recommendations which pertain 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, 2009 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, 32, 33, 34, 35, 36, 37 and 38 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
Richard C. Oshlo, Jr., 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 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 Penitentiary 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 arrangements and the assessed service needs of the inmates. In addition, the Center serves as the Department of Corrections centralized processing center for all incoming 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 Facility 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 Facility provides inmates with actual practice in functioning within society and with feedback regarding their performance.

Fort Dodge Correctional Facility – A medium security facility 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, 2009, 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 \$20,898 at the North Central Correctional Facility - Rockwell City to \$51,133 at the Iowa Medical and Classification Center – Oakdale for the year ended June 30, 2009. The average cost per inmate has generally remained constant or increased over the past five years at each Institution.

During the year ended June 30, 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. IMCC began staffing the Special Needs Unit in April 2007. The inmates in the Special Needs Unit require multiple services and specialists. The total number of employees at IMCC increased from 322 at March 2007 to 581 at June 2009. The increase in the average cost per inmate for the year ended June 30, 2009 was due, in part, to the increased staffing.

While total General Fund expenditures increased 30.66%, from \$209,212,460 for the year ended June 30, 2005 to \$273,348,692 for the year ended June 30, 2009, the average number of inmates has increased 1.91%, from 8,547 to 8,710, and the average daily cost per inmate has increased 28.21%, from \$67.06 to \$85.98, 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, 2005			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	998	529	\$ 39,727	108.84
Anamosa State Penitentiary	1,319	354	20,724	56.78
Iowa Medical and Classification Center - Oakdale	813	295	29,556	80.97
Mount Pleasant Correctional Facility	1,045	280	21,704	59.46
Clarinda Correctional Facility	918	292	24,530	67.21
North Central Correctional Facility- Rockwell City	487	102	16,848	46.16
Iowa Correctional Institution for Women - Mitchellville	599	183	23,665	64.84
Newton Correctional Facility	1,140	322	21,617	59.22
Fort Dodge Correctional Facility	1,228	360	21,154	57.96
Total	8,547	2,717	\$ 24,478	67.06

Year ended June 30, 2006					Year ended June 30, 2007				
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	
1,005	520	\$ 43,123	118.15		1,062	531	\$ 42,729	117.06	
1,325	351	22,008	60.30		1,345	347	22,553	61.79	
840	297	31,620	86.63		836	346	38,039	104.22	
1,056	297	23,269	63.75		1,054	294	25,071	68.69	
1,022	308	24,033	65.84		1,066	303	24,190	66.27	
488	108	18,464	50.59		496	112	19,110	52.36	
623	192	24,753	67.82		609	201	26,237	71.88	
1,194	322	22,041	60.39		1,190	328	23,169	63.48	
1,165	352	23,841	65.32		1,105	349	25,876	70.89	
8,718	2,747	\$ 26,006	71.25		8,763	2,811	\$ 27,541	75.46	

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, 2008			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	1,103	529	\$ 43,482	119.13
Anamosa State Penitentiary	1,326	345	24,203	66.31
Iowa Medical and Classification Center - Oakdale	921	551	52,134	142.83
Mount Pleasant Correctional Facility	1,041	295	26,393	72.31
Clarinda Correctional Facility	1,014	292	25,973	71.16
North Central Correctional Facility- Rockwell City	496	114	20,545	56.29
Iowa Correctional Institution for Women - Mitchellville	597	192	28,640	78.47
Newton Correctional Facility	1,158	335	25,203	69.05
Fort Dodge Correctional Facility	1,109	347	27,644	75.74
Total	8,765	3,000	\$ 30,692	84.09

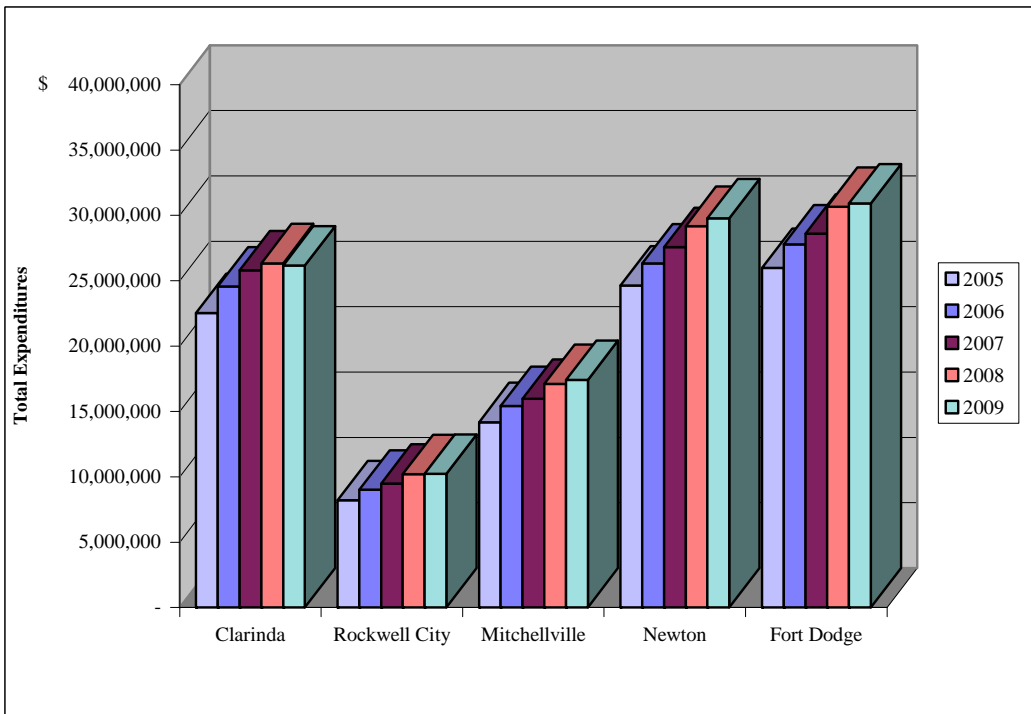
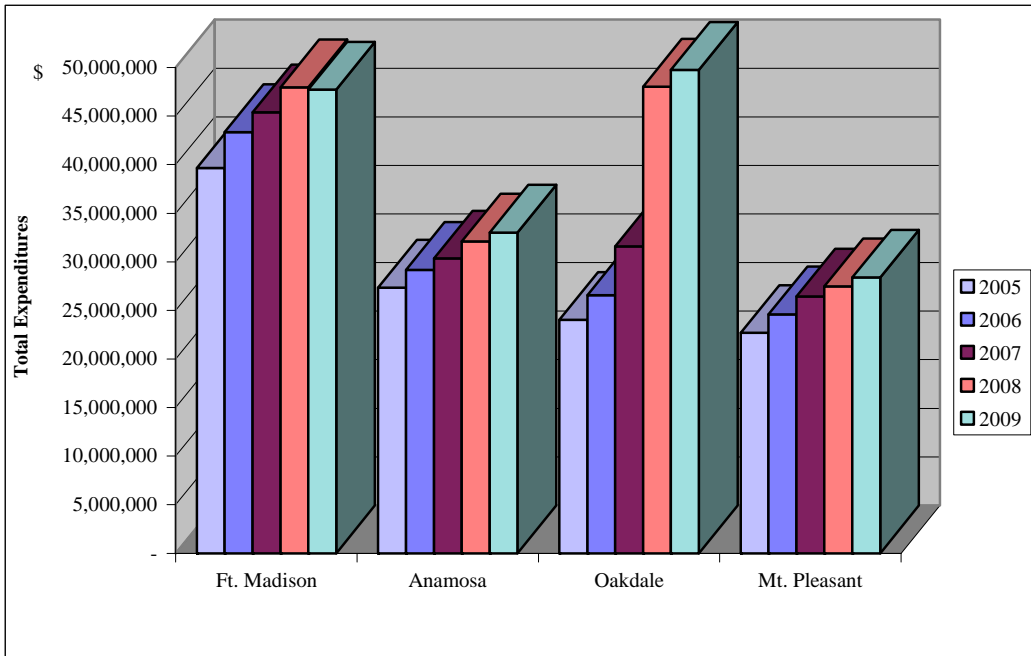
Year ended June 30, 2009				
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate		Average Daily Cost per Inmate
1,059	526	\$ 45,062		123.46
1,274	353	25,913		71.00
973	581	51,133		140.09
1,018	301	27,877		76.38
986	285	26,542		72.72
489	110	20,898		57.26
591	188	29,453		80.69
1,183	327	25,166		68.95
1,137	340	27,191		74.49
8,710	3,011	\$ 31,384		85.98

Iowa Department of Corrections

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution - Graphs
Total Expenditures
(Unaudited)

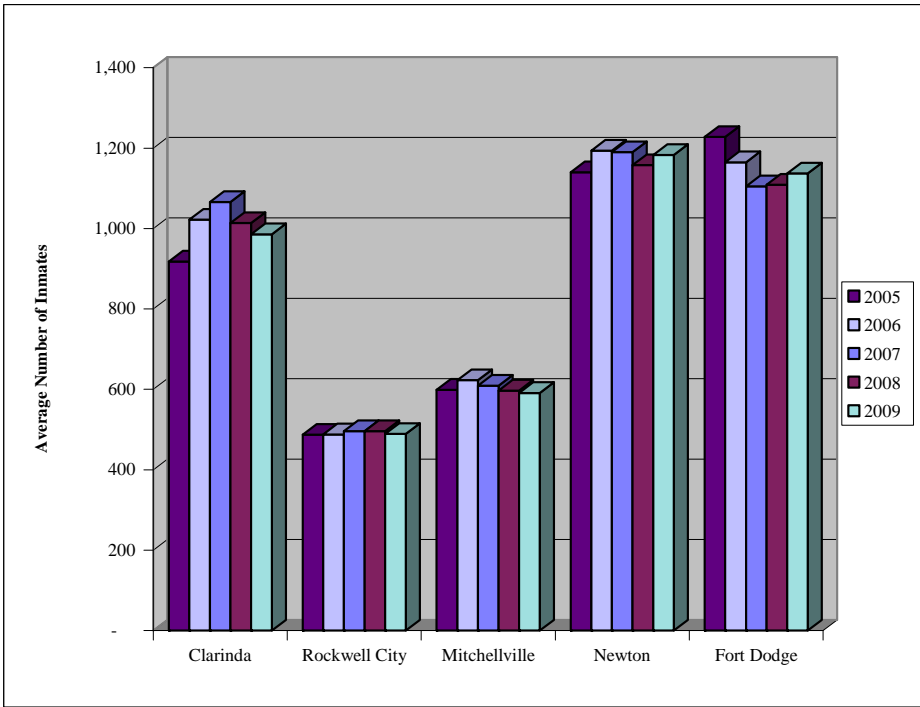
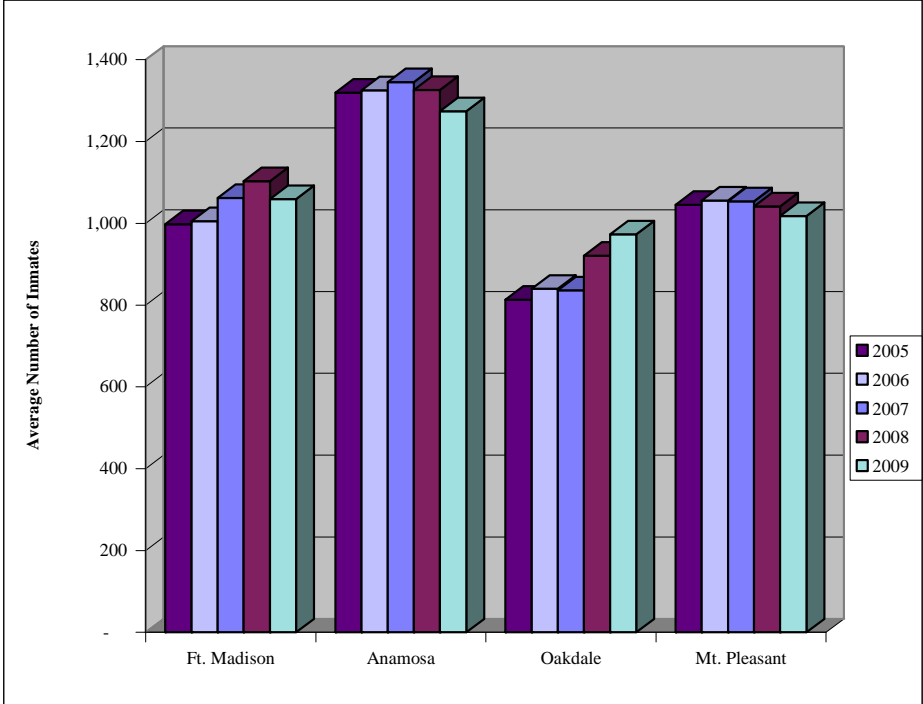
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

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

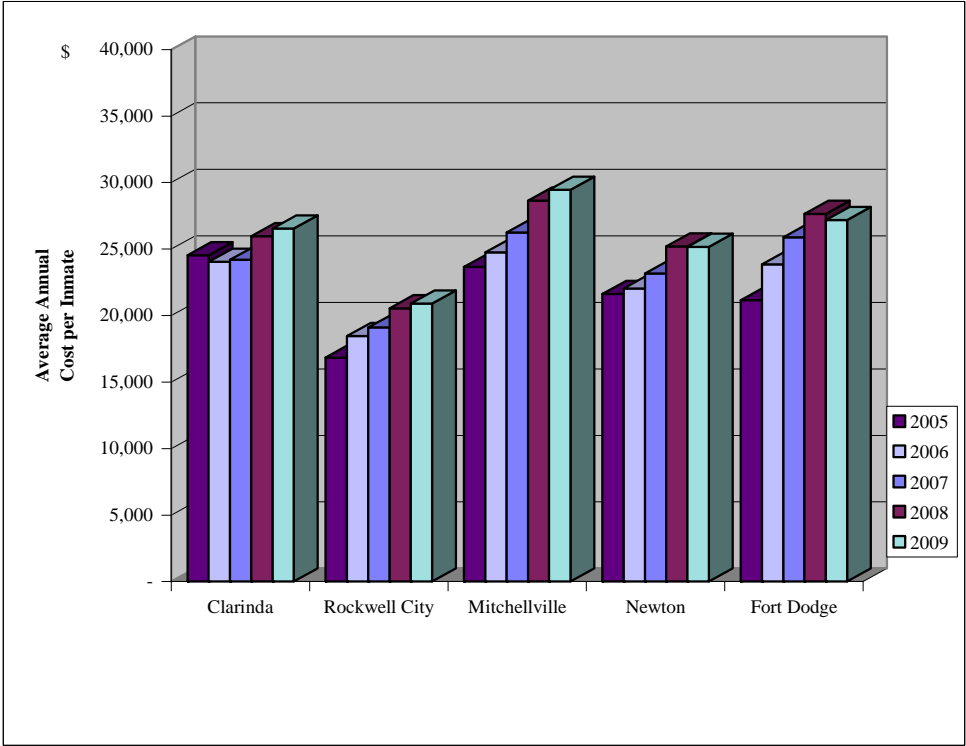
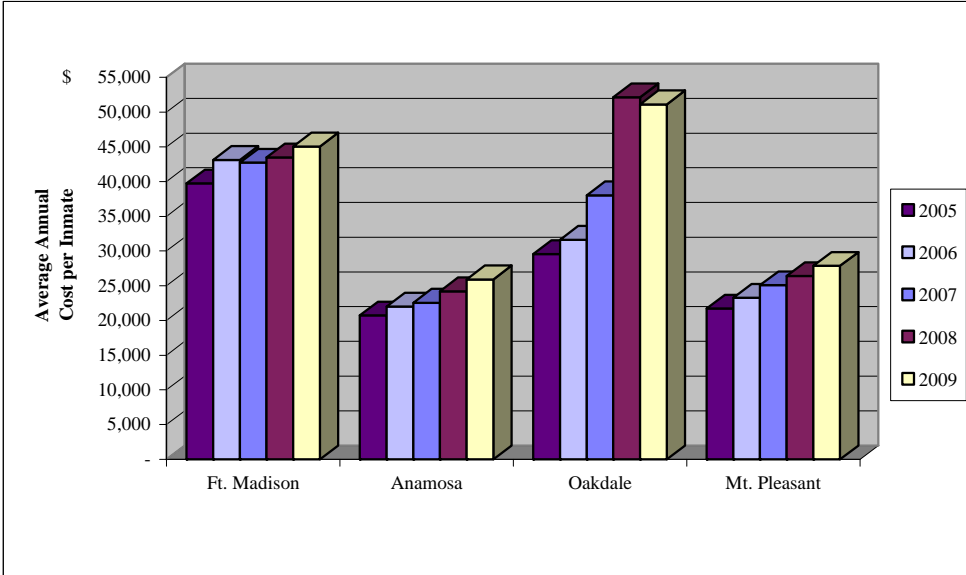
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution - Graphs
 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, 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

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2008

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 38,273,590	24,956,494	36,430,808	22,168,962
Travel	326,942	27,656	134,863	115,069
Supplies and materials	4,847,180	3,803,623	4,014,364	2,846,083
Contractual services	3,564,029	2,377,489	5,874,309	1,793,895
Capital outlay	282,669	445,443	1,347,679	125,859
Claims and miscellaneous	664,793	479,501	213,645	425,373
Licenses, permits and refunds	1,325	3,085	-	-
Total	\$ 47,960,528	32,093,291	48,015,668	27,475,241

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,633,360	7,777,163	13,353,590	22,881,318	24,642,168	211,117,453
85,972	88,138	94,456	139,901	122,657	1,135,654
3,306,440	1,125,489	1,858,578	3,203,892	3,229,659	28,235,308
1,657,547	827,193	1,265,840	2,402,864	1,950,291	21,713,457
135,596	151,898	291,524	260,163	310,822	3,351,653
516,104	220,379	234,189	296,893	399,651	3,450,528
1,245	-	-	330	1,972	7,957
26,336,264	10,190,260	17,098,177	29,185,361	30,657,220	269,012,010

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2009

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 38,356,687	25,523,860	40,388,788	22,693,708
Travel	444,671	27,204	134,643	142,968
Supplies and materials	4,639,135	3,912,608	4,437,979	3,035,462
Contractual services	3,202,679	2,709,209	3,145,325	1,833,907
Capital outlay	551,142	363,077	1,379,711	233,474
Claims and miscellaneous	522,533	473,900	266,194	439,626
Licenses, permits and refunds	3,345	3,571	-	-
Total	\$ 47,720,192	33,013,429	49,752,640	28,379,145

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,540,713	7,938,117	13,416,135	23,024,674	25,188,251	217,070,933
181,160	51,889	-	239,165	57,464	1,279,164
3,059,079	1,076,245	2,264,272	3,662,522	3,170,334	29,257,636
1,647,904	895,340	1,321,364	2,340,849	1,913,912	19,010,489
283,163	45,971	178,753	255,382	169,831	3,460,504
456,556	211,671	226,312	248,179	411,617	3,256,588
1,720	-	-	380	4,362	13,378
26,170,295	10,219,233	17,406,836	29,771,151	30,915,771	273,348,692

Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics
(Unaudited)

Year ended June 30, 2009

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Population beginning of year	1,085	1,352	996	1,024
Increases:				
Admissions and transfers in	644	1,333	5,490	821
Decreases:				
Transfers out	237	538	4,908	252
Paroles	91	12	22	153
Work release	89	3	12	119
Parole/discharges	7	-	42	29
Expiration of sentence	170	923	442	248
Shock probation	8	-	16	22
Return to probation	-	49	2	-
Transfers out to OWI facility	14	-	89	-
Transfers out to MHI	-	-	-	-
Escapes	-	-	-	-
Release by Court Order	-	-	4	5
Iowa compact transfers out	6	1	1	1
Compact prisoners from other states out	2	-	1	-
Appeal bond	-	-	11	-
Deaths	4	-	12	1
Total released	628	1,526	5,562	830
Population end of year	1,101	1,159	924	1,015
Average number of inmates	1,059	1,274	973	1,018

Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility
1,097	496	564	1,158	1,101
1,368	583	556	2,085	1,027
855	106	78	1,050	427
116	178	171	223	203
153	169	196	218	116
26	19	19	8	7
156	97	105	326	181
13	-	23	15	43
-	-	-	174	1
7	16	9	65	-
-	-	-	5	-
-	-	-	1	1
-	-	2	2	1
1	-	2	8	1
24	-	-	-	13
1	1	1	-	1
-	-	-	-	1
1,352	586	606	2,095	996
1,113	493	514	1,148	1,132
986	489	591	1,183	1,137

June 30, 2009

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:

Joe T. Marturello, CIA, Manager
Adam D. Steffensmeier, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Daniel L. Durbin, CPA, Staff Auditor
Clinton J. Krapfl, Assistant Auditor

Findings and Recommendations for Anamosa State Penitentiary

June 30, 2009

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:

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

Other individuals who participated on the audits include:

Daniel W. Henaman Jr., Assistant Auditor
Clinton J. Krapfl, Assistant Auditor

June 30, 2009

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

Capital Assets – Chapter 7A.30 of the Code of Iowa requires each Department of the State to maintain a written, detailed and up-to-date inventory of property under its charge and control. The following findings were noted for the Center:

- (1) Three computer servers with costs totaling \$32,871 purchased during the year were not included as additions on the capital listing.
- (2) Repair expenditures totaling \$31,756 were included as additions on the capital asset listing.
- (3) Improvements of approximately \$350,000 paid by the Iowa Department of Administrative Services (DAS) were not included as additions on the GAAP package. This was properly adjusted for reporting purposes

Recommendation – The Center should review capital asset policies and procedures to ensure a detailed, up-to-date capital asset listing is maintained. This includes ensuring capital asset additions are reconciled to I/3 system expenditures and all assets are properly accounted for and included on the capital asset listing.

Response – We will double check all entries to ensure capital asset policies and procedures are followed and the asset listing is maintained and up to date.

Conclusion – Response accepted.

Other Findings Related to Internal Control:

- (1) Unclaimed Property – Chapter 556.11 of the Code of Iowa requires unclaimed property to be reported to the State Treasurer annually before November 1. The Center did not submit a Great Iowa Treasure Hunt report for fiscal year 2009 for the Contingent Fund and Project Hope Funds maintained by the Center.

The Department of Corrections established a centralized banking system for Correctional Institutions to maintain and account for inmate monies received and disbursed through the custodianship of the Department and Institutions. On an annual basis, all Correctional Institutions are to remit outstanding checks over two years old from the former inmate banking system to Fort Dodge, which compiles and submits a Great Iowa Treasure Hunt report for all Correctional Institutions. The Center did not submit outstanding checks to Fort Dodge for remittance to the Great Iowa Treasure Hunt.

Recommendation – The Center should comply with Chapter 556.11 of the Code of Iowa and report unclaimed property to the State Treasurer annually before November 1. Also, the Center should comply with Department of Corrections policies and procedures requiring Correctional Institutions to submit unclaimed property to Fort Dodge in a timely manner to enable timely remittance.

Response – The Center has hired a new Budget Analyst who will be responsible to ensure compliance with Chapter 556.11 of the Code of Iowa and will ensure Department of Corrections policies and procedures are followed by submitting unclaimed property reports to the Fort Dodge Correctional Facility. This new staff member will work in conjunction with the main accounting clerk to ensure compliance.

Conclusion – Response accepted.

June 30, 2009

- (2) Miscellaneous Receipts – The Business Office maintains a pre-numbered receipt book for miscellaneous receipts. A reconciliation of receipts per the receipt book to deposit is not performed by Center personnel. Receipts from the receipt book are not clearly identified to show all receipts are deposited intact and timely.

Recommendation – The Center should develop policies and procedures to reconcile receipts per the receipt book to the amounts deposited to ensure all receipts are deposited intact and timely. In addition, the review of the reconciliation of receipts to amounts deposited by an independent person should be documented.

Response – The new Budget Analyst, in conjunction with the accounting staff, will develop a procedure to be reviewed by the Associate Warden of Administration and the Executive Team. The procedure will be developed to ensure all receipts are deposited intact and timely. The Accounting Clerk will perform the first review of receipts and the Budget Analyst or Associate Warden of Administration will perform a secondary review.

Conclusion – Response accepted.

- (3) Intake Receipts – The Center serves as the Department of Corrections centralized processing center for all incoming inmates. During the intake process, the Center has a fiduciary responsibility to receive any monies the inmates are in possession of, the proper recording of monies into the centralized inmate banking system and depositing the receipts intact in accordance with the Code of Iowa.

The Center does not consistently account for receipts in sequential order. In addition, receipts did not consistently agree to detailed reports of amounts posted and subsequently deposited. Also, there was no documented review of daily reports or deposits of such receipts by an independent person.

Recommendation – The Center should review policies and procedures to ensure the numerical sequence of receipts is accounted for, receipts are properly and accurately recorded in the inmate banking system, the receipts consistently agree to daily reports and subsequent deposits and the review is documented.

Response – With the new Budget Analyst on staff, a daily review will be done of the intake receipts to ensure sequential numbering and accurate deposits into the banking system.

Conclusion – Response accepted.

- (4) Financial Reporting – The Center records receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services –State Accounting Enterprise (DAS-SAE) on the GAAP Package. The GAAP Package is to be submitted to DAS-SAE by the first week of September each year.

The Center did not include activity for the New Direction Inmate Account or the Project Hope Account for which the Center has a fiduciary responsibility to maintain.

Recommendation – The Center should ensure the GAAP Package information reported is complete and accurate.

Response – With the new Budget Analyst, we will do a check and balance of the GAAP Package information to ensure the report is accurate and complete. We will add the New Direction account and the Project Hope account to the GAAP Package.

Conclusion – Response accepted.

June 30, 2009

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

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:

Gelu Sherpa, CPA, Staff Auditor
Jacqueline E. Gulick, Assistant Auditor
Kristin M. Ockenfels, Assistant Auditor

June 30, 2009

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:

Capital Asset Listing – The Facility is required to keep an up-to-date and accurate capital asset listing to track and maintain control over capital assets. This includes properly classifying additions and deletions for equipment and vehicles throughout the fiscal year, making additions and deletions to the capital asset listing and ensuring items are properly tagged. Two of the assets selected for testing did not have State tags affixed to them.

Recommendation – The Facility should review policies and procedures to ensure all applicable capital assets purchased and maintained are properly tagged with the State ID number.

Response – The Facility will ensure all applicable capital assets purchased and maintained by the Institution are properly tagged with the State ID number.

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
Carrie L. Livingston, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Ainslee M. Barnes, Assistant Auditor
Michael F. Conroy, Assistant Auditor
Jacqueline E. Gulick, Assistant Auditor
Kristin M. Ockenfels, Assistant Auditor

June 30, 2009

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:

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. Mail is not opened and distributed by someone other than accounting personnel and an initial listing of receipts is not prepared by the mail opener.

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 – We have assigned the task of maintaining the mail list, which is updated daily, to our Purchasing Assistant. There are times when this person must fill in for staff who record or deposit receipts listed. In the future, the problem will worsen as we have two additional possible pending retirements resulting in a 44% vacancy in the business office.

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
Gelu Sherpa, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Melissa M. Wellhausen, CPA, Senior Auditor
Joshua B. Ludwig, Staff Auditor
Jeana R. Muhlbauer, Assistant Auditor
Reza Sepehri, Assistant Auditor

June 30, 2009

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:

Segregation of Duties for Payroll – The Facility 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. Two instances were noted in which the same individual applied PA and department level approval of P-1 documents.

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

Response – We will have one person apply PA approval and another person apply department level 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:

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

Other individuals who participated on the audits include:

Sara L. Roling, Assistant Auditor

June 30, 2009

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:

Joe T. Marturello, CIA, Manager
Keith C. Kistenmacher, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Michael F. Conroy, Assistant Auditor
Jessica P.V. Green, Assistant Auditor

June 30, 2009

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:

Segregation of Duties for Payroll – The Facility 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. Two instances were noted in which the same individual applied PA and department level approval of P-1 documents.

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

Response – The Facility will separate approval of all P-1 documents and the HR Supervisor will electronically approve P-1 documents after HRIS has online.

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
Gelu Sherpa, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Daryl L Hart, Assistant Auditor
Christina M. Renze, Assistant Auditor

Findings and Recommendations for Fort Dodge Correctional Facility

June 30, 2009

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:

Suzanne R. Dahlstrom, CPA, Manager
Tracey L. Gerrish, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Daniel L. Durbin, CPA, Staff Auditor