



# OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834  
[www.auditor.iowa.gov](http://www.auditor.iowa.gov)

Rob Sand  
Auditor of State

## NEWS RELEASE

FOR RELEASE

April 10, 2026

Contact: Pam Bormann  
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Health and Human Services for the year ended June 30, 2023.

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

### **AUDIT FINDINGS:**

Sand reported three findings related to the Department. The findings are reported on pages 5 through 7 of this report. Sand recommended the Department establish policies and procedures to ensure compliance with the Department's Employees' Manual and the Code of Iowa.

Two of the findings discussed above are repeated from the prior year. Management of the Iowa Department of Health and Human Services has a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

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

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

**JUNE 30, 2023**

**Iowa Department of Health and Human Services**



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Rob Sand  
Auditor of State

March 31, 2026

Iowa Department of Health and Human Services  
Des Moines, Iowa

To Members of the Iowa Department of Health and Human Services:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Health and Human Services for the year ended June 30, 2023. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2023 audit.

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

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand  
Auditor of State

**Iowa Department of Health and Human Services**



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Rob Sand  
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March 31, 2026

To the Members of the Iowa Department of Health and Human Services:

The Iowa Department of Health and Human Services is a part of the State of Iowa and, as such, has been included in our audits of the State's Annual Comprehensive Financial Report (ACFR) and the State's Single Audit Report for the year ended June 30, 2023.

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

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 8 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Pam Bormann".

Pam Bormann, CPA  
Deputy Auditor of State

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

June 30, 2023

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

**U.S. Department of Health and Human Services**

**INTERNAL CONTROL DEFICIENCY:**

**ALN: 93.558 – Temporary Assistance for Needy Families**

**Agency Number: 2201TANF22**

**Federal Award Year: 2023**

**Prior Year Single Audit Report Finding Number: N/A**

**Iowa Department of Human Services**

**2023-012**

Computer Match – Family Investment Program (FIP)

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

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

Condition – A computer match of payment data was performed for cases receiving both FIP and foster care payments during fiscal year 2023. We reviewed 53 cases receiving both FIP and foster care payments during the same month of service. Of the 53 cases reviewed, four children, or 7.55%, received both FIP and foster care payments for an additional one to two months after entering foster care with a non-relative. Although these payments are not in compliance with the Employees' Manual, it is unclear if they meet the exception allowed by the federal government, as stated in the letter from ACF dated February 14, 2014.

A computer match of payment data was performed for cases receiving both FIP and subsidized adoption payments during fiscal year 2023. We reviewed 63 cases receiving both FIP and subsidized adoption payments during the same month of service. Of the 63 cases reviewed, four cases, or 6.3%, improperly received both FIP and subsidized adoption payments for an additional one to two months after entering subsidized adoption. The unallowable FIP payments for these four cases totaled \$3,278.

Report of Recommendations to the Iowa Department of Health and Human Services

June 30, 2023

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

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

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

Recommendation – The Department should review its policies and establish procedures pertaining to compliance with federal regulations and establish additional oversight procedures to ensure compliance with federal regulations pertaining to identifying concurrent FIP and foster care payments and concurrent FIP and subsidized adoption payments. The Department should review cases identified and determine if recoupment should be performed.

Response and Corrective Action Planned – For FIP/Adoption Subsidy – 3 of the cases had errors all completed by the same worker. The worker correctly closed down the case when acting on the alert but neglected to establish the overpayment. The worker will be retrained on when an overpayment is needed. Recoupments have been established for overpayments.

For the FIP/Foster Care – The four workers will be retrained on when to cancel a case, what to look for in the system when an alert is received about a child entering foster care, and when a recoupment is needed. Recoupments have been established for overpayments.

We will also provide a reminder to all Income Maintenance staff providing the policies and procedures for duplicate benefits in these situations. This reminder will be emailed out and also discussed at team staff meetings.

Conclusion – Response accepted.

**Findings Reported in the State’s Report on Internal Control:**

No matters were reported.

**Other Findings Related to Internal Control:**

1) Foster Care (Title IV-E)

Criteria – The Title IV-E program provides assistance payments for maintenance, adoption assistance and voluntary foster care for children placed in care outside their home. Assistance payments can be paid on behalf of a child if certain requirements are met. Title 17-E-69 of the Employees’ Manual requires the assigned Department service worker shall personally visit each child in out-of-home care at least once every calendar month.

Condition – During fiscal year 2023, six county offices were visited where a limited review of case records was performed. As part of this limited review, fifteen case records were reviewed for completeness. For three cases reviewed, a child in out-of-home care did not receive a visit at least once every calendar month.

Report of Recommendations to the Iowa Department of Health and Human Services

June 30, 2023

Cause – Although the Department has established policies regarding visits to a child in out-of-home care at least once every calendar month, the policies were not followed.

Effect – The Department is not in compliance with the Employees' Manual.

Recommendation – The Department should establish procedures to ensure a child in out-of-home care is visited at least once a calendar month are followed, as required by the Employees' Manual.

Response – The Department acknowledges these visits did not occur within the 30-day required window. As part of standard procedure, supervisors review children who have yet to be visited in the third week of each month to ensure visits occur. Any missed visits are identified at that time, and a plan is made for visitation. Staff and their supervisors will continue to use established tracking mechanisms to ensure visits are not missed moving forward, and staff retraining will occur as needed.

Conclusion – Response accepted.

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

- 1) Meeting Attendance – Chapter 69.15 of the Code of Iowa requires any person who has been appointed by the Governor to any board under the laws of the State of Iowa shall be deemed to have submitted a resignation from such office if the person does not attend three or more consecutive regular meetings of the board. Chapter 514I.5 of the Code of Iowa establishes a board for the Healthy and Well Kids in Iowa (Hawki) program and states the board shall consist of two members of the senate and two members of the house of representatives, serving as ex officio, nonvoting members.

One member of the Hawki Board who was appointed by the Governor did not attend three consecutive meetings during fiscal year 2023. In addition, the Board only had one member of the house of representatives during fiscal year 2023.

Recommendation – Meeting attendance should be monitored to ensure attendance requirements are met in accordance with the Code of Iowa.

Response – The Hawki Board has been dissolved through legislative action and its responsibilities merged into the Medical Assistance Advisory Council (MAAC). As part of this transition, HHS will review the relevant Iowa Code for MAAC to ensure appropriate procedures are in place for member attendance tracking, board composition, and accountability moving forward.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Health and Human Services

June 30, 2023

**Staff:**

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Deputy  
Jennifer L. Wall, CPA, Director  
Alex N. Kawamura, CPA, Manager

Other individuals who participated in the audits include:

Jared A. Marshall, Senior Auditor  
Ronica H. Drury, Staff Auditor  
Austin C. Gohlmann, Staff Auditor  
Kerillos M. Hana, Staff Auditor  
Miranda L. Hoch, Staff Auditor  
Christopher L. Poague, Staff Auditor  
Matthew F. Perry, Assistant Auditor  
Claire E. Denning, Audit Intern  
Shawn P. Weuve, Audit Intern