



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

June 5, 2024

Auditor of State Rob Sand today released a report on the Iowa Department of Human Services for the year ended June 30, 2021.

The Iowa Department of Human Services provides many types of assistance to Iowans in need. The Department also is responsible for the mental health institutions, hospital/schools and the juvenile institution.

AUDIT FINDINGS:

Sand reported four findings related to the Department. The findings are reported on pages 4 through 8 of this report. Sand recommended the Department establish policies and procedures to ensure compliance with the Department's Employees' Manual.

Three of the four findings discussed above are repeated from the prior year. Management of the Iowa Department of Human Services 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 website at [Audit Reports – Auditor of State](#).

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT OF HUMAN SERVICES**

JUNE 30, 2021

Iowa Department of Human Services



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STATE OF IOWA

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Rob Sand
Auditor of State

April 15, 2024

Iowa Department of Human Services
Des Moines, Iowa

To Members of the Iowa Department of Human Services:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Human Services for the year ended June 30, 2021. The report includes findings pertaining to the Department's internal control, compliance with statutory requirements and other matters which resulted from the fiscal year 2021 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Human Services 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, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

Iowa Department of Human Services



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STATE OF IOWA

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April 15, 2024

To the Members of the Iowa Department of Human Services:

The Iowa Department of Human Services is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2021.

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 pertain to the Department's internal control. 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 Human Services' 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 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 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 9 and they are available to discuss these matters with you.

A handwritten signature in black ink, appearing to read "Brian R. Brustkern".

Brian R. Brustkern, CPA
Deputy Auditor of State

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

June 30, 2021

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) Computer Match – Family Investment Program (FIP)

Criteria – The Department operates FIP utilizing federal funds provided for in the Temporary Assistance for Needy Families (TANF) block grant. Title 4-C-39 of the Employees' Manual provides, in part, "A participant whose needs are included in a FIP grant cannot receive at the same time a grant from any other public assistance program administered by the Department, including foster care and subsidized adoption." Title 17-F-14 of the Employees' Manual provides, in part, "A child shall not concurrently receive subsidized adoption maintenance payments and FIP." However, the Department allows a participant to receive both FIP and foster care or FIP and subsidized adoption for the month the child is removed from the home to enter foster care or for the month the child begins receiving subsidized adoption payments.

In addition, although Title 4-C-39 of the Employees' Manual states a participant cannot receive both FIP and foster care assistance, a Title IV-E program, at the same time, a letter dated February 14, 2014 from the Administration for Children and Families (ACF) stated, "Federal TANF regulations allow for concurrent TANF and Title IV-E benefits only if the situation involves a Foster Care placement with a relative. If the placement is with a nonrelative, concurrent payment of benefits is only allowable in limited circumstances."

Condition – A computer match of payment data was performed for cases receiving both FIP and foster care payments during fiscal year 2021. We reviewed 63 cases receiving both FIP and foster care payments during the same month of service. Of the 63 cases reviewed, five children, or 7.9%, received both FIP and foster care payments for an additional one to five months after entering foster care with a non-relative. Although these payments are not in compliance with the Employees' Manual, it is unclear if they meet the exception allowed by the federal government, as stated in the letter from ACF dated February 14, 2014.

A computer match of payment data was performed for cases receiving both FIP and subsidized adoption payments during fiscal year 2021. We reviewed 109 cases receiving both FIP and subsidized adoption payments during the same month of service. Of the 109 cases reviewed, six cases, or 5.5%, improperly received both FIP and subsidized adoption payments for an additional one to two months after entering subsidized adoption. As a result, the unallowable FIP payments for these six cases totaled \$2,001.

Report of Recommendations to the Iowa Department of Human Services

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Cause – The Department has established policies regarding the payment of both FIP and foster care assistance payments for the same period, however, documentation was not on file to support whether the payment is an exception to the established policy or if the policies were not followed.

Although the Department has established policies regarding the payment of both FIP and subsidized adoption payments during the same period, those procedures were not always followed.

Effect – The lack of documentation regarding whether a FIP and foster care payment is an exception to the policy may result in the Department not identifying and recouping overpayments. In addition, not following the established policies for the payment of FIP and subsidized adoption assistance may result in the Department overpaying either FIP or subsidized adoption assistance.

Recommendation – The Department should review its policies and establish procedures which comply with federal regulations to identify concurrent FIP and foster care payments and concurrent FIP and subsidized adoption payments. The Department should review cases identified and determine if recoupment should be performed.

Response – Each error was reviewed by management with individual case workers. Recoupments were set up for all cases in error. A notification to include the policy will be sent to staff by July 31, 2023. Additional training is planned for staff by December 31, 2023.

Conclusion – Response accepted.

2) Field Office Internal Controls

Criteria – Per Chapter 8 of the Iowa Collection Services Center Procedure Manual, reconciliations of Iowa Collection and Report (ICAR) Cash Reports to the amount of cash deposited should be prepared daily at Child Support Recovery Unit (CSRU) offices and reviewed by an independent person.

Condition – During the fiscal year, internal controls were evaluated at six county offices and six CSRU offices. The following conditions were noted in the limited review performed:

- (A) For one CSRU, the Cash Deposit Reports were initialed by the independent reviewer but were not dated.
- (B) For one CSRU, the daily ICAR receipt reports did not document evidence of the independent review.

Cause – Although the Department has established policies regarding the recording and independent review of receipts, those procedures were not always followed.

Effect – Receipts could be inaccurately reported if not reviewed in a timely manner.

Recommendation – The Department should implement procedures to ensure receipt reports are reviewed timely by an independent reviewer and contain evidence of the review.

Report of Recommendations to the Iowa Department of Human Services

June 30, 2021

Response – Since the FFY 2021 audit, CSRU has discussed with staff and has worked to ensure all procedures are followed:

- To ensure that all office cash deposit reports are reviewed timely and contain evidence of the timely review.
- To ensure cash payments are verified by a 2nd worker.
- To ensure all ICAR receipt reports are reviewed timely and contain evidence of timely review.
- To ensure all receipt books are properly accounted for on the Central Office Listing.

As of June 8, 2023, CSRU only takes a very few deposits under very limited circumstances. The majority of CSRU offices did not take in any payments during FY 22. In addition, all the receipt books from the CSRU offices have been returned to the state.

Conclusion – Response accepted.

3) In-Home Health-Related Care (IHHC) Physician Report

Criteria – In-home health-related care (IHHC) is a state supplementary assistance program to provide health care in the home, prevent out of home placement and to preserve independent self-care. Title 18-C(6)-25 of the Employees' Manual provides the Physician's Report, form 470-0673, should be completed annually by the physician. The form also allows the client to give consent for the physician to release information to the Department.

Condition – During the fiscal year, six county offices were visited. In conjunction with this limited review, documentation in nine In-Home Health-Related Care case records were reviewed for compliance with Department policy. The following conditions were noted:

(A) For one, the Physician's Report was not completed timely.

(B) For three, the Physician's Report was not signed by the client to give consent for physician to release information to the Department.

Cause – Staff may not be familiar with the Physician's Report form 470-0673 and the frequency requirements for review, and/or time constraints make it difficult to gather/complete the required information.

Effect – Payments could be made to ineligible recipients.

Recommendation – The Department should establish procedures to ensure the Physician's Report, form 470-0673, is completed as required by the Employees' Manual.

Response – All individual findings have been made available to DHS managers to review with their staff in an effort to emphasize the importance of following policy and procedures and to answer any questions that might arise. A Service Help Desk release will be sent to field staff to refresh their understanding of Form 470-0673 and corresponding requirements.

Conclusion – Response accepted.

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4) Foster Care (Title IV-E)

Criteria - The Title IV-E program provides assistance payments for maintenance, adoption assistance and voluntary foster care for children placed in care outside their home. Assistance payments can be paid on behalf of a child if certain requirements are met.

Condition - During the fiscal year, six county offices were visited where a limited review of case records was performed. As part of this limited review, ten case records were reviewed for completeness. Also, an additional 40 case files were reviewed for compliance with Department policy. The following conditions were noted:

- (A) Title 13-G-78 of the Employees' Manual provides for the maximum payment rate allowed for reimbursement of childcare. For one case reviewed, childcare was reimbursed at a rate higher than the maximum allowed childcare rate.
- (B) Title 17-E-126 of the Employees' Manual provides that licensed foster families can receive an add-on to the basic maintenance payment for providing care to a special needs child. The add-on shall be based on an assessment of the child's needs using Form 470-4401, Foster Child Behavioral Assessment. This form shall be signed by the Department worker and the worker's supervisor. For one case reviewed, Form 470-4401 was not signed by the supervisor prior to the payment of the additional daily payment.
- (C) Title 17-E-165 of the Employees' Manual requires the child's case permanency plan must be reviewed at least every six months. For nine cases reviewed, case permanency plans were not reviewed or completed every six months. In addition, for five cases reviewed, the case permanency plan was not signed by the caseworker and/or supervisor to indicate a review was completed timely.
- (D) Title 17-E-69 of the Employees' Manual requires the assigned Department service worker shall personally visit each child in out-of-home care at least once every calendar month. For 14 cases reviewed, a child in out-of-home care did not receive a visit at least once every calendar month.
- (E) Title 17-C(1)-19 of the Employees' Manual requires an appropriate permanency goal for the child must be established and specified in the case plan within 60 days of the child's placement in foster care. For two cases reviewed, the initial case plan was not completed within 60 days of entering foster care.

Cause - Although the Department has established policies regarding foster care eligibility and maintenance payments, the policies were not followed.

Effect - Payments could be made to ineligible recipients.

Recommendation - The Department should establish procedures to ensure compliance with the Employees' Manual. The Department should review cases identified and determine if recoupment should be performed.

Report of Recommendations to the Iowa Department of Human Services

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Response – All individual findings have been made available to DHS managers to review with their staff in an effort to emphasize the importance of following policy and procedures and to answer any questions that might arise. Additional attention and activities will be completed around the following:

Case Permanency Plans were not reviewed/completed every six months:

Since the end date of the period under review (PUR) for this audit, new system alerts and dashboard reminders were developed and now display for both staff and managers for all upcoming case plan due dates and corresponding review dates in JARVIS. A new report for managers has been implemented listing all case plans that are overdue for completion/review. Both of these initiatives have made it easier for staff and managers to track on items coming due and for managers to follow up with staff and manage ongoing issues as needed.

There was no visit to the children in out-of-home care for at least one calendar month:

Since the end date of the PUR for this audit, additional focus has been placed on timely, quality visits with children as part of our Child and Family Services Review (CFSR) Round 3 Program Improvement Plan. Reports are now distributed on a weekly basis to managers listing both visits that are coming due as well as visits that are overdue, making it easier for managers to follow up with staff and manage ongoing issues as needed. The importance of timely, quality visits with children was also heavily emphasized during an in-depth training on visits in early 2022, required for all frontline staff and managers to attend.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were reported.

Report of Recommendations to the Iowa Department of Human Services

June 30, 2021

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Jennifer L. Wall, CPA, Manager
Alex N. Kawamura, CPA, Manager

Other individuals who participated in the audits include:

Taylor A. Hepp, Senior Auditor
Priscilla M. Ruiz-Torres, Senior Auditor
Ronica H. Drury, Staff Auditor
Kerillos M. Hana, Staff Auditor
Alyson J. Logel, Staff Auditor
Vivian J. Luna, Staff Auditor
Craig S. Miller, Staff Auditor
Christopher L. Poague, Staff Auditor
Silvester K. Rutto, Staff Auditor
Brandon G. Sommers, Staff Auditor
Jorge M. Morales, Assistant Auditor
Samantha A. Hawkins, Auditor Intern