



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

November 14, 2018

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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, 2017.

The average annualized cost per resident/patient at the six institutions under the control of the Iowa Department of Human Services ranged from \$121,776 at the Civil Commitment Unit for Sexual Offenders to \$422,880 at the Woodward Resource Center for the year ended June 30, 2017. Total General Fund expenditures for the nine institutions decreased 10.1% during the five year period to approximately \$202 million, the average number of residents/patients decreased 23.8%, from 878 to 669, and the average daily cost per resident/patient increased 18.0%, from \$702.32 to \$828.79, 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 <https://auditor.iowa.gov/reports/audit-reports/>.

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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, 2017

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October 29, 2018

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, 2017.

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. 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, 2017 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 30, 31, 33, 35, 36 and 37 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State

cc: Honorable Kim Reynolds, 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:

Realignment of Mental Health Institutes – In an effort to modernize the State’s mental health delivery system, the Department of Human Services has realigned its mental health facilities to deliver all of its inpatient treatment through its two nationally accredited facilities at Independence and Cherokee. The Department discontinued its delivery of inpatient mental health services at the Clarinda and Mount Pleasant facilities as of June 30, 2015.

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 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.

Iowa Department of Human Services

Overview

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.

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.

Iowa Department of Human Services

Overview

Scope and Methodology

We have calculated an average cost per resident/patient at each Institution for the five years ended June 30, 2017 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.
- (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 18 through 27.

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 at the six institutions under the control of the Iowa Department of Human Services ranged from \$121,776 at the Civil Commitment Unit for Sexual Offenders to \$422,880 at the Woodward Resource Center for the year ended June 30, 2017.

Iowa Department of Human Services

Overview

Over the last five fiscal years, total General Fund expenditures decreased 10.1%, from \$225,071,707 in 2013 to \$202,377,944 in 2017, the average number of residents/patients decreased 23.8%, from 878 to 669, and the average daily cost per resident/patient increased 18.0%, from \$702.32 to \$828.79.

Median stay ranged from 24 days to 57 days at the two Mental Health Institutes for fiscal year 2017.

Iowa Department of Human Services

Schedules

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 Employees	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.

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Year ended June 30, 2014						Year ended June 30, 2015					
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	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	18	60	\$ 469,054	1,285.08	15	\$ 19,276
56	90	162,704	445.77	52	23,180	38	76	218,679	599.12	60	35,947
27	176	511,990	1,402.71	9	12,624	31	166	440,115	1,205.80	8	9,646
50	223	441,119	1,208.54	48	58,010	51	224	438,222	1,201.61	41	49,225
165	608	345,231	945.84			154	591	372,969	1,021.83		
252	798	300,949	824.52			240	798	314,492	861.62		
-	-	-	-			-	-	-	-		
122	160	118,720	325.26			116	158	129,728	355.42		
104	94	108,619	297.59			108	97	112,664	308.67		
802	2,218	\$ 264,027	723.36			756	2,170	\$ 281,584	771.46		

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

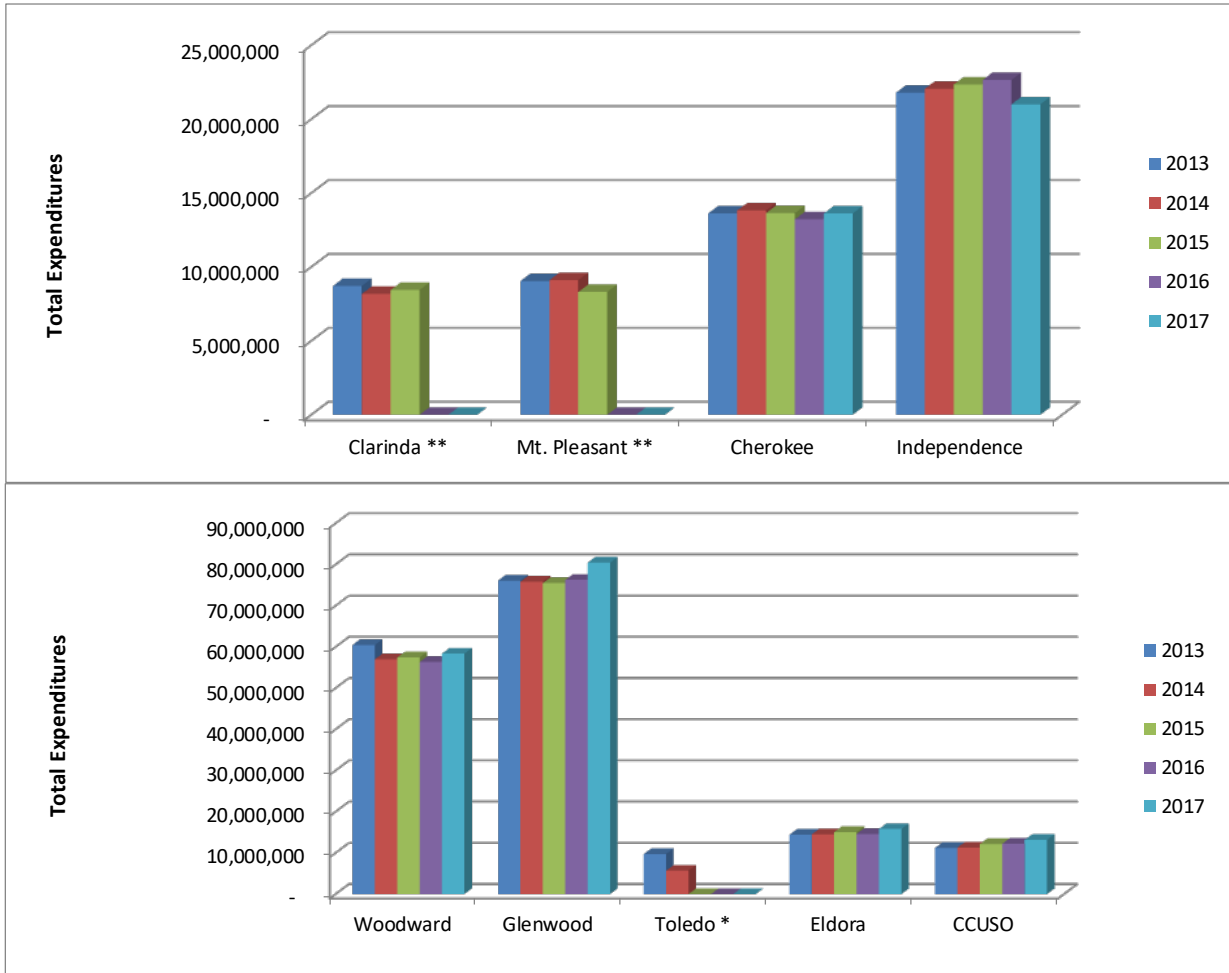
	Year ended June 30, 2016					
	Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Clarinda **	-	-	\$ -	-	-	\$ -
Mental Health Institute - Mt. Pleasant **	-	-	-	-	-	-
Mental Health Institute - Cherokee	34	161	389,086	1,063.08	10	10,631
Mental Health Institute - Independence	51	211	444,251	1,213.80	56	67,973
Woodward Resource Center	147	566	383,243	1,047.11		
Glenwood Resource Center	232	789	328,712	898.12		
State Juvenile Home - Toledo *	-	-	-	-		
State Training School - Eldora	114	158	128,100	350.00		
Civil Commitment Unit for Sexual Offenders	109	98	112,019	306.06		
Total	687	1,983	\$ 284,275	776.71		

Year ended June 30, 2017					
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
-	-	\$ -	-	-	\$ -
-	-	-	-	-	-
35	155	389,120	1,066.08	24	25,586
52	188	404,012	1,106.88	57	63,092
138	539	422,880	1,158.57		
224	751	359,138	983.94		
-	-	-	-		
112	166	141,018	386.35		
108	107	121,776	333.63		
669	1,906	\$ 302,508	828.79		

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



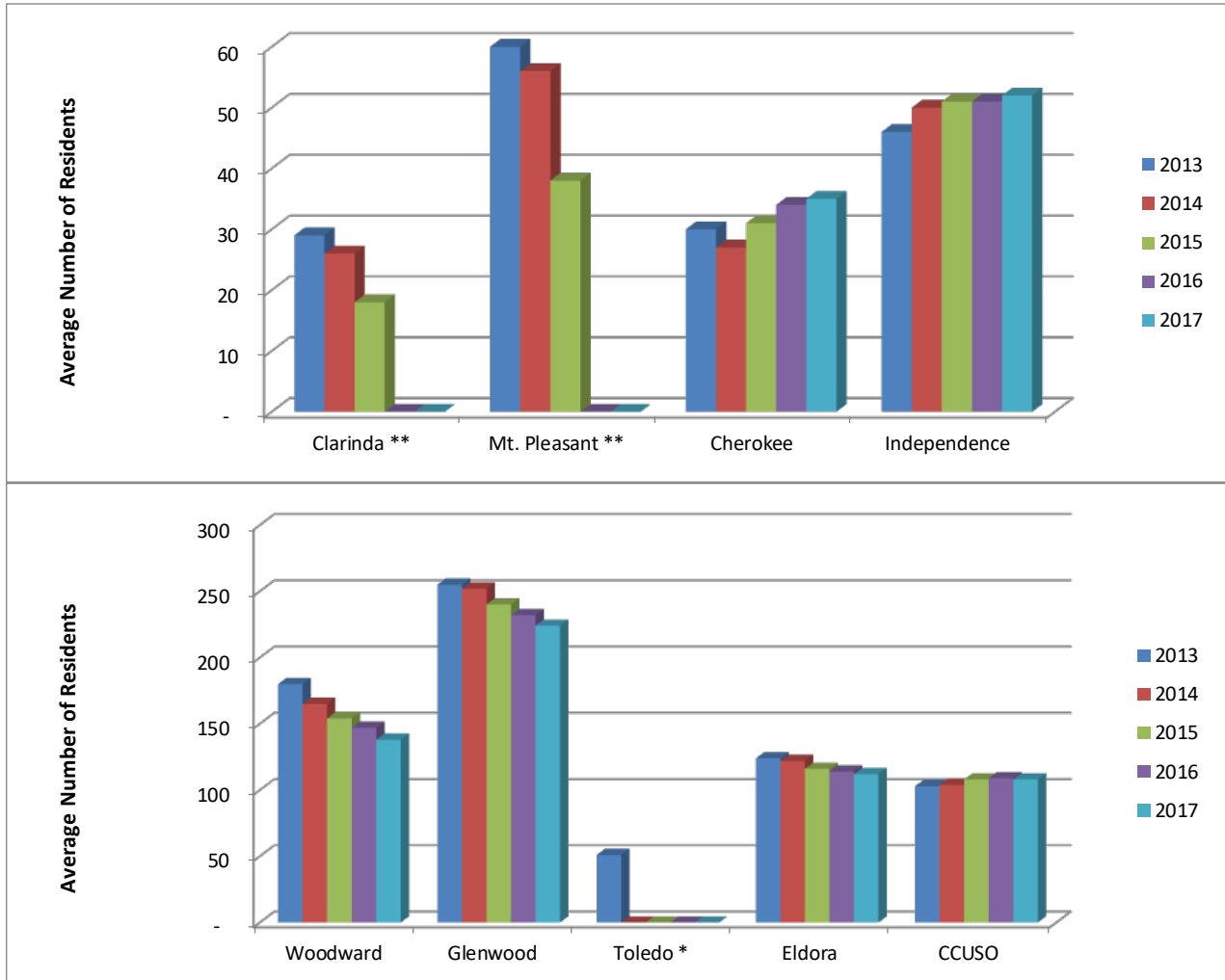
* As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Institutions Under the Control of the Iowa Department of Human Services

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

For the Last Five Fiscal Years



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

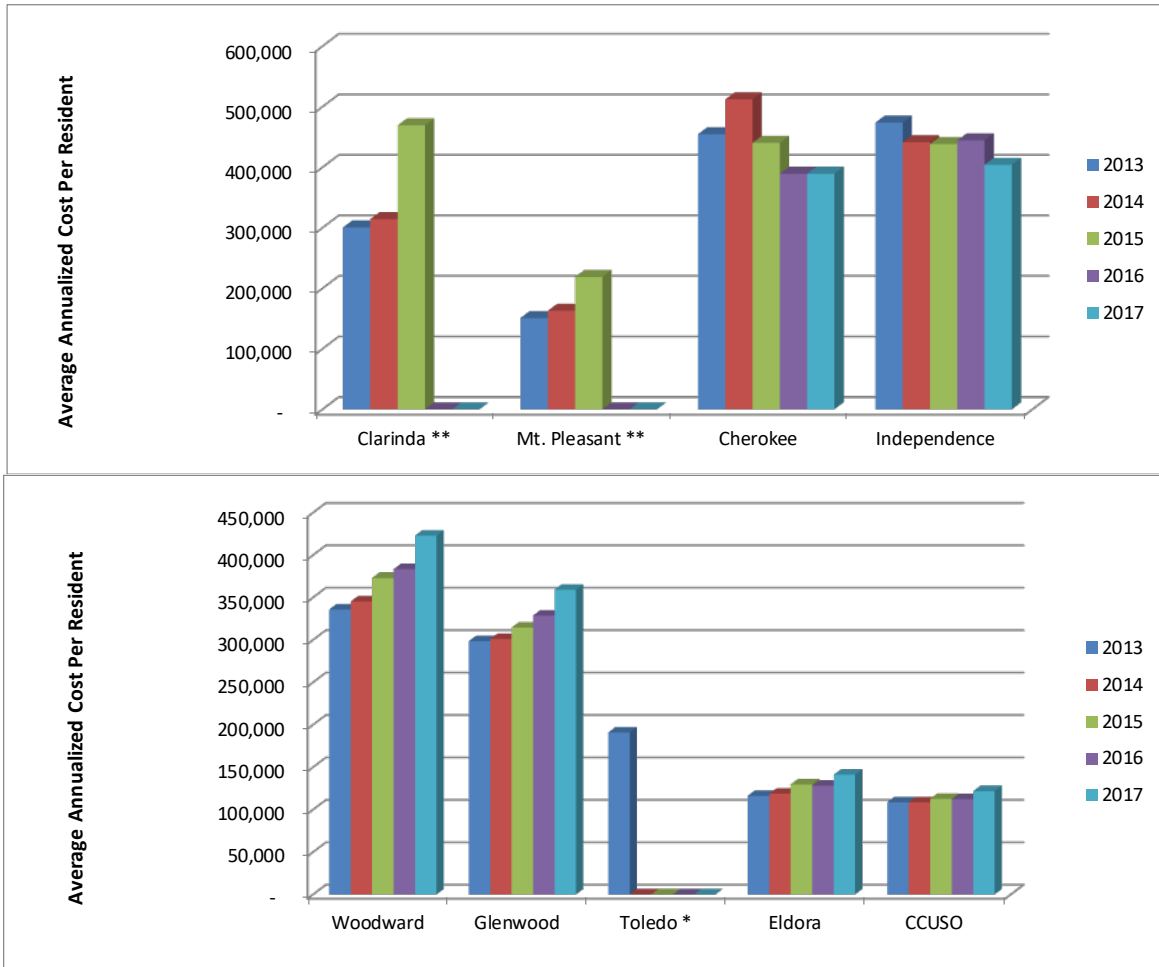
** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Iowa Department of Human Services

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.

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

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>	

* 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	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

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2015

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,245,015	6,975,918	13,701,384	18,348,897
Travel	28,190	23,830	59,242	38,532
Supplies and materials	502,652	416,196	1,280,468	1,108,376
Contractual services	563,490	680,636	1,558,733	2,524,127
Capital outlay	93,439	212,325	43,597	322,472
Claims and miscellaneous	9,566	21	1,593	4,369
Licenses, permits and refunds	623	-	135	2,537
Aid to individuals	-	885	-	-
Total before reallocations	<u>\$ 8,442,975</u>	<u>8,309,811</u>	16,645,152	<u>22,349,310</u>
Reallocated support services costs (see page 6)			<u>(3,001,576)</u>	
Total			<u>\$ 13,643,576</u>	

* 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	Total
48,404,701	62,809,379	-	12,116,652	8,122,061	177,724,007
292,341	238,427	-	57,061	33,456	771,079
3,817,857	4,696,905	-	737,101	88,772	12,648,327
4,108,786	6,246,911	-	1,905,116	906,831	18,494,630
796,732	1,054,997	-	225,408	14,184	2,763,154
3,759	427,626	-	4,749	839	452,522
13,120	3,900	-	2,356	-	22,671
-	-	-	-	-	885
<u>57,437,296</u>	<u>75,478,145</u>	-	<u>15,048,443</u>	<u>9,166,143</u>	<u>212,877,275</u>
				<u>3,001,576</u>	
				<u>\$ 12,167,719</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2016

	Mental Health Institute - Clarinda **	Mental Health Institute - Mount Pleasant **	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ -	-	13,377,872	17,982,379
Travel	-	-	37,754	38,090
Supplies and materials	-	-	995,989	927,456
Contractual services	-	-	1,476,730	3,532,103
Capital outlay	-	-	52,179	171,659
Claims and miscellaneous	-	-	-	1,742
Licenses, permits and refunds	-	-	240	3,351
Total before reallocations	<u>\$ -</u>	<u>-</u>	<u>15,940,764</u>	<u>22,656,780</u>
Reallocated support services costs (see page 6)			<u>(2,711,855)</u>	
Total			<u>\$ 13,228,909</u>	

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

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
46,505,347	62,654,486	-	12,178,535	8,523,163	161,221,782
235,629	217,606	-	41,281	33,146	603,506
4,342,514	4,568,151	-	741,269	58,275	11,633,654
4,314,668	7,503,986	-	1,482,222	812,195	19,121,904
575,945	843,089	-	151,320	71,371	1,865,563
6,527	469,661	-	5,969	15	483,914
356,091	4,161	-	2,813	-	366,656
<u>56,336,721</u>	<u>76,261,140</u>	-	<u>14,603,409</u>	<u>9,498,165</u>	<u>195,296,979</u>
				<u>2,711,855</u>	
				<u>\$ 12,210,020</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2017

	Mental Health Institute - Clarinda **	Mental Health Institute - Mount Pleasant **	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ -	-	13,499,196	16,904,425
Travel	-	-	37,355	60,921
Supplies and materials	-	-	1,090,024	780,371
Contractual services	-	-	1,535,167	3,034,379
Capital outlay	-	-	284,509	226,287
Claims and miscellaneous	-	-	-	1,694
Licenses, permits and refunds	-	-	897	529
Total before reallocations	<u>\$ -</u>	<u>-</u>	16,447,148	<u>21,008,606</u>
Reallocated support services costs (see page 6)			<u>(2,827,947)</u>	
Total			<u>\$ 13,619,201</u>	

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

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
46,741,523	63,549,433	-	12,909,016	9,231,765	162,835,358
205,395	179,082	-	43,652	25,643	552,048
3,487,988	4,481,664	-	807,075	238,209	10,885,331
6,970,977	10,452,049	-	1,555,582	795,975	24,344,129
943,227	1,284,486	-	471,301	32,227	3,242,037
2,020	498,878	-	5,188	22	507,802
6,284	1,306	-	2,223	-	11,239
<u>58,357,414</u>	<u>80,446,898</u>	-	<u>15,794,037</u>	<u>10,323,841</u>	<u>202,377,944</u>
				<u>2,827,947</u>	
				<u>\$ 13,151,788</u>	

Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics
(Unaudited)

Year ended June 30, 2017

	Mental Health Institute - Clarinda**	Mental Health Institute - Mt. Pleasant**	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Population beginning of year	-	-	32	49
Admissions:				
First admissions	-	-	323	107
Readmissions	-	-	97	52
Returns:				
Home visits	-	-	-	4
Limited leaves	-	-	-	-
Temporary medical transfers	-	-	-	12
Total admissions	-	-	420	175
Released:				
Discharges	-	-	417	150
Deaths	-	-	-	1
Home visits	-	-	-	4
Limited leaves	-	-	-	-
Temporary medical transfers	-	-	-	12
Other	-	-	-	-
Total released	-	-	417	167
Population end of year	-	-	35	57
Average number of residents/patients	-	-	35	52

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

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders
142	231	-	113	104
4	1	-	121	12
-	-	-	12	-
-	238	-	-	4
43	-	-	-	-
-	94	-	-	-
47	333	-	133	16
13	9	-	52	2
7	4	-	-	-
-	237	-	-	4
38	-	-	-	-
-	98	-	-	-
-	-	-	92	-
58	348	-	144	6
131	216	-	102	114
138	224	-	112	108

June 30, 2017

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:

Jennifer L. Wall, CPA, Manager
Ryan J. Pithan, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Cole L. Hocker, CPA, Senior Auditor
Robert Q. Barrett, Staff Auditor
Elizabeth P. Dawson, Staff Auditor
Brett S. Gillen, CPA, Staff Auditor
Alex D. Dau, Assistant Auditor
Mitchell M. Kirby, Assistant Auditor
Taran E. McCusker, Assistant Auditor

June 30, 2017

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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Ian N. Judson, Staff Auditor
Taylor N. Kivell, Assistant Auditor
Adam R. McCleish, Assistant Auditor
Erin M. Wittrock, Assistant Auditor

June 30, 2017

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 – During our review of internal controls, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps prevent losses from employee error or dishonesty.

One employee is responsible for both storing and issuing central supply inventory without proper segregation of duties.

Recommendation – The Center should implement procedures to segregate the duties of receiving, issuing, storing and recording inventory.

Response – The Med Center Nursing Supervisor will have responsibility for issuing central supply inventory and will review and sign off on all inventory issued from central supply. The storekeeper will continue to store the inventory.

Conclusion – Response accepted.

- (2) Payroll – During our review of payroll, the existing procedures were evaluated in order to determine timesheets are mathematically accurate, properly approved and reviewed timely by a supervisor. While timesheets and leave slips were generally signed, not all timesheets or leave slips were dated, including one timesheet that was not signed by a supervisor. Also three resident timesheets did not agree with the number of hours paid.

Recommendation – Supervisors should verify all employee hours and indicate approval by signing and dating the timesheet. Leave slips should be approved, signed and dated in advance of the leave. Resident timesheets should be reviewed for accuracy and inaccuracies should be corrected.

Response – Woodward Resource Center concurs. Information was reviewed by the Management Team and supervisors were reminded to sign and date timecards and overtime/leave slips.

Conclusion – Response accepted.

- (3) Receivables – To help support managed care billings, a reconciliation spreadsheet summarizing total bills outstanding is maintained. The reconciliation spreadsheet is updated when a payment is received and a new ending receivable balance is calculated. This spreadsheet is used to help support the GAAP reporting package receivable amounts. Because the summary spreadsheet continued to be updated it did not support the amount in the GAAP reporting package at the time of testing.

Findings and Recommendations for the Woodward Resource Center

June 30, 2017

Recommendation – The reconciliation spreadsheet should be maintained on a monthly basis to support month and year end receivables and reviewed by an independent person. The review should be documented by the signature of the reviewer and the date of the review.

Response – Woodward Resource Center concurs.

Conclusion – Response accepted.

Finding 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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Micaela A. Tintjer, Staff Auditor
Alex D. Dau, Assistant Auditor
Cody L. Mathews, Assistant Auditor
Erin M. Wittrock, Assistant Auditor

June 30, 2017

Findings Reported in the State's Single Audit Report:

No matters were noted.

Finding Reported in the State's Report on Internal Control:

Capital Assets

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.

Chapter 7A.30 of the Code of Iowa requires each department of the State to maintain a written, detailed and up-to-date inventory of property under its charge and control.

Condition – Machinery, equipment and vehicles additions were overstated by \$225,836 and accumulated depreciation additions for machinery, equipment and vehicles were understated by \$225,836.

Cause – Policies have not been established and procedures have not been implemented to require an independent review of capital asset additions to ensure they are properly capitalized.

Effect – Lack of policies and procedures resulted in Glenwood Resource Center employees not detecting the errors in the normal course of performing their assigned functions.

Recommendation – The Resource Center should develop written procedures to ensure capital assets are capitalized in the correct amounts.

Response – While Glenwood Resource Center does not have formal policies and procedures for the recording of capital assets, we have the following standard operating practices in place.

During the preparations of the monthly financials, the Accountant 3 reviews class codes 501, 502, 510, and 901 for purchases of depreciable assets. Any assets purchased during the financial month are listed on a spreadsheet detailing the equipment purchases by class. The backup documentation for the purchase is printed from I-3 and given to the administrative assistant with the spreadsheet. The administrative assistant then records the assets in Asset Keeper, which is used to calculate and track depreciation. The reports from Asset Keeper are used to complete the capital assets portion of the GAAP report. This report is then reviewed by the Budget Analyst and Accountant during the compilation of the GAAP report.

Unfortunately, during the preparation of the report, the amount of machinery, equipment and vehicles additions (\$566,879.92) was swapped with the amount of the machinery, equipment and vehicles accumulated depreciation (\$792,715.48), causing the additions to be overstated and the accumulated depreciation to be understated by \$225,836. While the amounts were verified, the correct placement of each amount was not verified. The Budget Analyst and Accountant will verify the amounts are properly recorded in the correct areas and tie to the Asset Keeper reports on future GAAP package submissions.

Conclusion – Response accepted.

Findings and Recommendations for the Glenwood Resource Center

June 30, 2017

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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Mitchell M. Kirby, Assistant Auditor
Erin M. Wittrock, Assistant Auditor

June 30, 2017

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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Andrew E. Nielsen, CPA, Deputy Auditor of State

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Malika Moutiq, Staff Auditor
Taran E. McCusker, Assistant Auditor
Taryn Plunkett, Assistant Auditor

June 30, 2017

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:

Jennifer L. Wall, CPA, Manager
Ryan J. Pithan, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Cole L. Hocker, CPA, Senior Auditor
Malika Moutiq, Staff Auditor