



**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

December 20, 2019

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Contact: Marlys Gaston  
515/281-5834

Auditor of State Rob Sand released agreed-upon procedures reports on six agreements between the Bureau of Nutrition and Health Services of the Iowa Department of Education and child care centers for the period October 1, 2018 through August 31, 2019.

The agreements specified federal criteria for the disbursement of Child and Adult Care Food Program assistance funds to child care centers. Reimbursements to child care centers are based on the number of meals and/or snacks served to eligible children.

Sand recommended the Centers review their control procedures to obtain the maximum internal control possible, develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate, ensure milk purchased during the month is sufficient based on the month's menus and meal pattern requirements and ensure an application is on file for each child categorized as free or reduced-price and each applications is complete, properly approved and dated.

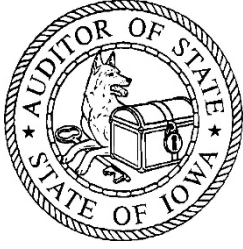
Copies of the agreed-upon procedures reports are available for review in the Office of Auditor of State and on the Auditor of State's website at <https://auditor.iowa.gov/reports/audit-reports/>.

# # #

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #299704  
LITTLE ANGEL'S CHILDCARE AND PRESCHOOL  
BURLINGTON, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Rob Sand  
Auditor of State

November 14, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner of Little Angel's Childcare and Preschool:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner of Little Angel's Childcare and Preschool, for the eleven months ended August 31, 2019. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Little Angel's Childcare and Preschool throughout the agreed-upon procedures engagement. 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".

Rob Sand  
Auditor of State

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
Little Angel's Childcare and Preschool**

**Officials**

Name

Title

**State**

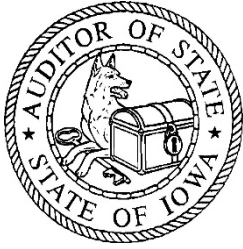
Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Wendy Rider

Owner/Director



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

**Auditor of State's Independent Report on Applying Agreed-Upon Procedures**

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner of Little Angel's Childcare and Preschool:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Little Angel's Childcare and Preschool's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

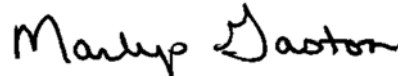
1. We visited the Center on October 29, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 to determine if they were complete and properly approved.
3. We selected the month of May 2019 to review the Center daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Little Angel's Childcare and Preschool and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Little Angel's Childcare and Preschool during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
Marlys K. Gaston, CPA  
Deputy Auditor of State

November 14, 2019

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
Little Angel's Childcare and Preschool

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	20,212	\$ 5,881	26,020	8,860	40,761
Reduced-price meals	4,031	376	4,620	1,052	6,048
Paid meals	15,294	844	2,937	576	4,357
	<u>39,537</u>	<u>\$ 7,101</u>	<u>33,577</u>	<u>10,488</u>	<u>51,166</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.



Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
Little Angel's Childcare and Preschool

Schedule of Findings

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner of Little Angel's Childcare and Preschool:

At your request, we made inquiries and observations regarding Little Angel's Childcare and Preschool's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2018 through August 31, 2019. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills. The monthly claims for reimbursement are not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursement should be performed and the review should be documented by the initial or signature of the reviewer and the date of the review.

Response – I am the owner of the business and I make all payments and look over all receipts from my staff buying all the groceries. I will start having my assistant review and sign off on the monthly claims that the Minute Menu Program calculates for me.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2018 through August 31, 2019 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. Two applications, including four children, on file did not include a Social Security number, nor was the "No Social Security" box checked. Since the applications were incomplete, the amount of over claim should be calculated by the Center from the date of the application to August 31, 2019 and provided to the Department of Education at a later date.

Recommendation – The Center should develop and implement procedures to ensure each application on file for children categorized as free or reduced-price is complete, properly approved and dated.

Response – My assistant will double check to make sure each family application is properly completed, approved and dated. The amount of over claim will be calculated and provided to the Department of Education at a later date.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
Little Angel's Childcare and Preschool

Staff

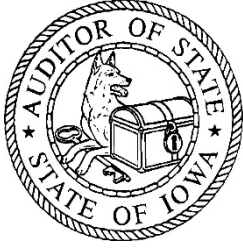
This engagement was performed by:

Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
Sidot K. Shipley, Senior Auditor  
David A. Slocum, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #919705  
LITTLE MIRACLES CHILDREN'S CENTER  
INDIANOLA, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Rob Sand  
Auditor of State

November 26, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Directors of Little Miracles Children's Center, Indianola, Iowa:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education-Little Miracles Children's Center, for the eleven months ended August 31, 2019. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Little Miracles Children's Center throughout the agreed-upon procedures engagement. 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".

Rob Sand  
Auditor of State

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #919705  
Little Miracles Children's Center**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Kim F. Hines  
Lacey M. Steele  
Natalie A. Michael

Director  
Director  
Director



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**Auditor of State's Independent Report on Applying Agreed-Upon Procedures**

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Directors of Little Miracles Children's Center:

We have performed the procedures below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Little Miracles Children's Center (Center) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

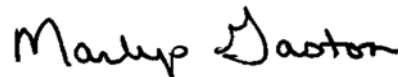
1. We visited the Center on October 28, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 to determine if they were complete and properly approved.
3. We selected the month of May 2019 to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Little Miracles Children's Center and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education Little Miracles Children's Center during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Marlys K. Gaston, CPA  
Deputy Auditor of State

November 26, 2019



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #919705  
Little Miracles Children's Center

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	29,205	\$ 17,269	31,229	9,915	58,413
Reduced-price meals	5,313	2,578	4,384	1,000	7,962
Paid meals	34,015	3,570	5,742	961	10,273
	<u>68,533</u>	<u>23,417</u>	<u>41,355</u>	<u>11,876</u>	<u>76,648</u>

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #919705  
Little Miracles Children's Center Inc.

Schedule of Findings

To the Bureau of Nutrition and Health Services of the Iowa Department of Education  
and the Owner and Director of Little Miracles Children's Center:

At your request, we made inquiries and observations regarding Little Miracles Children's Center's compliance with the requirements and regulations of the Child and Adult Care Food Program for the period of October 1, 2018 through August 31, 2019. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff.

Response – We have a small office staff. Will make sure to utilize all of us to make sure everything is triple checked.

Conclusion – Response accepted.

- (B) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 76% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, and to ensure all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We will make sure staff are providing the adequate amount of milk every meal. We will be more thorough in making sure all milk receipts are retained and that the adequate amount of milk is being purchased. We will continue to do monthly trainings with staff to ensure they are properly trained.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #919705  
Little Miracles Children's Center Inc.

Schedule of Findings

(C) Monthly Claims for Reimbursement – The Center submits monthly claims for reimbursement which include information pertaining to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month. The following findings were noted:

- For the month of May 2019, the Center claimed 81 meals/snacks for 31 children who were not in attendance during the time the meals/snacks were served, causing a total overclaim of \$42.83. This consisted of 3 breakfast meals, 2 lunch meals and 13 snacks in the free category; 4 breakfast meals and 2 snacks in the reduced-price category; and 16 breakfast meals, 17 lunch meals and 24 snacks in the paid category.
- All income eligibility applications were correctly categorized. However, per the most recent application, meals or snacks for 13 children were incorrectly claimed as free, reduced-price, or paid, resulting in an overclaimed amount. The Center will calculate the overclaimed amount from the date of the application to August 31, 2019 and provide the information to the Iowa Department of Education.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claims for reimbursement is accurate.

Response – We will make sure we all three staff are double checking that the information from the income eligibility applications are transferred to the daily meal participation spreadsheet correctly. We will make sure to look over and check each other's work to help provide accurate claims.

Conclusion – Response acknowledged. The Center should also calculate the overclaimed amount for the 13 children incorrectly claimed as free, reduced-price or paid from the date of the application to August 31, 2019 and provide the information to the Iowa Department of Education.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #919705  
Little Miracles Children's Center

Staff

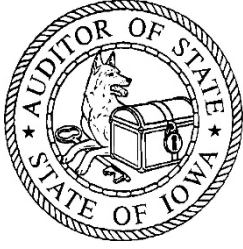
This engagement was performed by:

Marlys K. Gaston, CPA, Deputy  
Lesley R. Geary, CPA, Manager  
Alexia M. Grgurich, Staff Auditor  
Craig S. Miller, Assistant Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #528037  
NEIGHBORHOOD CENTERS OF JOHNSON CO. BROADWAY SITE  
IOWA CITY, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Rob Sand  
Auditor of State

November 13, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Neighborhood Centers of Johnson Co. Broadway Site:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Neighborhood Centers of Johnson Co. Broadway Site, for the eleven months ended August 31, 2019. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Neighborhood Centers of Johnson Co. Broadway Site throughout the agreed-upon procedures engagement. 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".

Rob Sand  
Auditor of State

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #528037  
Neighborhood Centers of Johnson Co. Broadway Site**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

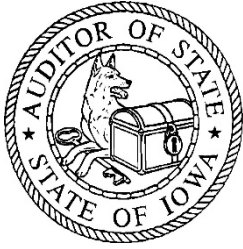
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Brian Loring  
Diane Dingbaum  
Alison Dietsch

Executive Director  
Associate Director  
Business Manager





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

Rob Sand  
Auditor of State

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Des Moines, Iowa 50319-0004

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

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Neighborhood Centers of Johnson Co. Broadway Site:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Neighborhood Centers of Johnson Co. Broadway Site (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

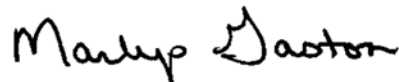
1. We visited the Center on October 28, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 to determine if they were complete and properly approved.
3. We selected the month of May 2019 to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified no findings. Items on non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Neighborhood Centers of Johnson Co. Broadway Site and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Neighborhood Centers of Johnson Co. Broadway Site during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Marlys K. Gaston, CPA  
Deputy Auditor of State

November 13, 2019

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #528037  
Neighborhood Centers of Johnson Co. Broadway Site

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	68,843	\$ 21,874	47,945	39,390	109,209
Reduced-price meals	2,547	1,161	2,838	395	4,394
Paid meals	3,587	463	427	105	995
	<u>74,977</u>	<u>\$ 23,498</u>	<u>51,210</u>	<u>39,890</u>	<u>114,598</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #528037  
Neighborhood Centers of Johnson Co. Broadway Site

Staff

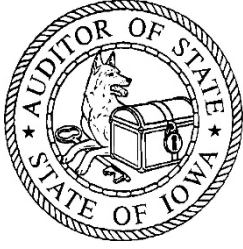
This engagement was performed by:

Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
Sidot K. Shipley, Senior Auditor  
David A. Slocum, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #079501  
NORTH STAR COMM. SERVICES, INC.  
WATERLOO, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

November 26, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of North Star Comm. Services, Inc., Waterloo, Iowa:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and North Star Comm. Services, Inc., for the eleven months ended August 31, 2019. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the employees of North Star Comm. Services, Inc. throughout the agreed-upon procedures engagement. 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".

Rob Sand  
Auditor of State

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #079501  
North Star Comm. Services, Inc.**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

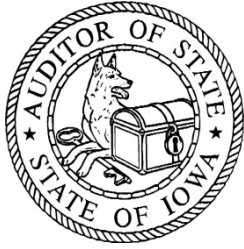
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Adult Care Center**

Valerie Schwager  
Mary Anderson

Executive Director  
Director of Day Habilitation Services





**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

**Auditor of State's Independent Report on Applying Agreed-Upon Procedures**

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of North Star Comm. Services, Inc.:

We have performed the procedures below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating North Star Comm. Services, Inc. (Center) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

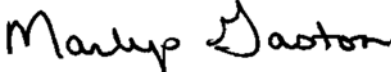
The procedures we performed are summarized as follows:

1. We visited the Center on October 31, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 to determine if they were complete and properly approved.
3. We selected the month of March 2019 to review the Center daily meal participation records for accuracy, to review time-in and time-out records to verify attendance at the Center when meals were claimed, to determine individuals were claimed correctly as either free or paid, to determine if at least 25% of the individuals enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the number of participants.
5. We reviewed daily meal records to determine that quantities served met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu. Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirement and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and North Star Comm. Services, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and North Star Comm. Services, Inc. during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
Marlys K. Gaston, CPA  
Deputy Auditor of State

November 26, 2019

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #079501  
North Star Comm. Services, Inc.

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	30,722	\$ -	109,479	-	109,479
Reduced-price meals	-	-	-	-	-
Paid meals	1,230	-	672	-	672
	<u>31,952</u>	<u>\$ -</u>	<u>110,151</u>	<u>-</u>	<u>110,151</u>

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #079501  
North Star Comm. Services, Inc.

Schedule of Findings

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of North Star Comm. Services, Inc.:

At your request, we made inquiries and observations regarding North Star Comm. Services, Inc. and compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2018 through August 31, 2019. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The monthly claims for reimbursement are not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursement should be performed and the review should be documented by the initial or signature of the reviewer and the date of the review

Response – The monthly claims for reimbursement are reviewed by the authorized person, who compiles and submits the claims. A second individual will begin reviewing the claim for completeness and accuracy. The review will be documented by the initial or signature of the reviewer and the date of the review.

Conclusion – Response accepted.

- (B) Monthly Claim for Reimbursement – The center submits monthly claims for reimbursement which include information pertaining to the Center's attendance, the number of enrolled adults in each of the reimbursement categories, the Center's percentage of adults in the free and reduced-priced categories and the number of meals served for each month. For the month of March 2019, the Center claimed four meals for adults who were not counted as served on the meal participation spreadsheet, resulting in an excess reimbursement of \$13.24.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claims for reimbursement is accurate.

Response – The Center has developed a monthly excel spreadsheet for meal participation. The spreadsheet adds all meals, total attendance, and should remove the human error. The Center sponsor oversees the spreadsheet. A second individual will start spot checking to ensure the number eating meals and in attendance is accurately entered and the spreadsheet formulas remain consistent and accurate.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #079501  
North Star Comm. Services, Inc.

Schedule of Findings

After reviewing the results of the March claim submitted for 1,845 meals, it should have been for 1,841 meals. Reimbursement received was based on this, resulting in an excess reimbursement of four meals. The Center will consult with the Iowa Department of Education to determine the disposition of the excess reimbursement.

Conclusion – Response accepted.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 70% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – The milk is delivered on a weekly basis. The Center will do a weekly inventory of the milk cooler to ensure enough milk is being delivered and served during the week. If for any reason there is insufficient milk, Hy-Vee will provide the Center with a receipt for milk brought to us.

Conclusion – Response acknowledged. The Center should be receiving and retaining receipts for all milk purchases and should be recording all donations.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #079501  
North Star Comm. Services, Inc.

Staff

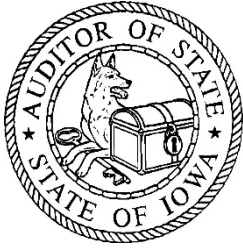
This engagement was performed by:

Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
Matthew A Miller, Staff Auditor  
AFM Tahsinuzzaman, Auditor Intern

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #078010  
TRI-COUNTY HEAD START  
WATERLOO, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

December 13, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Chief Executive Officer of Tri-County Head Start:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Chief Executive Officer of Tri-County Head Start, for the eleven months ended August 31, 2019. The report also includes certain unaudited information pertaining to meals served and program reimbursement. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the employees of the Tri-County Head Start throughout the agreed-upon procedures engagement. 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



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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078010  
Tri-County Head Start**

**Officials**

Name

Title

**State**

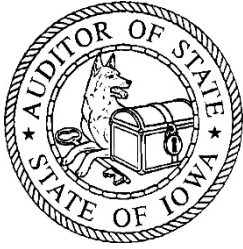
Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

John Berry  
Micki McCracken  
Lyz Schmitz

Chief Executive Officer  
Deputy Director  
Finance Director



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

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Chief Executive Officer of Tri County Head Start:

We have performed the procedures below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Tri-County Head Start's (Center) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We visited the Center on October 30, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. Review of eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 was not performed since participants are automatically eligible for free meals under the Head Start and Early Head Start Programs without providing an application.
3. We selected the month of March 2019 to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.

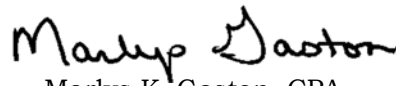
5. We reviewed daily meal records to determine that quantities served met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified a recommendation which is included in the Schedule of Findings section of this report. Unless reported in the Schedule of Finding, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for the reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Tri-County Head Start and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Tri-County Head Start during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
Marlys K. Gaston, CPA  
Deputy Auditor of State

December 13, 2019

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078010  
Tri-County Head Start

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	100,322	\$ 56,206	132,974	28,872	218,052
Reduced-price meals	-	-	-	-	-
Paid meals	1,016	105	186	27	318
	<u>101,338</u>	<u>\$ 56,311</u>	<u>133,160</u>	<u>28,899</u>	<u>218,370</u>

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078010  
Tri-County Head Start

Schedule of Findings

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Chief Executive Officer of Tri-County Head Start:

At your request, we made inquiries and observations regarding Tri-County Head Start and compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2018 through August 31, 2019. Following is the finding we identified as a result of our agreed-upon procedures, along with the related recommendation.

- (A) Monthly Claim for Reimbursement – The Center submits monthly claims for reimbursement which include information related to the Center’s attendance, the number of enrolled children in each of the reimbursement categories, the Center’s percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month. For the month of March 2019, the Center claimed 191 meals/snacks for 43 children where the attendance records did not support the child’s presence during the time the meals/snacks were served. This included 54 breakfast meals, 64 lunch meals, and 73 snacks in the free category, resulting in an excess reimbursement of \$374.93.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claims for reimbursement is accurate. Attendance records should document the time the child arrived and departed in addition to the parent or other authorized individual’s signature. The Center should also consult with the Iowa Department of Education to determine the disposition of the excess reimbursement.

Response – After reviewing the finding from the State Auditor’s Office, it appears there are three main issues to address:

- Ensuring that parents are signing their children in and out.
- Ensuring that Infant Teachers understand how to claim infant meals.
- Ensuring that Teachers understand that meals served outside the posted hours are not claimable.

We will accomplish this with the following:

- Additional training.
- Additional review of records.
- Individual coaching plans for specific Teachers/Program Managers.

Time Frame:

- Immediately, memos will be sent to all Teachers, Family Workers, and Program Managers about proper documentation and claiming procedures. Family Workers/Teachers will discuss with parents the importance of signing their children in/out. Program managers will receive re-training on checking attendance logs against meal claims forms.
- Within one month, we will establish additional review of attendance records at the administrative level. Following our review, we will establish a protocol and tracking system for putting individual Teachers or Program Managers on coaching plans for documentation issues.
- At our next PD day on February 21<sup>st</sup>, we will have formal additional training for all Center Teachers, Family Workers and Program Managers on these topics.

Conclusion – Response accepted. The Center should also consult with the Iowa Department of Education to determine the disposition of the excess reimbursement.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078010  
Tri-County Head Start

Staff

This engagement was performed by:

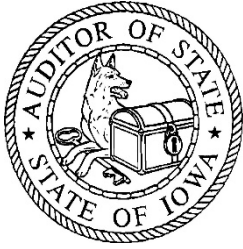
Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
Matthew Miller, Staff Auditor  
Victoria M. Luse, Assistant Auditor  
AFM Tahsinuzzaman, Auditor Intern



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #778614  
WONDER YEARS ACADEMY  
DES MOINES, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD  
OCTOBER 1, 2018 THROUGH AUGUST 31, 2019**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Rob Sand  
Auditor of State

November 26, 2019

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Wonder Years Academy, Des Moines, Iowa:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education-Wonder Years Academy, for the eleven months ended August 31, 2019. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the Director and employees of the Wonder Years Academy throughout the agreed-upon procedures engagement. 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".

Rob Sand  
Auditor of State

## Table of Contents

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #778614  
Wonder Years Academy**

**Officials**

Name

Title

**State**

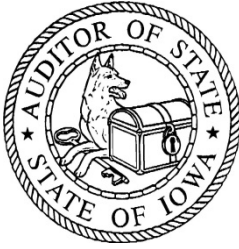
Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Kala Shipley

Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Abigail Bisenius  
Joe Peppers  
Sue Ann Strecker  
Nicole Beedle  
Laura Trainer

Chairman of the Board  
Board Treasurer  
Board Secretary  
Board Member  
Director



**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

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Wonder Years Academy:

We have performed the procedures below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Wonder Years Academy's (Center) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2018 through August 31, 2019. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

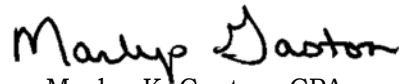
1. We visited the Center on October 29, 2019 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2018 through August 31, 2019 to determine if they were complete and properly approved.
3. We selected the month of May 2019 to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Wonder Years Academy and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Wonder Years Academy during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Marlys K. Gaston, CPA  
Deputy Auditor of State

November 26, 2019

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #778614  
Wonder Years Academy

Schedule of Meals Served and Program Reimbursements  
(Unaudited)

Eleven months ended August 31, 2019

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	23,305	\$ 11,333	26,650	8,743	46,726
Reduced-price meals	490	247	527	71	845
Paid meals	4,752	459	827	141	1,427
	<u>28,547</u>	<u>\$ 12,039</u>	<u>28,004</u>	<u>8,955</u>	<u>48,998</u>

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #778614  
Wonder Years Academy

Schedule of Findings

To the Bureau of Nutrition and Health Services of the Iowa Department of Education  
and the Director of Wonder Years Academy:

At your request, we made inquiries and observations regarding Wonder Years Academy's compliance with the requirements and regulations of the Child and Adult Care Food Program for the period of October 1, 2018 through August 31, 2019. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and payment of bills.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff.

Response – Our cook will order the food. Office Manager will pick up the food. Then approve invoices. Laura Trainer will pay the invoice.

Conclusion – Response acknowledged. The Center should implement procedures to separate the preparation, approval and payment of bills.

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2018 through August 31, 2019 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. The following findings were noted:

- Four of fifty-four applications tested did not include a Social Security number, nor was the “No Social Security” box checked. Since the application was incomplete, the overclaimed amount will be calculated by the Center from the date of application to August 31, 2019 and provided to the Department of Education.
- One of the applications on file was incorrectly categorized as free instead of reduced-priced. The overclaimed amount will be calculated by the Center from the date of application to August 31, 2019 and provided to the Department of Education.
- One child claiming free meals did not have an application on file to support eligibility. The overclaimed amount will be calculated by the Center from the date of the first claimed meal to August 31, 2019 and provided to the Department of Education.



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Schedule of Findings

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – Two individuals, the Director and the Office Manager, will review and sign off on all applications. The Office Manager will enter the status into Procure. The Director will review family applications and meals claimed monthly prior to the submission of a claim.

Conclusion – Response acknowledged. The Center should also calculate the overclaimed amount for incomplete, incorrect or missing applications from the date of the application or first claimed meal to August 31, 2019 and provide the information to the Iowa Department of Education.

- (C) Monthly Claim for Reimbursement – The Center submits monthly claims for reimbursement which include information related to the Center’s attendance, the number of enrolled children in each of the reimbursement categories, the Center’s percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month. For the month of May 2019, the Center claimed 16 meals/snacks for 10 children who were not in attendance during the time the meals/snacks were served, causing a total overclaimed amount of \$23.83. This consisted of 12 breakfast meals and 2 snack meals in the free category, 1 snack meal in the reduced-price category, and 1 snack meal in the paid category.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claims for reimbursement is accurate. The Center should consult the Iowa Department of Education to determine the disposition of the overclaimed amount.

Response – Two individuals, the Director and the Office Manager, will review and sign off on all applications. The Office Manager will enter the status into Procure. The Director will review family applications and meals claimed monthly prior to the submission of a claim.

Conclusion – Response accepted.

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Staff

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