

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

July 17, 2014

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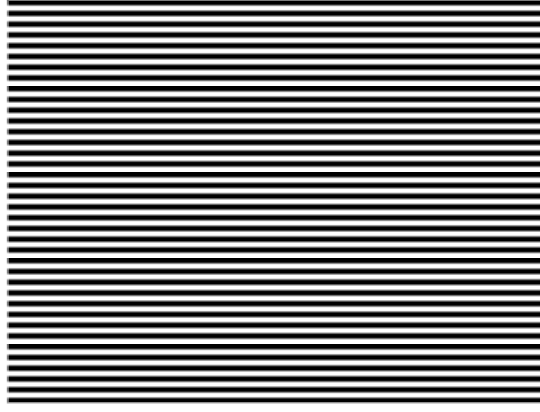
Auditor of State Mary Mosiman today released a report on the Iowa Veterans Home for the year ended June 30, 2013.

The Iowa Commission of Veterans Affairs, which consists of nine members appointed by the Governor and confirmed by the Senate, oversees the conduct and operations of the Iowa Veterans Home.

The Iowa Veterans Home, located in Marshalltown, Iowa, provides long-term health care for Iowa's aging, chronically ill, handicapped veterans and their dependent or surviving spouses. The annualized cost per resident was \$132,200 in fiscal year 2013, a 6.4% increase over the prior year. The average number of residents remained unchanged from fiscal year 2012 at 608.

A copy of the report is available for review at the Iowa Veterans Home, in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1460-6710-BR00.pdf>.

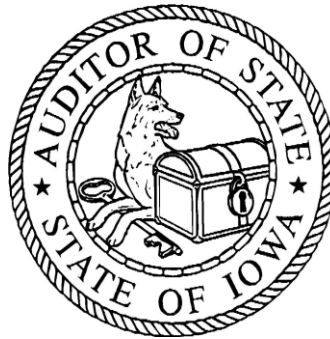
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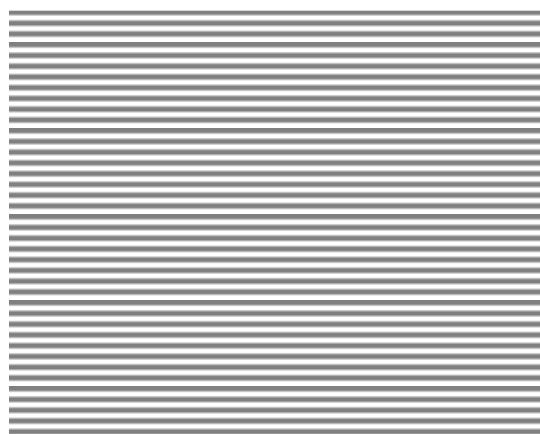
**REPORT OF RECOMMENDATIONS TO
THE IOWA VETERANS HOME**

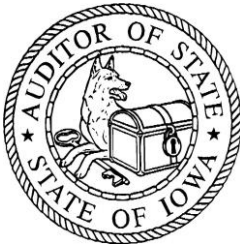
JUNE 30, 2013

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



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July 14, 2014

To the Members of the Iowa
Commission of Veterans Affairs:


The Iowa Veterans Home (Home) is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2013.

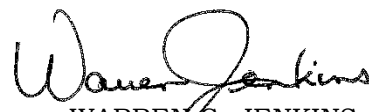
In conducting our audits, we became aware of certain aspects concerning the Home's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which pertain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

We have also included in this report certain unaudited financial and other information on pages 5 through 7 of this report for the Iowa Veterans Home for the five years ended June 30, 2013 to report an average annualized cost per resident 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 Veterans Home, citizens of the State of Iowa and other parties to whom the Iowa Veterans Home 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 Home during the course of our audits. Should you have any 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 Home are listed on page 8 and they are available to discuss these matters with you.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Iowa Veterans Home
Report of Recommendations

June 30, 2013

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the State's Report on Internal Control:

No matters were noted.

Other Findings Related to Internal Control:

Resident Council – All residents of the Home are members of the Resident Council. The Council engages in various fund raising activities and the funds are to be used to enhance the well-being of its members. The Home acts as the fiscal agent for the Council's funds. Per the Council's by-laws, the secretary/treasurer and one other member or two members of the Council's executive board are required to sign off on any withdrawal of Council funds. Of forty-five disbursements tested, we noted twenty-two did not have the required two signatures on the request for withdrawal. Also, four of the forty-five disbursements tested did not have adequate supporting documentation for the funds disbursed.

Recommendation – The Home should implement procedures to ensure withdrawals of Council funds are only made after a request with the proper number of signatures is presented. The procedures should also require proper support of each withdrawal be submitted to the Home to ensure the funds withdrawn were used for the purpose stated on the signed request.

Response – The Iowa Veterans Home Administration and Resident Council elected officers will work together to implement a system of accountability that ensures: 1) Resident Council submits the proper number of signatures for expenditures, 2) an inventory control system is implemented and used by the Resident Council, 3) very limited access to cash is possible by using proper control procedures, and 4) the Resident Council will establish a standardized process for determining assistance provided to residents.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge and control. The Iowa Veteran's Home had one capital asset with a value of \$33,631 which was coded incorrectly and not included in the capital asset additions listing.

Recommendation – The Home should review its capital asset policies and procedures to ensure a detailed, up-to-date capital asset listing is maintained. This includes, but is not limited to, ensuring capital asset additions are reconciled to 1/3 capital asset purchases.

Response – The Home will make an adjustment to include the asset as part of the Home's capital asset listing.

Conclusion – Response accepted.

Iowa Veterans Home

Average Cost per Resident
(Unaudited)

For the Last Five Fiscal Years

Fiscal Year	Average Number of Residents	Average Number of Employees	Annualized Cost Per Resident	Average Daily Cost Per Resident
2013	608	938	\$ 132,200	\$ 362.19
2012	608	902	124,218	340.32
2011	639	880	112,895	309.30
2010	689	988	108,164	296.34
2009	709	1,015	105,158	288.10

Iowa Veterans Home
Resident Population Statistics
(Unaudited)

Year ended June 30, 2013

Population beginning of year	<u>620</u>
Admissions:	
First admissions	134
Readmissions	11
Returns:	
Home visits/furlough	<u>204</u>
Total admissions	<u>349</u>
Released:	
Discharges	27
Deaths	132
Home visits/furlough	<u>208</u>
Total released	<u>367</u>
Population end of year	<u>602</u>
Average daily resident population	<u>608</u>

Iowa Veterans Home

Operating Expenditures by Object - General Fund
(Unaudited)

Year ended June 30, 2013

Personal services	\$ 62,279,836
Travel	62,626
Supplies and materials	5,501,812
Contractual services	10,602,006
Capital outlay	1,831,758
Claims and miscellaneous	90,131
Licenses, permits and refunds	<u>9,718</u>
Total	<u>\$ 80,377,887</u>

Iowa Veterans Home

Staff

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager
Thomas S. Hebert, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

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Trisha S. Kunze, Staff Auditor
Karie A. Meisgeier, Staff Auditor
Kayley R. Alexander, Assistant Auditor
Ryan D. Baker, Assistant Auditor
Lucas D. Bernhard, Assistant Auditor
Benjamin P. James, Assistant Auditor
Ryan J. Magill, Assistant Auditor
Marcus B. Johnson, Audit Intern