



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

November 6, 2024

Auditor of State Rob Sand today released a combined report on the eight Judicial District Departments of Correctional Services for the year ended June 30, 2023.

The eight Judicial District Departments of Correctional Services provide community-based correctional programs to Iowa's 99 counties and have administrative offices in Waterloo, Ames, Sioux City, Council Bluffs, Des Moines, Cedar Rapids, Davenport and Fairfield. The Iowa Department of Corrections provides the majority of the funding for the District Departments.

FINANCIAL HIGHLIGHTS

Total revenues ranged from \$7,469,957 at the Fourth Judicial District Department to \$29,240,250 at the Fifth Judicial District Department. Similarly, total expenditures ranged from \$7,580,429 at the Fourth Judicial District Department to \$30,329,885 at the Fifth Judicial District Department.

AUDIT FINDINGS

Sand reported two findings related to the receipt and expenditure of taxpayer funds at the eight Judicial Districts. The findings are found on pages 10 and 12 of this report. The findings address such issues as properly reporting capital assets and depreciation and a debit card available to be used for purchasing. Sand provided the Districts with recommendations to address these findings.

One of the findings discussed above is repeated from the prior year. Management of each District has a fiduciary responsibility to provide oversight of their respective District's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

Copies of the report are available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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**COMBINED REPORT OF RECOMMENDATIONS ON THE
EIGHT JUDICIAL DISTRICT DEPARTMENTS OF
CORRECTIONAL SERVICES**

JUNE 30, 2023

Judicial District Departments



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

November 4, 2024

Iowa Department of Corrections
Des Moines, Iowa

To the Members of the Judicial District Departments of Correctional Services:

I am pleased to submit to you the combined Report of Recommendations on the Judicial Districts under the control of the Iowa Department of Correctional Services for the year ended June 30, 2023. This report includes findings, if any, pertaining to each District's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2023 audits. This report also includes unaudited revenue, expenditure and fund balance information pertaining to each of the Judicial District Departments.

I appreciate the cooperation and courtesy extended by the officials and employees of the eight individual Judicial District Departments of Correctional Services throughout the audits. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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November 4, 2024

To the Board Members of the Judicial District Departments of Correctional Services:

The eight individual Judicial District Departments of Correctional Services (District Departments) are part of the State of Iowa and, as such, have been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2023.

In conducting our audits, we became aware of certain aspects concerning the various District Departments' 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 pertain to the District Departments' internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with personnel at each applicable District Department and their responses to these recommendations are included in this report. While we have expressed our conclusions on the District Departments' responses, we did not audit the District Departments' responses and, accordingly, we express no opinion on them.

We have also included certain unaudited financial information for the District Departments for the year ended June 30, 2023.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Judicial District Departments of Correctional Services, citizens of the State of Iowa and other parties to whom the Judicial District Departments of Correctional Services 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 District Departments 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 District Departments are listed on pages 10, 11, 12, 13, 14, 15, 16 and 17, and they are available to discuss these matters with you.

A handwritten signature in black ink, appearing to read "Brian R. Brustkern".

Brian R. Brustkern, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Tim McDermott, Director, Legislative Services Agency

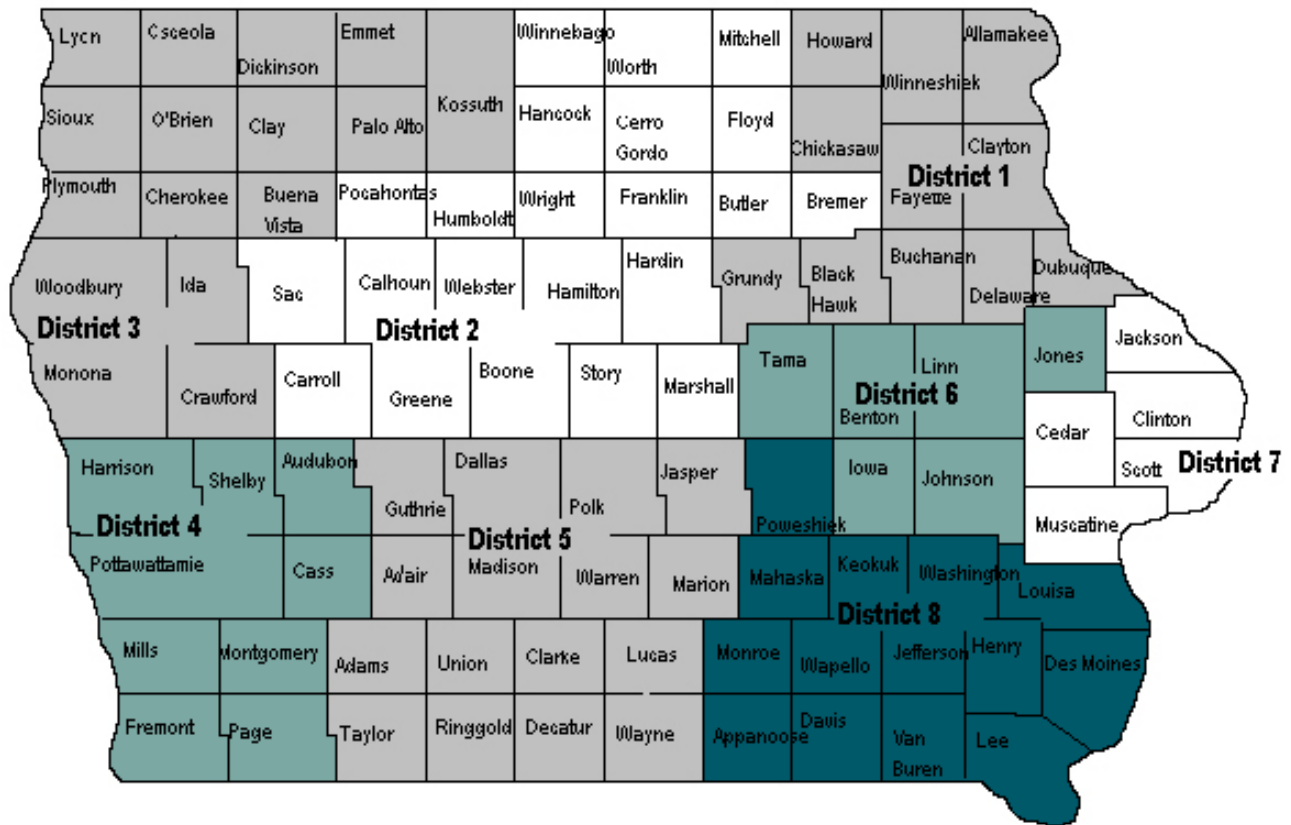
Eight Judicial District Departments of Correctional Services

Overview

Background

In accordance with Chapter 905 of the Code of Iowa, the Iowa Department of Corrections provides assistance and support to the eight established Judicial District Departments of Correctional Services (District Departments). Each District Department is responsible for establishing those services necessary to provide a community-based correctional program which meets the needs of that Judicial District. Each District Department is under the direction of a Board of Directors and is administered by a Director employed by the Board.

The District Departments are located geographically throughout the state (see map below), with administrative offices located in Waterloo, Ames, Sioux City, Council Bluffs, Des Moines, Cedar Rapids, Davenport and Fairfield.



Eight Judicial District Departments of Correctional Services

Overview

Scope and Methodology

We have presented Schedules of General Fund Revenues, Expenditures and Changes in Fund Balance by District Department for comparative purposes. These amounts were obtained from information which was used for statewide financial statement purposes. Certain reclassifications and changes have been made to revenues to provide comparable data. These reclassifications and changes are as follows:

- (1) State allocations, transfers between District Departments and reversion amounts were netted and titled net state appropriation allocation for this report.
- (2) The receipts from other entities category were titled federal, state and local grants and contracts for this report.
- (3) The fees, licenses and permits and refunds and reimbursements categories have been combined and titled fees, refunds and reimbursements for this report.
- (4) Sales, rents and services and miscellaneous categories have been combined and titled rents and miscellaneous for this report.

Summary Observation

Total revenues ranged from \$7,469,957 at the Fourth Judicial District Department to \$29,240,250 at the Fifth Judicial District Department. Similarly, total expenditures ranged from \$7,580,429 at the Fourth Judicial District Department to \$30,329,885 at the Fifth Judicial District Department.

Judicial District Departments

Schedule of General Fund Revenues, Expenditures and Changes in Fund Balance
by Judicial District Department
(Unaudited)

Year ended June 30, 2023

	Judicial			
	First	Second	Third	Fourth
Revenues:				
Net state appropriation allocation	\$ 16,207,339	12,789,649	7,710,790	6,193,805
Federal, state and local grants and contracts	680,549	355,892	-	-
Interest on investments	23,955	60,219	29,455	9
Fees, refunds and reimbursements	4,012,587	1,690,179	489,494	1,200,921
Rents and miscellaneous	-	42,404	731,084	75,222
Total revenues	20,924,430	14,938,343	8,960,823	7,469,957
Expenditures:				
Personal services	18,120,382	13,352,347	8,240,907	6,252,083
Travel and subsistence	84,352	111,060	57,133	88,528
Supplies	360,143	452,626	225,053	361,862
Contractual services	1,793,201	1,092,594	618,728	590,234
Equipment and repairs	406,339	191,187	135,328	272,610
Claims and miscellaneous	71,929	-	20,888	15,112
Plant improvements	-	27,795	-	-
Total expenditures	20,836,346	15,227,609	9,298,037	7,580,429
Excess (deficiency) of revenues over (under) expenditures	88,084	(289,266)	(337,214)	(110,472)
Fund balance beginning of the year	457,633	341,943	750,935	2,110,686
Fund balance end of the year	\$ 545,717	52,677	413,721	2,000,214

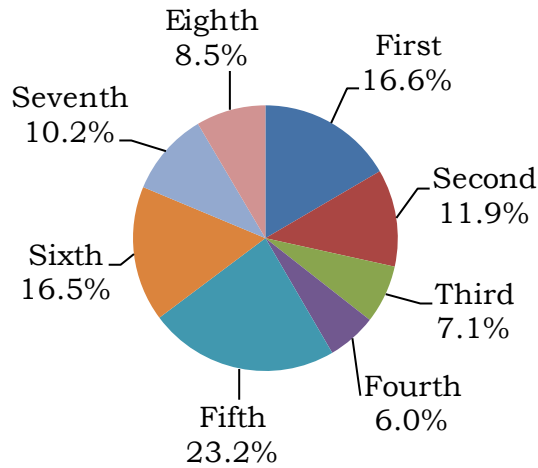
District Department				
Fifth	Sixth	Seventh	Eighth	Total
23,440,024	16,755,370	9,672,851	9,238,778	102,008,606
312,140	921,190	239,504	49,893	2,559,168
26,600	25,164	24,768	27,879	218,049
5,095,039	3,000,390	2,917,437	1,392,520	19,798,567
366,447	98,781	18,671	19,870	1,352,479
29,240,250	20,800,895	12,873,231	10,728,940	125,936,869
23,963,452	17,116,629	10,647,717	9,031,633	106,725,150
215,314	205,665	75,138	86,709	923,899
806,637	741,548	641,263	383,914	3,973,046
3,237,535	1,850,036	881,559	623,448	10,687,335
762,720	494,129	523,550	395,433	3,181,296
109,227	192,515	85,921	85,076	580,668
1,235,000	486,624	-	106,982	1,856,401
30,329,885	21,087,146	12,855,148	10,713,195	127,927,795
(1,089,635)	(286,251)	18,083	15,745	(1,990,926)
2,689,575	830,672	854,492	1,079,509	9,115,445
1,599,940	544,421	872,575	1,095,254	7,124,519

Judicial District Departments

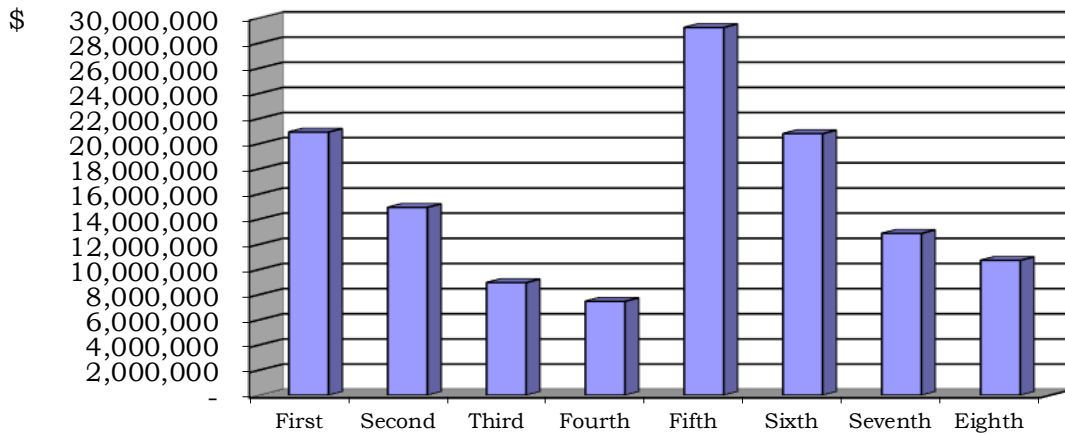
General Fund Revenues by Judicial District Department
(Unaudited)

Year ended June 30, 2023

**Percentage of Total General Fund Revenues by
Judicial District Department**



**Total General Fund Revenues by
Judicial District Department**

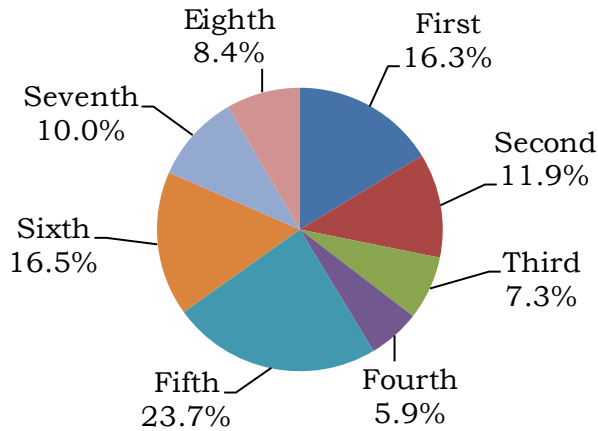


Judicial District Departments

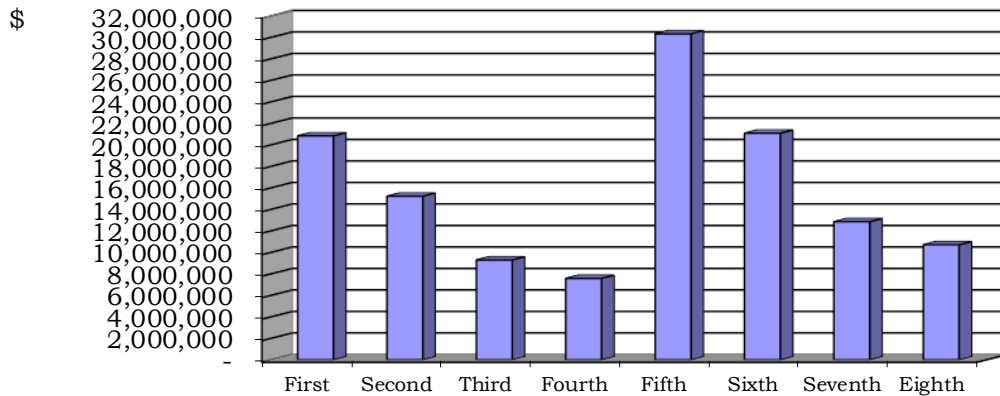
General Fund Expenditures by Judicial District Department
(Unaudited)

Year ended June 30, 2023

**Percentage of Total General Fund Expenditures by
Judicial District Department**



**Total General Fund Expenditures by
Judicial District Department**



Report of Recommendations to the
First Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Findings Related to Internal Control:

(1) Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the State's financial statements.

Departments record 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) in a GAAP package. Departments submit their GAAP packages to DAS-SAE by the first week of September of each year.

Condition – The Judicial District overstated capital assets and the related accumulated depreciation by \$60,684. This was properly adjusted for reporting purposes.

Cause – Although policies and procedures are in place to review GAAP package information, the review did not identify the misstatements.

Effect – The amounts reported as capital assets and accumulated depreciation were misstated requiring adjustments to the financial statements.

Recommendation – The 1st Judicial District should implement additional procedures to ensure information reported to DAS-SAE on the GAAP package is accurate.

Response – To ensure accurate reporting in the future, the formulas used have been corrected and management will ensure correct reporting in the future.

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:

Brian R. Brustkern, CPA, Deputy
Karen L. Brustkern, CPA, Manager
Laurel P. Hoogensen, Senior Auditor

Report of Recommendations to the
Second Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Tiffany M. Ainger, CPA, Manager
Enoch Duval, Staff Auditor

Report of Recommendations to the
Third Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

Other Findings Related to Internal Control:

- (1) Debit Card – The Third Judicial District has a debit card for disbursement use. Unlike credit cards, debit cards offer limited ability to set guidelines for access and limited, if any, repercussions for fraudulent transactions.

Recommendation – To improve financial accountability and control, the District should work to remove the use of debit cards where possible.

Response – The debit card was destroyed on June 30, 2023. It will not be a problem in the next fiscal year under 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:

Brian R. Brustkern, CPA, Deputy
Tiffany M. Ainger, CPA, Manager
Jared M. Ernest, CPA, Senior Auditor

Report of Recommendations to the
Fourth Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Tammy A. Hollingsworth, CIA, Manager
Chris L. Poague, Staff Auditor

Report of Recommendations to the
Fifth Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Tammy A. Hollingsworth, CIA, Manager
Patrick A. Steward, Staff Auditor

Report of Recommendations to the
Sixth Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Gwen D. Fangman, CPA, Manager
Brandon L. Weddell, Staff Auditor

Report of Recommendations to the
Seventh Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Ryan J. Pithan, CPA, Manager
Matthew W. Beerman, Staff Auditor

Report of Recommendations to the
Eighth Judicial District Department

June 30, 2023

Findings Reported in the State's Single Audit Report:

No matters were reported.

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

No matters were reported.

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, Deputy
Lesley R. Geary, CPA, Manager
Molly N. Kalkwarf, Senior Auditor
Miranda L. Hoch, Staff Auditor