

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

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Auditor of State

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NEWS RELEASE

FOR RELEASE

September 26, 2012

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Veterans Home and the Iowa Department of Veterans Affairs for the year ended June 30, 2011.

The Iowa Commission of Veterans Affairs, which consists of nine members appointed by the Governor and confirmed by the Senate, oversees the conduct and operations of the Iowa Veterans Home and the Iowa Department of Veterans Affairs.

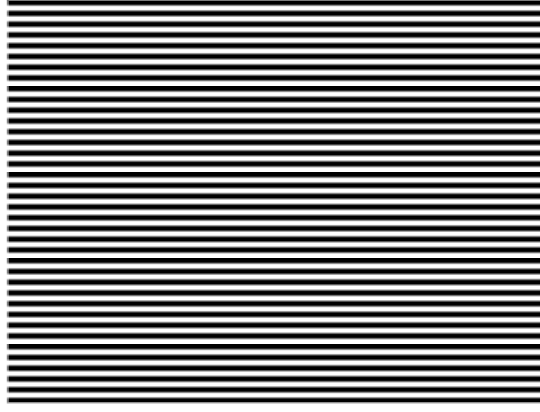
The Iowa Veterans Home, located in Marshalltown, Iowa, provides long-term health care for Iowa's aging, chronically ill, handicapped veterans and their dependent or surviving spouses. The annualized cost per resident was \$112,895 in fiscal year 2011, a 4.4% increase over the prior year. The average number of residents decreased from 689 in fiscal year 2010 to 639 in fiscal year 2011.

The Iowa Department of Veterans Affairs, located at Camp Dodge in Johnston, Iowa, administers the War Orphans Educational Fund, maintains military service records of Iowa veterans and provides assistance to and training for County Commissions of Veterans Affairs.

A copy of the report is available for review at the Iowa Veterans Home, the Iowa Department of Veterans Affairs, in the Office of Auditor of State and on the Auditor of State's website at: <http://auditor.iowa.gov/reports/1260-6710-BR00.pdf>.

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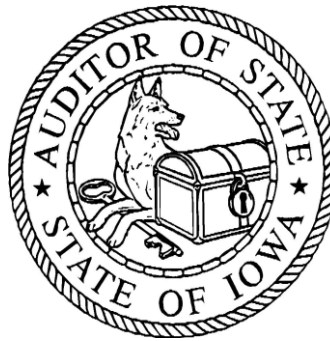




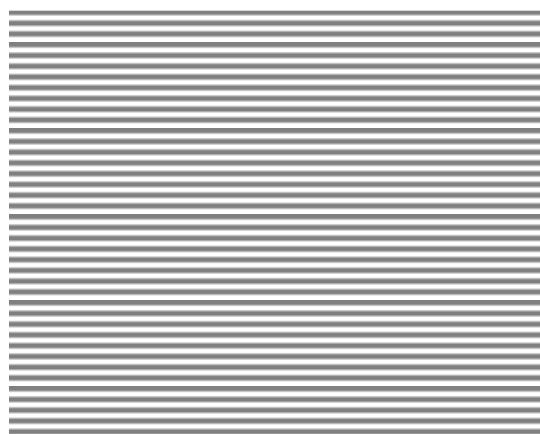
**REPORT OF RECOMMENDATIONS TO THE IOWA VETERANS  
HOME AND THE IOWA DEPARTMENT OF VETERANS AFFAIRS**

**JUNE 30, 2011**

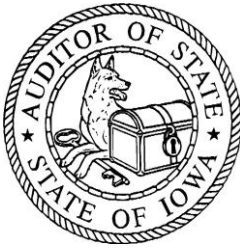
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September 20, 2012

To the Members of the Iowa  
Commission of Veterans Affairs:

The Iowa Veterans Home (Home) and the Iowa Department of Veterans Affairs (Department) 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, 2011.

In conducting our audits, we became aware of certain aspects concerning the Department's 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 the Department's compliance with statutory requirements and other matters. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Veterans Affairs' responses and, accordingly, we express no opinion on them.

We have also included in this report certain unaudited financial and other information for the Iowa Veterans Home for the five years ended June 30, 2011 to report an average annualized cost per resident 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 Veterans Home and the Iowa Department of Veterans Affairs, citizens of the State of Iowa and other parties to whom the Iowa Veterans Home and the Iowa Department 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 Home and the Department 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 Home and the Department are listed on page 9 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 Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

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Report of Recommendations to the Iowa Veterans Home

June 30, 2011

**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.

June 30, 2011

**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:**

- (1) Injured Veteran Grant Program – The Injured Veteran Grant Program provides a maximum of \$10,000 to a member or former member of the U.S. military who is an Iowa resident and who was seriously injured in a combat zone or in a zone where the member was receiving hazardous duty pay after September 11, 2001. For seven of ten grants tested, the consolidated roster of eligible veterans did not indicate the date medical treatment was terminated or whether the veteran was still receiving inpatient or outpatient treatment as required.

Recommendation – The Department should develop procedures to ensure the consolidated roster of eligible veterans contains all required information.

Response – Since January 2011, different requirements for documentation have been implemented. In addition, new Iowa Code language and amended Administrative Rules will help ensure effective administration of this grant program.

Conclusion – Response accepted.

- (2) Vietnam Conflict Veterans Bonus – The Vietnam Conflict Veterans Bonus provides bonus compensation for persons who served honorably on active duty for at least 120 days in the armed forces of the United States between July 1, 1973 and May 31, 1975 and who were residents of the State of Iowa at least six months immediately before entering into active duty service. Bonus compensation is dependent upon whether the Veteran received a Vietnam service medal, but shall not exceed \$500.

One of seven bonus payments tested was not properly authorized by the Department's Director.

Recommendation – The Department should develop procedures to ensure all bonus payments are properly approved by the Department's Director prior to payment.

Response – Procedures have been implemented to ensure bonus payments are authorized by the Director. However, this bonus program has now ended.

Conclusion – Response accepted.

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Iowa Department of Veterans Affairs  
Iowa Veterans Home

Average Cost per Resident  
(Unaudited)

For the Last Five Fiscal Years

Fiscal Year	Average Number of Residents	Average Number of Employees	Annualized Cost Per Resident	Average Daily Cost Per Resident
2011	639	880	\$ 112,895	\$ 309.30
2010	689	988	108,164	296.34
2009	709	1,015	105,158	288.10
2008	715	1,054	104,797	287.12
2007	708	1,002	95,090	260.52



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Iowa Department of Veterans Affairs  
Iowa Veterans Home

Resident Population Statistics  
(Unaudited)

Year ended June 30, 2011

Population beginning of year	<u>654</u>
Admissions:	
First admissions	142
Readmissions	13
Returns:	
Home visits/furlough	189
Total admissions	<u>344</u>
Released:	
Discharges	65
Deaths	126
Home visits/furlough	188
Total released	<u>379</u>
Population end of year	<u>619</u>
Average daily resident population	<u>639</u>

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Iowa Department of Veterans Affairs  
Iowa Veterans Home

Operating Expenditures by Object - General Fund  
(Unaudited)

Year ended June 30, 2011

Personal services	\$ 58,451,508
Travel	115,725
Supplies and materials	5,016,822
Contractual services	7,213,945
Capital outlay	1,207,730
Claims and miscellaneous	105,498
Licenses, permits and refunds	15,412
Aid to individuals	<u>13,502</u>
Total	<u><u>\$ 72,140,142</u></u>

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Iowa Department of Veterans Affairs  
Iowa Veterans Home

Staff

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager  
Jenny R. Lawrence, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

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Laura E. Grinnell, Assistant Auditor  
Karie A. Meisgeier, CPA, Assistant Auditor  
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