

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

November 20, 2015

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515/281-5834

Auditor of State Mary Mosiman 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, 2014.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$21,294 at the North Central Correctional Facility – Rockwell City to \$57,869 at the Iowa State Penitentiary – Fort Madison for the year ended June 30, 2014. General Fund expenditures for the nine institutions totaled approximately \$276 million for the year ended June 30, 2014, an increase of approximately \$5.5 million, or 2%, from the year ended June 30, 2013. General Fund expenditures increased 6% during the five year period ended June 30, 2014. The average daily cost per inmate of \$92.61 for the year ended June 30, 2014 was 8.9% more than the average daily cost per inmate of \$85.01 for the year ended June 30, 2010. The average number of inmates decreased 2.7% over the five year period, from 8,384 for the year ended June 30, 2010 to 8,160 for the year ended June 30, 2014.

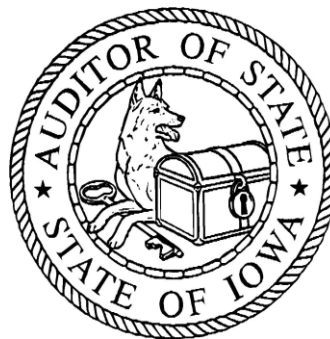
A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1564-0000-OR00.pdf>.

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

JUNE 30, 2014

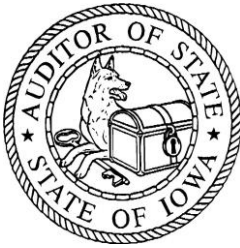
Office of
**AUDITOR
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State Capitol Building • Des Moines, Iowa



Mary Mosiman, 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 2010 through 2014	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 - 2010	2	16-17
General Fund Expenditures by Institution - 2011	3	18-19
General Fund Expenditures by Institution - 2012	4	20-21
General Fund Expenditures by Institution - 2013	5	22-23
General Fund Expenditures by Institution - 2014	6	24-25
Inmate Population Statistics - 2014	7	26-27
Findings and Recommendations:		
Iowa State Penitentiary - Fort Madison		28-29
Anamosa State Penitentiary		30
Iowa Medical and Classification Center - Oakdale		31
Mount Pleasant Correctional Facility		32
Clarinda Correctional Facility		33-34
North Central Correctional Facility - Rockwell City		35
Iowa Correctional Institution for Women - Mitchellville		36
Newton Correctional Facility		37
Fort Dodge Correctional Facility		38



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Mary Mosiman, CPA
Auditor of State

November 17, 2015

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, 2014.


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 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, 2014 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 29, 30, 31, 32, 34, 35, 36, 37 and 38 and they are available to discuss these matters with you.


MARY MOSIMAN, 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 (IDOC) is responsible for the control, treatment and rehabilitation of offenders committed under law to the following nine Institutions:

Iowa State Penitentiary - Fort Madison – Institutions for men consisting of the Penitentiary proper, a maximum security facility, and the John E. Bennett unit, a minimum security dormitory. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

Anamosa State Penitentiary – Institutions for men consisting of the Penitentiary proper, a maximum/medium security facility, and Luster Heights, a minimum security dormitory. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

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 secure setting, secure housing units that serve as the reception center for all incoming male offenders and secure housing units for offenders with mental health and/or medical treatment needs.

Mount Pleasant Correctional Facility – A medium security facility for men that has treatment programs for sex offenders and substance abusers. A primary objective of this facility is to offer programs that reduce risk and assist offenders to make a successful transition from prison to their communities.

Clarinda Correctional Facility – A male facility composed of two sites, a medium security facility which provides rehabilitative services for offenders with intellectual disabilities, mental illness or a chemical dependency, and the Lodge which prepares offenders for discharge, work release or parole.

North Central Correctional Facility - Rockwell City – A minimum security facility for men. The facility prepares offenders for discharge, work release or parole and provides many offenders with actual opportunities to practice functioning within society through work programs.

Iowa Correctional Institution for Women - Mitchellville – A medium/minimum security facility for female offenders. The facility serves as the reception center for all female offender custody classifications committed to IDOC, provides gender responsive rehabilitative services and prepares offenders for discharge, work release or parole.

Newton Correctional Facility – A male facility composed of two sites, a medium security site which provides rehabilitative services and a separate minimum security site, CRC, which prepares offenders for discharge, work release or parole.

Fort Dodge Correctional Facility – A medium security facility designed to house 1,150 adult male offenders. The facility provides rehabilitative services which assist offenders to make a successful transition from prison to their communities.

Iowa Department of Corrections

Overview

Scope and Methodology

We have calculated an average cost per inmate at each Institution for the five years ended June 30, 2014 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 financial statement purposes. For purposes of this report, only the current year principal and interest payments are included 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.

Summary Observation

The average cost per inmate ranged from \$21,294 at the North Central Correctional Facility - Rockwell City to \$57,869 at the Iowa State Penitentiary - Fort Madison for the year ended June 30, 2014. The average cost per inmate has generally increased over the past two years, with the average cost per inmate for the year ended June 30, 2014 increasing from the prior year for six of the nine Institutions.

Over the last five fiscal years, total General Fund expenditures increased 6%, from \$260,157,662 for the year ended June 30, 2010 to \$275,841,188 for the year ended June 30, 2014, the average number of inmates decreased 2.7%, from 8,384 to 8,160, and the average daily cost per inmate increased 8.9%, from \$85.01 to \$92.61.

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, 2010			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	1,055	498	\$ 41,675	114.18
Anamosa State Penitentiary	1,110	328	28,721	78.69
Iowa Medical and Classification Center - Oakdale	917	566	53,242	145.87
Mount Pleasant Correctional Facility	976	285	27,418	75.12
Clarinda Correctional Facility	973	266	25,686	70.37
North Central Correctional Facility - Rockwell City	494	104	19,502	53.43
Iowa Correctional Institution for Women - Mitchellville	540	176	30,121	82.52
Newton Correctional Facility	1,136	312	24,893	68.20
Fort Dodge Correctional Facility	1,183	314	24,985	68.45
Total	8,384	2,849	\$ 31,030	85.01

Year ended June 30, 2011				Year ended June 30, 2012			
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
971	457	\$ 45,073	123.49	961	428	\$ 44,275	120.97
1,213	316	27,224	74.59	1,203	312	27,060	73.93
978	539	49,615	135.93	970	527	52,438	143.27
1,040	269	25,610	70.16	996	266	26,911	73.53
1,067	253	23,294	63.82	1,005	259	26,327	71.93
499	101	19,901	54.52	480	98	20,879	57.05
565	178	29,366	80.46	540	174	30,814	84.19
1,227	285	23,046	63.14	1,204	266	22,469	61.39
1,256	289	23,565	64.56	1,214	288	24,422	66.73
8,816	2,687	\$ 29,628	81.17	8,573	2,618	\$ 30,630	83.69

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, 2013			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	922	425	\$ 47,246	129.44
Anamosa State Penitentiary	1,075	310	31,319	85.80
Iowa Medical and Classification Center - Oakdale	954	531	55,847	153.00
Mount Pleasant Correctional Facility	922	261	29,334	80.37
Clarinda Correctional Facility	876	262	30,319	83.07
North Central Correctional Facility - Rockwell City	488	97	21,167	57.99
Iowa Correctional Institution for Women - Mitchellville	551	169	31,597	86.57
Newton Correctional Facility	1,214	262	23,154	63.44
Fort Dodge Correctional Facility	1,212	290	25,082	68.72
Total	8,214	2,607	\$ 32,915	90.18

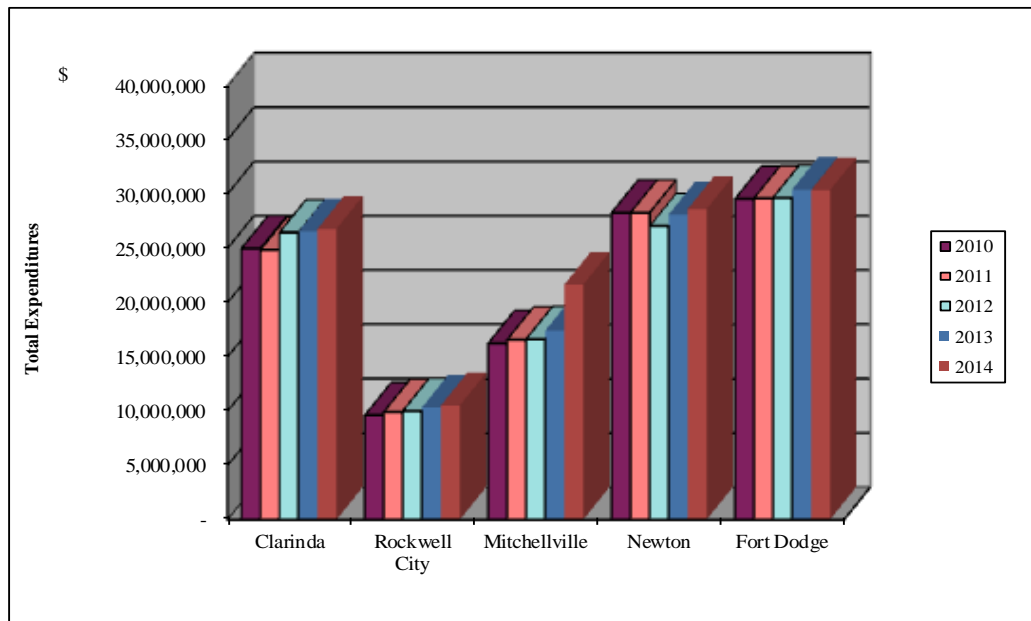
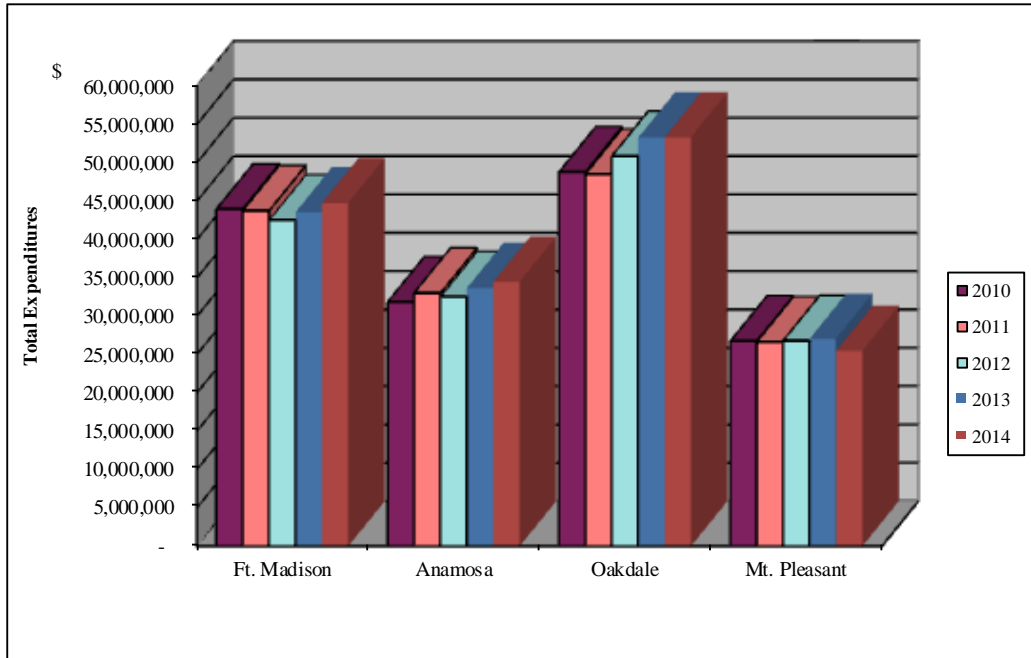
Year ended June 30, 2014			
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
773	419	\$ 57,869	158.55
1,058	311	32,562	89.21
972	544	54,854	150.28
865	247	29,414	80.59
805	260	33,278	91.17
494	95	21,294	58.34
581	217	37,251	102.06
1,302	258	21,972	60.20
1,310	289	23,159	63.45
8,160	2,640	\$ 33,804	92.61

Iowa Department of Corrections

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
Total Expenditures
(Unaudited)

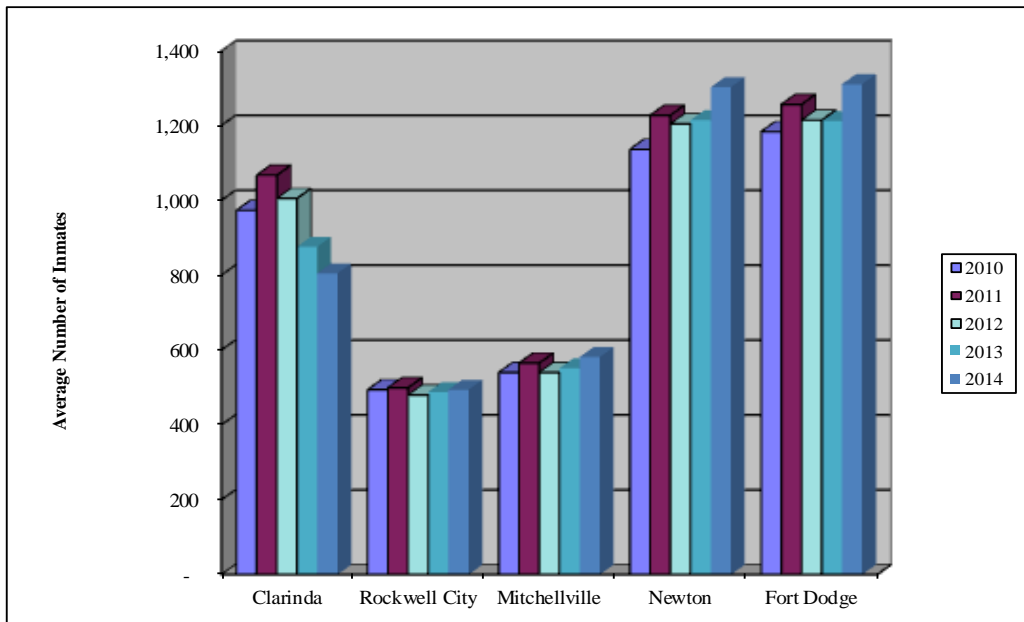
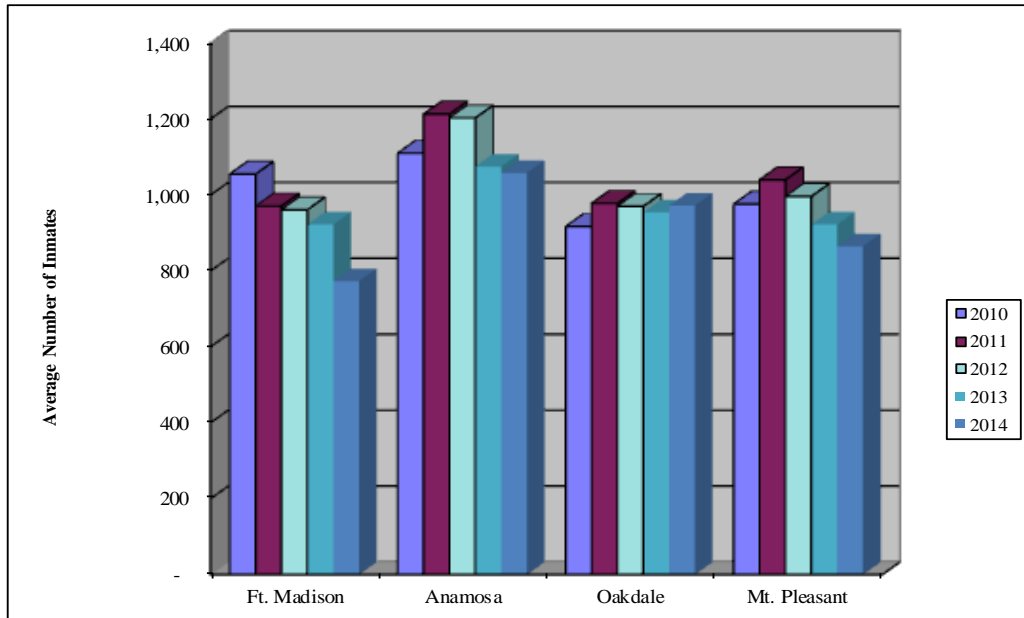
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

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

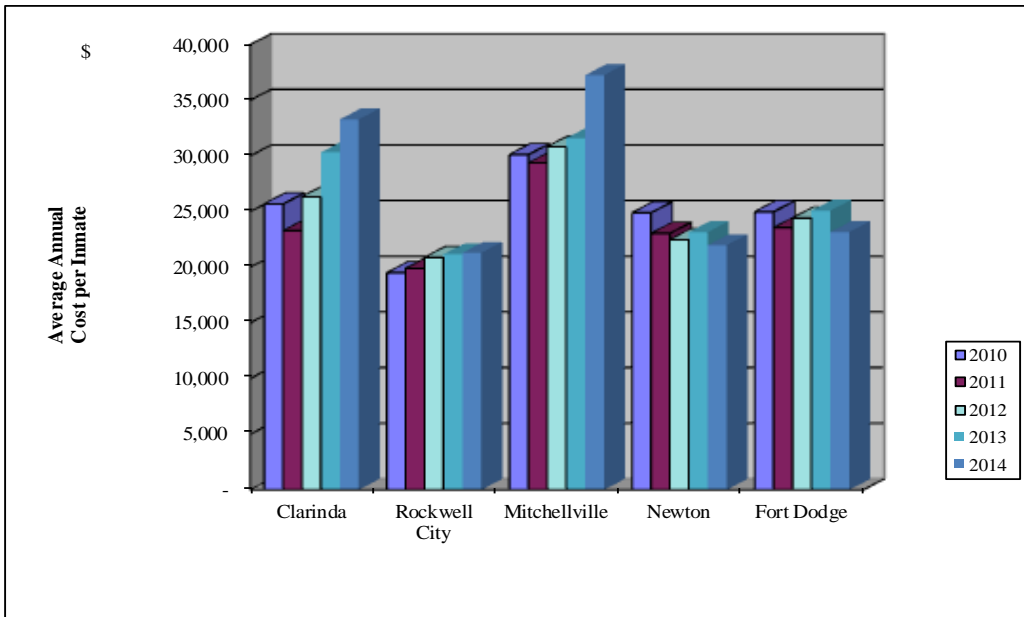
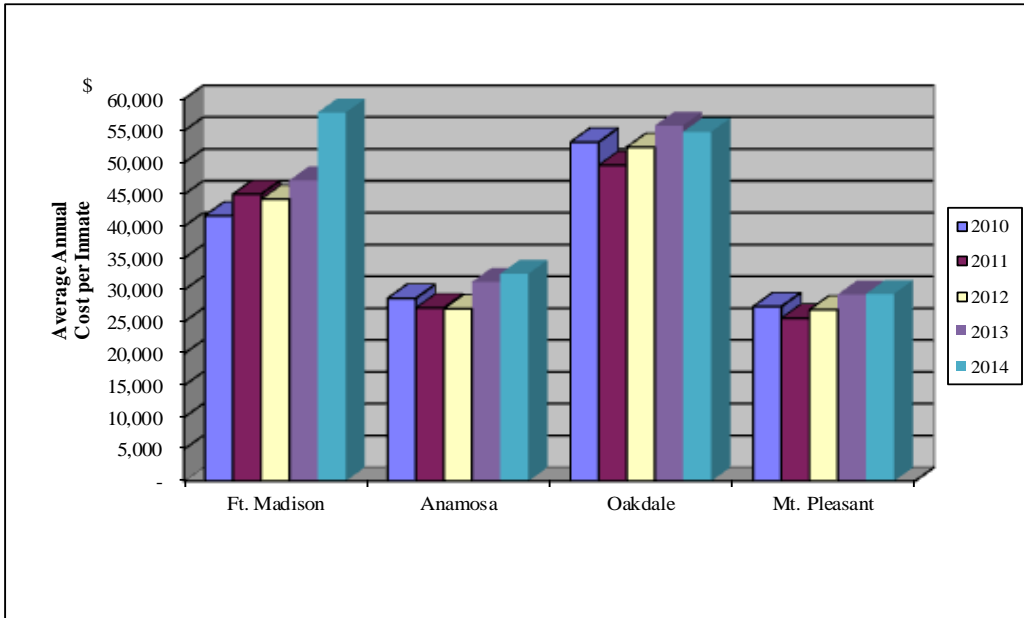
For the Last Five Fiscal Years



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



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
Personal services	\$ 36,632,920	24,648,599	40,109,985	22,041,123
Travel	37,436	67,658	87,205	65,153
Supplies and materials	3,376,829	3,595,589	4,048,384	2,457,464
Contractual services	3,168,173	2,452,304	3,459,227	1,634,704
Capital outlay	236,288	664,892	934,418	171,559
Claims and miscellaneous	512,023	447,343	183,971	389,690
Licenses, permits and refunds	3,528	3,653	-	-
Total	\$ 43,967,197	31,880,038	48,823,190	26,759,693

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
19,926,102	7,602,081	12,607,214	22,747,409	23,829,631	210,145,064
74,608	60,756	30,533	47,447	42,258	513,054
2,674,164	969,753	1,890,700	3,063,320	3,060,392	25,136,595
1,678,847	780,543	1,398,627	2,083,700	2,085,705	18,741,830
168,901	49,012	146,677	59,493	121,534	2,552,774
468,161	171,935	191,525	276,899	415,679	3,057,226
1,786	-	-	380	1,772	11,119
<u>24,992,569</u>	<u>9,634,080</u>	<u>16,265,276</u>	<u>28,278,648</u>	<u>29,556,971</u>	<u>260,157,662</u>

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2011

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 36,367,850	26,037,809	41,450,881	21,843,732
Travel	99,601	114,514	208,652	90,475
Supplies and materials	3,503,468	3,833,781	2,941,582	2,456,132
Contractual services	3,345,773	2,451,614	3,161,850	1,673,006
Capital outlay	67,467	78,474	460,146	210,658
Claims and miscellaneous	379,931	503,672	300,649	360,084
Licenses, permits and refunds	1,460	2,965	-	-
Total	\$ 43,765,550	33,022,829	48,523,760	26,634,087

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
19,781,363	7,784,085	13,185,994	22,267,977	23,247,122	211,966,813
94,480	90,762	66,466	126,967	91,585	983,502
2,607,626	979,675	1,927,640	3,360,887	3,631,488	25,242,279
1,759,778	837,602	1,180,280	2,197,042	2,085,419	18,692,364
108,191	58,714	45,879	25,818	62,349	1,117,696
501,230	179,814	185,738	298,365	476,438	3,185,921
1,842	-	-	330	3,661	10,258
24,854,510	9,930,652	16,591,997	28,277,386	29,598,062	261,198,833

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2012

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,331,518	25,968,489	40,977,569	21,988,852
Travel	188,263	80,374	173,615	55,810
Supplies and materials	2,711,424	3,612,634	4,428,437	2,339,977
Contractual services	3,465,723	2,166,283	4,210,198	1,864,729
Capital outlay	366,824	236,112	777,684	240,564
Claims and miscellaneous	483,519	485,975	297,565	313,641
Licenses, permits and refunds	1,256	3,312	-	-
Total	\$ 42,548,527	32,553,179	50,865,068	26,803,573

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,160,175	7,916,133	13,355,272	21,316,839	22,967,900	209,982,747
271,754	54,426	75,996	161,860	127,846	1,189,944
3,221,940	1,024,461	1,785,831	3,150,239	3,225,140	25,500,083
1,961,476	786,335	1,187,400	1,966,096	1,894,045	19,502,285
352,223	60,230	39,011	163,956	869,606	3,106,210
489,457	180,230	196,061	292,892	558,851	3,298,191
1,827	-	-	279	4,865	11,539
26,458,852	10,021,815	16,639,571	27,052,161	29,648,253	262,590,999

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2013

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,792,323	26,516,448	43,274,867	22,353,935
Travel	178,170	124,410	115,266	256,878
Supplies and materials	3,278,539	3,835,984	4,079,049	2,304,640
Contractual services	3,482,169	2,265,872	3,754,412	1,595,196
Capital outlay	444,677	318,272	1,639,528	214,785
Claims and miscellaneous	381,624	603,206	414,549	320,541
Licenses, permits and refunds	3,343	3,401	-	-
Total	\$ 43,560,845	33,667,593	53,277,671	27,045,975

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,517,372	8,113,466	13,765,653	21,971,440	23,569,129	215,874,633
113,655	86,896	73,572	41,507	101,578	1,091,932
2,971,680	1,026,714	1,743,409	3,269,773	3,456,637	25,966,425
2,049,421	839,644	1,389,107	2,093,942	1,991,868	19,461,631
444,056	54,514	229,026	419,800	664,902	4,429,560
460,319	208,069	209,374	312,909	613,479	3,524,070
2,777	-	-	180	1,785	11,486
26,559,280	10,329,303	17,410,141	28,109,551	30,399,378	270,359,737

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2014

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,424,796	27,059,052	44,717,974	21,213,939
Travel	181,483	137,242	260,342	106,278
Supplies and materials	3,099,877	3,837,874	3,591,137	1,994,207
Contractual services	4,484,317	2,527,035	3,335,677	1,546,432
Capital outlay	1,205,054	374,691	1,088,365	280,445
Claims and miscellaneous	332,809	513,219	324,343	301,625
Licenses, permits and refunds	4,532	1,944	-	380
Total	<u>\$ 44,732,868</u>	<u>34,451,057</u>	<u>53,317,838</u>	<u>25,443,306</u>

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,971,758	8,155,219	16,458,427	22,003,381	23,702,080	219,706,626
103,152	76,780	132,100	119,456	95,586	1,212,419
2,770,671	1,067,963	2,224,670	3,600,523	3,654,251	25,841,173
2,232,207	986,452	2,073,501	2,292,512	1,873,297	21,351,430
230,027	19,326	515,455	263,302	355,527	4,332,192
478,302	213,504	238,396	327,718	655,492	3,385,408
2,513	39	-	215	2,317	11,940
26,788,630	10,519,283	21,642,549	28,607,107	30,338,550	275,841,188

Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics
(Unaudited)

Year ended June 30, 2014

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Population beginning of year	798	1,020	1,013	913
Increases:				
Admissions and transfers in	824	959	5,775	781
Decreases:				
Acquitted/Dismissed	-	-	1	-
Deaths	2	1	9	1
Discharged - Expiration of sentence	60	74	173	110
Discharged - Other	-	-	1	-
Federal Residential Offender - Successful	-	-	-	-
Paroled to Detainer - INS	2	3	41	6
Paroled to Detainer - Iowa	4	2	-	4
Paroled to Detainer - Out of state	2	5	1	4
Paroled to Detainer - U.S. Marshall	1	4	-	3
Paroled with immediate discharge	7	9	4	13
Parole granted	129	125	21	191
Probation - Reconsideration of sentence	3	14	11	9
Released on bond	-	-	3	-
Released to OWI continuum	3	1	46	-
Released to special sentence	5	4	14	106
Returned to sending jurisdiction	1	-	43	-
Revoked	-	-	3	-
Revoked from parole - Work release granted	-	-	-	-
Terminated by appeal - Conviction overturned	1	2	1	1
Terminated by court	-	1	1	2
Work release granted	91	73	16	126
Work unit - Hospital	1	-	77	-
Work unit - Field to Field	1	-	1	-
Work unit - Prison to corrections compact	2	-	1	-
Work unit - Prison to/from field	-	-	-	-
Work unit - Prison to prison	561	542	5,329	255
Work unit - Prison from residential	-	-	1	-
Work unit - Prison to stayed under appeal	-	-	10	-
Work Unit - Transfer to/from county jail	-	-	32	-
Total released	876	860	5,840	831
Population end of year	746	1,119	948	863
Average number of inmates	773	1,058	972	865

Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility
785	496	530	1,370	1,346
1,262	658	875	2,103	1,313
-	-	-	6	-
-	-	-	1	2
93	39	61	257	182
-	-	1	-	-
-	-	-	1	-
2	-	-	3	9
5	2	11	3	8
16	2	10	20	17
3	-	1	22	14
31	15	58	38	13
234	331	333	316	215
17	8	19	11	19
-	-	-	-	-
5	9	17	51	-
9	4	1	16	15
-	1	4	18	2
-	-	2	3	-
-	-	2	1	-
1	1	-	2	-
-	1	-	1	2
156	163	159	240	168
56	3	-	3	2
-	-	-	-	-
-	-	-	-	-
-	-	-	2	-
554	71	80	953	719
2	-	1	1	-
-	-	1	2	1
-	-	19	144	-
1,184	650	780	2,115	1,388
863	504	625	1,358	1,271
805	494	581	1,302	1,310

June 30, 2014

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Finding Related to Internal Control:

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, control and management. The Institution is required to keep an up-to-date and accurate 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 capital assets did not have a State ID tag affixed to the asset.

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

Response – The Institution will review its policies and procedures regarding asset tags to ensure all capital assets have the required State ID tag affixed to the asset.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

(1) Check Images – The Code of Iowa requires images of both the front and back of checks be received. The Institution does not receive images of the backs of checks for the Central Vending account or the Support Contingency account.

Recommendation – The Institution should contact the bank used for the accounts and request images of both the front and backs of all checks be provided with the monthly bank statements.

Response – The Institution will contact the responsible banks to ensure backs of checks are printed on the bank statements.

Conclusion – Response accepted.

Findings and Recommendations for the Iowa State Penitentiary - Fort Madison

June 30, 2014

- (2) Payroll – Departments process and record payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. One individual has the ability to initiate and approve P-1 documents.

Recommendation – The Institution should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.

Response – The Institution will review current policies and discuss with management implementing new segregation of duties.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Donna F. Kruger, CPA, Manager
Zackary D. Kubik, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

James P. Moriarty, CPA, Assistant Auditor
Joseph B. Sparks, Assistant Auditor
Nathaniel W. Packer, Assistant Auditor

Findings and Recommendations for the Anamosa State Penitentiary

June 30, 2014

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:

Timothy D. Houlette, CPA, Manager
Jesse J. Harthan, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Kelly L. Hilton, Senior Auditor
Erin J. Siestra, Staff Auditor
James P. Moriarty, Assistant Auditor

June 30, 2014

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:

Brian R. Brustkern, CPA, Manager
April D. Harbst, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Zackary D. Kubik, Staff Auditor
Melissa E. Janssen, Staff Auditor
Kyle C. Smith, CPA, Staff Auditor
Jessica L. Russell, Staff Auditor
Gabriela N. Davila, Audit Intern

June 30, 2014

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:

Brian R. Brustkern, CPA, Manager
Eric L. Rath, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Christian E. Cottingham, Staff Auditor
Zack D. Kubik, Staff Auditor
Miranda A. Shipman, Staff Auditor
Jesse J. Harthan, Staff Auditor
Ryan P. Swanson, Staff Auditor
James P. Moriarty, Assistant Auditor
Joseph B. Sparks, Assistant Auditor

June 30, 2014

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Finding Related to Internal Control:

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. The following were noted:

- a) Mail is not opened and distributed by someone other than accounting personnel. A list of receipts is not prepared by the mail opener. Responsibilities for receipt collection, deposit preparation and reconciliation functions are not segregated from those of recording and accounting for receipts.
- b) Monthly bank to book reconciliations were not reviewed by an independent person and surprise cash counts were not performed on the change fund.
- c) Five individuals have the ability to approve a P-1 at both the Personnel Assistant and Department levels as well as the ability to approve timesheets at both the employee and supervisor level. One P-1 document was initiated and approved by the same employee at the Personnel Assistant and Department level without an explanation.

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. Book to bank reconciliations should be reviewed by an independent person and the review should be documented by the reviewer's signature or initials and the date reviewed. Surprise cash counts of the change funds should be performed by an independent person. Explanations should be included when a P-1 is both initiated and approved by the same individual.

Response – The Facility will review our control procedures and try to obtain the maximum internal control we can for segregation of duties. We will have an independent person review and sign the bank reconciliations. The Facility will start to do periodic counts of the change funds. The Facility will ensure there is an explanation as to why the same person initiated and approved a P-1 document.

Conclusion – Response accepted.

Findings and Recommendations for the Clarinda Correctional Facility

June 30, 2014

Finding Related to Statutory Requirements and Other Matters:

Timely Deposits – Pursuant to Chapter 12.10 of the Code of Iowa, the Facility must deposit 90% of all fees collected with the Office of Treasurer of State within ten business days following collection. A total of 26 receipts out of 30 tested were not deposited timely.

Recommendation – The Facility should deposit 90% of all fees collected with the Office of Treasurer of State within 10 business days following collection.

Response – We started to take the deposits to the bank every Friday in April 2014. Also, starting in August 2014, cash receipts are being processed more frequently and taken over by our Budget Analyst 2.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager
Tiffany N. Aliprandi, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Jessica L. Barloon, CPA Staff Auditor
David A. Cook, Staff Auditor
Christian E. Cottingham, Staff Auditor
Nathaniel W. Packer, Staff Auditor
Janell R. Wieland, Staff Auditor
Kristin R. Volkens, Assistant Auditor

June 30, 2014

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:

Marlys K. Gaston, CPA, Director
Ryan J. Pithan, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Jesse J. Probasco, Staff Auditor

June 30, 2014

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:

Brian R. Brustkern, CPA, Manager
Trent M. Mussmann, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Jessica R. Frisch, Staff Auditor
Megan E. Irvin, Staff Auditor

Findings and Recommendations for the Newton Correctional Facility

June 30, 2014

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:

Brian R. Brustkern, CPA, Manager
Benjamin P. James, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Chad C. Lynch, Staff Auditor

June 30, 2014

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.

Finding Related to Statutory Requirements and Other Matters:

Personal Service Contracts – The Facility enters into various personal service contracts throughout the year and these contracts should be in compliance with guidelines set forth in Chapter 106 of the Iowa Administrative Code and Iowa Department of Administrative Services (DAS) Procedure 240.102. One of two renewed contracts did not include the pre-contract questionnaires.

Recommendation – The Facility should ensure all required questionnaires and clauses are included in the personal service contracts used by the Facility and ensure the personal service contracts are in compliance with Iowa Administrative Code Chapter 106 and DAS Procedure 240.102.

Response – The Facility is now aware pre-contract questionnaires should be completed for contract renewal. The Facility will make sure they are completed in the future.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager
Jeremy L. Krajicek, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Amanda L. Burt, Staff Auditor
Nathanial W. Packer, Staff Auditor
Miranda A. Shipman, Staff Auditor
Ryan P. Swanson, Staff Auditor