



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

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Auditor of State

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**NEWS RELEASE**

Contact: Ernest Ruben  
515/281-5834

FOR RELEASE

April 26, 2023

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Auditor of State Rob Sand today released a combined report on the institutions under the control of the Iowa Department of Human Services. The report includes findings and recommendations and average cost per resident/patient information for the five years ended June 30, 2021.

**FINANCIAL HIGHLIGHTS:**

The average annualized cost per resident/patient at the six institutions under the control of the Iowa Department of Human Services ranged from \$132,540 at the Civil Commitment Unit for Sexual Offenders to \$585,260 at the Mental Health Institute - Independence for the year ended June 30, 2021. Total General Fund expenditures for the six institutions increased 1.7% during the five-year period to approximately \$206 million, the average number of residents/patients decreased 18.1%, from 669 to 548, and the average daily cost per resident/patient increased 24.2%, from \$828.79 to \$1,028.99, over the same period.

**AUDIT FINDINGS:**

Sand reported four findings related to the receipt and disbursement of taxpayer funds at the six institutions. They are found on pages 32 through 40 of this report. The findings address segregation of duties for the approval of P-1 documents, proper authorization of overtime forms, non-compliance with the training schedule, untimely deposits of canteen funds and a lack of procedures to set targeted small business procurement goals in accordance with the Code of Iowa. Sand provided the Institutions with recommendations to address each of these findings.

Three of the findings discussed above are repeated from the prior year. Management of each Institution has a fiduciary responsibility to provide oversight of their respective Institution's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

###

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

**JUNE 30, 2021**

**Iowa Department of Human Services**



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

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Des Moines, Iowa 50319-0006  
Telephone (515) 281-5834 Facsimile (515) 281-6518

April 10, 2023

Iowa Council on Human Services  
Des Moines, Iowa

Dear Members of the Iowa Council on Human Services:

I am pleased to submit to you the combined report on the institutions under the control of the Iowa Department of Human Services for the year ended June 30, 2021. This report includes findings pertaining to the institutions' internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2021 audits. This report also includes average cost per resident/patient at each institution as required by Section 11.28 of the Code of Iowa.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand  
Auditor of State

## Table of Contents

		<u>Page</u>
Auditor of State’s Report		3
Overview		4-7
Schedules:	<u>Schedule</u>	
Average Cost Per Resident/Patient Information by Institution – Fiscal Years 2017 through 2021	1	10-14
Average Cost Per Resident/Patient Information – Graphs:		
Total Expenditures		16
Average Number of Residents/Patients		17
Average Annualized Cost per Resident/Patient		18
General Fund Expenditures by Institution – 2017	2	20-21
General Fund Expenditures by Institution – 2018	3	22-23
General Fund Expenditures by Institution – 2019	4	24-25
General Fund Expenditures by Institution – 2020	5	26-27
General Fund Expenditures by Institution – 2021	6	28-29
Resident/Patient Population Statistics – 2021	7	30-31
Findings and Recommendations:		
Mental Health Institute – Cherokee		32-33
Mental Health Institute – Independence		34
Woodward Resource Center		35
Glenwood Resource Center		36-37
State Training School – Eldora		38-39
Civil Commitment Unit for Sexual Offenders – Cherokee		40



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April 10, 2023

To the Council Members of the Iowa Department of Human Services:

The Institutions under the control of the Iowa Department of Human Services are a part of the State of Iowa and, as such, have been included in our audits of the State's 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 various Institutions' operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include recommendations pertaining to internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with applicable Institution personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Institutions' responses, we did not audit the Institutions' responses and, accordingly, we express no opinion on them.

We have also included certain unaudited financial and other information for the Institutions under the control of the Iowa Department of Human Services for the five years ended June 30, 2021 to report an average cost per resident/patient at each Institution as required by Chapter 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Human Services, the Institutions under the control of the Iowa Department of Human Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Services may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Institutions during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you. Individuals who participated in our audits of the Institutions are listed on pages 33, 34, 35, 37, 39 and 40, and they are available to discuss these matters with you.

A handwritten signature in cursive script, appearing to read "Ernest H. Ruben, Jr.".

Ernest H. Ruben, Jr., CPA  
Deputy Auditor of State

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

## Iowa Department of Human Services

### Overview

#### **Background**

In accordance with Chapter 218 of the Code of Iowa, the Iowa Department of Human Services has the authority to control, manage, direct and operate the following Institutions:

Realignment of Mental Health Institutes – In an effort to modernize the State’s mental health delivery system, the Department of Human Services has realigned its mental health facilities to deliver all of its inpatient treatment through its two nationally accredited facilities at Independence and Cherokee. The Department discontinued its delivery of inpatient mental health services at the Clarinda and Mount Pleasant facilities as of June 30, 2015.

Mental Health Institute – Cherokee – The Institute was founded in 1902. The Institute is a fully accredited psychiatric care hospital and provides treatment for mentally ill adults, adolescents and children. Levels of care provided are adult in-patient psychiatric, child and adolescent in-patient psychiatric.

Mental Health Institute – Independence – The Institute was established on May 1, 1873. The Institute is a fully accredited psychiatric care hospital and provides treatment for mentally ill adults, adolescents and children. Levels of care provided are adult in-patient psychiatric, child and adolescent in-patient psychiatric.

Woodward Resource Center – The Resource Center was established in 1917. The Center is a residential facility and provides treatment, training, instruction, care, habilitation and support of persons with an intellectual disability or other disabilities in the State.

Glenwood Resource Center – The Resource Center was established on September 1, 1876. The Center is a residential facility and provides treatment, training, instruction, care, habilitation and support of persons with an intellectual disability or other disabilities in the State.

State Training School – Eldora – The Training School was established in 1868. The Institution is a minimum-security facility for boys between the ages of 12 and 18 who have been adjudicated delinquent by the juvenile courts of the State of Iowa. Effective January 1, 1992, a diagnosis and evaluation center and other units were established to provide juvenile delinquents a program which focuses upon appropriate developmental skills, treatment, placement and rehabilitation.

Civil Commitment Unit for Sexual Offenders (CCUSO) – The Civil Commitment Unit for Sexual Offenders was established in 1999. The Unit provides treatment for sexually violent predators in a secure facility located in Cherokee. The residents have completed their criminal sentences, have been identified as a high risk for a repeat offense and are committed through a civil action by order of the courts.

## Iowa Department of Human Services

### Overview

Different levels of care are provided at each of the Mental Health Institutes. They are:

Adult In-patient Psychiatric – This program, licensed as a hospital, represents traditional, in-hospital psychiatric care for persons 18 years of age and older. It includes 24-hour nursing care and 24-hour medical and psychiatric on-call coverage.

Child and Adolescent In-patient Psychiatric – This program, licensed as a hospital, represents traditional, in-hospital psychiatric care for persons under 18 years of age. It includes a required educational component and 24-hour nursing care and 24-hour medical and psychiatric on-call coverage.

Psychiatric-Medical Institute for Children (PMIC) – This program, licensed as a PMIC, represents 24-hour care and behavior management for persons 12 to 17 years of age requiring intensive behavioral treatment modalities. There is periodic nursing and psychiatric coverage. Generally, these children are beyond the care of privately administered PMIC's in the state.



### **Scope and Methodology**

We have calculated an average cost per resident/patient at each Institution for the five years ended June 30, 2021 based on their General Fund expenditures. Certain reclassifications and changes have been made to these expenditures to provide comparable averages between Institutions. Therefore, expenditure amounts and cost per resident/patient averages may differ from those used for statewide financial statement purposes. These reclassifications and changes are as follows:

- (1) Operating transfers, primarily reimbursements to other state agencies for services, have been reclassified as expenditures for purposes of this report. Payments made to the Iowa Department of Administrative Services Depreciation Revolving Fund are reported as capital outlay.
- (2) At the inception of a capital lease, total principal payments are recorded as expenditures and as other financing sources for statewide financial statement purposes. For purposes of this report, only the current year principal and interest payments are included as expenditures.
- (3) Canteen operations have been excluded from General Fund expenditures since the canteen is a self-supporting operation at each Institution.
- (4) Non-cash assistance, consisting of USDA commodities, has been excluded from General Fund expenditures.

Median stay information was not calculated or presented in the accompanying average cost per resident/patient schedule for the Resource Centers or juvenile facilities since the median stay tends to be for a much longer period.

The average annualized cost per resident/patient is calculated using the average number of occupied resident beds. Since the median stay at the Mental Health Institutes tends to be less than the stay at the other Institutions, the cost per stay was calculated for each of the Mental Health Institutes. This represents the average cost for the median stay of each patient admitted.

### **Summary Observation**

The Mental Health Institute – Cherokee provides significant outpatient services not performed by the other Institutions. Adequate statistical data on outpatient services, including the amount and cost of services provided by year, was not readily available. Accordingly, the cost per resident/patient information at the Mental Health Institute – Cherokee is not comparable to other Institutions and may not be comparable between years at the Mental Health Institute – Cherokee. The amount of support services the Mental Health Institute – Cherokee provided for the Civil Commitment Unit for Sexual Offenders is reported as reallocated support services costs in Schedules 2, 3, 4, 5 and 6 on pages 20 through 29.

The Woodward Resource Center and the Glenwood Resource Center also provide significant supported community living services, respite and supported employment services which are paid through Iowa Medicaid and Community Based Services (HCBS) Waivers. The cost of providing these services is included in the cost per resident calculation. However, the number of individuals served is not included in the average number of residents.

The average annualized cost per resident/patient at the six institutions under the control of the Iowa Department of Human Services ranged from \$132,540 at the Civil Commitment Unit for Sexual Offenders to \$585,260 at the Mental Health Institute – Independence for the year ended June 30, 2021.

## Iowa Department of Human Services

### Overview

Over the last five fiscal years, total General Fund expenditures increased 1.7%, from \$202,377,944 in 2017 to \$205,818,578 in 2021, the average number of residents/patients decreased 18.1%, from 669 to 548, and the average daily cost per resident/patient increased 24.2%, from \$828.79 to \$1,028.99.

Median stay ranged from 21 days to 75 days at the two Mental Health Institutes for fiscal year 2021.

**Iowa Department of Human Services**

## **Schedules**

**Schedule 1**

## Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2017					
	Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Cherokee	35	155	\$ 389,120	1,066.08	24	\$ 25,586
Mental Health Institute - Independence	52	188	404,012	1,106.88	57	63,092
Woodward Resource Center	138	539	422,880	1,158.57		
Glenwood Resource Center	224	751	359,138	983.94		
State Training School - Eldora	112	166	141,018	386.35		
Civil Commitment Unit for Sexual Offenders	108	107	121,776	333.63		
Total	669	1,906	\$ 302,508	828.79		

Year ended June 30, 2018						
Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)		Cost per Stay
35	147	\$ 359,010	983.59	16	\$	15,737
55	181	370,016	1,013.74	58		58,797
131	498	427,487	1,171.20			
214	694	346,584	949.55			
95	167	159,799	437.81			
120	104	112,151	307.26			
650	1,791	\$ 294,942	808.14			

**Schedule 1**

## Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient by Institution  
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2019					
	Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Cherokee	34	146	\$ 354,059	970.03	18	\$ 17,461
Mental Health Institute - Independence	55	176	363,125	994.86	60	59,692
Woodward Resource Center	133	495	420,109	1,150.98		
Glenwood Resource Center	204	692	361,865	991.41		
State Training School - Eldora	89	184	184,063	504.28		
Civil Commitment Unit for Sexual Offenders	128	122	116,558	319.34		
Total	643	1,815	\$ 300,165	822.37		

Year ended June 30, 2020						
Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)		Cost per Stay
31	146	\$ 427,280	1,167.43	19	\$	22,181
51	178	412,837	1,127.97	70		78,958
130	503	451,849	1,234.56			
195	655	383,636	1,048.19			
82	183	226,029	617.57			
135	130	121,486	331.93			
624	1,795	\$ 325,082	888.20			



**Schedule 1**

## Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient by Institution  
(Unaudited)

For the Last Five Fiscal Years

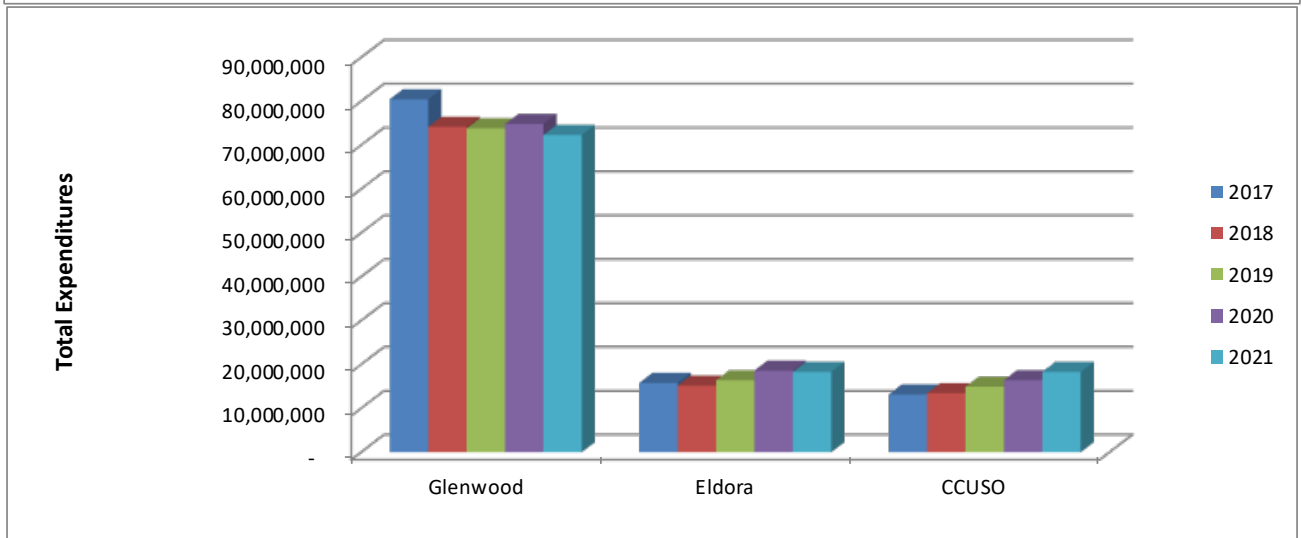
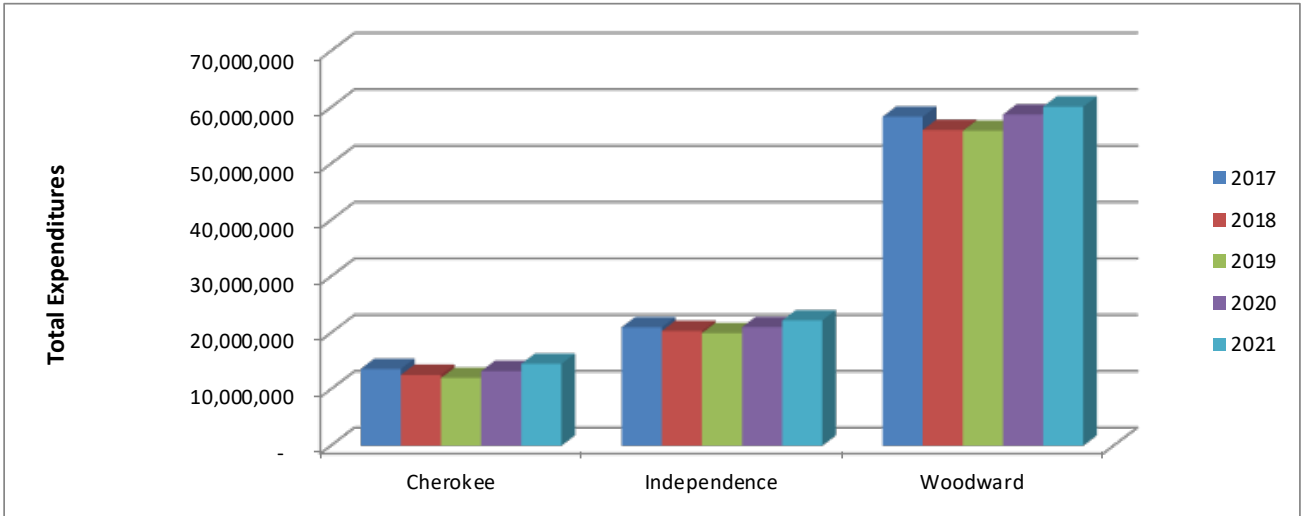
	Year ended June 30, 2021					
	Average Number of Residents/ Patients	Average Number of Employees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Cherokee	26	147	\$ 559,060	1,531.67	21	\$ 32,165
Mental Health Institute - Independence	38	184	585,260	1,603.45	75	120,259
Woodward Resource Center	122	499	493,015	1,350.73		
Glenwood Resource Center	180	622	401,727	1,100.62		
State Training School - Eldora	44	178	415,771	1,139.10		
Civil Commitment Unit for Sexual Offenders	138	133	132,540	363.12		
Total	548	1,763	\$ 375,581	1,028.99		

**Iowa Department of Human Services**

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
Total Expenditures  
(Unaudited)

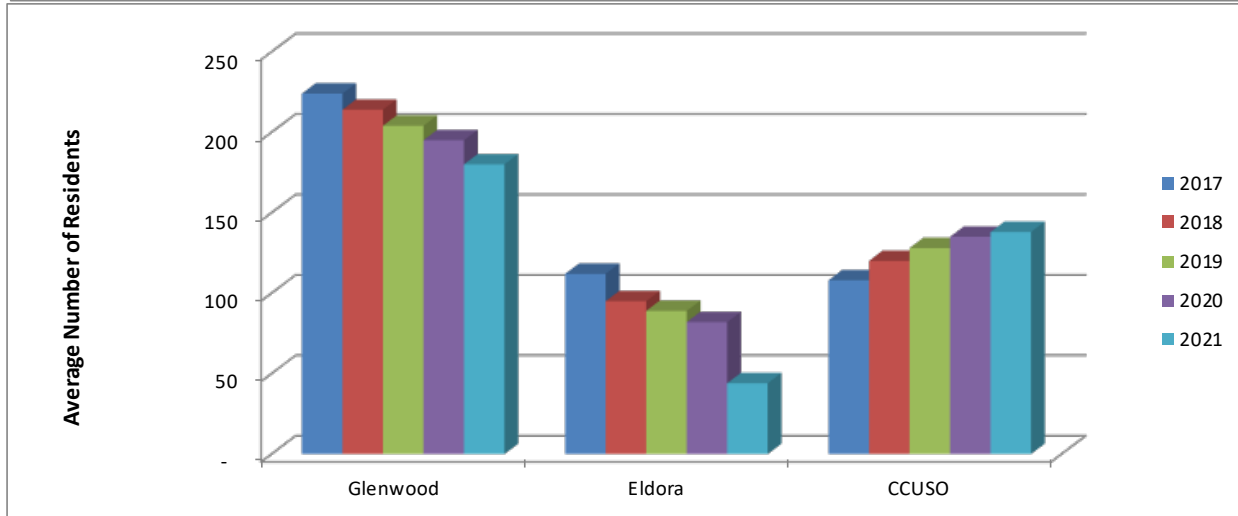
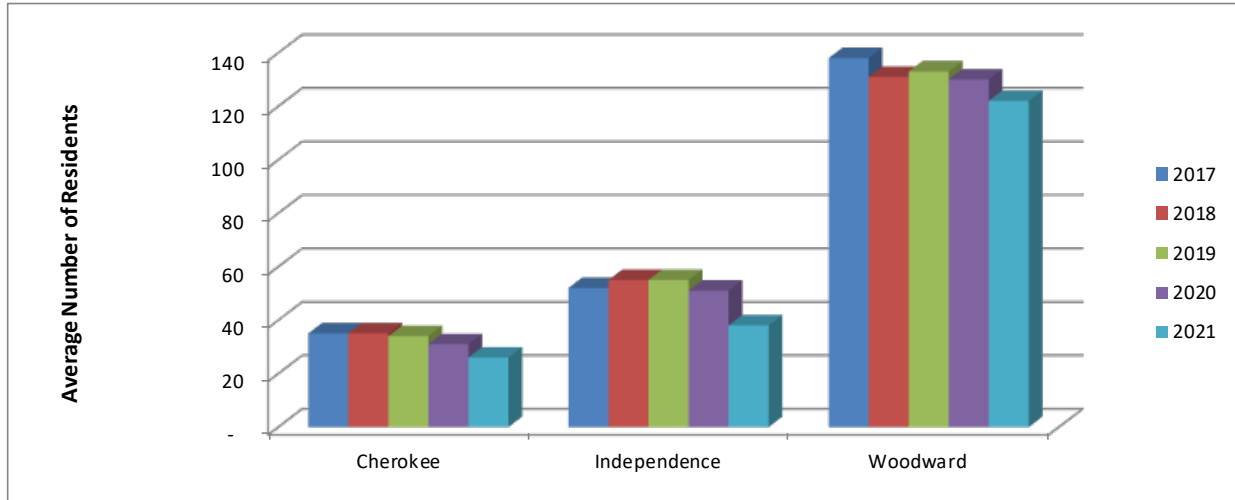
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
Average Number of Residents / Patients  
(Unaudited)

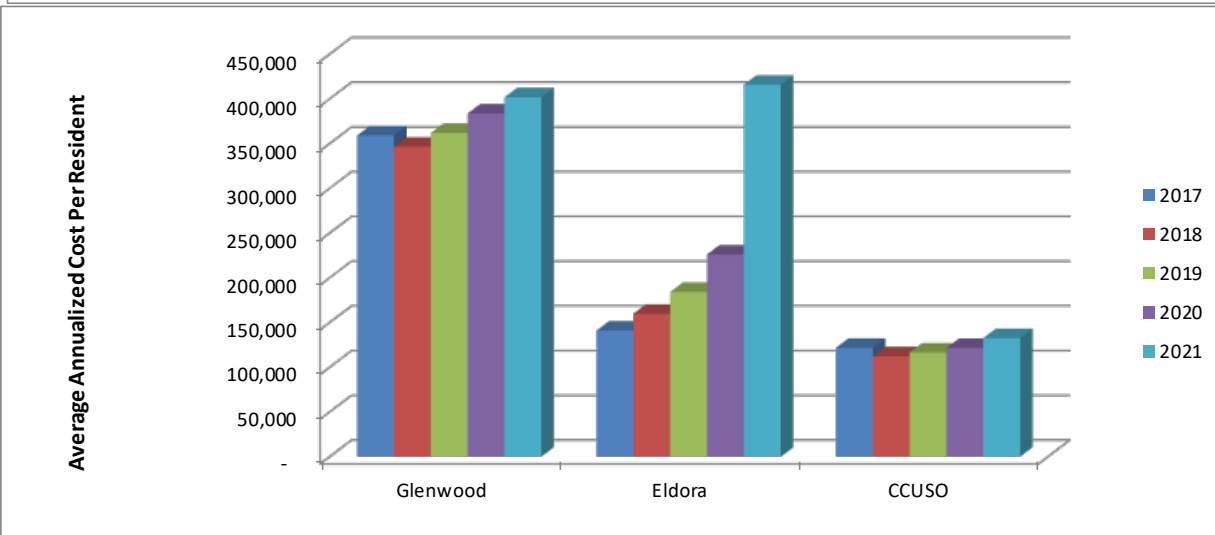
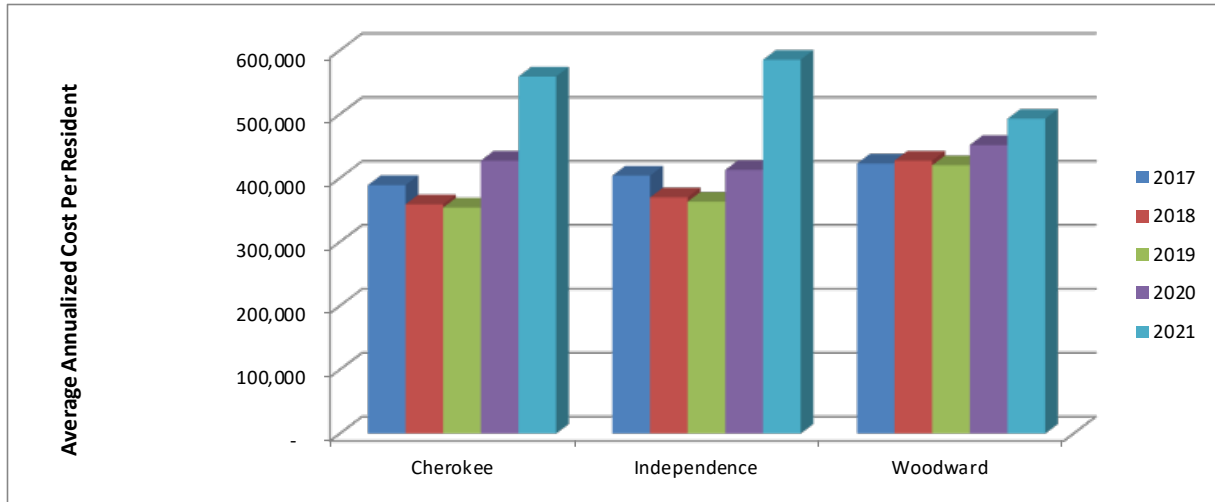
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident by Institution  
Average Annual Cost per Resident  
(Unaudited)

For the Last Five Fiscal Years



**Iowa Department of Human Services**

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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2017

	<u>Mental Health Institute - Cherokee</u>	<u>Mental Health Institute - Independence</u>	<u>Woodward Resource Center</u>
Personal services	\$ 13,499,196	16,904,425	46,741,523
Travel	37,355	60,921	205,395
Supplies and materials	1,090,024	780,371	3,487,988
Contractual services	1,535,167	3,034,379	6,970,977
Capital outlay	284,509	226,287	943,227
Claims and miscellaneous	-	1,694	2,020
Licenses, permits and refunds	897	529	6,284
Total before reallocations	16,447,148	<u>21,008,606</u>	<u>58,357,414</u>
Reallocated support services costs (see page 6)	<u>(2,827,947)</u>		
Total	<u>\$ 13,619,201</u>		

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
63,549,433	12,909,016	9,231,765	162,835,358
179,082	43,652	25,643	552,048
4,481,664	807,075	238,209	10,885,331
10,452,049	1,555,582	795,975	24,344,129
1,284,486	471,301	32,227	3,242,037
498,878	5,188	22	507,802
1,306	2,223	-	11,239
<u>80,446,898</u>	<u>15,794,037</u>	<u>10,323,841</u>	<u>202,377,944</u>
		<u>2,827,947</u>	
		<u>\$ 13,151,788</u>	



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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2018

	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 12,478,261	16,263,508	43,601,312
Travel	25,413	30,144	235,276
Supplies and materials	1,022,154	961,503	3,465,105
Contractual services	1,741,331	2,853,913	7,471,534
Capital outlay	99,392	204,975	1,208,438
Claims and miscellaneous		35,444	1,071
Licenses, permits and refunds	1,036	1,406	17,998
Total before reallocations	15,367,587	<u>20,350,893</u>	<u>56,000,734</u>
Reallocated support services costs (see page 6)	<u>(2,802,226)</u>		
Total	<u>\$ 12,565,361</u>		

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
57,870,094	12,855,238	9,344,355	152,412,768
208,677	58,557	26,280	584,347
4,662,893	722,065	161,311	10,995,031
9,567,688	1,258,619	1,103,578	23,996,663
1,413,311	268,155	20,405	3,214,676
438,246	3,530	-	478,291
8,108	1,956	-	30,504
<u>74,169,017</u>	<u>15,168,120</u>	<u>10,655,929</u>	<u>191,712,280</u>
		<u>2,802,226</u>	
		<u>\$ 13,458,155</u>	

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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2019

	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 12,239,410	15,912,897	42,727,255
Travel	21,590	43,158	271,052
Supplies and materials	984,961	914,105	3,839,196
Contractual services	1,864,914	2,785,281	8,090,774
Capital outlay	196,699	276,348	913,090
Claims and miscellaneous	5,869	35,345	2,574
Licenses, permits and refunds	782	4,762	30,576
Total before reallocations	15,314,225	<u>19,971,896</u>	<u>55,874,517</u>
Reallocated support services costs (see page 6)	<u>(3,276,213)</u>		
Total	<u>\$ 12,038,012</u>		

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
55,928,964	13,434,923	10,177,725	150,421,174
258,678	77,652	52,178	724,308
4,675,143	713,356	206,814	11,333,575
10,673,132	1,883,184	1,061,571	26,358,856
1,842,627	255,137	143,769	3,627,670
440,911	14,628	1,064	500,391
1,028	2,718	-	39,866
<u>73,820,483</u>	<u>16,381,598</u>	11,643,121	<u>193,005,840</u>
		<u>3,276,213</u>	
		<u>\$ 14,919,334</u>	

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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2020

	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 13,100,058	16,557,873	44,571,655
Travel	37,533	24,118	225,539
Supplies and materials	1,258,502	1,010,189	3,987,246
Contractual services	1,704,597	2,799,313	8,432,765
Capital outlay	198,533	259,434	815,204
Claims and miscellaneous	222,493	402,509	685,969
Licenses, permits and refunds	630	1,227	22,032
Total before reallocations	16,522,346	21,054,663	58,740,410
Reallocated support services costs (see page 6)	(3,276,679)		
Total	\$ 13,245,667		

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
56,323,045	14,192,891	11,500,749	156,246,271
195,682	68,234	56,414	607,520
4,921,442	767,479	236,404	12,181,262
10,314,255	2,852,206	1,083,731	27,186,867
1,870,104	371,933	107,300	3,622,508
1,183,678	333,254	139,330	2,967,233
760	4,899	-	29,548
<u>74,808,966</u>	<u>18,590,896</u>	<u>13,123,928</u>	<u>202,841,209</u>
		<u>3,276,679</u>	
		<u>\$ 16,400,607</u>	

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Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution  
(Unaudited)

Year ended June 30, 2021

	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 13,558,156	17,625,778	45,594,507
Travel	16,746	38,698	230,696
Supplies and materials	1,447,919	865,423	3,516,845
Contractual services	1,969,813	3,136,453	9,497,895
Capital outlay	869,234	366,886	813,915
Claims and miscellaneous	134,314	204,912	467,983
Licenses, permits and refunds	655	1,716	26,046
Total before reallocations	17,996,837	<u>22,239,866</u>	<u>60,147,887</u>
Reallocated support services costs (see page 6)	<u>(3,461,286)</u>		
Total	<u>\$ 14,535,551</u>		

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
53,768,265	14,689,584	12,522,268	157,758,558
154,909	88,314	76,173	605,536
4,365,851	572,887	475,434	11,244,359
11,282,058	2,349,060	1,479,183	29,714,462
1,921,600	393,445	181,104	4,546,184
817,300	199,367	95,025	1,918,901
897	1,264	-	30,578
<u>72,310,880</u>	<u>18,293,921</u>	<u>14,829,187</u>	<u>205,818,578</u>
		<u>3,461,286</u>	
		<u>\$ 18,290,473</u>	



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Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics  
(Unaudited)

Year ended June 30, 2021

	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Population beginning of year	19	34	127
Admissions:			
First admissions	161	59	9
Readmissions	27	23	1
Returns:			
Home visits	-	-	-
Limited leaves	-	-	31
Temporary medical transfers	-	11	-
Other	-	-	-
Total admissions	188	93	41
Released:			
Discharges	180	63	12
Deaths	1	2	2
Home visits	-	-	-
Limited leaves	-	-	31
Temporary medical transfers	-	10	-
Other	-	-	-
Total released	181	75	45
Population end of year	26	52	123
Average number of residents/patients	26	38	122

Glenwood Resource Center	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders
193	66	138
-	58	7
-	9	-
56	-	7
-	-	-
121	-	-
9	-	-
186	67	14
22	24	4
5	-	-
57	-	9
12	-	-
120	-	-
-	58	-
216	82	13
163	51	139
180	44	138

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:**

No matters were noted.

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

Targeted Small Businesses – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

The TSB procurement goal for the Department for fiscal year 2021 was not set at a level exceeding fiscal year 2020 actual TSB spending.

Recommendation – The Department should establish a dollar amount procurement level exceeding the previous fiscal year actual targeted small business procurements or seek Legislation to change this statutory requirement.

Response – Fiscal year 2021 goal was set at \$2,800 and not exceeding fiscal year 2020 spending because we have very few needs that we can use the TSB for. Each time a good or service is put out for bid, it is placed on the TSB for 48 hours with no TSB responding. We have never had a TSB respond to our posting. We have only two vendors with which we purchase from on the TSB and now one of those vendors is no longer on the listing; therefore, cutting our spending even further. In the future, we will continue to strive to spend more than the previous year. Goals are set each year and are increased from previous years’ goals instead of spending. Due to the lack of response from the TSB, meeting or exceeding the goals will be difficult.

Conclusion – Response accepted.

Findings and Recommendations for Mental Health Institute – Cherokee

June 30, 2021

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy  
Ryan J. Pithan, CPA, Manager  
Erin J. Sietstra, Senior Auditor

Other individuals who participated in the audits include:

Nichole D. Tucker, Senior II Auditor  
Allison L. Carlon, Staff Auditor  
Maria R. Collins, Staff Auditor  
Laurel P. Hoogensen, Staff Auditor  
Ashley A. Kraber, Staff Auditor  
Miranda L. Hoch-deGuzman, Assistant Auditor

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:**

No matters were noted.

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

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

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Silvester K. Rutto, Staff Auditor  
Preston D. McVey, Assistant Auditor  
Jorge Morales, Assistant Auditor  
Seth W. Franklin, Audit Intern

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:**

No matters were noted.

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

Targeted Small Businesses – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

The TSB procurement goal for the Department for fiscal year 2021 was not set at a level exceeding fiscal year 2020 actual TSB spending.

Recommendation – The Department should establish a dollar amount procurement level exceeding the previous fiscal year actual targeted small business procurements or seek Legislation to change this statutory requirement.

Response – Woodward Resource Center concurs with the findings related to TSB procurement goals. Goal was erroneously set based on exceeding previous fiscal year TSB goal. Training has been completed with procurement staff as of January 23, 2023 to ensure that the fiscal year TSB procurement goal is set at an amount exceeding the previous fiscal year's TSB procurement level.

Conclusion – Response accepted.

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy  
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Other individuals who participated in the audits include:

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Ashley A. Kraber, Staff Auditor  
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Miranda L. Hoch-deGuzman, Assistant Auditor

June 30, 2021

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

No matters were reported.

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

No matters were reported.

**Other Findings Related to Internal Control:**

- 1) Untimely Deposits – Per the Center's accounting policy, Canteen Fund receipts are deposited daily with all other Center receipts at a local bank. Within 30 days of the month end, a deposit is to be made with the Treasurer of State for the total of the accumulated receipts for the month. During the fiscal year ended June 30, 2021, there were eight instances where monthly deposits with the Treasurer of State were not made within 30 days of the month end.

Recommendation – The Center should implement procedures to ensure Canteen Fund receipts are deposited timely with the Treasurer of State.

Response – The business manager is accountable for monitoring the previous month's deposit deadline. The business manager will ensure funds are deposited in the following month. A department deadline for completing this monthly task has been implemented.

Conclusion – Response accepted.

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

- 2) Non-Compliance with Training Schedule – The Iowa Department of Human Services has established a training schedule for various programs such as mandatory reporting, dependent adult abuse reporting, heart saver first aid/CPR training and crisis interaction training. During the fiscal year ending June 30, 2021, there were 398 instances out of 4,034 training events in which the required training was due; however, the completed training was not documented. An additional 1,159 instances of the 4,034 training events were identified where the training was completed; however, the training occurred after the required due date.

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

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

Conclusion – Response acknowledged. The Center should develop written procedures to ensure timely completion of required training.

Findings and Recommendations for the Glenwood Resource Center

June 30, 2021

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy  
Suzanne R. Dahlstrom, CPA, Manager  
Bianca M. Cleary, Senior Auditor

Other individuals who participated in the audits include:

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Preston D. McVey, Assistant Auditor  
Jorge Morales, Assistant Auditor



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:**

1) Payroll

Criteria – Departments process and record payroll and personnel information in the Human Resource Information System (HRIS). The Human Resource Associates (HRA) utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises.

Condition – Four individuals within the Training School have the ability to initiate and approve P-1 documents. For the period of July 1, 2020 through March 10, 2021, twenty-seven P-1 documents were initiated and received department level approval by the same person.

Cause – Policies have not been established and procedures have not been implemented to require the segregation of duties of the Human Resource Associates from the duties of payroll, resulting in the same individual having the ability to initiate and approve P-1 documents.

Effect – Inadequate segregation of duties over payroll functions could adversely affect the Training School’s ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – To strengthen controls, the Training School should develop and implement procedures to segregate the duties of the Human Resource Associates from the duties of payroll.

Response – The new system, Workday, no longer requires this like HRIS did. Therefore, it should not be an issue since the implementation of Workday began.

Conclusion – Response accepted.

**Other Findings Related to Internal Control:**

2) Overtime – The Training School personnel process and record payroll and personnel information in the Human Resource Information System (HRIS). The State Training School requires an overtime authorization form be prepared by the staff member and reviewed by the supervisor before overtime work is performed. Twenty-four of twenty-five payroll overtime payments tested either did not have an overtime authorization form, the form was not signed by a supervisor, or the overtime was approved after the overtime occurred.

Recommendation – The Training School should develop and implement procedures to ensure overtime authorization forms are prepared, properly signed and completed before the overtime work is performed.

Response – Since the implementation of Kronos we no longer require this form so this should not be an issue with Kronos.

Conclusion – Response accepted.

June 30, 2021

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

- 3) Targeted Small Businesses – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

The TSB procurement goal for the Training School for fiscal year 2021 was not set at a level exceeding fiscal year 2020 actual TSB spending.

Recommendation – The Training School should establish a dollar amount procurement level exceeding the previous fiscal year actual targeted small business procurements or seek Legislation to change this statutory requirement.

Response – We will continue to work hard to find TSB’s that provide a quality product/service at a reasonable price in order to meet the requirements set forth in Chapter 73.16 of the Code of Iowa.

Conclusion – Response acknowledged. The Training School should establish a dollar amount procurement level exceeding the previous fiscal year actual targeted small business procurements or seek Legislation to change this statutory requirement.

**Staff:**

Questions or requests for further assistance should be directed to:

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Christofer S. Kingrey, Assistant Auditor

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:**

No matters were noted.

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

No matters were noted.

**Staff:**

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Deputy  
Ryan J. Pithan, CPA, Manager  
Erin J. Sietstra, Senior Auditor

Other individuals who participated in the audits include:

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