



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

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**NEWS RELEASE**

FOR RELEASE July 28, 2005

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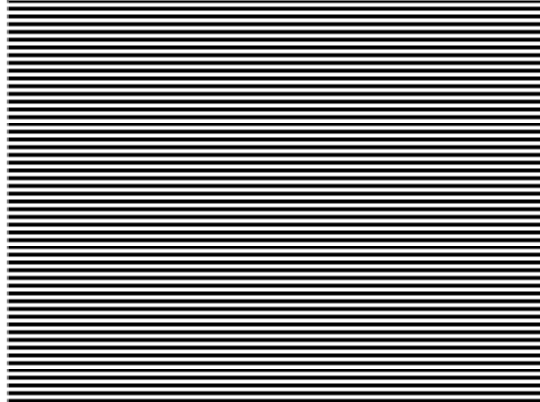
Auditor of State David A. Vaudt today released a report on the Iowa Commission of Veterans Affairs for the year ended June 30, 2004.

The Commission consists of nine 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 average annualized cost per resident was \$81,246 for fiscal year 2004, a 3.2% increase from the prior year. The average number of residents increased from 693 in fiscal year 2003 to 708 in fiscal year 2004.

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, 2004**

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



**David A. Vaudt, CPA**  
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July 25, 2005

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, 2004.

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 the following page. We believe you should be aware of this recommendation which pertains to the Commission's compliance with statutory requirements and other matters. This recommendation has been discussed with Commission personnel and their response to this recommendation is included in this report.

We have also included in this report certain unaudited financial and other information for the Iowa Commission of Veterans Affairs – Iowa Veterans Home for the five years ended June 30, 2004 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 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 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  
Michael L. Tramontina, Director, Department of Management  
Dennis C. Prouty, Director, Legislative Services Agency

Iowa Commission of Veterans Affairs  
Iowa Veterans Home

Report of Recommendations

June 30, 2004

**Findings Related to the Financial Statements:**

No matters were noted.

**Findings Related to Internal Control:**

No matters were noted.

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

Code Compliance – Chapter 71.1 of the Code of Iowa prohibits an official appointed by the Commission from appointing a relative to help in the office when the relative is paid more than \$600 with public funds unless the appointment was first approved by the Commission. The former Commandant hired two sons without approval of the Veterans Affairs Commission. For the year ended June 30, 2004, the sons were paid \$4,230 and \$1,651.

Recommendation – The Commission should implement procedures to ensure compliance with the Code of Iowa.

Response – The Iowa Veterans Home will ensure compliance with Chapter 71.1 of the Code of Iowa. The incident cited occurred during the appointment period of the Commandant that served December 2002 – April 2004.

Conclusion – Response accepted.

Iowa Commission of Veterans Affairs  
Iowa Veterans Home

Average Cost per Resident  
(Unaudited)

For the Last Five Fiscal Years

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Fiscal Year	Average Number of Residents	Average Number of Employees	Annualized Cost Per Resident	Average Daily Cost Per Resident
2004	708	990	\$ 81,246	\$ 222.59
2003	693	955	78,751	215.76
2002	681	938	72,956	199.88
2001	695	971	70,865	194.15
2000	707	932	64,976	178.02

Iowa Commission of Veterans Affairs  
Iowa Veterans Home

Resident Population Statistics  
(Unaudited)

Year ended June 30, 2004

Population beginning of year	<u>707</u>
Admissions:	
First admissions	194
Readmissions	16
Returns:	
Home visits/furlough	<u>559</u>
Total admissions	<u>796</u>
Released:	
Discharges	56
Deaths	150
Home visits/furlough	<u>562</u>
Total released	<u>768</u>
Population end of year	<u>708</u>
Daily average resident population	<u>708</u>



Iowa Commission of Veterans Affairs  
Iowa Veterans Home

Operating Expenditures by Object - General Fund  
(Unaudited)

Year ended June 30, 2004

Personal services	\$ 45,154,311
Travel	115,275
Supplies and materials	5,601,971
Contractual services	5,269,512
Capital outlay	1,224,411
Claims and miscellaneous	85,283
Licenses, permits and refunds	70,962
Aid to individuals	<u>600</u>
Total	<u>\$ 57,522,325</u>

Iowa Commission of Veterans Affairs  
Iowa Veterans Home

Staff

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager  
Daniel L. Durbin, CPA, Staff Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Richard C. Brown, CGFM, Senior Auditor  
Marc D. Johnson, Staff Auditor  
Kelly V. Rea, CPA, Staff Auditor  
Jessica L. Christiansen, Assistant Auditor  
Michael J. Gentry, Jr., Assistant Auditor  
Jeffrey L. Lenhart, Assistant Auditor