



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

October 16, 2025

Auditor of State Rob Sand today released a combined report on the eight Iowa Department of Corrections Judicial District Departments of Correctional Services for the year ended June 30, 2024.

The eight Iowa Department of Corrections 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 \$7,514,540 at the Fourth Judicial District Department to \$28,959,493 at the Fifth Judicial District Department. Similarly, total expenditures ranged from \$8,016,729 at the Fourth Judicial District Department to \$30,092,871 at the Fifth Judicial District Department.

AUDIT FINDINGS

Sand reported four findings related to the receipt and expenditure of taxpayer funds at the eight Judicial Districts. The findings are found on pages 10, 11, 13 and 15 of this report. The findings address such issues as properly reporting capital assets and depreciation, segregation of duties over incoming mail receipts and timely bank reconciliation review. Sand provided the Districts with recommendations to address these findings.

One of the findings discussed above is repeated from the prior year. Iowa Department of Corrections and 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 IOWA DEPARTMENT OF CORRECTIONS JUDICIAL DISTRICT
DEPARTMENTS OF CORRECTIONAL SERVICES**

JUNE 30, 2024

**Iowa Department of Corrections
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

October 8, 2025

Iowa Department of Corrections
Des Moines, Iowa

To Beth Skinner, Director of the Iowa Department of Corrections:

I am pleased to submit to you the combined Report of Recommendations on the Judicial Districts under the control of the Iowa Department of Corrections for the year ended June 30, 2024. 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 2024 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", written in a cursive style.

Rob Sand
Auditor of State

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Telephone (515) 281-5834

October 8, 2025

To Beth Skinner, Director of the Iowa Department of Corrections:

The eight individual Iowa Department of Corrections 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, 2024.

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, 2024.

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 Judicial District Departments of Correctional Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Corrections 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, 14, 16, 17, 18 and 19, 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

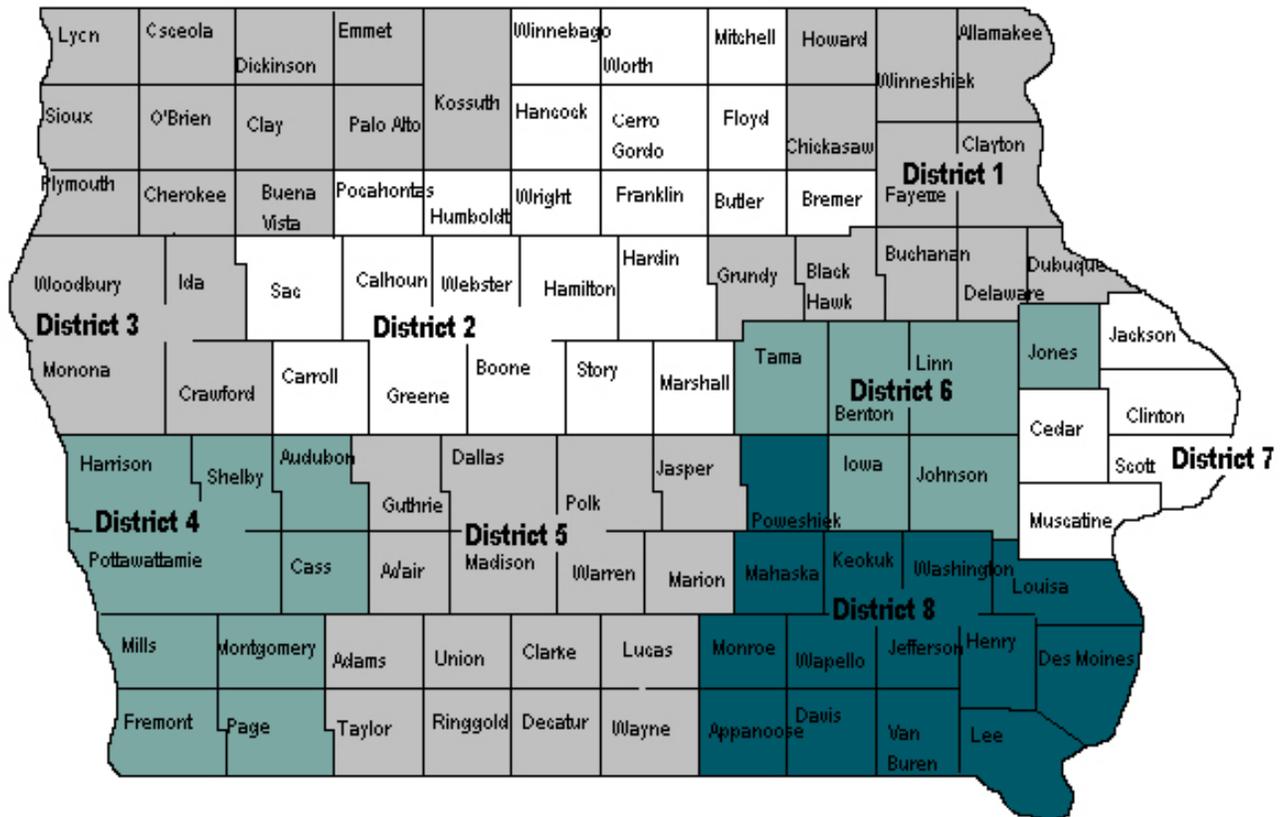
Eight Iowa Department of Corrections Judicial District
Departments of Correctional Services

Overview

Background

In accordance with Chapter 904 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 Iowa Department of Corrections and is administered by a Director employed by the Iowa Department of Corrections.

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 Iowa Department of Corrections 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 \$7,514,540 at the Fourth Judicial District Department to \$28,959,493 at the Fifth Judicial District Department. Similarly, total expenditures ranged from \$8,016,729 at the Fourth Judicial District Department to \$30,092,871 at the Fifth Judicial District Department.

Iowa Department of Corrections
Judicial District Departments

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

Year ended June 30, 2024

| | 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 | 543,460 | 213,747 | - | 202,502 |
| Interest on investments | 50,723 | 119,894 | 57,381 | 10 |
| Fees, refunds and reimbursements | 3,968,797 | 1,530,124 | 460,579 | 1,078,694 |
| Rents and miscellaneous | - | 121,106 | 727,023 | 39,529 |
| Total revenues | <u>20,770,319</u> | <u>14,774,520</u> | <u>8,955,773</u> | <u>7,514,540</u> |
| Expenditures: | | | | |
| Personal services | 18,455,822 | 13,113,541 | 8,367,587 | 6,322,876 |
| Travel and subsistence | 190,813 | 227,896 | 155,869 | 141,433 |
| Supplies | 235,340 | 512,044 | 227,613 | 322,196 |
| Contractual services | 2,280,734 | 1,190,492 | 509,915 | 725,810 |
| Equipment and repairs | 611,905 | 318,748 | 297,977 | 127,488 |
| Claims and miscellaneous | 1,927 | - | 279 | 187,426 |
| Plant improvements | - | 28,871 | - | 189,500 |
| Total expenditures | <u>21,776,541</u> | <u>15,391,592</u> | <u>9,559,240</u> | <u>8,016,729</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,006,222) | (617,072) | (603,467) | (502,189) |
| Transfers in (out) | 461,317 | 581,287 | 680,962 | (1,121,750) |
| Fund balance beginning of the year | <u>545,717</u> | <u>52,677</u> | <u>413,721</u> | <u>2,000,214</u> |
| Fund balance end of the year | <u>\$ 811</u> | <u>16,892</u> | <u>491,216</u> | <u>376,275</u> |

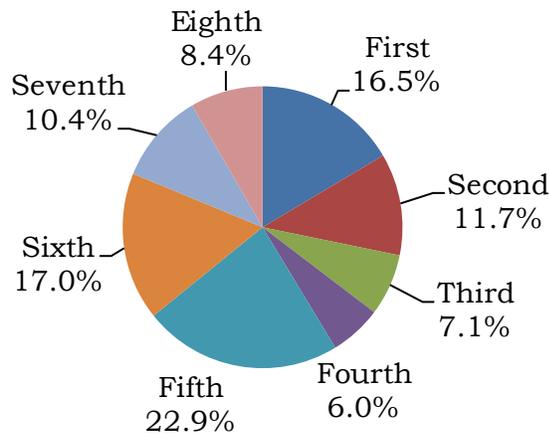
| District Department | | | | |
|---------------------|------------|------------|------------|-------------|
| Fifth | Sixth | Seventh | Eighth | Total |
| 23,440,024 | 16,755,370 | 10,362,851 | 9,238,778 | 102,698,606 |
| 100,000 | 1,207,600 | 141,967 | - | 2,409,276 |
| 172,053 | 35,572 | 23,598 | 72,174 | 531,405 |
| 4,968,215 | 3,319,016 | 2,541,573 | 1,349,307 | 19,216,305 |
| 212,259 | 88,470 | 23,137 | 14,892 | 1,226,416 |
| 28,892,551 | 21,406,028 | 13,093,126 | 10,675,151 | 126,082,008 |
| 24,834,243 | 17,595,569 | 11,424,820 | 9,482,804 | 109,597,262 |
| 317,929 | 346,285 | 155,186 | 257,019 | 1,792,430 |
| 698,360 | 692,814 | 610,318 | 388,743 | 3,687,428 |
| 2,824,740 | 3,089,102 | 800,301 | 817,525 | 12,238,619 |
| 441,022 | 446,240 | 652,405 | 324,768 | 3,220,553 |
| 10,577 | 52,034 | 4,632 | 83,022 | 339,897 |
| 966,000 | - | - | 144,613 | 1,328,984 |
| 30,092,871 | 22,222,044 | 13,647,662 | 11,498,494 | 132,205,173 |
| (1,200,320) | (816,016) | (554,536) | (823,343) | (6,123,165) |
| (221,125) | 283,300 | (293,310) | (269,543) | 101,137 |
| 1,599,940 | 544,421 | 872,575 | 1,095,254 | 7,124,519 |
| 178,495 | 11,705 | 24,729 | 2,368 | 1,102,491 |

Iowa Department of Corrections
Judicial District Departments

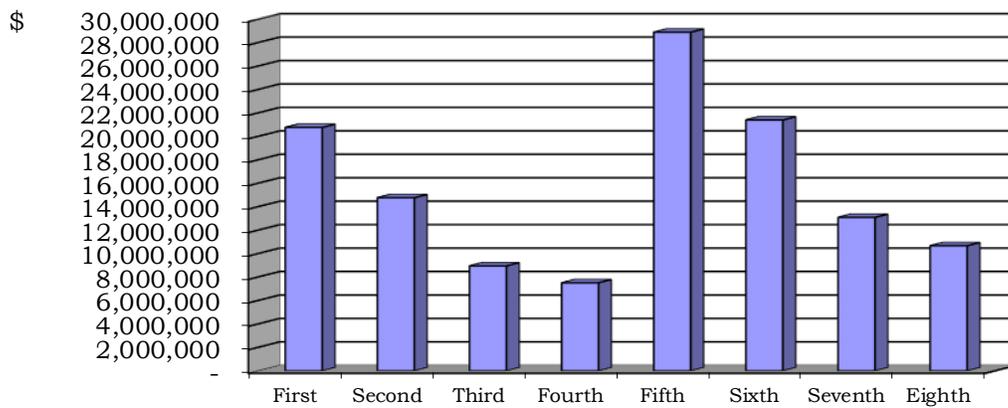
General Fund Revenues by Judicial District Department
(Unaudited)

Year ended June 30, 2024

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



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

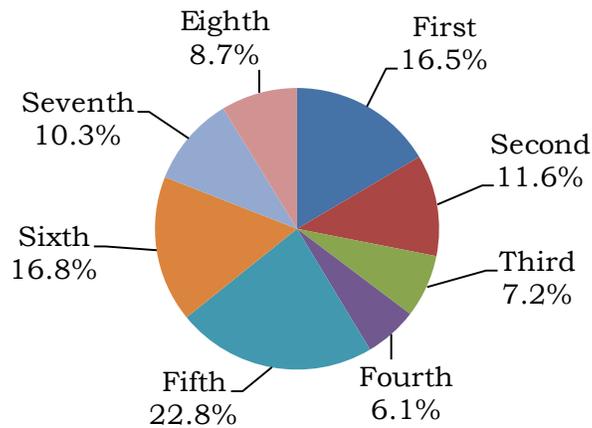


Iowa Department of Corrections
Judicial District Departments

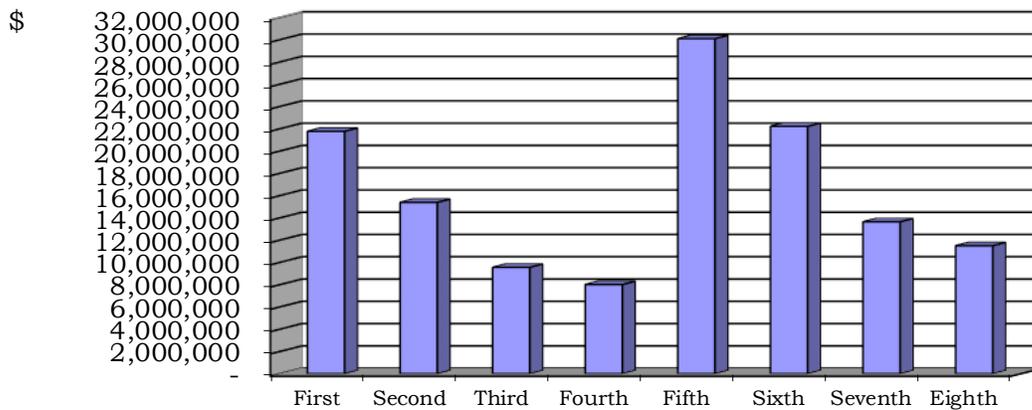
General Fund Expenditures by Judicial District Department
(Unaudited)

Year ended June 30, 2024

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



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



Report of Recommendations to the
Iowa Department of Corrections
First Judicial District Department

June 30, 2024

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 Iowa Advantage system throughout the year, including the accrual period. Activity not recorded in the Iowa Advantage 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 understated capital assets and the related accumulated depreciation by \$8,027.

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 First Judicial District should implement additional procedures to ensure information reported to DAS-SAE on the GAAP package is accurate. The capital assets and depreciation will need to be adjusted on the fiscal year 2025 GAAP package.

Response – For the depreciation calculation, the excel formula changed when a row was added for the new item. This formula is updated and will be double checked in the future.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Corrections
First Judicial District Department

June 30, 2024

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Brett S. Gillen, CPA, Senior Auditor II
Patrick A. Stewart, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Second Judicial District Department

June 30, 2024

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) Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances.

Condition – Thirty-four bank reconciliations were not performed timely. Also, 47 bank reconciliations were not reviewed timely, including one bank reconciliation review that did not have evidence of the date it was reviewed.

Cause – Policies have not been established and procedures have not been implemented to reconcile and review all bank account balances in a timely manner.

Effect – The lack of timely reconciliations of all bank account balances can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – Monthly bank reconciliations, should be performed and reviewed timely, at least monthly. The monthly reconciliation should be reviewed by an independent person, and the review should be documented by the signature or initials of the reviewer and the date of the review.

Response – The District will prepare reconciliation processes for all bank accounts each month, on a timely basis, and those reconciliations will be documented by the preparer's signature and a date. Reconciliations will be reviewed by independent members of the Department's accounting team monthly and documented by the reviewer's signature and date.

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
Stephen J. Hoffman, CIA, Manager
Patrick A. Stewart, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Third Judicial District Department

June 30, 2024

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
Prem Gobin, Senior Auditor II
Maria R. Collins, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Fourth Judicial District Department

June 30, 2024

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 assigning functions, to prevent, or detect and correct, misstatements of the 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.

Department record receipts and disbursements in the Iowa Advantage system throughout the year, including the accrual period. Activity not recorded in the Iowa Advantage system is reported to the Iowa Department of Administrative Services – State Accounting Enterprising (DAS-SAE) in a GAAP package. Department submit their GAAP packages to DAS-SAE by the first week of September of each year.

Condition – The Judicial District overstated capital assets by \$63,809 and the related accumulated depreciation by \$87,501. The compensated absences balance was overstated by \$21,991.

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 required adjustments to the financial statements.

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

Response – The Judicial District has been realigned with the Department of Corrections. As a result, the reporting of compensated absences will no longer be required. Additionally, the Administrative Officer has contacted another District to review the Capital Assets/Depreciation calculation.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Corrections
Fourth Judicial District Department

June 30, 2024

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Alex N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Fifth Judicial District Department

June 30, 2024

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) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the 5th Judicial Districts' financial statements.

Condition – The following procedures or compensating controls have not been implemented in the Fifth Judicial District:

- 1) Incoming mail at the administrative office is not opened by someone who does not record receipts or make accounting entries.

Cause – Procedures at the administrative office have not been designed to adequately segregate duties.

Effect – Inadequate segregation of duties could adversely affect the Fifth Judicial District's ability to prevent or detect and correct misstatements, errors, or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – The mail opener should be someone who is independent from other accounting functions. The independent mail opener should create an initial listing for later comparison against receipts entered in accounting system.

Response – We do our best with the staff we have in place. We will look for ways to improve this going forward. Currently the person opening the mail writes a manual receipt for any funds received and gives it to another person in the unit to enter into the system.

Conclusion – Response accepted

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Corrections
Fifth Judicial District Department

June 30, 2024

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Noelle M. Johnson, Senior Auditor II
Allison L. Carlon, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Sixth Judicial District Department

June 30, 2024

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
Aria G. Puetsch, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Seventh Judicial District Department

June 30, 2024

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
Aria G. Puetsch, Staff Auditor

Report of Recommendations to the
Iowa Department of Corrections
Eighth Judicial District Department

June 30, 2024

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
Dillon J. Hoit, Staff Auditor