



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

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Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

December 9, 2019

Contact: Marlys Gaston  
515/281-5834

Auditor of State Rob Sand 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, 2018.

The average annualized cost per resident/patient at the six institutions under the control of the Iowa Department of Human Services ranged from \$112,151 at the Civil Commitment Unit for Sexual Offenders to \$427,487 at the Woodward Resource Center for the year ended June 30, 2018. Total General Fund expenditures for the nine institutions decreased 11.8% during the five-year period to approximately \$192 million, the average number of residents/patients decreased 19.0%, from 802 to 650, and the average daily cost per resident/patient increased 11.7%, from \$723.36 to \$808.14, over the same period.

Sand reported six findings related to the receipt and disbursement of taxpayer funds at the six institutions. They are found on pages 30 through 37 of this report. The findings address issues such as understated accounts receivable and lack of proper approval of timesheets at Woodward Resource Center, non-compliance with training schedule at the Glenwood Resource Center as well as lack of proper approval of a pay raise, an unallowable purchase with a purchasing card as well as use of an unauthorized charge card and incomplete bank reconciliations for the State Training School – Eldora. Sand provided the Institutions with recommendations to address each of these findings.

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/>.

###

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

**JUNE 30, 2018**

**Iowa Department of Human Services**



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

Rob Sand  
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Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

November 20, 2019

Iowa Council on Human Services  
Des Moines, Iowa

Dear Members of the Iowa Council on Human Services:

I am pleased to submit to you the combined report on the institutions under the control of the Iowa Department of Human Services for the year ended June 30, 2018. This report includes findings pertaining to the institutions' internal control and compliance which resulted from the fiscal year 2018 audits. This report also includes average cost per resident/patient at each institution as required by Section 11.28 of the Code of Iowa.

I appreciate the cooperation and courtesy extended by the officials and employees of the institutions under the control of the Iowa Department of Human Services throughout the audits. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

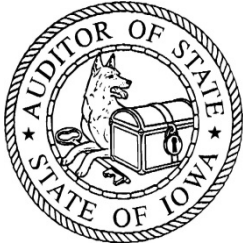
Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand  
Auditor of State

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November 20, 2019

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, 2018.

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, 2018 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, 34, 36 and 37 and they are available to discuss these matters with you.

Marlys K. Gaston, CPA  
Deputy 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, 2018 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 \$112,151 at the Civil Commitment Unit for Sexual Offenders to \$427,487 at the Woodward Resource Center for the year ended June 30, 2018.

## Iowa Department of Human Services

### Overview

Over the last five fiscal years, total General Fund expenditures decreased 11.8%, from \$217,416,277 in 2014 to \$191,712,280 in 2018, the average number of residents/patients decreased 19.0%, from 802 to 650, and the average daily cost per resident/patient increased 11.7%, from \$723.36 to \$808.14.

Median stay ranged from 16 days to 58 days at the two Mental Health Institutes for fiscal year 2018.

**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, 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
Mental Health Institute - Clarinda **	26	69	\$ 314,450	\$ 861.51	13	\$ 11,200
Mental Health Institute - Mt. Pleasant **	56	90	162,704	445.77	52	23,180
Mental Health Institute - Cherokee	27	176	511,990	1,402.71	9	12,624
Mental Health Institute - Independence	50	223	441,119	1,208.54	48	58,010
Woodward Resource Center	165	608	345,231	945.84		
Glenwood Resource Center	252	798	300,949	824.52		
State Juvenile Home - Toledo *	-	-	-	-		
State Training School - Eldora	122	160	118,720	325.26		
Civil Commitment Unit for Sexual Offenders	104	94	108,619	297.59		
Total	<u>802</u>	<u>2,218</u>	<u>\$ 264,027</u>	<u>\$ 723.36</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.

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
18	60	\$ 469,054	\$ 1,285.08	15	\$19,276
38	76	218,679	599.12	60	35,947
31	166	440,115	1,205.80	8	9,646
51	224	438,222	1,201.61	41	49,225
154	591	372,969	1,021.83		
240	798	314,492	861.62		
-	-	-	-		
116	158	129,728	355.42		
108	97	112,664	308.67		
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	<u>687</u>	<u>1,983</u>	<u>\$ 284,275</u>	<u>\$ 776.71</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.

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		



**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, 2018					
	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	35	147	359,010	983.59	16	15,737
Mental Health Institute - Independence	55	181	370,016	1,013.74	58	58,797
Woodward Resource Center	131	498	427,487	1,171.20		
Glenwood Resource Center	214	694	346,584	949.55		
State Juvenile Home - Toledo *	-	-	-	-		
State Training School - Eldora	95	167	159,799	437.81		
Civil Commitment Unit for Sexual Offenders	120	104	112,151	307.26		
Total	<u>650</u>	<u>1,791</u>	<u>\$ 294,942</u>	<u>\$ 808.14</u>		

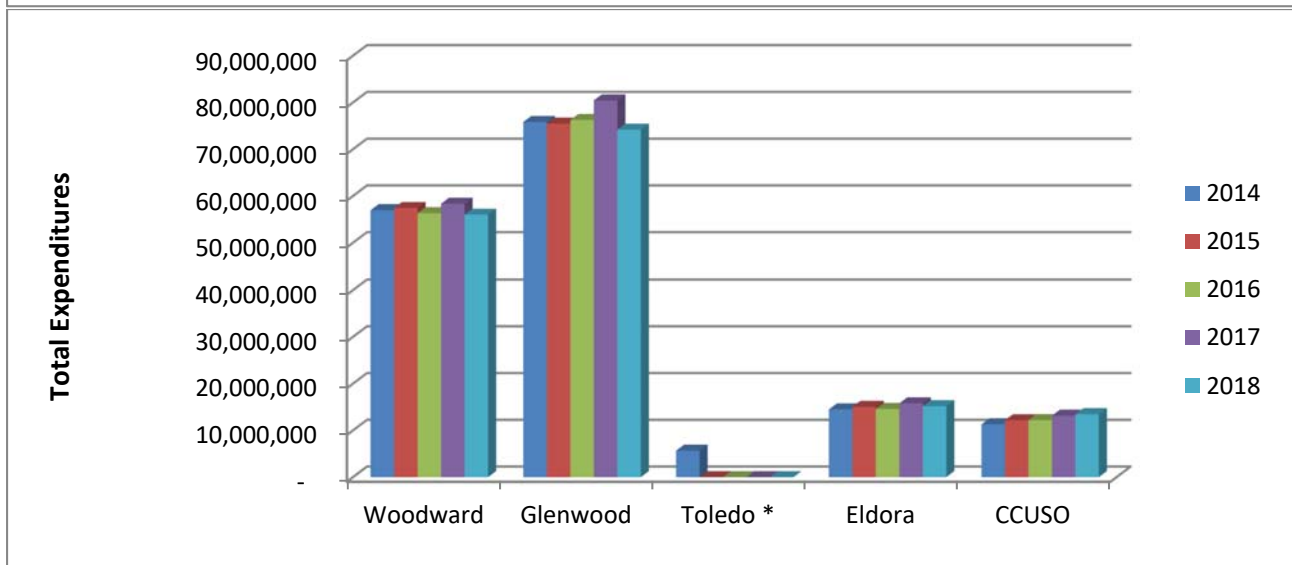
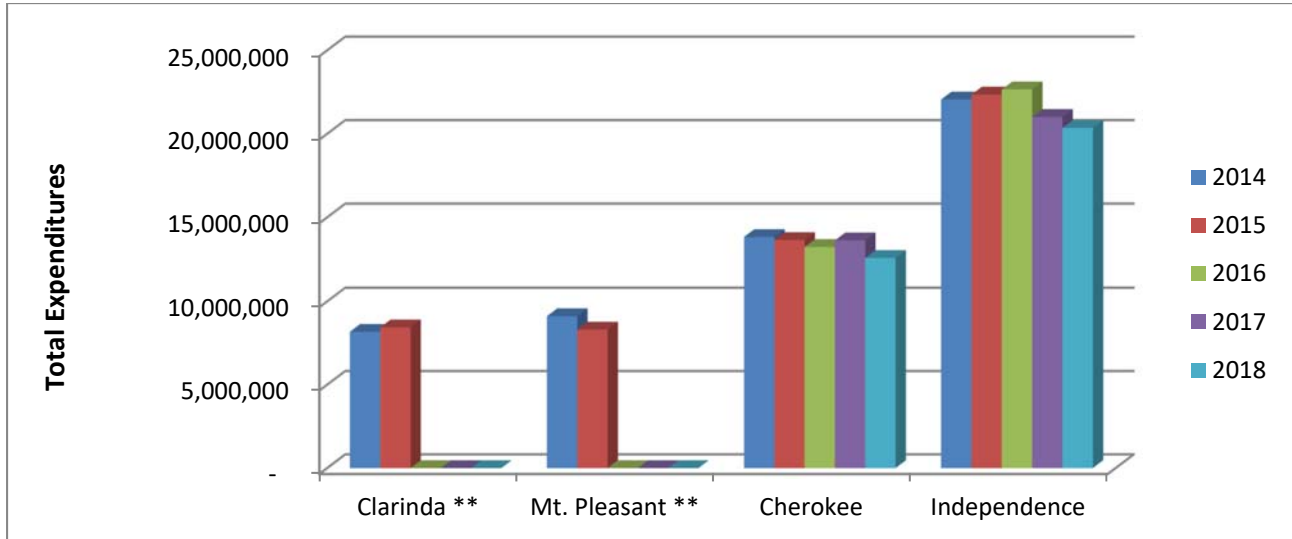
\* As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

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

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



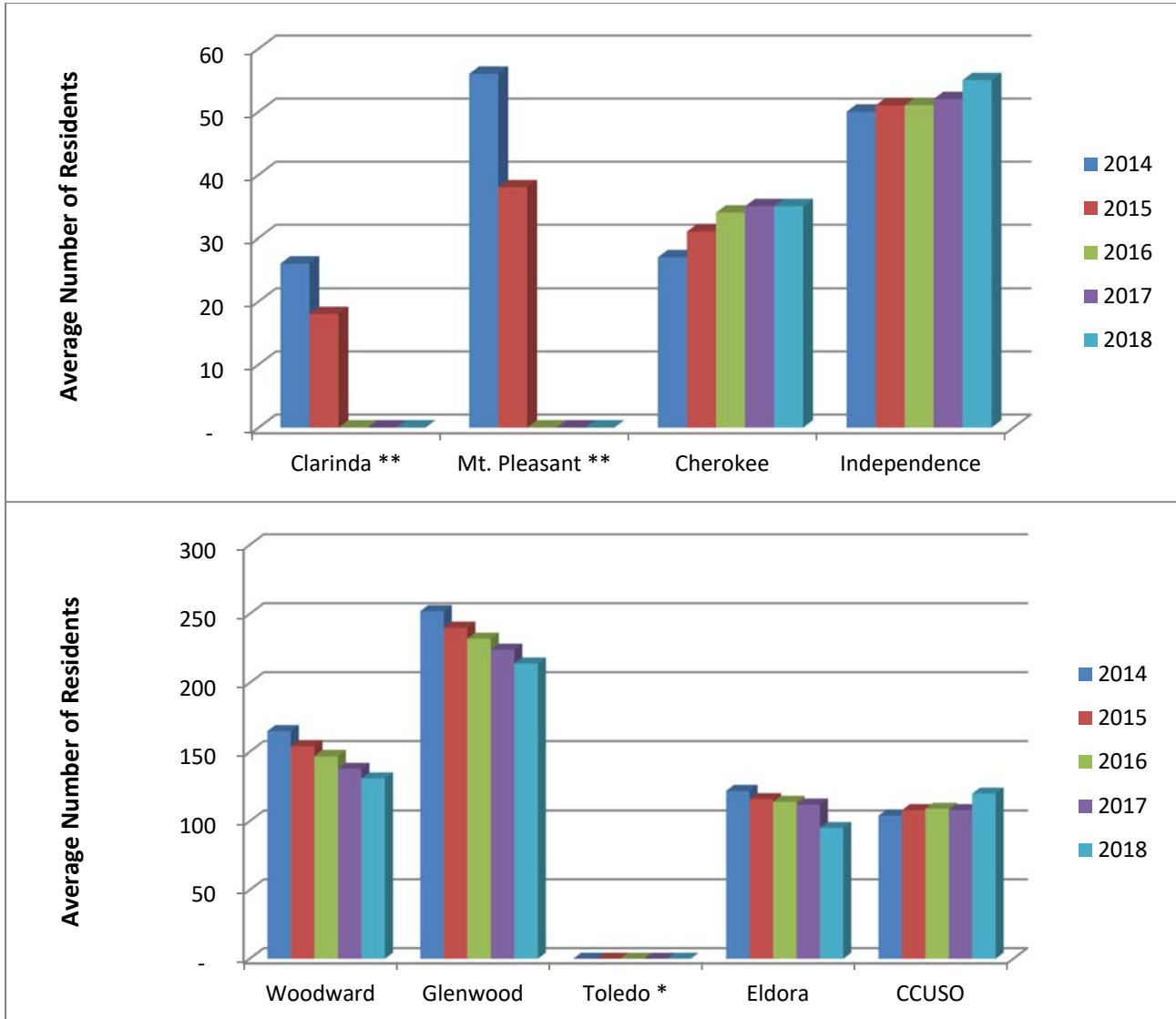
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Institutions Under the Control of the Iowa Department of Human Services

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.

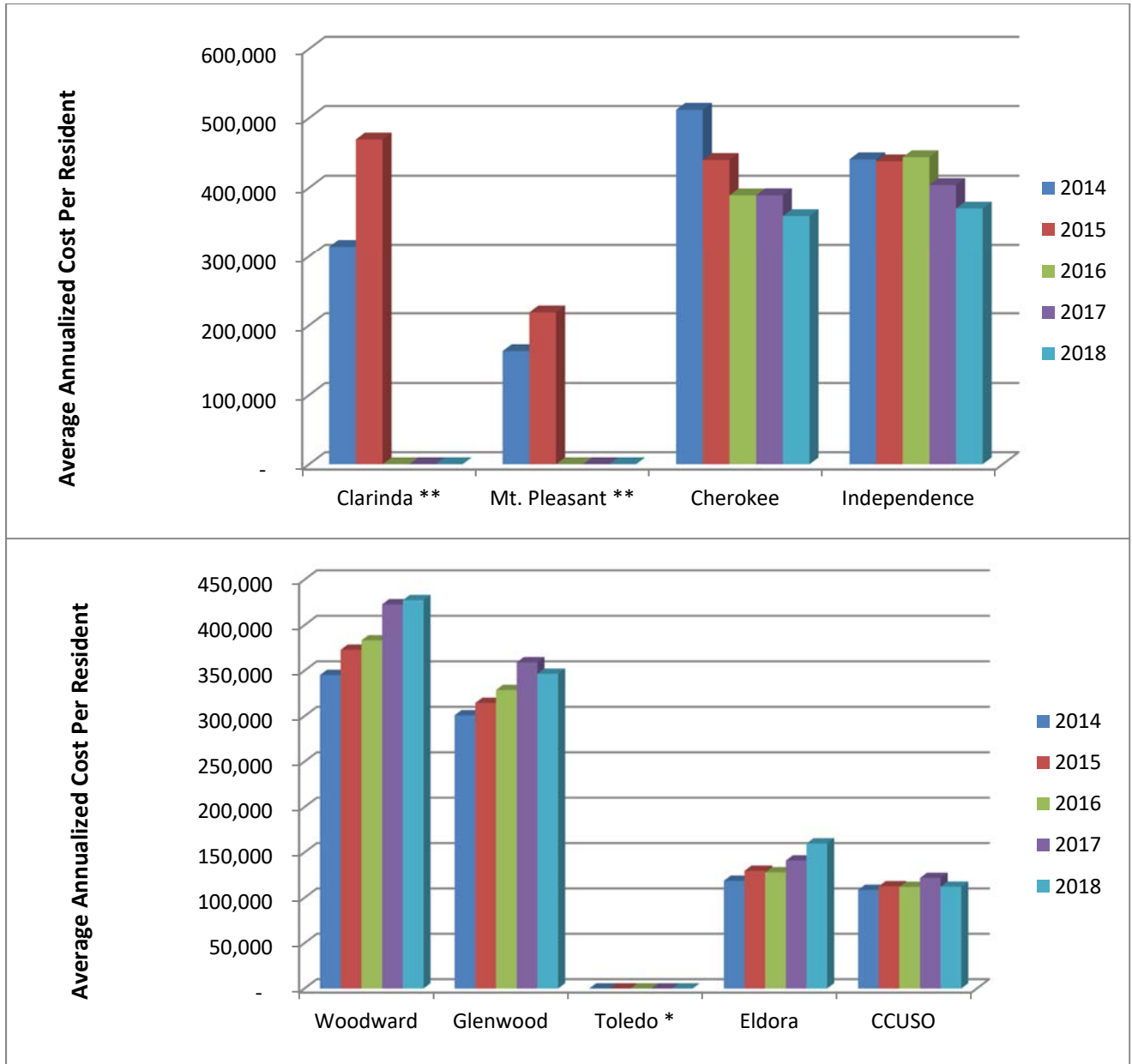
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**Iowa Department of Human Services**

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.

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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>	



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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>	9,166,143	<u>212,877,275</u>
				<u>3,001,576</u>	
				<u>\$ 12,167,719</u>	

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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>	15,940,764	<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>	9,498,165	<u>195,296,979</u>
				<u>2,711,855</u>	
				<u>\$ 12,210,020</u>	

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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>	<u>16,447,148</u>	<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>-</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>	

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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2018

	Mental Health Institute - Clarinda **	Mental Health Institute - Mount Pleasant **	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ -	-	12,478,261	16,263,508
Travel	-	-	25,413	30,144
Supplies and materials	-	-	1,022,154	961,503
Contractual services	-	-	1,741,331	2,853,913
Capital outlay	-	-	99,392	204,975
Claims and miscellaneous	-	-	-	35,444
Licenses, permits and refunds	-	-	1,036	1,406
Total before reallocations	<u>\$ -</u>	<u>-</u>	<u>15,367,587</u>	<u>20,350,893</u>
Reallocated support services costs (see page 6)			<u>(2,802,226)</u>	
Total			<u>\$ 12,565,361</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
43,601,312	57,870,094	-	12,855,238	9,344,355	152,412,768
235,276	208,677	-	58,557	26,280	584,347
3,465,105	4,662,893	-	722,065	161,311	10,995,031
7,471,534	9,567,688	-	1,258,619	1,103,578	23,996,663
1,208,438	1,413,311	-	268,155	20,405	3,214,676
1,071	438,246	-	3,530	-	478,291
17,998	8,108	-	1,956	-	30,504
<u>56,000,734</u>	<u>74,169,017</u>	-	<u>15,168,120</u>	10,655,929	<u>191,712,280</u>
				<u>2,802,226</u>	
				<u>\$ 13,458,155</u>	



Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics  
(Unaudited)

Year ended June 30, 2018

	Mental Health Institute - Clarinda**	Mental Health Institute - Mt. Pleasant**	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Population beginning of year	-	-	35	57
Admissions:				
First admissions	-	-	292	115
Readmissions	-	-	66	45
Returns:				
Home visits	-	-	-	3
Limited leaves	-	-	-	-
Temporary medical transfers	-	-	-	13
Total admissions	-	-	358	176
Released:				
Discharges	-	-	357	160
Deaths	-	-	-	1
Home visits	-	-	-	3
Limited leaves	-	-	-	-
Temporary medical transfers	-	-	-	13
Other	-	-	-	-
Total released	-	-	357	177
Population end of year	-	-	36	56
Average number of residents/patients	-	-	35	55

\* 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
131	216	-	102	114
8	1	-	113	14
5	-	-	5	-
-	200	-	-	4
51	2	-	-	-
-	67	-	-	-
64	270	-	118	18
6	2	-	65	2
5	6	-	-	-
-	188	-	-	5
50	2	-	-	-
-	74	-	-	-
-	-	-	56	-
61	272	-	121	7
134	214	-	99	125
131	214	-	95	120

June 30, 2018

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

**Findings Reported in the State's Report on Internal Control:**

No matters were reported.

**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:

Marlys K. Gaston, CPA, Deputy  
Jennifer L. Wall, CPA, Manager  
Ryan J. Pithan, CPA, Senior Auditor II

Other individuals who participated in the audits include:

Terry J. Erlbacher, Staff Auditor  
Anthony J.T. Mallie, CPA, Staff Auditor  
Malika Moutiq, Staff Auditor  
April R. Davenport, Assistant Auditor  
Mark W. Hart, Assistant Auditor  
Mitchell M. Kirby, Assistant Auditor

June 30, 2018

**Findings Reported in the State’s Single Audit Report:**

No matters were reported.

**Findings Reported in the State’s Report on Internal Control:**

No matters were reported.

**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:

Marlys K. Gaston, CPA, Deputy  
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Other individuals who participated in the audits include:

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Edward J. Schroder, Staff Auditor  
Mark W. Hart, Assistant Auditor  
Steven D. Rater, Assistant Auditor  
Ethan M. Snedigar, Assistant Auditor

June 30, 2018

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

**Findings Reported in the State's Report on Internal Control:**

No matters were reported.

**Other Findings Related to Internal Control:**

- (1) Financial Reporting – 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.

Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS–SAE) in a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year.

The Woodward Resource Center (WRC) understated accounts receivable reported in its GAAP Package by \$100,621.

Recommendation – The WRC should implement procedures to ensure information reported to DAS-SAE in the GAAP package is accurate.

Response – WRC concurs. The understatement was an oversight. Procedures are in place and have been reviewed to ensure accurate information is reported.

Conclusion – Response accepted.

- (2) Payroll – During our review of payroll, the existing procedures are evaluated to determine timecards are mathematically accurate, properly approved and reviewed timely by a supervisor, the review is evidenced by a signature or initials and dated, and approval is given before the warrant is issued. The following conditions were noted:

- For 7 of 60 timecards tested, supervisor approval on Kronos (timekeeping system) did not occur before the warrant date.
- For 3 of 60 timecards tested, overtime/leave slips were approved by the supervisor, but were not dated.

Recommendation – The Center should review policies and procedures to ensure employee time is approved on the Kronoss system prior to the warrant date. Leave and overtime should be approved in advance and documentation should be maintained.

Response – WRC concurs. Supervisors were reminded to sign and date all payroll related items. Supervisors responsible for approval were reminded to approve Kronos before the warrant date.

Conclusion – Response accepted.

Findings and Recommendations for the Woodward Resource Center

June 30, 2018

**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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Michelle B. Meyer, CPA, Manager  
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Other individuals who participated in the audits include:

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Micaela A. Tintjer, Staff Auditor  
Kasey L. Bunce, Assistant Auditor  
Drew H. Carter, Assistant Auditor  
Nathan A. DeWit, Assistant Auditor  
Matthew A. Miller, Assistant Auditor

June 30, 2018

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

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

No matters were reported.

**Other Findings Related to Internal Control:**

No matters were noted.

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

Non-Compliance with Training Schedule – The Iowa Department of Human Services has established a training schedule for various programs such as mandatory reporting, Dependent adult abuse reporting, heartsaver first aid/CPR training and crisis interaction training. During the fiscal year ending June 30, 2018, there were 398 instances out of 1321 observed in which the required training was not completed in accordance with the timing required to be completed. Additionally, there were 108 instances where the training was not completed in the fiscal year ending June 30, 2018 when it was required to have been completed.

Recommendation – The Center should develop written procedures to ensure timely completion of required training.

Response – Glenwood Resource Center (GRC) schedules staff to maintain minimum levels to meet safety and active treatment requirements. The position vacancy levels and staff call-ins impact GRC's ability to pull staff from direct care and service to the individuals for training. GRC has diversified recruitment efforts to include posting on different sites and attending job fairs to address the vacancy rate. These efforts will be continued and GRC will review other options available however during this period of extremely low unemployment it is difficult to maintain full staffing levels.

Conclusion – Response accepted.

**Staff:**

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy  
Katherine L. Rupp, CPA, Manager  
Erin J. Sietstra, Senior Auditor

Other individuals who participated in the audits include:

Brett S. Gillen, CPA, Staff Auditor  
Drake J. Caple, Assistant Auditor  
Nathan A. DeWit, Assistant Auditor  
Mitchell M. Kirby, Assistant Auditor  
Steven D. Rater, Assistant Auditor

June 30, 2018

**Findings Reported in the State’s Single Audit Report:**

No matters were reported.

**Findings Reported in the State’s Report on Internal Control:**

No matters were reported.

**Other Findings Related to Internal Control:**

(1) Purchasing Cards – Per the State of Iowa Purchasing Card Policy and Procedures Manual, membership dues are a prohibited transaction on a purchasing card. With the exception of Wright Express (WEX) cards assigned to State of Iowa Fleet vehicles, the State of Iowa’s P-card Program is the only charge card program authorized for procuring goods and services by Agencies bound by the Iowa Administrative Code. During our review of purchasing card transactions, the following conditions were noted:

- 1 of 63 purchasing card transactions tested was for membership dues.
- 2 of 63 purchasing card transactions tested were made with an unauthorized Walmart Card.

Recommendation – State Training School at Eldora should verify that all purchasing card transactions are allowable under the State of Iowa Purchasing Card Policy and Procedures Manual and ensure all purchasing cards are properly approved by DAS. If cards are not approved, they should be closed immediately.

Response - The membership is a service we need to be aware of recalled medical devices. We will continue to pay for this service through a warrant. The Wal-Mart card was used for unappropriated funds and was replaced by a new state approve purchasing card. The Wal-Mart card was cancelled at that same time.

Conclusion – Response accepted.

(2) Bank Reconciliations – The cash balances in the Agency’s general ledger should be reconciled to bank account balances throughout the year and independent review of the bank reconciliations should be performed and evidenced by the reviewer’s signature or initials and dated to show timeliness.

The Agency performed bank reconciliations for fiscal year 2018, however, May and June 2018’s bank reconciliations were not true bank reconciliations as they did not include outstanding deposits and checks.

Recommendation – Eldora Training School should establish procedures to ensure bank reconciliations for all account balances are complete and accurate and variances, if any, are reviewed and resolved timely.

Response – We have made the recommended changes to the bank reconciliations to ensure they are complete and accurate.

Conclusion – Response accepted.

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

No matters were noted.



Findings and Recommendations for the State Training School – Eldora

June 30, 2018

**Staff:**

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy  
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Taran E. McCusker, Staff Auditor  
Ronica H. Drury, Assistant Auditor  
Brandon G. Sommers, Assistant Auditor

June 30, 2018

**Findings Reported in the State's Single Audit Report:**

No matters were reported.

**Findings Reported in the State's Report on Internal Control:**

No matters were reported.

**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:

Marlys K. Gaston, CPA, Deputy  
Jennifer L. Wall, CPA, Manager  
Ryan J. Pithan, CPA, Senior Auditor II

Other individuals who participated in the audits include:

Malika Moutiq, Staff Auditor  
April R. Davenport, Assistant Auditor