



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

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NEWS RELEASE

FOR RELEASE _____

June 27, 2003

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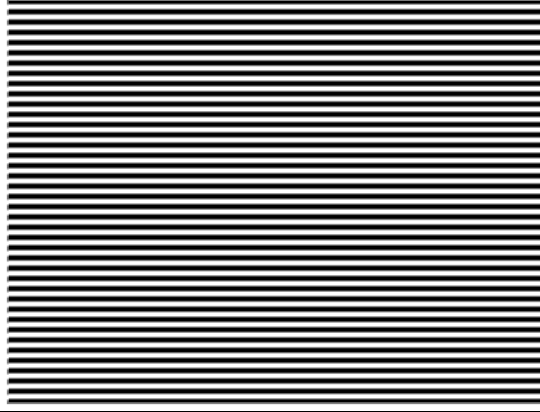
Auditor of State David A. Vaudt today released a report on the Iowa Commission of Veterans Affairs for the year ended June 30, 2002.

The Commission consists of seven members appointed by the Governor and confirmed by the Senate. The Commission oversees the operation and conduct of the Iowa Veterans Home in Marshalltown, administers the War Orphans Educational Fund, maintains military service records of Iowa veterans, and provides assistance to and training for county veterans affairs commissions.

The Iowa Veterans Home provides long-term health care for Iowa's aging, chronically ill, handicapped veterans and their dependent or surviving spouses. The annualized cost per resident was \$72,956 in fiscal year 2002, a 3% increase from the prior year. The average number of residents decreased from 695 in fiscal year 2001 to 681 in fiscal year 2002.

A copy of the report is available for review at the Iowa Commission of Veterans Affairs or the office of Auditor of State.

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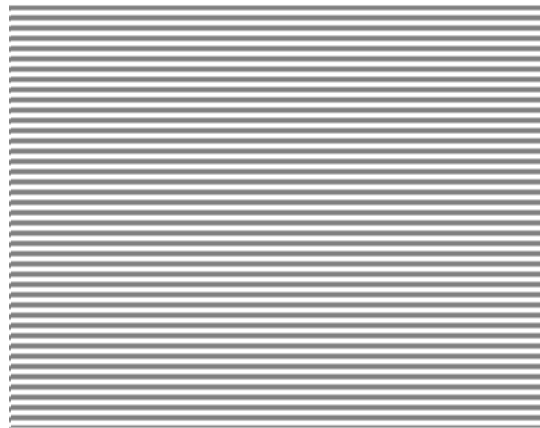
**REPORT OF RECOMMENDATIONS TO THE
IOWA COMMISSION OF VETERANS AFFAIRS**

JUNE 30, 2002

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



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June 16, 2003

To the Members of the Iowa
Commission of Veterans Affairs:

The Iowa Commission of Veterans Affairs 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, 2002.

In conducting our audits, we became aware of an aspect concerning the Commission's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on page 7. The recommendation pertains to compliance with statutory requirements and other matters which we believe you should be aware of. The recommendation has been discussed with Commission personnel, and their response to the recommendation is included in this report.

We have included financial and other information for the Iowa Commission of Veterans Affairs - Iowa Veterans Home for the five years ended June 30, 2002.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Commission of Veterans Affairs, citizens of the State of Iowa and other parties to whom the Iowa Commission of Veterans Affairs 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 Commission during the course of our audits. Should you have any 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 Commission are listed on page 8 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 Thomas J. Vilsack, Governor
Cynthia P. Eisenhower, Director, Department of Management
Dennis C. Prouty, Director, Legislative Services Agency

Iowa Commission of Veterans Affairs
Iowa Veterans Home

Average Cost per Resident
(Unaudited)

For the Last Five Fiscal Years

	Average Number of Residents	*Average Number of Employees	Average Annualized Cost Per Resident	Daily Cost Per Resident
2002	681	938	72,956	199.88
2001	695	971	70,865	194.15
2000	707	932	64,976	178.02
1999	714	844	61,993	169.84
1998	711	833	58,803	161.10

* Prior to October 1, 1999 the Dietary Department was staffed by a private company. Effective October 1, 1999, the Iowa Veterans Home hired employees and staffed the Dietary Department. The average number of employees for fiscal years 2002, 2001 and 2000 include dietary staff of 99, 98 and 75, respectively.

Iowa Commission of Veterans Affairs
Iowa Veterans Home

Resident Population Statistics
(Unaudited)

Year ended June 30, 2002

Population beginning of year	<u>682</u>
Admissions:	
First admissions	164
Readmissions	16
Returns:	
Home visits/furlough	<u>592</u>
Total admissions	<u>772</u>
Released:	
Discharges	37
Deaths	139
Home visits/furlough	<u>587</u>
Total released	<u>763</u>
Population end of year	<u>691</u>
Daily average resident population	<u>681</u>

Iowa Commission of Veterans Affairs
Iowa Veterans Home

Operating Expenditures by Object - General Fund

Year ended June 30, 2002

Personal services	\$ 38,901,856
Travel	92,341
Supplies and materials	4,872,820
Contractual services	4,899,227
Capital outlay	807,780
Claims and miscellaneous	11,715
Licenses, permits and refunds	94,905
Aid to individuals	<u>2,390</u>
Total	<u>\$ 49,683,034</u>

June 30, 2002

Findings Reported in the State's Single Audit Report:

No matters were reported.

Finding Related to Internal Control:

No matters were reported.

Findings Related to Statutory Requirements and Other Matters:

License Plate Fund – Chapter 35A.11 of the Code of Iowa established a Veterans License Fee Fund that includes fees credited by the Treasurer of State from the sale of special veteran license plates. The code section states that the funds are to be used to fulfill the responsibilities of the Commission. Chapter 35A.3 addresses the duties of the Commission, which includes adopting rules and establishing policy for the management and operation of the Commission. The Commission has not developed a written policy regarding the use of the Veterans License Plate Fund. During the fiscal year ended June 30, 2002, \$28,000 was disbursed from the Veterans License Plate Fund to pay for the production of a video to promote the Iowa Veterans Home to a nationwide audience.

Recommendation – The Iowa Commission of Veterans Affairs should adopt a formal, written policy that defines expenditures allowable from the Veterans License Plate Fund and identifies how those expenditures fulfill the responsibilities of the Commission. The policy should also require documentation of the public purpose served by the expenditure.

Response – The January 8, 2003 meeting of the Iowa Commission of Veterans Affairs approved the following policy for the Veterans License Plate Fund. It shall be the policy of the Iowa Commission of Veterans Affairs to utilize the Veterans License Plate Fund to establish and support veterans programs and/or projects that would benefit Iowa veterans and supplement the Iowa Commission of Veterans Affairs' budget, if necessary.

The Commission members will pre-approve all expenditures by a majority vote. The only exception to this vote process will be if money received from the sale of a veteran license plate needs to be refunded. For this exception, the Commission gives blanket approval to process the refund.

Conclusion – Response accepted.

Iowa Commission of Veterans Affairs
Iowa Veterans Home

Staff

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager
Kelly V. Rea, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on this audit include:

Darryl J. Brumm, CPA, Senior Auditor II
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Jennifer L. Sease, Staff Auditor
Gary D. Van Lengen, CPA, Staff Auditor
Kip M. Druecker, Assistant Auditor
Brad T. Holtan, Assistant Auditor
Trevor L. Theulen, Assistant Auditor