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**NEWS RELEASE**

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FOR RELEASE March 31, 2022

Auditor of State Rob Sand today released a report on a special investigation of Buena Vista County Public Health Department (Department) for the period March 1, 2017 through September 30, 2020. The special investigation was requested by County officials as a result of concerns regarding certain financial transactions processed by the former Fiscal Manager, Ann Thompson.

Sand reported the special investigation identified \$19,616.95 was not properly deposited. Because sufficient records were not available, it was not possible to determine if funds were not collected, collected but not deposited, or split between uncollected and undeposited. The amount identified includes \$12,946.95 of fees for adult immunizations and \$6,670.00 of fees for tuberculosis tests administered by the Department. Sand also reported it was not possible to determine if additional fees for other services were not properly deposited because adequate documentation was not available.

The report includes recommendations to strengthen the Department's internal controls and operations, such as improving segregation of duties, maintaining supporting documentation, and maintaining adequate financial records, including ledgers and receipt books. The report also includes a recommendation regarding provision of proper oversight by Buena Vista County officials and Public Health Board members.

Copies of this report have been filed with the Buena Vista County Attorney's Office, the Attorney General's Office, and the Division of Criminal Investigation. A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON SPECIAL INVESTIGATION  
OF THE  
BUENA VISTA COUNTY PUBLIC HEALTH DEPARTMENT  
FOR THE PERIOD  
MARCH 1, 2017 THROUGH SEPTEMBER 30, 2020**

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Auditor of State's Report

To the Buena Vista County Board of Supervisors and  
the Buena Vista County Board of Health:

As a result of concerns regarding certain financial transactions and at the request of County officials, we conducted a special investigation of the Buena Vista County Public Health Department (Department). We have applied certain tests and procedures to selected financial transactions of the Department for the period March 1, 2017 through September 30, 2020 unless otherwise specified. Based on a review of relevant information and discussions with County officials and personnel, we performed the following procedures.

- (1) Reviewed information from County officials and procedures performed by an independent CPA firm to obtain an understanding of the concerns identified regarding certain financial transactions processed by the Department's former Fiscal Manager, Ann Thompson.
- (2) Evaluated the Department's internal controls over collections and administration of certain vaccinations to determine if policies and procedures in place were operating effectively.
- (3) Interviewed County officials and Department personnel to obtain an understanding of the procedures used for immunization clinics and certain collections for services provided by the Department.
- (4) Examined reimbursements made to Ms. Thompson to determine propriety of the payments.
- (5) Examined the County's credit card statements to determine if purchases made by the Department with the County's credit cards were appropriate, reasonable, and properly approved. Also, we determined if certain purchases were supported by adequate documentation.
- (6) Calculated and compared the amount which should have been collected and deposited with the County for adult immunization and tuberculosis test fees to the amount recorded in the Department's accounting system to determine if they were properly remitted to the County Treasurer's Office.
- (7) Calculated and compared the amount which should have been collected and deposited with the County for adult immunization and tuberculosis test fees to the amount recorded in the Department's accounting system to determine if they were properly remitted to the County Treasurer's Office for the six month period after Ms. Thompson left employment with the Department.
- (8) Interviewed Ms. Thompson to obtain an understanding of how she carried out her job duties and explanations for certain financial transactions she processed.

These procedures identified \$19,616.95 was not properly deposited. Because sufficient records were not available, we were unable to determine if these funds were not collected, collected but not deposited, or split between uncollected and undeposited. Because supporting documentation was not available for all transactions, it was also not possible to determine if additional collections were properly deposited. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Buena Vista County Public Health Department, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Buena Vista County Attorney's Office, the Attorney General's Office, and the Division of Criminal Investigation.

We would like to acknowledge the assistance extended to us by County officials and staff during the course of our investigation.

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and "S".

Rob Sand  
Auditor of State

March 11, 2022

Report on Special Investigation of the  
Buena Vista County Public Health Department  
Investigative Summary

**Background Information**

The Buena Vista County Public Health and Home Care Department (Department) is a division of the County. The Department is governed by a 5-member local Board of Health (BOH) as well as the County Board of Supervisors. According to the Department's website, the Department prepares for public health emergencies, aids in the prevention of epidemics and the spread of disease and promotes healthy behaviors through agency programs. The Department provides services to Buena Vista County residents including:

- Skilled nursing services
- Child, adolescent, and adult immunizations
- Tuberculosis (TB) testing and follow up
- Communicable disease teaching and follow up
- Tobacco prevention
- Family Support To Experience Parenting Success (STEPS)
- Community education on health topics and prevention
- Safe sharps (syringes and needles) program

The Department employs home care aides, nurses, social workers, and three administrative staff members, including the Office Manager, the Fiscal Manager, and the Administrator. The Administrator oversees the operations of the Department, while the Business Manager and Fiscal Manager are responsible for the Department's accounting and financial transactions.

Ann Thompson was hired as the Department's Fiscal Manager on March 7, 2017. As the Fiscal Manager, Ms. Thompson was responsible for collecting, accounting for, and preparing deposits to be taken to the County Treasurer. She was also responsible for overseeing the Department's immunization clinics where immunizations and TB tests were administered to adults and children. Department officials reported immunization clinics were typically held every other Tuesday. The clinics were held in the Department's office and serve individuals who need to be immunized or receive a TB test.

The Department's primary revenue sources include grants from the State of Iowa and property tax collected by Buena Vista County. Revenue is also received for providing services such as immunization and TB tests, from individuals who receive services (private pays) and payments from Medicare, Medicaid, Veterans Affairs, and private insurance for services provided. As the Fiscal Manager, Ms. Thompson was responsible for opening mail, collecting payments, posting them to the accounting records, and preparing deposits.

On August 7, 2020, Ms. Thompson submitted her resignation to the Department effective September 11, 2020. In her resignation letter, she referred to complying with the 30-day notice required in her job description. She has since been hired as the Administrator of the Public Health Department in another County.

After Ms. Thompson left the Department's employment, the former Administrator noticed new Fiscal Manager was taking collections to the County Treasurer each week in accordance with the Department's policy. She also noted the amounts of cash remitted to the County Treasurer had increased compared to amounts of cash Ms. Thompson had remitted. After reviewing certain records in greater detail, the former Administrator determined collections were not consistently taken to the

Treasurer’s office prior to Ms. Thompson’s resignation and there were a number of months for which no cash had been recorded.

Because of the concerns identified, the former Administrator contacted the Office of Auditor of State about the possible misappropriation of funds from the Department. County officials subsequently requested the Office of Auditor of State to review the Department’s financial records. We performed the procedures detailed in the Auditor of State’s Report for the period March 1, 2017 through September 30, 2020.

**Detailed Findings**

The procedures performed identified \$19,616.95 was not properly deposited for the period of March 1, 2017 through September 30, 2020. Because sufficient records were not available, we were not able to determine if these funds were not collected, collected but not deposited, or split between uncollected and undeposited. The unrecorded collections identified are summarized in **Table 1**.

<b>Table 1</b>	
<b>Types of Unrecorded Fees</b>	<b>Amount</b>
Immunizations administered but not recorded	\$ 12,946.95
TB tests administered but not recorded	6,670.00
Total unrecorded collections	\$ 19,616.95

It was also not possible to determine if additional collections were not properly deposited because adequate supporting documentation was not available for all transactions. A detailed explanation of each finding follows. The following paragraphs also include information provided by Ms. Thompson during an interview we held with her on March 2, 2022. She was unable to provide explanations during the interview regarding why sufficient amounts were not deposited for the number of immunizations and TB tests administered.

**UNRECORDED COLLECTIONS**

As previously stated, Ms. Thompson was responsible for overseeing the collection and recording of payments received from individuals at the clinics held in the Department’s office twice each month where immunizations and TB tests were administered to adults and children. On the day of each clinic, an inventory count of the immunizations and TB tests on hand was performed by the two public health nurses.

Patients completed an immunization clinic form when they arrived which included their name, date of birth, age, and the vaccine and/or test for which they visited the clinic. After paying for the vaccination and/or test with cash or check, adult patients received their immunizations or tests. According to Department staff, while all immunizations and tests administered to adults were to be paid for at the time services were provided, immunizations for children were provided at no cost. All staff members working at the clinics were authorized to collect payments from patients. Receipts were to be issued for all payments received.

According to Department staff, the immunization forms, cash, and checks were turned into Ms. Thompson at the end of the day. Staff also reported Ms. Thompson was responsible for entering the immunization activity into the State of Iowa Immunization Registry Information System (IRIS) maintained by the Iowa Department of Public Health. IRIS tracks the number of immunizations administered by the Department and a current inventory of what is available.

Ms. Thompson was also responsible for recording the clinic’s collections and other limited immunization collections on the Department’s tracking sheet and preparing the deposit to be taken to the County Treasurer’s office. Specifically, all the Department’s collections were to be recorded on a

spreadsheet which included cash and check totals and notations of the type of program for each collection. Ms. Thompson was responsible for remitting the collections to the County Treasurer for deposit. The Department's policy states collections are to be remitted to the County Treasurer weekly with dual endorsement signatures on all checks received.

The policy stated deposits were to be made on a weekly basis. According to the former Administrator, Ms. Thompson was provided the policies at the start of her employment. In addition, the former Administrator stated she and Ms. Thompson had discussed the policies and Ms. Thompson approached her about stretching out the time between deposits as Ms. Thompson told her that she did not always have a lot of collections for weekly deposits. The former Administrator stated she was "ok with that if the County Treasurer and County Auditor were." As a result, collections were rarely deposited on a weekly basis, and it was not unusual for deposits to be made only once per month or every other month.

However, when we spoke with Ms. Thompson, she stated she was not aware until she left employment with the Department, deposits were to be done on a weekly basis. In addition, Ms. Thompson stated she did not receive any Department policies or training when she started with the Department.

According to the County Auditor, Ms. Thompson did not approach her about reducing the frequency of the deposits. In addition, the County Auditor stated she was shocked when she learned after Ms. Thompson left employment how infrequently deposits were made.

**Immunizations and Tuberculosis (TB) Tests Administered** – We obtained reports from the State's IRIS system of immunization and TB tests for the period March 1, 2017 to September 30, 2020. The reports listed the immunizations and TB tests the Department received, administered, and any adjustments made to inventory balances. In addition, we obtained immunization rate sheets for the same time period. With the assistance of Public Health staff, we determine what each type of vaccine was used for to ensure we used the appropriate billing rate for each type of vaccine administered by the Department.

Because the reports include information other than immunizations administered by the Department, we excluded all data other than the immunizations. We then calculated the amount the Department should have collected for adult immunizations. As previously stated, immunizations for children and adolescents were administered at no cost to the individual or family. As a result, we identified these immunizations and excluded them in our calculation.

Using the Department's tracking sheets for collections maintained by Ms. Thompson and information regarding the collections deposited with the County Treasurer, we compared the Department's tracking sheets for collections to the amounts deposited with the County Treasurer to determine if amounts agreed. We also compared the calculated collections based on IDPH immunization reports to the private pay amounts on clinic days to determine if there were any variances. During the clinics, all individuals must pay by either cash or check as insurance is not accepted during the immunization clinics.

During our comparison, we identified several instances in which the amounts recorded on the tracking spreadsheet prepared and maintained by Ms. Thompson agreed with the collections recorded and deposited with the County Treasurer.

However, we also identified 55 instances for which the amount recorded on the tracking spreadsheet for the immunizations and TB tests administered did not agree with the amount recorded as deposited with the County Treasurer. For all 55 instances, the amount recorded on the tracking spreadsheet was less than the amount recorded as deposited.

During our interview with Ms. Thompson, we explained how we performed our comparison to identify amounts recorded but not deposited. She confirmed the spreadsheets she prepared were a record of the collections received from the immunizations and TB tests administered. However, she did not



provide an explanation for why the amounts recorded were not subsequently deposited with the County Treasurer.

**Table 2** compares the amounts that should have been collected for immunizations and TB tests to the recorded amounts by fiscal year from March 1, 2017 through September 30, 2020.

**Table 2**

Fiscal Year	Immunization Collections			Tuberculosis Collections			Total Unrecorded
	Calculated	Recorded	Unrecorded	Calculated	Recorded	Unrecorded	
2017~	\$ 4,855.00	4,377.00	\$ 478.00	1,160.00	620.00	\$ 540.00	1,018.00
2018	31,300.00	27,042.05	4,257.95	4,045.00	2,055.00	1,990.00	6,247.95
2019	18,935.00	14,794.00	4,141.00	2,225.00	625.00	1,600.00	5,741.00
2020	15,430.00	12,609.00	2,821.00	2,860.00	650.00	2,210.00	5,031.00
2021^	3,585.00	2,336.00	1,249.00	630.00	300.00	330.00	1,579.00
Total			\$ 12,946.95			\$ 6,670.00	19,616.95

~ - March 1, 2017 through June 30, 2017.

^ - July 1, 2017 through September 30, 2020. We also included collections for immunizations and TB test that were collected prior to 09/30/20 but deposited at a later date.

As illustrated by the **Table**, we determined \$12,946.95 of fees for immunizations and \$6,670.00 of fees for TB tests were not properly recorded with the County Treasurer which totaled \$19,616.95. Because the collections were not recorded, we were unable to determine if these funds were not collected, collected but not deposited, or split between uncollected or undeposited. The \$19,616.95 is included in **Table 1** as unrecorded collections.

As previously stated, we asked Ms. Thompson why the amounts recorded exceeded the amounts deposited with County Treasurer; however, she was unable to provide an explanation.

We also determined supporting documentation such as forms and tracking spreadsheets, maintained by the Department had no evidence of independent review, immunization clinic forms were not consistently filled out, general ledger revenue codes lack details of amounts recorded to specific line items, and all staff of the Department had access to the immunization clinic forms and collected funds. The inconsistencies identified would not have affected the number of immunizations recorded in IRIS. As a result, we were unable to determine if additional collections were not properly recorded and deposited.

We also compared the amounts that should have been collected for immunizations and TB tests to the recorded amounts from October 1, 2020 through March 31, 2021 to determine if the amounts collected were properly recorded with the County Treasurer for the period after Ms. Thompson left employment with the Department. During our review, the calculated collections for immunizations administered and TB tests administered were comparable to amounts recorded for immunizations and TB tests and we did not identify any on-going concern regarding unrecorded and/or undeposited collections.

**Other Collections** – In addition to reviewing collections for immunizations and TB tests administered, we also reviewed other collections received by the Department that Ms. Thompson would have been responsible for collecting, recording, and depositing. During our review, we attempted to compare what should have been collected for other collections to collections recorded and deposited with the County Treasurer. However, due to lack of supporting documentation and/or incomplete supporting documentation, we were unable to determine if collections were properly recorded and deposited.

## **Recommended Control Procedures**

As part of our investigation, we reviewed the procedures used by the Buena Vista County Public Health Department to ensure all collections are properly deposited. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from errors and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the Department's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The former Fiscal Manager had control over each of the following areas:
- (1) Receipts – opening mail, collecting, posting to the accounting records, and preparing bank deposits,
  - (2) Cash – handling, reconciling bank accounts, and recording, and
  - (3) Recording transactions – performing all general accounting functions.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the duties within each function listed above should be segregated between the administration staff and other Department officials. In addition, Department officials should review financial records, perform reconciliations, and examine supporting documentation for accounting records on a periodic basis.

- B. Receipts – During our review of available records related to collections, the following concerns were identified:
- (1) The Department did not maintain detailed collection records to document amounts collected from adult immunizations, tuberculosis tests, and other private pay services collected.
  - (2) Prenumbered receipts were not issued for all collections.
  - (3) Checks received were not deposited in a timely manner.

Recommendation – County officials should ensure they have a complete listing of all events for which deposits should be expected, require preparation of an initial receipts listing and/or receipts, ensure deposits are made in a timely manner.

- C. Reconciliation of Collections and Deposits – During our review of collections and deposits, we determined collections were not reconciled to deposits.

Recommendation – County officials should ensure reconciliations are performed in a timely manner to ensure all expected collections are properly deposited with the County Treasurer. Additionally, County officials should review the reconciliation to ensure accuracy and completeness. The review should be documented by the signature or initials of the reviewer and date of the review.

Report on Special Investigation of the  
Buena Vista County Public Health Department

Staff

This special investigation was performed by:

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