



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE September 15, 2011

Contact: Andy Nielsen  
515/281-5834

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, 2010.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$19,502 at the North Central Correctional Facility - Rockwell City to \$53,242 at the Iowa Medical and Classification Center in Oakdale for the year ended June 30, 2010. General Fund expenditures for the nine institutions totaled approximately \$260 million for the year ended June 30, 2010, a decrease of approximately \$13 million, or 4.8%, from the year ended June 30, 2009. General Fund expenditures have increased 14.7% during the five year period ended June 30, 2010. The average daily cost per inmate of \$85.01 for the year ended June 30, 2010 was 19.3% greater than the average daily cost per inmate of \$71.25 for the year ended June 30, 2006. The average number of inmates decreased 3.8% over the five year period, from 8,718 for the year ended June 30, 2006 to 8,384 for the year ended June 30, 2010.

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/1164-0000-0R00.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, 2010**

Office of  
**AUDITOR  
OF STATE**

State Capitol Building • Des Moines, Iowa



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

## Table of Contents

		<u>Page</u>
Auditor of State's Report		3
Overview		4-5
Schedules:	<u>Schedule</u>	
Average Cost Per Inmate by Institution - Fiscal Years 2006 through 2010	1	8-11
Average Cost Per Inmate by Institution - Graphs:		
Total Expenditures		13
Average Number of Inmates		14
Average Annual Cost per Inmate		15
General Fund Expenditures by Institution - 2006	2	16-17
General Fund Expenditures by Institution - 2007	3	18-19
General Fund Expenditures by Institution - 2008	4	20-21
General Fund Expenditures by Institution - 2009	5	22-23
General Fund Expenditures by Institution - 2010	6	24-25
Inmate Population Statistics - 2010	7	26-27
Findings and Recommendations:		
Iowa State Penitentiary - Fort Madison		28
Anamosa State Penitentiary		29
Iowa Medical and Classification Center - Oakdale		30-31
Mount Pleasant Correctional Facility		32-33
Clarinda Correctional Facility		34
North Central Correctional Facility - Rockwell City		35
Iowa Correctional Institution for Women - Mitchellville		36
Newton Correctional Facility		37-38
Fort Dodge Correctional Facility		39



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Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

September 12, 2011

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, 2010.

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 recommendations pertaining to internal control. 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, 2010 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, 33, 34, 35, 36, 38 and 39 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 Terry E. Branstad, Governor  
David Roederer, 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/maximum 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, 2010, 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.
- (5) As a result of legislation in fiscal year 2010, the Institutions received refunds of amounts previously paid to the Iowa Department of Administrative Services (DAS) for future vehicle purchases. The transactions were coded as negative travel expenditures. Therefore, where significant, these amounts were reclassified from negative expenditures to revenue.

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 \$19,502 at the North Central Correctional Facility - Rockwell City to \$53,242 at the Iowa Medical and Classification Center – Oakdale for the year ended June 30, 2010. The average cost per inmate has generally remained constant or increased over the past five years at each Institution, with the exception of the year ended June 30, 2010. The average daily cost per inmate decreased at six of the nine institutions for the year ended June 30, 2010.

While total General Fund expenditures increased 14.7%, from \$226,716,941 for the year ended June 30, 2006 to \$260,157,662 for the year ended June 30, 2010, the average number of inmates has decreased 3.8%, from 8,718 to 8,384, and the average daily cost per inmate has increased 19.3%, from \$71.25 to \$85.01, over the same period.

**Iowa Department of Corrections**



## **Schedules**

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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				Year ended June 30, 2008			
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
1,062	531	\$ 42,729	117.06	1,103	529	\$ 43,482	119.13
1,345	347	22,553	61.79	1,326	345	24,203	66.31
836	346	38,039	104.22	921	551	52,134	142.83
1,054	294	25,071	68.69	1,041	295	26,393	72.31
1,066	303	24,190	66.27	1,014	292	25,973	71.16
496	112	19,110	52.36	496	114	20,545	56.29
609	201	26,237	71.88	597	192	28,640	78.47
1,190	328	23,169	63.48	1,158	335	25,203	69.05
1,105	349	25,876	70.89	1,109	347	27,644	75.74
<b>8,763</b>	<b>2,811</b>	<b>\$ 27,541</b>	<b>75.46</b>	<b>8,765</b>	<b>3,000</b>	<b>\$ 30,692</b>	<b>84.09</b>

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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, 2009			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	1,059	526	\$ 45,062	123.46
Anamosa State Penitentiary	1,274	353	25,913	71.00
Iowa Medical and Classification Center - Oakdale	973	581	51,133	140.09
Mount Pleasant Correctional Facility	1,018	301	27,877	76.38
Clarinda Correctional Facility	986	285	26,542	72.72
North Central Correctional Facility- Rockwell City	489	110	20,898	57.26
Iowa Correctional Institution for Women - Mitchellville	591	188	29,453	80.69
Newton Correctional Facility	1,183	327	25,166	68.95
Fort Dodge Correctional Facility	1,137	340	27,191	74.49
Total	8,710	3,011	\$ 31,384	85.98

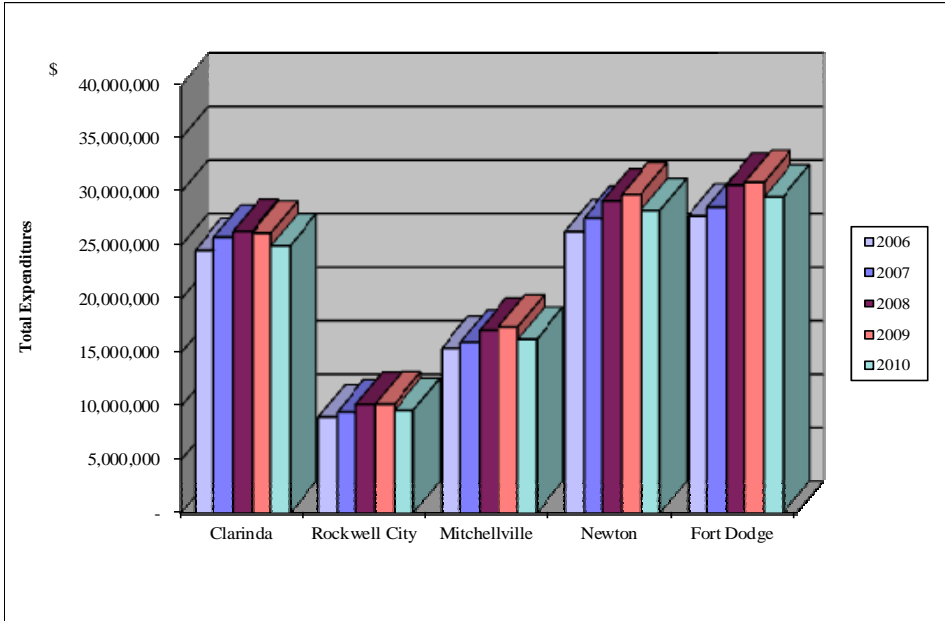
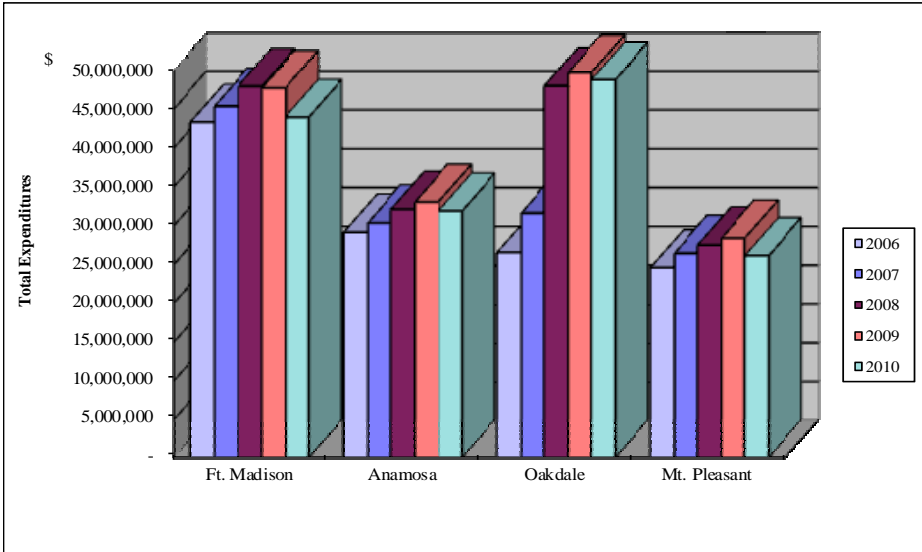
Year ended June 30, 2010			
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
1,055	498	41,675	114.18
1,110	328	28,721	78.69
917	566	53,242	145.87
976	285	27,418	75.12
973	266	25,686	70.37
494	104	19,502	53.43
540	176	30,121	82.52
1,136	312	24,893	68.20
1,183	314	24,985	68.45
8,384	2,849	\$ 31,030	85.01

**Iowa Department of Corrections**

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution  
 Total Expenditures  
 (Unaudited)

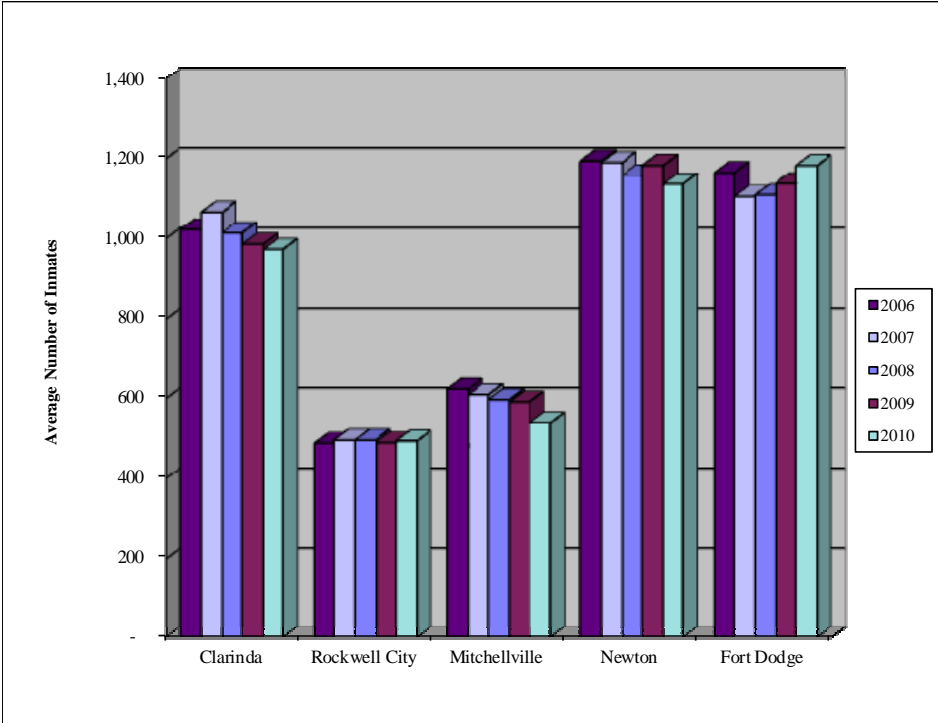
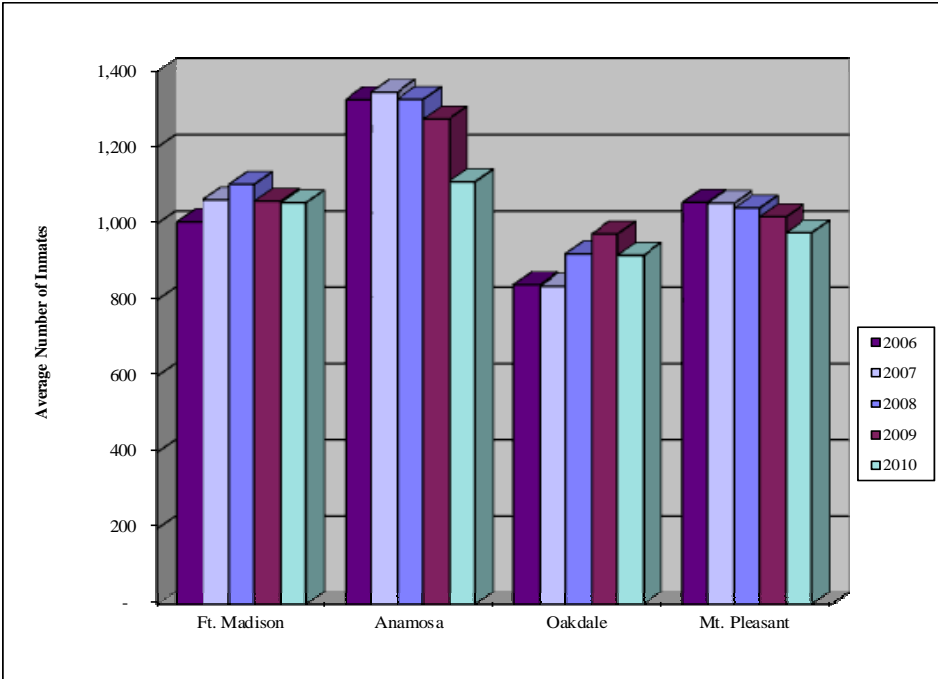
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

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

For the Last Five Fiscal Years

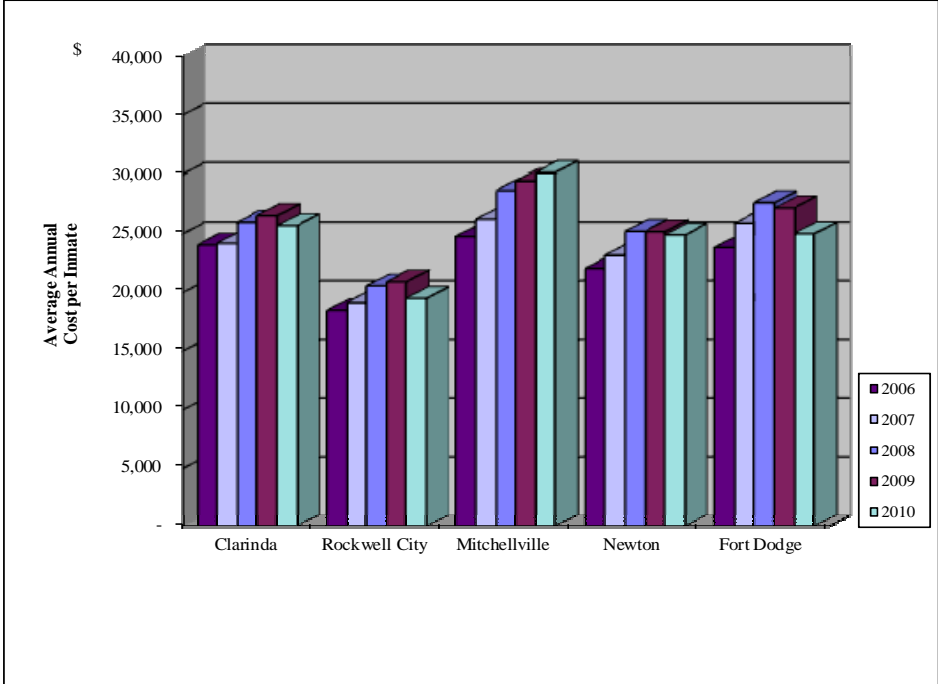
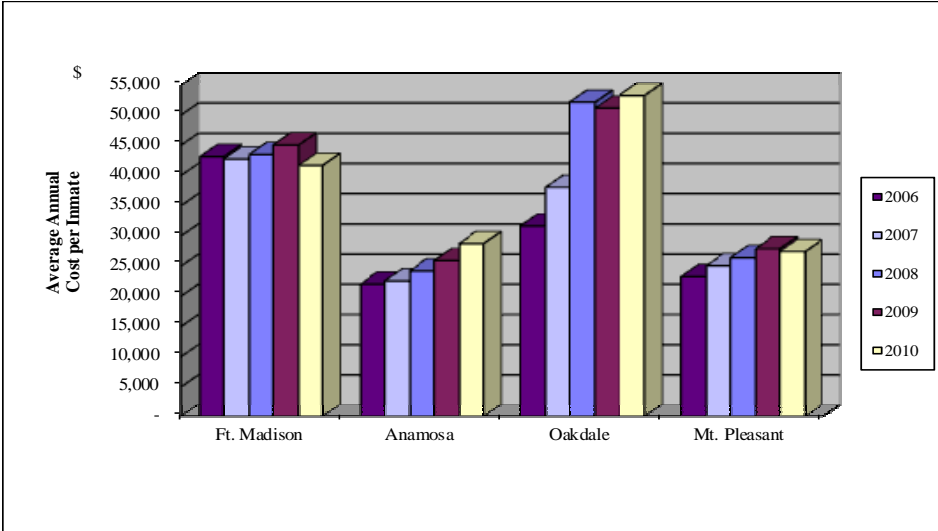




Institutions Under the Control of the Iowa Department of Corrections

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

For the Last Five Fiscal Years



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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	Clarinda Correctional Facility
Personal services	\$ 34,739,150	23,200,862	21,491,496	19,831,740	19,379,005
Travel	253,391	91,660	154,963	127,134	53,125
Supplies and materials	3,667,142	2,841,381	2,490,531	2,518,363	3,007,450
Contractual services	3,587,948	2,388,316	2,132,765	1,472,523	1,526,129
Capital outlay	592,189	183,890	114,159	163,578	89,163
Claims and miscellaneous	494,700	454,979	176,693	459,240	506,019
Licenses, permits and refunds	4,075	-	-	-	869
 Total	 \$ 43,338,595	 29,161,088	 26,560,607	 24,572,578	 24,561,760

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

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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	Clarinda Correctional Facility
Personal services	\$ 36,761,422	23,866,475	24,629,799	21,082,706	19,784,958
Travel	92,230	11,841	145,185	173,414	197,845
Supplies and materials	4,292,726	3,208,806	3,853,563	2,690,854	3,343,916
Contractual services	3,296,611	2,402,452	1,041,670	1,846,346	1,779,940
Capital outlay	471,560	385,999	1,845,943	171,194	145,907
Claims and miscellaneous	460,496	457,889	178,616	459,823	531,827
Licenses, permits and refunds	2,795	-	106,034	-	2,651
 Total	 \$ 45,377,840	 30,333,462	 31,800,810	 26,424,337	 25,787,044

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

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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	Clarinda Correctional Facility
Personal services	\$ 38,273,590	24,956,494	36,430,808	22,168,962	20,633,360
Travel	326,942	27,656	134,863	115,069	85,972
Supplies and materials	4,847,180	3,803,623	4,014,364	2,846,083	3,306,440
Contractual services	3,564,029	2,377,489	5,874,309	1,793,895	1,657,547
Capital outlay	282,669	445,443	1,347,679	125,859	135,596
Claims and miscellaneous	664,793	479,501	213,645	425,373	516,104
Licenses, permits and refunds	1,325	3,085	-	-	1,245
Total	\$ 47,960,528	32,093,291	48,015,668	27,475,241	26,336,264

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

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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	Clarinda Correctional Facility
Personal services	\$ 38,356,687	25,523,860	40,388,788	22,693,708	20,540,713
Travel	444,671	27,204	134,643	142,968	181,160
Supplies and materials	4,639,135	3,912,608	4,437,979	3,035,462	3,059,079
Contractual services	3,202,679	2,709,209	3,145,325	1,833,907	1,647,904
Capital outlay	551,142	363,077	1,379,711	233,474	283,163
Claims and miscellaneous	522,533	473,900	266,194	439,626	456,556
Licenses, permits and refunds	3,345	3,571	-	-	1,720
Total	\$ 47,720,192	33,013,429	49,752,640	28,379,145	26,170,295



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

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Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2010

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility	Clarinda Correctional Facility
Personal services	\$ 36,632,920	24,648,599	40,109,985	22,041,123	19,926,102
Travel	37,436	67,658	87,205	65,153	74,608
Supplies and materials	3,376,829	3,595,589	4,048,384	2,457,464	2,674,164
Contractual services	3,168,173	2,452,304	3,459,227	1,634,704	1,678,847
Capital outlay	236,288	664,892	934,418	171,559	168,901
Claims and miscellaneous	512,023	447,343	183,971	389,690	468,161
Licenses, permits and refunds	3,528	3,653	-	-	1,786
 Total	 \$ 43,967,197	 31,880,038	 48,823,190	 26,759,693	 24,992,569

Iowa				
North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
7,602,081	12,607,214	22,747,409	23,829,631	210,145,064
60,756	30,533	47,447	42,258	513,054
969,753	1,890,700	3,063,320	3,060,392	25,136,595
780,543	1,398,627	2,083,700	2,085,705	18,741,830
49,012	146,677	59,493	121,534	2,552,774
171,935	191,525	276,899	415,679	3,057,226
		380	1,772	11,119
9,634,080	16,265,276	28,278,648	29,556,971	260,157,662

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Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics  
(Unaudited)

Year ended June 30, 2010

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility	Clarinda Correctional Facility
Population beginning of year	1,101	1,159	924	1,015	1,113
Increases:					
Admissions and transfers in	492	701	5,511	754	1,495
Decreases:					
Transfers out	240	603	5,006	245	928
Paroles	90	4	17	132	118
Work release	83	1	16	153	167
Parole/discharges	9	-	62	34	27
Expiration of sentence	154	-	202	208	150
Shock probation	12	-	12	11	8
Return to probation	-	68	-	1	1
Transfers out to OWI facility	15	-	89	5	4
Transfers out to MHI	-	-	2	-	-
Escapes	1	-	-	-	-
Release by Court Order	-	-	4	-	2
Iowa compact transfers out	-	2	-	1	-
Compact prisoners from other states out	1	-	-	-	29
Appeal bond	1	-	16	-	-
Deaths	6	-	7	1	1
Total released	612	678	5,433	791	1,435
Population end of year	981	1,182	1,002	978	1,173
Average number of inmates	1,055	1,110	917	976	973

North Central Correctional Facility - Rockwell City	Iowa Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility
493	514	1,148	1,132
606	501	2,056	1,179
75	57	1,071	489
190	117	196	188
189	173	266	169
1	28	4	7
109	75	257	162
4	15	10	37
-	-	172	-
12	13	51	2
-	-	3	-
-	-	1	-
1	-	2	-
-	1	10	2
25	-	-	20
-	-	-	2
-	-	-	-
606	479	2,043	1,078
493	536	1,161	1,233
494	540	1,136	1,183

June 30, 2010

**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:

James S. Cunningham, CPA, Manager  
Gabriel M. Stafford, CPA, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Tyler L. Carter, Assistant Auditor  
Brandon J. Vogel, Assistant Auditor

Findings and Recommendations for Anamosa State Penitentiary

June 30, 2010

**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  
Kelly L. Hilton, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Tyler L. Carter, Assistant Auditor

June 30, 2010

**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:**

- (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 2010 for the Contingent Fund and Project Hope Funds maintained by the Center.

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

Response – The Center will ensure procedures are in place to report and remit unclaimed property to the Great Iowa Treasure Hunt. These will be completed by the Accounting Clerk and Budget Analyst.

Conclusion – Response accepted.

- (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 Center will implement periodic reviews to ensure accuracy of receipts and timely deposits. This will be completed by Budget Analyst or Associate Warden of Administration. 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's 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 those monies into the centralized inmate banking system and depositing the receipts intact in accordance with the Code of Iowa.



June 30, 2010

The Center did not document a review of daily reports or deposits of the receipts by an independent person.

Recommendation – The Center should review policies and procedures to ensure an independent person documents the review of daily reports or deposits and receipts.

Response – The Center will have random intake receipts and deposits pulled and reviewed for accuracy by the Budget Analyst or Associate Warden of Administration.

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 inventory balances of \$364,668 for the Central Pharmacy 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 – This was the first year for Central Pharmacy and was an oversight. This inventory will be accounted for from this day forward and will be completed by the Purchasing Agent or Budget Analyst.

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  
Kristen M. Ockenfels, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Carrie L. Livingston CPA, Senior Auditor  
Samantha J. Brincks, CPA, Staff Auditor  
James H. Pitcher, Assistant Auditor  
Laura E. Grinnell, Auditor Intern

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. During testing, the following were noted:

- Five assets did not have a State tag affixed to them.
- One asset disposed of during the year did not have authorization supporting the deletion.
- One asset remained on the asset listing after being disposed of during the year.

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, disposals are removed from the asset listing and authorized support for disposals are maintained in the asset files.

Response – The Facility will ensure all applicable capital assets purchased and maintained by the Institution are properly tagged with a State ID number, assets disposed of will be removed from the asset listing and support for the disposal will be maintained in the asset files.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Findings and Recommendations for Mount Pleasant Correctional Facility

June 30, 2010

**Staff:**

Questions or requests for further assistance should be directed to:

K. David Voy, CPA, Manager  
Scott P. Boisen, Senior Auditor II  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Ainslee M. Barnes, Staff Auditor  
Kristin M. Ockenfels, Staff Auditor  
Chad M. Baker, Assistant Auditor  
Russell G. Jordan, Assistant Auditor  
James H. Pitcher, Assistant Auditor  
Ryan A. Yeager, CPA, Assistant Auditor

June 30, 2010

**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. A list 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 will look at alternate staff in other departments or within this department we may utilize to achieve compliance.

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  
Tacey L. Gerrish, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Gelu Sherpa, CPA, Staff Auditor  
Melissa M. Wellhausen, CPA, Senior Auditor  
Michael F. Conroy, Assistant Auditor  
Ryan A. Yeager, CPA, Assistant Auditor  
Ryan T. Jelsma, Assistant Auditor  
Cory A. Lee, Assistant Auditor

June 30, 2010

**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. One instance was 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 has created a two-step process to complete P-1 documents. This issue was corrected during fiscal year 2010 upon the State Auditor’s notification during the fiscal year 2009 audit.

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  
Jennifer M. Kopp, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Justin A. Youngberg, Assistant Auditor

June 30, 2010

**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:

K. David Voy, CPA, Manager  
Alison P. Herold, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Justin M. Scherrman, Assistant Auditor  
Brett A. Hoffman, Assistant Auditor

June 30, 2010

**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:**

- (1) 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. One instance was 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 continue to separate approval of all P-1 documents and the HR Supervisor will electronically approve P-1 documents after HRIS has onlined. Rare, isolated instances may yet occur due to limited staff resources in this area.

Conclusion – Response accepted.

- (2) GAAP Package – The Facility reports balances for capital assets, including additions and deletions for assets and accumulated depreciation. These amounts are to be updated on the GAAP package annually. For fiscal year 2010, accumulated depreciation additions of \$74,697 were not recorded on the GAAP package. As a result, the ending balance of accumulated depreciation for capital assets was understated by \$74,697.

Recommendation – The Facility should ensure the amounts reported on the GAAP package are accurate and agree with the supporting documentation.

Response – The Facility concurs. The omission of the depreciation on land improvements was identified too late for the fiscal year 2010 GAAP package. It is being corrected as an adjustment on the fiscal year 2011 GAAP package.

Conclusion – Response accepted.

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

Findings and Recommendations for Newton Correctional Facility

June 30, 2010

**Staff:**

Questions or requests for further assistance should be directed to:

Ronald D. Swanson, CPA, Manager  
Jessica P.V. Green, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Cory A. Lee, Assistant Auditor  
Brooke A. Lytle, Assistant Auditor



Findings and Recommendations for Fort Dodge Correctional Facility

June 30, 2010

**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:

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

Other individuals who participated on the audits include:

Gabriel M. Stafford, CPA, Staff Auditor  
Kassi D. Adams, Assistant Auditor  
Tyler L. Carter, Assistant Auditor