

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

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Mary Mosiman, CPA  
Auditor of State

NEWS RELEASE

FOR RELEASE November 20, 2015

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released a combined report on the institutions under the control of the Iowa Department of Human Services. The report includes findings and recommendations and average cost per resident/patient information for the five years ended June 30, 2014.

The average annualized cost per resident/patient at the nine institutions under the control of the Iowa Department of Human Services ranged from \$108,619 at the Civil Commitment Unit for Sexual Offenders to \$345,231 at the Woodward Resource Center and \$511,990 at the Mental Health Institute - Cherokee for the year ended June 30, 2014. Total General Fund expenditures for the nine institutions decreased 5.6% during the five year period to approximately \$217 million, the average number of residents/patients decreased 22.2%, from 1,031 to 802, and the average daily cost per resident/patient increased 18.2%, from \$612.21 to \$723.36, over the same period.

Copies of the report are available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1562-8990-BR00.pdf>.

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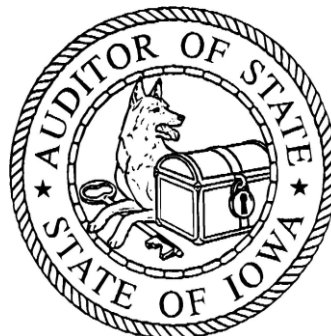


**COMBINED REPORT ON THE INSTITUTIONS UNDER THE  
CONTROL OF THE IOWA DEPARTMENT OF HUMAN SERVICES  
SCHEDULES  
FINDINGS AND RECOMMENDATIONS**

**JUNE 30, 2014**

Office of  
**AUDITOR  
OF STATE**

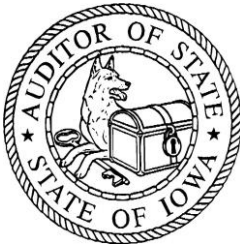
State Capitol Building • Des Moines, Iowa



**Mary Mosiman, CPA**  
**Auditor of State**

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November 17, 2015

To the Council Members of the  
Iowa Department of Human Services:


The Institutions under the control of the Iowa Department of Human Services are a 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, 2014.

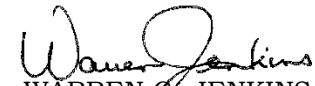
In conducting our audits, we became aware of certain aspects concerning the various Institutions' operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include recommendations pertaining to internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with applicable Institution personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Institutions' responses, we did not audit the Institutions' responses and, accordingly, we express no opinion on them.

We have also included certain unaudited financial and other information for the Institutions under the control of the Iowa Department of Human Services for the five years ended June 30, 2014 to report an average cost per resident/patient at each Institution 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 Department of Human Services, the Institutions under the control of the Iowa Department of Human Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Human 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 Institutions 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 Institutions are listed on pages 29, 30, 32, 34, 35, 36, 37 and 38 and they are available to discuss these matters with you.

  
MARY MOSIMAN, 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

## Iowa Department of Human Services

### Overview

#### **Background**

In accordance with Chapter 218 of the Code of Iowa, the Iowa Department of Human Services has the authority to control, manage, direct and operate the following Institutions:

Mental Health Institute - Clarinda – The Institute has been serving the citizens of Southwest Iowa since 1888. The function of this Institute is to promote good mental health practices and to provide high level care for persons with mental illness. Levels of care provided are adult in-patient psychiatric and gero-psychiatric.

Mental Health Institute - Mount Pleasant – The Institute was established on February 2, 1861. Major goals and objectives of the Institute are to be responsive to the community-oriented patient care needs of the population it serves, without duplicating services already provided in the community. Levels of care provided are adult in-patient psychiatric and dual diagnosis.

Mental Health Institute - Cherokee – The Institute was founded in 1902. The Institute is responsible for furnishing psychiatric services to citizens of Northwest Iowa counties to the extent such services are not provided by other sources. Levels of care provided are adult in-patient psychiatric and child and adolescent in-patient psychiatric.

Mental Health Institute - Independence – The Institute was established on May 1, 1873. The Institute is a fully accredited psychiatric care hospital and provides treatment for mentally ill adults, adolescents and children. Levels of care provided are adult in-patient psychiatric, child and adolescent in-patient psychiatric and psychiatric-medical institute for children.

Woodward Resource Center – The Resource Center was established in 1917. The Center is a residential facility and provides treatment, training, instruction, care, habilitation and support of persons with an intellectual disability or other disabilities in the State.

Glenwood Resource Center – The Resource Center was established on September 1, 1876. The Center is a residential facility and provides treatment, training, instruction, care, habilitation and support of persons with an intellectual disability or other disabilities in the State.

State Juvenile Home - Toledo – The Juvenile Home was established on October 21, 1920. This Institution is a structured, non-secure co-ed facility serving juveniles under 17 who are residents of the State of Iowa in need of assistance. The residents are committed by the juvenile courts as dependent or neglected or are committed voluntarily through application to the County Board of Supervisors and the Iowa Department of Human Services. The children become wards of the State to receive educational, medical, diagnostic treatment and limited employment programs to help them attain productive and satisfying citizenship in a free society.

By early January 2014, all juveniles residing at the Toledo Juvenile Home were transferred to alternative, court-approved licensed and/or accredited settings. Almost one-third of the youth were approved to return home. Minimal activities continued beyond January 2014 only to facilitate transfer of operations and assets from the facility.

## Iowa Department of Human Services

### Overview

State Training School - Eldora – The Training School was established in 1868. The Institution is a minimum security facility for boys between the ages of 12 and 18 who have been adjudicated delinquent by the juvenile courts of the State of Iowa. Effective January 1, 1992, a diagnosis and evaluation center and other units were established to provide juvenile delinquents a program which focuses upon appropriate developmental skills, treatment, placement and rehabilitation.

Civil Commitment Unit for Sexual Offenders (CCUSO) – The Civil Commitment Unit for Sexual Offenders was established in 1999. The Unit provides treatment for sexually violent predators in a secure facility located in Cherokee. The residents have completed their criminal sentences, have been identified as a high risk for a repeat offense and are committed through a civil action by order of the courts.

Different levels of care are provided at each of the Mental Health Institutes. They are:

Adult In-patient Psychiatric – This program, licensed as a hospital, represents traditional, in-hospital psychiatric care for persons 18 years of age and older. It includes 24-hour nursing care and 24-hour medical and psychiatric on-call coverage.

Child and Adolescent In-patient Psychiatric – This program, licensed as a hospital, represents traditional, in-hospital psychiatric care for persons under 18 years of age. It includes a required educational component and 24-hour nursing care and 24-hour medical and psychiatric on-call coverage.

Gero-Psychiatric – This program, licensed as nursing home care, represents 24-hour custodial care for persons declared disabled or over age 65. There is some level of 24-hour nursing care and periodic medical and psychiatric care. Generally, these persons are beyond the capacity of community providers to care for.

Psychiatric-Medical Institute for Children (PMIC) – This program, licensed as a PMIC, represents 24-hour care and behavior management for persons 12 to 17 years of age requiring intensive behavioral treatment modalities. There is periodic nursing and psychiatric coverage. Generally, these children are beyond the care of privately administered PMIC's in the state.

Dual Diagnosis – This program represents a 28-day residential substance dependence treatment program for persons with co-morbid mental illness. There is periodic nursing, medical and psychiatric coverage. It is the only program for this population in the State.

### **Scope and Methodology**

We have calculated an average cost per resident/patient at each Institution for the five years ended June 30, 2014 based on their General Fund expenditures. Certain reclassifications and changes have been made to these expenditures to provide comparable averages between Institutions. Therefore, expenditure amounts and cost per resident/patient averages may differ from those used for statewide financial statement purposes. These reclassifications and changes are as follows:

- (1) Operating transfers, primarily reimbursements to other state agencies for services, have been reclassified as expenditures for purposes of this report. Payments made to the Iowa Department of Administrative Services Depreciation Revolving Fund are reported as capital outlay.

## Iowa Department of Human Services

### Overview

- (2) At the inception of a capital lease, total principal payments are recorded as expenditures and as other financing sources for statewide financial statement purposes. For purposes of this report, only the current year principal and interest payments are included as expenditures.
- (3) Canteen operations have been excluded from General Fund expenditures since the canteen is a self-supporting operation at each Institution.
- (4) Non-cash assistance, consisting of USDA commodities, has been excluded from General Fund expenditures.

Median stay information was not calculated or presented in the accompanying average cost per resident/patient schedule for the Resource Centers or juvenile facilities since the median stay tends to be for a much longer period.

The average annualized cost per resident/patient is calculated using the average number of occupied resident beds. Since the median stay at the Mental Health Institutes tends to be less than the stay at the other Institutions, the cost per stay was calculated for each of the Mental Health Institutes. This represents the average cost for the median stay of each patient admitted.

#### **Summary Observation**

The Mental Health Institute – Cherokee provides significant outpatient services not performed by the other Institutions. Adequate statistical data on outpatient services, including the amount and cost of services provided by year, was not readily available. Accordingly, the cost per resident/patient information at the Mental Health Institute - Cherokee is not comparable to other Institutions and may not be comparable between years at the Mental Health Institute - Cherokee. The amount of support services the Mental Health Institute – Cherokee provided for the Civil Commitment Unit for Sexual Offenders is reported as reallocated support services costs in Schedules 2, 3, 4, 5 and 6 on pages 16 through 25.

The Woodward Resource Center and the Glenwood Resource Center also provide significant supported community living services, respite and supported employment services which are paid through Iowa Medicaid and Community Based Services (HCBS) Waivers. The cost of providing these services is included in the cost per resident calculation. However, the number of individuals served is not included in the average number of residents.

The average annualized cost per resident/patient ranged from \$108,619 at the Civil Commitment Unit for Sexual Offenders to \$345,231 at the Woodward Resource Center and \$511,990 at the Mental Health Institute – Cherokee for fiscal year 2014.

Over the last five fiscal years, total General Fund expenditures decreased 5.6%, from \$230,383,360 in 2010 to \$217,416,277 in 2014, the average number of residents/patients decreased 22.2%, from 1,031 to 802, and the average daily cost per resident/patient increased 18.2%, from \$612.21 to \$723.36.

Median stay ranged from 9 days to 52 days at the four Mental Health Institutes for fiscal year 2014.



**Iowa Department of Human Services**

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2010					
	Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Clarinda	47	85	\$ 182,805	500.83	9	\$4,508
Mental Health Institute - Mt. Pleasant	71	97	120,963	331.41	28	9,279
Mental Health Institute - Cherokee	34	194	387,690	1,062.17	15	15,932
Mental Health Institute - Independence	78	262	274,225	751.30	48	36,062
Woodward Resource Center	205	724	318,359	872.22		
Glenwood Resource Center	300	922	269,879	739.39		
State Juvenile Home - Toledo	75	114	115,320	315.95		
State Training School - Eldora	141	188	99,726	273.22		
Civil Commitment Unit for Sexual Offenders	80	89	121,179	332.00		
Total	1,031	2,675	\$ 223,456	612.21		

Year ended June 30, 2011						Year ended June 30, 2012					
Average	Average	Average	Average	Median	Cost	Average	Average	Average	Average	Median	Cost
Number of	Number	Annualized	Daily	Stay	per	Number of	Number	Annualized	Daily	Stay	per
Residents/ Patients	of Em- ployees	Resident/ Patient	Resident/ Patient	(Days)	Stay	Residents/ Patients	of Em- ployees	Resident/ Patient	Resident/ Patient	(Days)	Stay
40	80	\$ 207,391	568.19	9	\$ 5,114	32	77	\$ 256,644	701.21	10	\$7,012
63	92	134,204	367.68	29	10,663	64	92	133,215	363.97	27	9,827
27	157	421,601	1,155.07	12	13,861	30	172	436,269	1,191.99	12	14,304
59	233	345,732	947.21	44	41,677	60	226	343,365	938.16	47	44,093
201	711	301,855	827.00			186	703	326,647	892.48		
286	883	276,437	757.36			268	882	292,046	797.94		
60	103	141,266	387.03			54	109	167,745	458.32		
143	169	92,764	254.15			126	166	105,799	298.07		
81	88	123,141	337.37			91	93	106,666	291.44		
960	2,516	\$ 229,147	627.80			911	2,520	\$ 243,193	664.46		

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Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2013					
	Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Clarinda	29	72	\$ 300,462	823.18	7	\$ 5,762
Mental Health Institute - Mt. Pleasant	60	90	150,953	413.57	25	10,339
Mental Health Institute - Cherokee	30	179	454,430	1,245.01	11	13,695
Mental Health Institute - Independence	46	224	473,718	1,297.86	54	70,084
Woodward Resource Center	180	650	335,807	920.02		
Glenwood Resource Center	255	845	298,396	817.52		
State Juvenile Home - Toledo *	51	110	190,806	522.76		
State Training School - Eldora	124	162	116,249	318.49		
Civil Commitment Unit for Sexual Offenders	103	94	108,691	297.78		
Total	878	2,426	\$ 256,346	702.32		

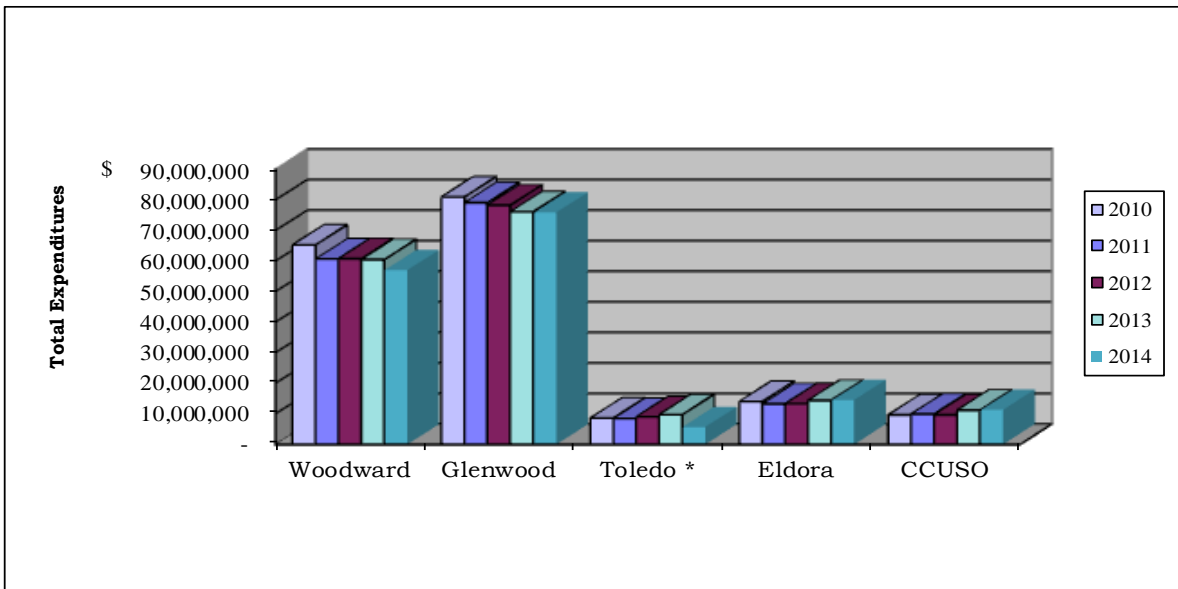
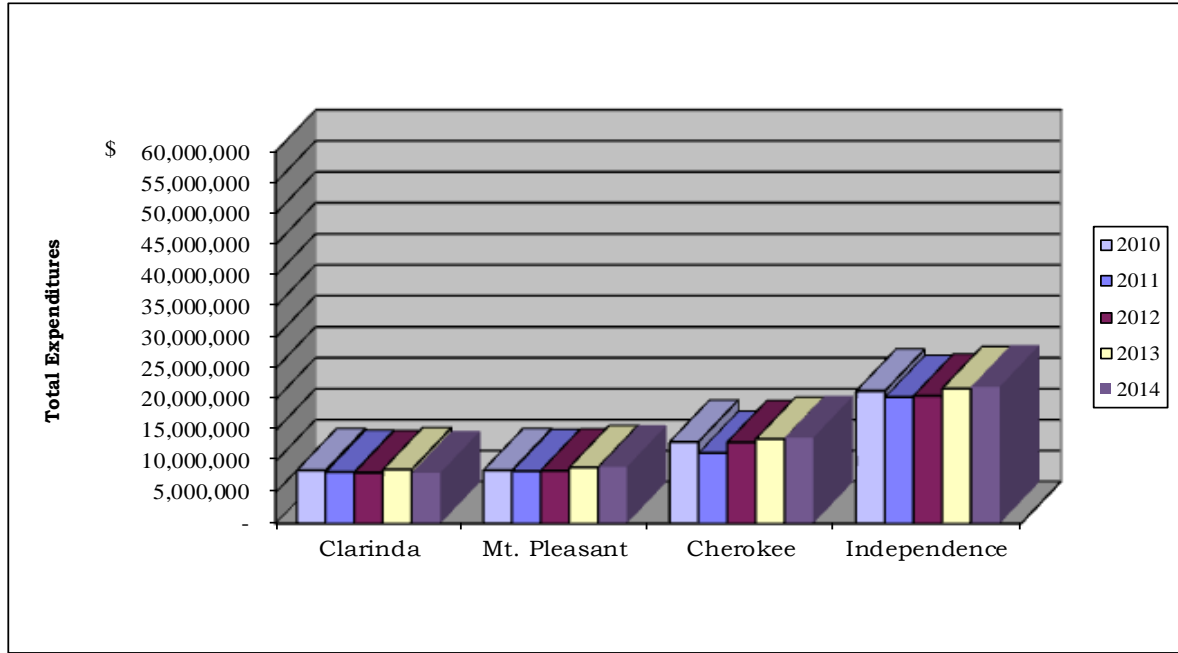
\* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Year ended June 30, 2014					
Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
26	69	\$ 314,450	861.51	13	\$11,200
56	90	162,704	445.77	52	23,180
27	176	511,990	1,402.71	9	12,624
50	223	441,119	1,208.54	48	58,010
165	608	345,231	945.84		
252	798	300,949	824.52		
122	160	118,720	325.26		
104	94	108,619	297.59		
802	2,218	\$ 264,027	723.36		

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
Total Expenditures  
(Unaudited)

For the Last Five Fiscal Years

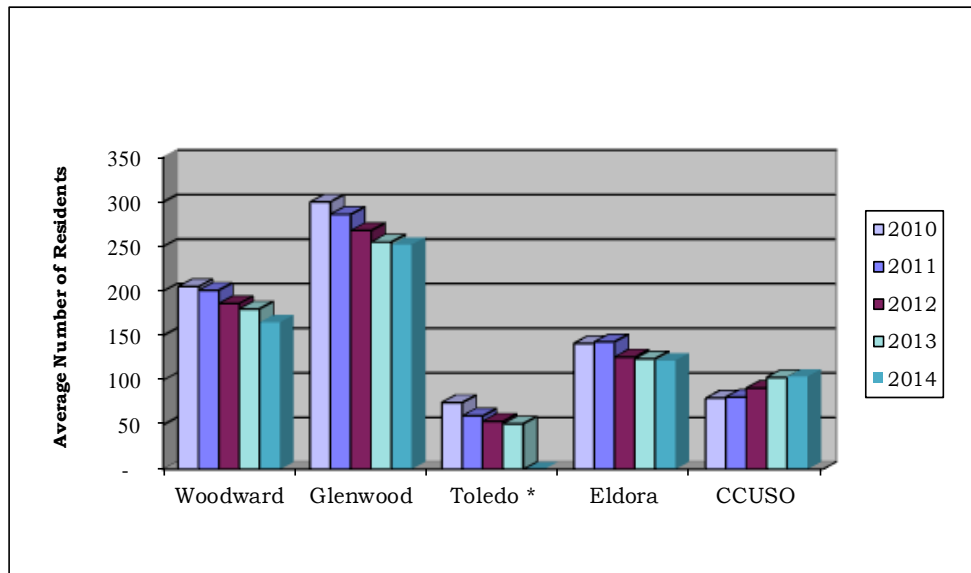
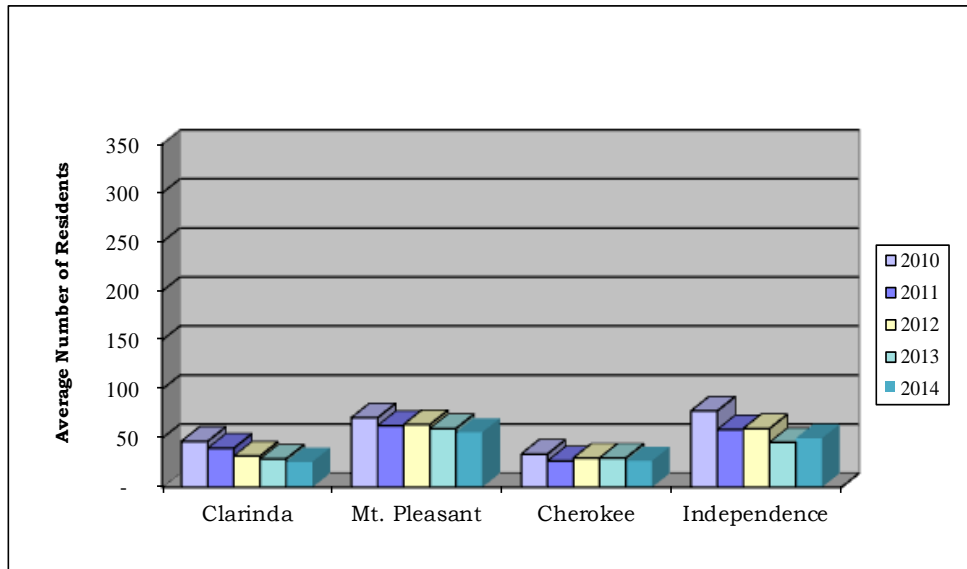


\* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
 Average Number of Residents  
 (Unaudited)

For the Last Five Fiscal Years

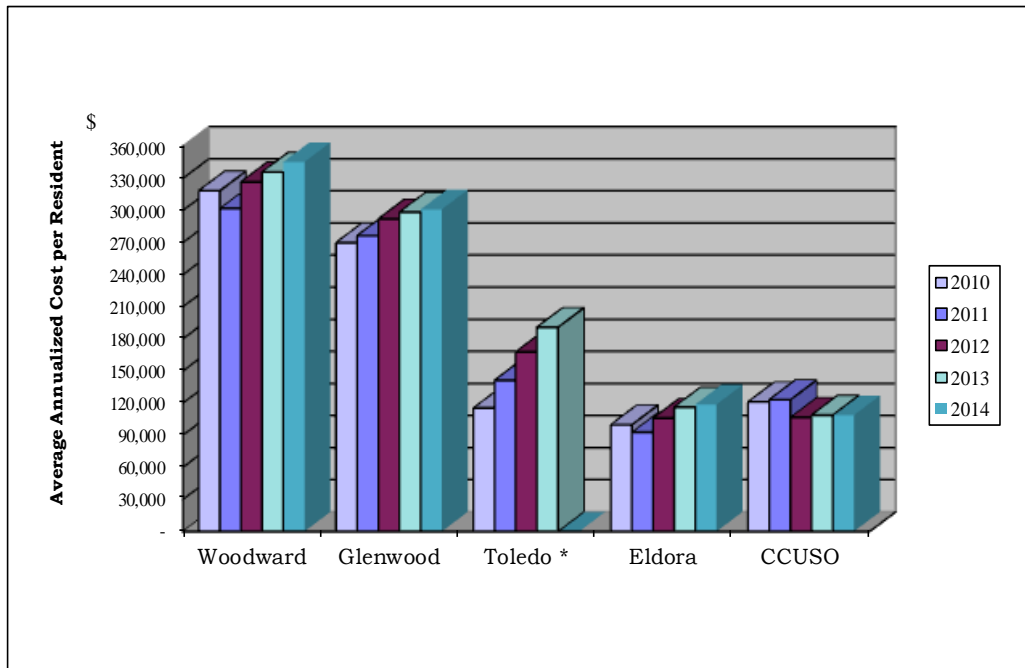
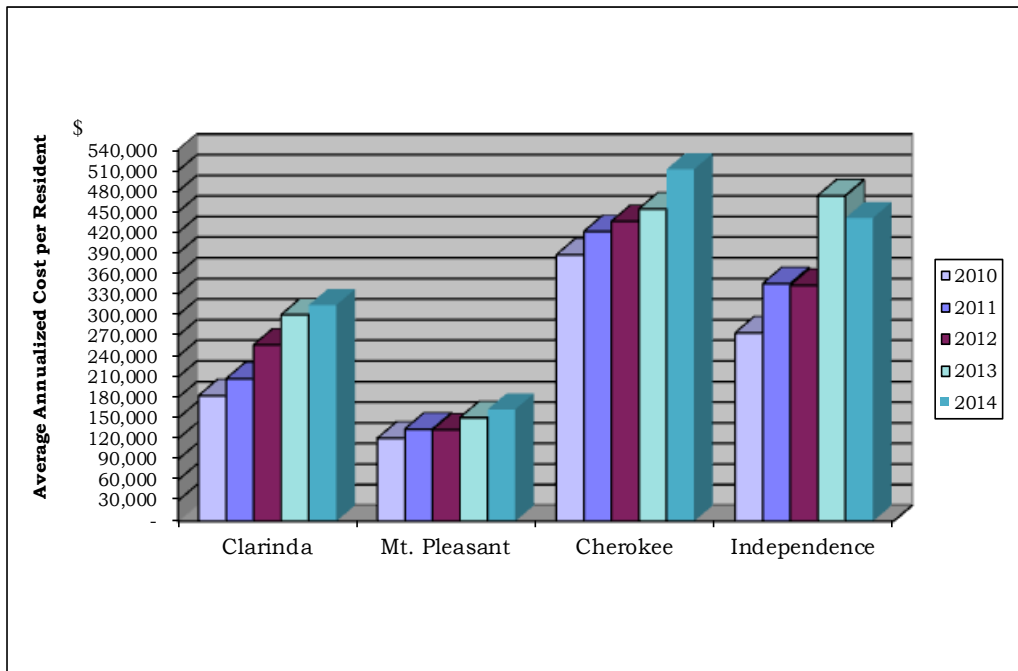


\* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
Average Annual Cost per Resident  
(Unaudited)

For the Last Five Fiscal Years



\* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.



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**Iowa Department of Human Services**

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2010

	Mental Health Institute - Clarinda	Mental Health Institute - Mt. Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,250,076	6,921,068	13,496,617	18,320,418
Travel	52,181	77,156	59,239	78,724
Supplies and materials	652,037	490,945	1,075,399	777,745
Contractual services	594,108	914,448	1,202,746	2,122,178
Capital outlay	42,725	183,274	121,510	86,222
Claims and miscellaneous	225	331	1,688	1,690
Licenses, permits and refunds	466	-	895	2,565
Aid to individuals	-	1,183	-	-
Total before reallocations	<u>\$ 8,591,818</u>	<u>8,588,405</u>	15,958,094	<u>21,389,542</u>
Reallocated support services costs (see page 6)			<u>(2,776,626)</u>	
Total			<u>\$ 13,181,468</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
50,362,160	61,197,320	7,198,717	11,598,464	5,900,877	182,245,717
1,159,313	1,079,322	70,078	100,344	10,653	2,687,010
4,726,391	6,130,446	671,346	579,128	729,698	15,833,135
7,172,716	9,275,428	653,344	1,552,170	267,289	23,754,427
1,742,716	2,704,880	49,760	214,712	9,050	5,154,849
99,756	573,001	3,765	13,260	146	693,862
528	3,354	2,026	3,343	-	13,177
-	-	-	-	-	1,183
<u>65,263,580</u>	<u>80,963,751</u>	<u>8,649,036</u>	<u>14,061,421</u>	<u>6,917,713</u>	<u>230,383,360</u>
				<u>2,776,626</u>	
				<u>9,694,339</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2011

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,216,774	6,796,196	11,634,175	17,158,403
Travel	22,401	10,006	55,509	27,055
Supplies and materials	523,233	461,404	905,510	799,733
Contractual services	498,036	1,025,590	1,399,542	2,091,352
Capital outlay	34,698	159,299	144,081	318,639
Claims and miscellaneous	54	58	1,165	945
Licenses, permits and refunds	425	-	780	2,077
Aid to individuals	-	2,293	-	-
Total before reallocations	<u>\$ 8,295,621</u>	<u>8,454,846</u>	14,140,762	<u>20,398,204</u>
Reallocated support services costs (see page 6)			<u>(2,757,545)</u>	
Total			<u>\$ 11,383,217</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
50,087,941	61,427,351	7,022,669	11,085,766	6,124,755	178,554,030
380,352	692,274	11,896	37,574	63,732	1,300,799
4,479,918	6,712,830	678,049	624,520	799,415	15,984,612
4,809,727	8,264,636	682,848	1,333,028	180,936	20,285,695
804,932	1,453,278	77,944	167,607	47,202	3,207,680
108,933	506,136	1,980	12,745	825	632,841
985	4,584	595	3,958	-	13,404
-	-	-	-	-	2,293
<u>60,672,788</u>	<u>79,061,089</u>	<u>8,475,981</u>	<u>13,265,198</u>	7,216,865	<u>219,981,354</u>
				<u>2,757,545</u>	
				<u>9,974,410</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2012

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,306,375	7,012,316	12,460,178	17,320,530
Travel	4,537	17,688	21,736	48,776
Supplies and materials	440,636	544,154	1,089,111	800,140
Contractual services	417,939	851,203	1,636,282	2,092,790
Capital outlay	42,315	98,133	565,380	336,189
Claims and miscellaneous	573	-	1,569	499
Licenses, permits and refunds	243	-	780	2,995
Aid to individuals	-	2,234	-	-
Total before reallocations	<u>\$ 8,212,618</u>	<u>8,525,728</u>	15,775,036	<u>20,601,919</u>
Reallocated support services costs (see page 6)			<u>(2,686,956)</u>	
Total			<u>\$ 13,088,080</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
51,248,575	61,816,732	7,479,521	11,310,619	6,697,084	182,651,930
208,712	265,046	23,923	41,339	23,896	655,653
4,075,809	5,641,828	747,211	679,305	55,763	14,073,957
4,275,715	8,007,140	613,419	1,218,669	207,426	19,320,583
876,745	2,153,065	191,873	66,930	34,718	4,365,348
70,170	381,863	1,295	11,046	805	467,820
687	2,750	978	2,731	-	11,164
-	-	-	-	-	2,234
<u>60,756,413</u>	<u>78,268,424</u>	<u>9,058,220</u>	<u>13,330,639</u>	<u>7,019,692</u>	<u>221,548,689</u>
				<u>2,686,956</u>	
				<u>9,706,648</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2013

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,143,254	7,264,540	13,379,152	17,819,148
Travel	28,272	25,158	40,854	39,611
Supplies and materials	614,623	488,622	1,139,013	826,108
Contractual services	474,122	965,845	1,444,356	2,369,571
Capital outlay	452,170	310,875	341,030	734,960
Claims and miscellaneous	610	14	1,610	233
Licenses, permits and refunds	351	-	880	1,380
Aid to individuals	-	2,104	-	-
Total before reallocations	<u>\$ 8,713,402</u>	<u>9,057,158</u>	16,346,895	<u>21,791,011</u>
Reallocated support services costs (see page 6)			<u>(2,713,996)</u>	
Total			<u>\$ 13,632,899</u>	



Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
49,739,132	61,879,966	7,800,942	11,656,638	7,515,623	184,198,395
305,257	258,865	10,630	45,237	29,051	782,935
4,389,389	5,230,396	728,189	680,886	131,077	14,228,303
4,005,195	6,499,272	788,874	1,317,193	533,424	18,397,852
1,943,175	1,820,819	397,492	703,508	271,354	6,975,383
59,342	398,798	650	9,766	667	471,690
3,689	2,750	4,327	1,668	-	15,045
-	-	-	-	-	2,104
<u>60,445,179</u>	<u>76,090,866</u>	<u>9,731,104</u>	<u>14,414,896</u>	8,481,196	<u>225,071,707</u>
				<u>2,713,996</u>	
				<u>11,195,192</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2014

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,048,841	7,658,955	13,553,779	18,092,970
Travel	28,587	27,168	50,612	42,807
Supplies and materials	453,111	493,182	1,086,803	841,475
Contractual services	581,297	733,928	1,637,098	2,823,429
Capital outlay	61,170	196,345	86,530	251,844
Claims and miscellaneous	2,224	24	1,792	829
Licenses, permits and refunds	463	-	870	2,580
Aid to individuals	-	1,849	-	-
Total before reallocations	<u>\$ 8,175,693</u>	<u>9,111,451</u>	16,417,484	<u>22,055,934</u>
Reallocated support services costs (see page 6)			<u>(2,593,756)</u>	
Total			<u>\$ 13,823,728</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
47,907,556	61,918,723	4,537,207	11,887,771	7,681,100	180,286,902
296,091	370,388	8,439	53,952	33,380	911,424
3,585,192	4,636,026	305,796	773,241	51,706	12,226,532
4,233,436	6,883,734	806,811	1,513,719	862,599	20,076,051
929,761	1,635,720	7,805	242,128	73,137	3,484,440
7,567	390,396	-	6,423	749	410,004
3,460	4,200	315	6,575		18,463
-	-	612	-	-	2,461
<u>56,963,063</u>	<u>75,839,187</u>	<u>5,666,985</u>	<u>14,483,809</u>	<u>8,702,671</u>	<u>217,416,277</u>
				<u>2,593,756</u>	
				<u>11,296,427</u>	

Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics  
(Unaudited)

Year ended June 30, 2014

	Mental Health Institute - Clarinda	Mental Health Institute - Mt. Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Population beginning of year	29	55	26	42
Admissions:				
First admissions	98	490	342	135
Readmissions	78	130	171	70
Returns:				
Home visits	-	7	-	155
Limited leaves	-	-	-	1
Temporary medical transfers	-	4	-	11
Total admissions	176	631	513	372
Released:				
Discharges	181	620	512	193
Deaths	-	-	-	-
Home visits	-	7	-	155
Limited leaves	-	-	-	5
Temporary medical transfers	-	4	3	11
Other	-	9	-	-
Total released	181	640	515	364
Population end of year	24	46	24	50
Average number of residents/patients	26	56	27	50

\* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders
181	247	44	132	100
9	7	-	166	3
2	3	-	20	-
-	293	-	-	-
53	-	-	-	2
-	158	-	-	-
64	461	-	186	5
27	5	44	97	4
4	8	-	-	-
-	287	-	-	-
59	-	-	-	-
-	161	-	-	-
-	-	-	106	-
90	461	44	203	4
155	247	-	115	101
165	252	-	122	104

June 30, 2014

**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:**

- (1) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check of those of another. Mail is not opened and distributed by someone other than accounting personnel. A list of receipts is not prepared by the mail opener. Responsibilities for collection and deposit preparation functions are not segregated from those for recording and accounting for cash receipts for the Sales and Collection, Contingent, Patient and Entertainment Funds. Bank reconciliations were not reviewed by an independent person or there was no written documentation of who performed the independent review.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Institute should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. The reconciliations should be reviewed by an independent person and the reviews should be documented by the reviewer’s signature or initials and the date reviewed.

Response – We will review our internal control procedures and try to obtain the maximum level of segregation of duties we can. In January 2014, we started to have an independent person review and sign all bank reconciliations.

Conclusion – Response accepted.

- (2) Timely Deposits – Pursuant to Chapter 12.10 of the Code of Iowa, the Institute must deposit 90% of all fees collected with the Office of Treasurer of State within ten business days following collection. Of 83 receipts tested, 43 were not deposited timely.

Recommendation – The Institute should deposit 90% of all fees collected with the Office of Treasurer of State within 10 business days following collection.

Response – We started to take the deposits to the bank every Friday in April of 2014. Also, starting in August 2014 cash receipts are being processed more frequently and taken over by our Budget Analyst 2.

Conclusion – Response accepted.

June 30, 2014

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager  
Tiffany N. Aliprandi, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Janell R. Wieland, CPA, Staff Auditor  
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Nathaniel W. Packer, Assistant Auditor

June 30, 2014

**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.

**Staff:**

Questions or requests for further assistance should be directed to:

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June 30, 2014

**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:**

- (1) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. The following were noted:

- An independent person does not reconcile receipts to the deposit.
- There is a lack of segregation for handling Storeroom and Pharmacy inventory and the inventory records.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Institute should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel.

Response – Deposits are receipted by one person and deposited by another. Reconciliations are signed off by two individuals different than those that receipt and deposit. For the storeroom, we implemented a policy in July 2013 requiring, at a minimum, quarterly inventory of 15 random items by a party external to the storeroom. Discrepancies are investigated and reported to the Business Manager. For pharmacy, the pharmacist and pharmacy technicians were instructed to separate ordering and inventorying duties. This was an existing practice that was not being routinely followed. Now one technician receives product and the other logs it into inventory.

Conclusion – Response accepted.

- (2) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each agency of the state to maintain a written, detailed and up-to-date inventory of property under its charge, control and management. The Institute is required to keep an up-to-date and accurate asset listing to track and maintain control over capital assets. The following were noted:
- (a) Two assets did not have a state asset tag affixed.
  - (b) The Department recorded \$24,950 for a blacktop parking lot improvement as a capital asset. This asset does not meet the \$1,000,000 capitalization threshold for infrastructure set by the State's capital asset policy.

June 30, 2014

Recommendation – The Institute should develop written procedures to ensure a detailed, up-to-date capital asset listing is maintained and only assets which exceed the capitalization threshold are capitalized. Procedures should include, but not be limited to, ensuring all capital assets are properly tagged.

Response – The untagged items occurred during a period when items were being transferred from the Iowa Juvenile Home (IJH) to Cherokee after the IJH closure. In the future, we will double check assets to assure they are properly tagged and accounted for. In the future, we will check infrastructure capital assets to assure they meet the \$1,000,000 threshold.

Conclusion – Response accepted.

**Finding Related to Statutory Requirements and Other Matters:**

Title XIX State Share Payments – During our testing of Title XIX state share payments, we determined 3 of 10 payments to the Iowa Department of Human Services (DHS) were calculated at \$791.59 per patient per day instead of the approved rate of \$839.68 per patient day, for a total difference of \$2,657. Also, 184 patients were billed at the \$791.59 rate and not the \$839.68 rate.

Recommendation – The Institute should ensure the correct payment is being sent to DHS. In addition, the Institute should communicate and work with DHS to resolve the difference in rates.

Response – This occurred because we were provided the incorrect billing rate from DHS Central Office. We are working with DHS Central Office and Magellan of Iowa to correct the payment errors. In the future, we will verify the billing rate we are provided is correct.

Conclusion – Response accepted.

**Staff:**

Questions or requests for further assistance should be directed to:

Timothy D. Houlette, CPA, Manager  
Joshua W. Ostrander, Senior Auditor  
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Other individuals who participated in the audits include:

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Marcus B. Johnson, Staff Auditor  
Jessica L. Russell, Staff Auditor  
Erin J. Sietstra, Staff Auditor

June 30, 2014

**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:**

- (1) Bank Reconciliations - Monthly bank reconciliations were prepared and reconciled to the Institute’s records and included evidence of review by supervisory personnel. However, the reconciliations were not performed timely.

Recommendation – Monthly bank reconciliations should be prepared and reconciled to the agency records timely.

Response – The Business Manager has instructed the Business Office employee responsible for the reconciliation of bank statements to complete the work by the end of the month following the bank statement date.

Conclusion – Response accepted.

- (2) Scrap Metal – Scrap metal from various areas of the Institute are deposited into separate bins. There are no controls in place to safeguard the scrap metal prior to sale. The Institute periodically sells scrap metal to local vendors. Supporting documentation from the vendor for the sales is not always available to substantiate the amount paid to the Institute.

Recommendation – The Institute should implement physical safeguards to protect the scrap metal from theft prior to sale. The scrap metal dealer should provide the Institute with a detailed receipt for each sale.

Response – The Institution will continue to review the physical safeguards surrounding the storage of scrap metal intended for recycling and/or sale to local vendors and implement improved security measures to the extent practical. Further, Institute management will repeat instructions to employees who take scrap metal to local vendors to ensure appropriate documentation supporting the sale is received at the time of sale.

Conclusion – Response accepted.

- (3) Employee Login IDs – Employees are given unique employee login IDs when they are hired. During our review of internal control, we determined employee login IDs are not always removed promptly from the system when an employee resigns or is terminated.

Recommendation – The Institute’s Information Technology Department should be notified immediately about separated employees and all separated employees should be removed from network and mainframe access in a timely manner.

Response - The Human Resource Associate has been instructed to provide information to the Institute’s Information Technology Department on all employee departures due to termination, resignation or retirement so the employee’s log-in permissions can be deleted from the computer network and/or mainframe. When possible, this notification will be made by the Human Resource Associate to the Information Technology Department prior to the employee’s departure.

Conclusion – Response accepted.

June 30, 2014

**Findings Related to Statutory Requirements and Other Matters:**

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

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Darryl J. Brumm, CPA, Senior Auditor II  
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Elissa R. Olson, Staff Auditor  
Miranda A. Shipman, Staff Auditor  
James P. Moriarty, CPA, Assistant Auditor

June 30, 2014

**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:**

Reconciliation of Medicare Part D Billings – A reconciliation of Medicare Part D billings to payments received is not performed.

Recommendation – The Center should perform a reconciliation of Medicare Part D billings to payments received monthly to detect and correct billing errors.

Response – Woodward Resource Center's pharmacist sends an electronic report of the fills submitted to Med D for payment to the Business Office. The report is reconciled to the remittance confirmation received from the Medicare Part D drug plans. This process was put in place in March 2015.

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:

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Taylor I. Cook, Audit Intern

Findings and Recommendations for the Glenwood Resource Center

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.

**Staff:**

Questions or requests for further assistance should be directed to:

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James P. Moriarty, CPA, Assistant Auditor  
Jenna E. Wittkop, Audit Intern

Findings and Recommendations for the State Training School – Eldora

June 30, 2014

**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.

**Staff:**

Questions or requests for further assistance should be directed to:

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June 30, 2014

**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.

**Staff:**

Questions or requests for further assistance should be directed to:

Timothy D. Houlette, CPA, Manager  
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