

OFFICE OF AUDITOR OF STATE

STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

NEWS RELEASE

FOR RELEASE

July 17, 2017

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on Iowa State Prison Industries for the year ended June 30, 2016.

Iowa State Prison Industries, a self-supporting division of the Iowa Department of Corrections, produces goods for sale to the State of Iowa and its political subdivisions. Production work is done by inmates at prison sites as a vocational training and rehabilitation program.

Mosiman recommended Iowa State Prison Industries implement procedures to perform an independent review of the bank reconciliations. The Division's response to the recommendation is included in the report.

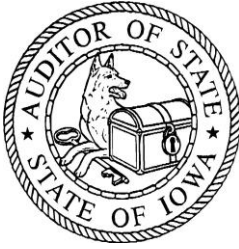
A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1764-2500-OR00>.

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**REPORT OF RECOMMENDATIONS TO
IOWA STATE PRISON INDUSTRIES**

JUNE 30, 2016

Iowa State Prison Industries



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June 16, 2017

To Jerry Bartruff, Director of the Iowa Department of Corrections:


Iowa State Prison Industries is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2016.

In addition to these reports, we also prepare a separate report of recommendations pertaining to each Agency's internal control, compliance with statutory requirements and other matters which our audits disclose findings we believe should be brought to your attention.

In conducting our audits, we became aware of an aspect concerning Iowa State Prison Industries' operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation, which pertains to Iowa State Prison Industries' internal control. This recommendation has been discussed with Iowa State Prison Industries personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the response, we did not audit the response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Iowa State Prison Industries, citizens of the State of Iowa and other parties to whom Iowa State Prison Industries 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 Iowa State Prison Industries 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 Iowa State Prison Industries are listed on page 5 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to Iowa State Prison Industries

June 30, 2016

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:

Bank Reconciliations – Although monthly bank reconciliations were prepared, no independent review of the bank reconciliations was performed.

Recommendation – An independent person should review the reconciliations and document the review by signing or initialing and dating the monthly reconciliations.

Response – Going forward, an independent review of the bank reconciliations will be conducted by Julie Schaefer, Accountant for Iowa Prison Industries Farms.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to Iowa State Prison Industries

June 30, 2016

Staff:

Questions or requests for further assistance should be directed to:

Jennifer L. Wall, CPA, Manager
Andrew E. Nielsen, CPA, Deputy Auditor of State
Chad C. Lynch, Staff Auditor

Other individuals who participated in the audits include:

Jonathan M. Mader, Staff Auditor
Alison C. Anker, Assistant Auditor
Cole J. Hanley, Assistant Auditor