



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

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

NEWS RELEASE

FOR RELEASE _____ January 4, 2022

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Public Health for the year ended June 30, 2020.

The Department exercises general supervision over public health programs, promotes health and sanitation, carries out specific responsibilities required by law and administers state and federal laws related to public health and vital records. The Department also exercises administrative authority over the medical, dental, pharmacy and nursing boards.

AUDIT FINDINGS:

Sand reported two finding related to cash management and the annual review of fees. The findings are reported on pages 3 and 4 of this report. Sand recommended the Department improve controls over cash management and establish policies and procedures to ensure compliance over review of fees as required by the Code of Iowa.

Management of the Iowa Department of Public Health have a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

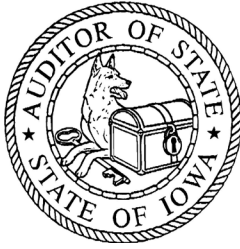
A copy of the report is available for review on the Auditor of State's web site at <https://www.auditor.iowa.gov/reports/file/67270/embed>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF PUBLIC HEALTH**

JUNE 30, 2020

Iowa Department of Public Health



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Rob Sand
Auditor of State

December 14, 2021

Iowa Department of Public Health
Des Moines, Iowa

To Kelly Garcia, Interim Director of the Iowa Department of Public Health:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Public Health for the year ended June 30, 2020. The report includes findings pertaining to the Department's internal control and statutory requirements which resulted from the fiscal year 2020 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Public Health throughout the audit. 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".

Rob Sand
Auditor of State

Iowa Department of Public Health



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December 14, 2021

To Kelly Garcia, Interim Director of the Iowa Department of Public Health:

The Iowa Department of Public Health 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, 2020.

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

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 Public Health, citizens of the State of Iowa and other parties to whom the Iowa Department of Public Health 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 Department 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 Department are listed on page 5 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Marlys K. Gaston".

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Interim Director, Department of Management
Timothy McDermott, Interim Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Public Health

June 30, 2020

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) Cash Management – Maternal and Child Health Services Block Grant to the States

Criteria – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. They also minimize the amount of state and other federal funds used to supplant programs until federal funds are received.

Condition – A review of the Department's records identified one instance where cash balances were in excess of \$73,000 for eight days.

Cause – Although procedures have been established to draw federal funds in amounts sufficient to cover current needs, procedures were not followed.

Effect – Failure to follow procedures resulted in Department employees not detecting the error in the normal course of performing their assigned duties.

Recommendation – The Department should implement procedures to ensure federal funds are drawn down in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The Department has reviewed the instances resulting in cash balances in excess of \$73,000. Cash management procedures involving inter-department correction documents resulted in instances of excess cash balance during the fiscal year. Cash management procedures have been reviewed by appropriate staff to ensure compliance in the future.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department of Public Health

June 30, 2020

Finding Related to Statutory Requirements and Other Matters:

(1) Annual Review of Fees

Per section 147.80 of the Code of Iowa, each health professions board may establish fees based on the costs of sustaining the board and the actual costs of the service. Each board shall annually prepare estimates of projected revenues to be generated by the fees received by the board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to the board. Each board shall annually review and adjust its schedule of fees to cover projected expenses.

Meeting minutes from the Iowa Dental Board and the Iowa Board of Nursing were not sufficient to determine an annual review of fees was performed.

Recommendation – The Iowa Dental Board and the Iowa Board of Nursing should establish policies and procedures to ensure compliance with the Code of Iowa.

Response – The Dental Board has a formal budget discussion at every regularly scheduled meeting. Effective immediately, staff will specifically notice an “Annual Review of Fees” in January of each year.

It is the policy of the Board of Nursing to review the fee structure annually at the quarterly board meeting regularly scheduled in the fall. Effective immediately, staff will specifically notice an “Annual Review of Fees” in October of each year.

Conclusion – Response accepted.

Report of Recommendations to the
Iowa Department of Public Health

Staff

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Deborah J. Moser, CPA, Manager
Anthony M. Heibult, Senior Auditor II

Other individuals who participated in the audits include:

Nichole D. Tucker, Senior Auditor
Kathryn L. Blumer, Staff Auditor
Coltin R. Collins, Staff Auditor
Maria R. Collins, Staff Auditor
April R. Davenport, Staff Auditor
Jon G. Hanson, Staff Auditor
Corey D. Hauptmann, Staff Auditor
Ashley A. Kraber, Staff Auditor
Sarah B. Roemer, Staff Auditor
Brandon G. Sommers, Staff Auditor
Tristan J. Swiggum, Staff Auditor