



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

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

NEWS RELEASE

FOR RELEASE

November 28, 2016

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman 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, 2015.

The average annualized cost per resident/patient at the nine institutions under the control of the Iowa Department of Human Services ranged from \$112,664 at the Civil Commitment Unit for Sexual Offenders to \$469,054 at the Mental Health Institute - Clarinda for the year ended June 30, 2015. Total General Fund expenditures for the nine institutions decreased 3.2% during the five year period to approximately \$213 million, the average number of residents/patients decreased 21.3%, from 960 to 756, and the average daily cost per resident/patient increased 22.9%, from \$627.80 to \$771.46, over the same period.

Copies of the report are available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1662-8990-BR00>.

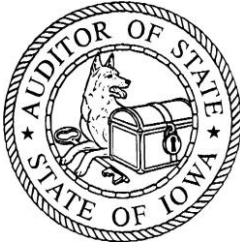
###

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

JUNE 30, 2015

Table of Contents

		<u>Page</u>
Auditor of State's Report		3
Overview		4-6
Schedules:	<u>Schedule</u>	
Average Cost Per Resident/Patient Information by Institution - Fiscal Years 2011 through 2015	1	10-13
Average Cost Per Resident/Patient Information – Graphs:		
Total Expenditures		14
Average Annual Cost per Resident		15
Average Annualized Cost per Resident/Patient		16
General Fund Expenditures by Institution - 2011	2	18-19
General Fund Expenditures by Institution - 2012	3	20-21
General Fund Expenditures by Institution - 2013	4	22-23
General Fund Expenditures by Institution - 2014	5	24-25
General Fund Expenditures by Institution - 2015	6	26-27
Resident/Patient Population Statistics - 2015	7	28-29
Findings and Recommendations:		
Mental Health Institute - Clarinda		30-31
Mental Health Institute - Mount Pleasant		32
Mental Health Institute - Cherokee		33
Mental Health Institute - Independence		34
Woodward Resource Center		35-36
Glenwood Resource Center		37-38
State Training School - Eldora		39
Civil Commitment Unit for Sexual Offenders - Cherokee		40



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

November 14, 2016

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 Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2015.

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, 2015 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 at your convenience. Individuals who participated in our audits of the Institutions are listed on pages 31, 32, 33, 34, 36, 38, 39, and 40 and they are available to discuss these matters with you.

MARY MOSIMAN, CPA
Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, 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 has discontinued its delivery of inpatient mental health services at the Clarinda and Mount Pleasant facilities as of June 30, 2015.

Mental Health Institute - Clarinda – The Institute has been serving the citizens of Southwest Iowa since 1888. The function of this Institute is to promote good mental health practices and to provide high level care for persons with mental illness. Levels of care provided are adult in-patient psychiatric and gero-psychiatric.

Mental Health Institute - Mount Pleasant – The Institute was established on February 2, 1861. Major goals and objectives of the Institute are to be responsive to the community-oriented patient care needs of the population it serves, without duplicating services already provided in the community. Levels of care provided are adult in-patient psychiatric and dual diagnosis.

Mental Health Institute - Cherokee – The Institute was founded in 1902. The Institute is responsible for furnishing psychiatric services to citizens of Northwest Iowa counties to the extent such services are not provided by other sources. Levels of care provided are adult in-patient psychiatric and 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 and psychiatric-medical institute for children.

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 Juvenile Home - Toledo – The Juvenile Home was established on October 21, 1920. This Institution is a structured, non-secure co-ed facility serving juveniles under 17 who are residents of the State of Iowa in need of assistance. The residents are committed by the juvenile courts as dependent or neglected or are committed voluntarily through application to the County Board of Supervisors and the Iowa Department of Human Services. The children become wards of the State to receive educational, medical, diagnostic treatment and limited employment programs to help them attain productive and satisfying citizenship in a free society.

Iowa Department of Human Services

Overview

By early January 2014, all juveniles residing at the Toledo Juvenile Home were transferred to alternative, court-approved licensed and/or accredited settings. Almost one-third of the youth were approved to return home. Minimal activities continued beyond January 2014 only to facilitate transfer of operations and assets from the facility.

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.

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.

Gero-Psychiatric – This program, licensed as nursing home care, represents 24-hour custodial care for persons declared disabled or over age 65. There is some level of 24-hour nursing care and periodic medical and psychiatric care. Generally, these persons are beyond the capacity of community providers to care for.

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.

Dual Diagnosis – This program represents a 28-day residential substance dependence treatment program for persons with co-morbid mental illness. There is periodic nursing, medical and psychiatric coverage. It is the only program for this population in the State.

Overview

Scope and Methodology

We have calculated an average cost per resident/patient at each Institution for the five years ended June 30, 2015 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 18 through 27.

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 ranged from \$112,664 at the Civil Commitment Unit for Sexual Offenders to \$469,054 at the Mental Health Institute – Clarinda for fiscal year 2015.

Iowa Department of Human Services

Overview

Over the last five fiscal years, total General Fund expenditures decreased 3.2%, from \$219,981,354 in 2011 to \$212,877,275 in 2015, the average number of residents/patients decreased 21.3%, from 960 to 756, and the average daily cost per resident/patient increased 22.9%, from \$627.80 to \$771.46.

Median stay ranged from 8 days to 60 days at the four Mental Health Institutes for fiscal year 2015.

Schedules

Iowa Department of Human Services

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, 2011					
	Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
Mental Health Institute - Clarinda	40	80	\$ 207,391	568.19	9	\$ 5,114
Mental Health Institute - Mt. Pleasant	63	92	134,204	367.68	29	10,663
Mental Health Institute - Cherokee	27	157	421,601	1,155.07	12	13,861
Mental Health Institute - Independence	59	233	345,732	947.21	44	41,677
Woodward Resource Center	201	711	301,855	827.00		
Glenwood Resource Center	286	883	276,437	757.36		
State Juvenile Home - Toledo	60	103	141,266	387.03		
State Training School - Eldora	143	169	92,764	254.15		
Civil Commitment Unit for Sexual Offenders	81	88	123,141	337.37		
Total	960	2,516	\$ 229,147	627.80		

* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Year ended June 30, 2012						Year ended June 30, 2013					
Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay	Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
32	77	\$ 256,644	701.21	10	\$7,012	29	72	\$ 300,462	823.18	7	\$ 5,762
64	92	133,215	363.97	27	9,827	60	90	150,953	413.57	25	10,339
30	172	436,269	1,191.99	12	14,304	30	179	454,430	1,245.01	11	13,695
60	226	343,365	938.16	47	44,093	46	224	473,718	1,297.86	54	70,084
186	703	326,647	892.48			180	650	335,807	920.02		
268	882	292,046	797.94			255	845	298,396	817.52		
54	109	167,745	458.32			51	110	190,806	522.76		
126	166	105,799	298.07			124	162	116,249	318.49		
91	93	106,666	291.44			103	94	108,691	297.78		
911	2,520	\$ 243,193	664.46			878	2,426	\$ 256,346	702.32		

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

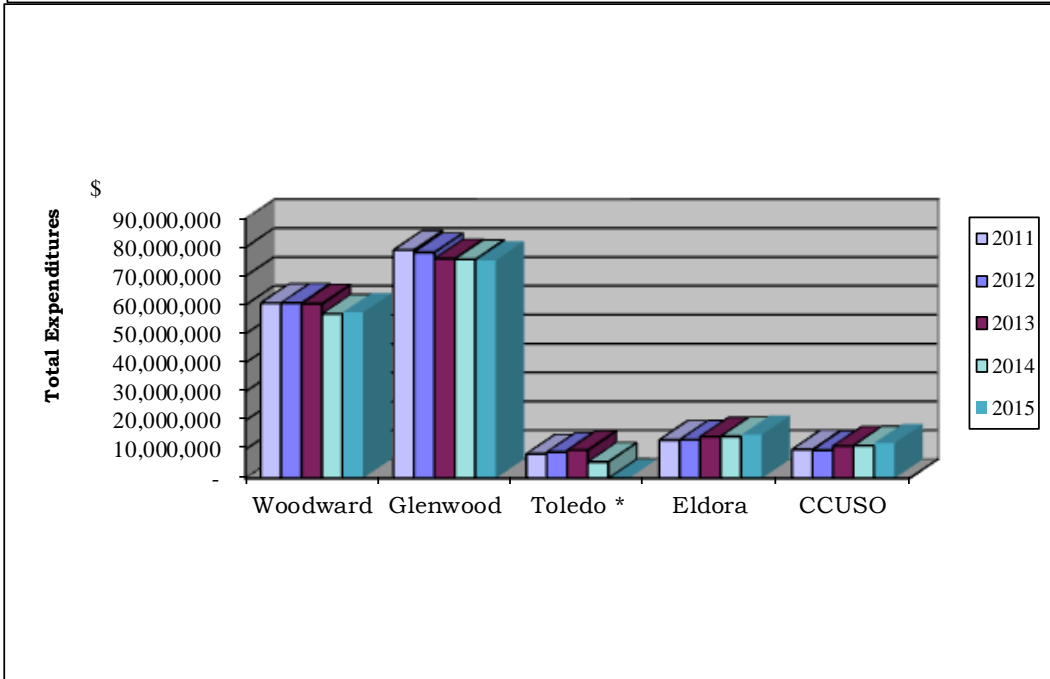
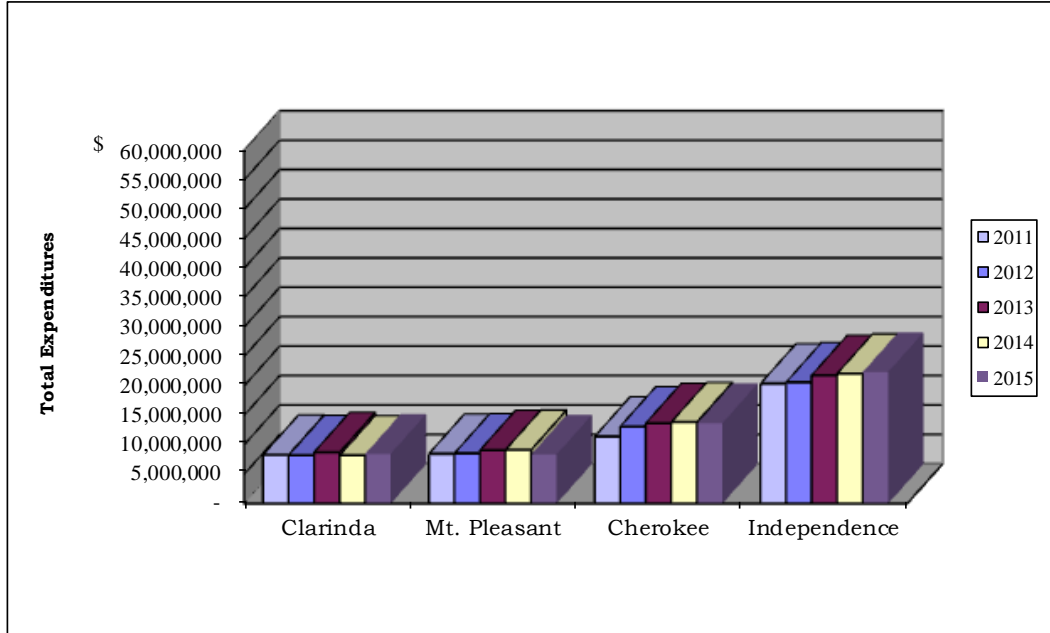
	Year ended June 30, 2014					Cost per Stay
	Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	
Mental Health Institute - Clarinda	26	69	\$ 314,450	861.51	13	\$ 11,200
Mental Health Institute - Mt. Pleasant	56	90	162,704	445.77	52	23,180
Mental Health Institute - Cherokee	27	176	511,990	1,402.71	9	12,624
Mental Health Institute - Independence	50	223	441,119	1,208.54	48	58,010
Woodward Resource Center	165	608	345,231	945.84		
Glenwood Resource Center	252	798	300,949	824.52		
State Juvenile Home - Toledo *						
State Training School - Eldora	122	160	118,720	325.26		
Civil Commitment Unit for Sexual Offenders	104	94	108,619	297.59		
Total	802	2,218	\$ 264,027	723.36		

Year ended June 30, 2015					
Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
18	60	\$ 469,054	1,285.08	15	\$ 19,276
38	76	218,679	599.12	60	35,947
31	166	440,115	1,205.80	8	9,646
51	224	438,222	1,201.61	41	49,225
154	591	372,969	1,021.83		
240	798	314,492	861.62		
116	158	129,728	355.42		
108	97	112,664	308.67		
756	2,170	\$ 281,584	771.46		

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

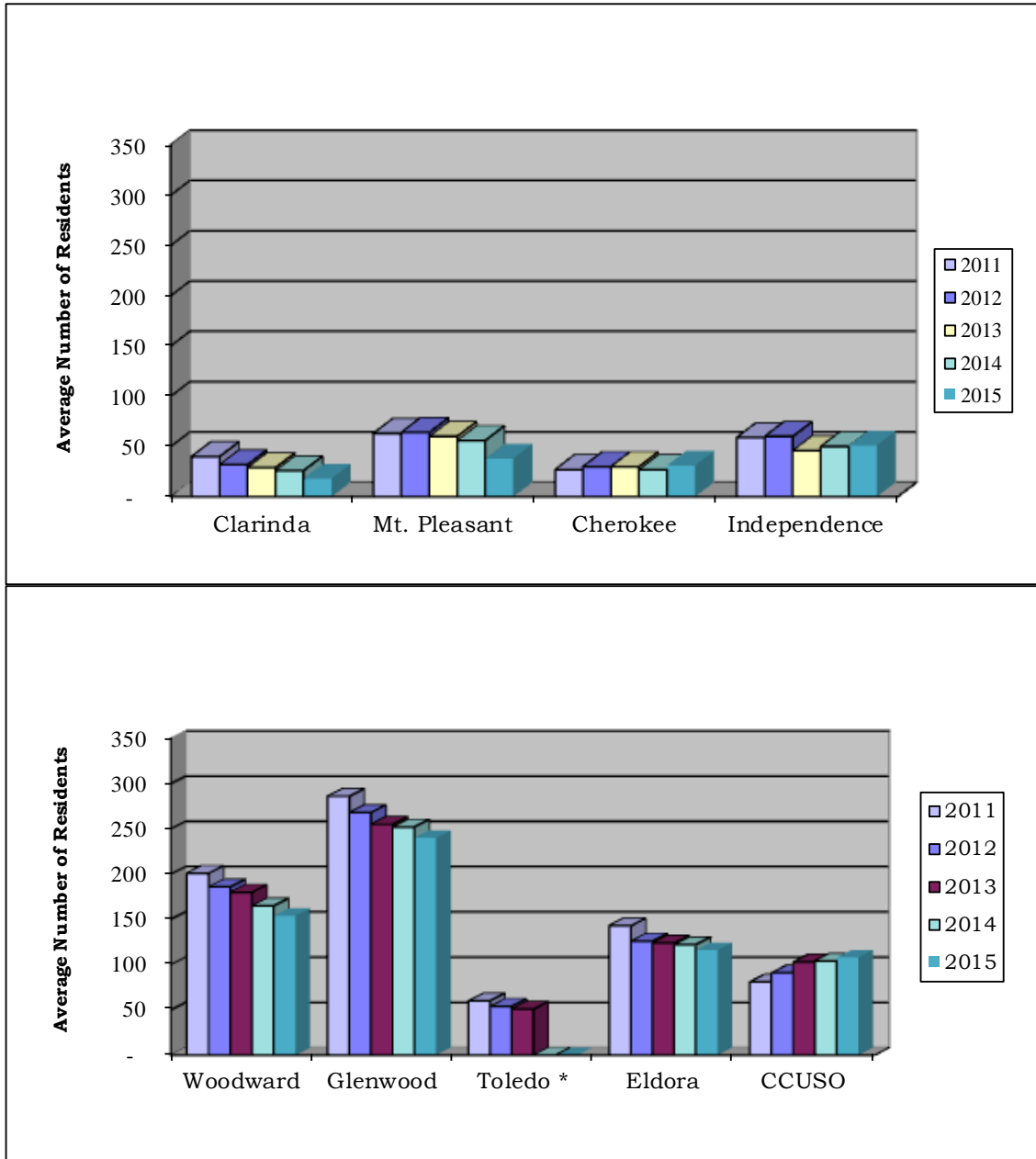


* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

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

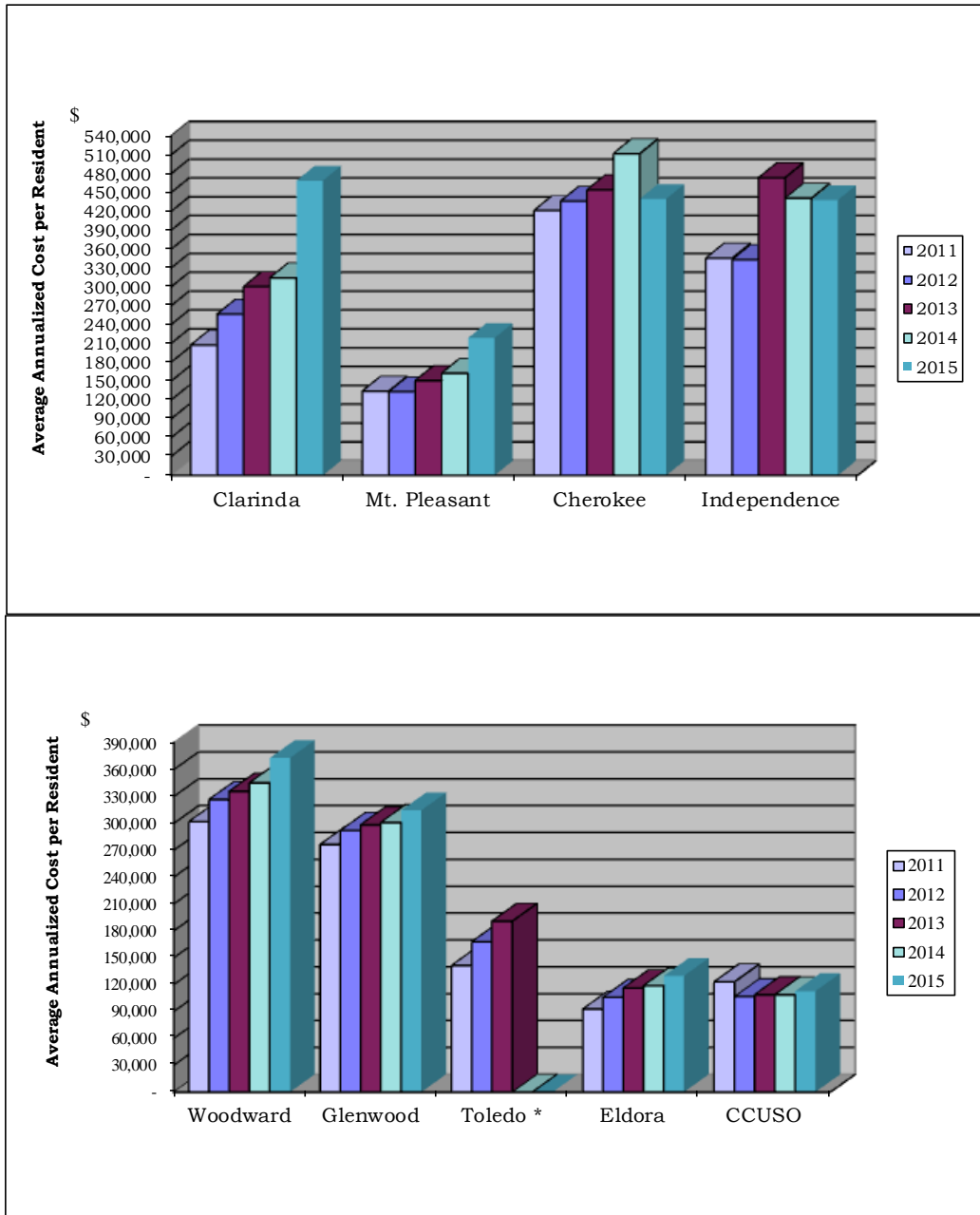


* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

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



* - As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Iowa Department of Human Services

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2011

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,216,774	6,796,196	11,634,175	17,158,403
Travel	22,401	10,006	55,509	27,055
Supplies and materials	523,233	461,404	905,510	799,733
Contractual services	498,036	1,025,590	1,399,542	2,091,352
Capital outlay	34,698	159,299	144,081	318,639
Claims and miscellaneous	54	58	1,165	945
Licenses, permits and refunds	425	-	780	2,077
Aid to individuals	-	2,293	-	-
Total before reallocations	<u>\$ 8,295,621</u>	<u>8,454,846</u>	14,140,762	<u>20,398,204</u>
Reallocated support services costs (see page 6)			<u>(2,757,545)</u>	
Total			<u>\$ 11,383,217</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
50,087,941	61,427,351	7,022,669	11,085,766	6,124,755	178,554,030
380,352	692,274	11,896	37,574	63,732	1,300,799
4,479,918	6,712,830	678,049	624,520	799,415	15,984,612
4,809,727	8,264,636	682,848	1,333,028	180,936	20,285,695
804,932	1,453,278	77,944	167,607	47,202	3,207,680
108,933	506,136	1,980	12,745	825	632,841
985	4,584	595	3,958	-	13,404
-	-	-	-	-	2,293
<u>60,672,788</u>	<u>79,061,089</u>	<u>8,475,981</u>	<u>13,265,198</u>	<u>7,216,865</u>	<u>219,981,354</u>
				<u>2,757,545</u>	
				<u>9,974,410</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2012

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,306,375	7,012,316	12,460,178	17,320,530
Travel	4,537	17,688	21,736	48,776
Supplies and materials	440,636	544,154	1,089,111	800,140
Contractual services	417,939	851,203	1,636,282	2,092,790
Capital outlay	42,315	98,133	565,380	336,189
Claims and miscellaneous	573	-	1,569	499
Licenses, permits and refunds	243	-	780	2,995
Aid to individuals	-	2,234	-	-
Total before reallocations	<u>\$ 8,212,618</u>	<u>8,525,728</u>	<u>15,775,036</u>	<u>20,601,919</u>
Reallocated support services costs (see page 6)			<u>(2,686,956)</u>	
Total			<u><u>\$ 13,088,080</u></u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
51,248,575	61,816,732	7,479,521	11,310,619	6,697,084	182,651,930
208,712	265,046	23,923	41,339	23,896	655,653
4,075,809	5,641,828	747,211	679,305	55,763	14,073,957
4,275,715	8,007,140	613,419	1,218,669	207,426	19,320,583
876,745	2,153,065	191,873	66,930	34,718	4,365,348
70,170	381,863	1,295	11,046	805	467,820
687	2,750	978	2,731	-	11,164
-	-	-	-	-	2,234
<u>60,756,413</u>	<u>78,268,424</u>	<u>9,058,220</u>	<u>13,330,639</u>	<u>7,019,692</u>	<u>221,548,689</u>
				<u>2,686,956</u>	
				<u>9,706,648</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2013

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,143,254	7,264,540	13,379,152	17,819,148
Travel	28,272	25,158	40,854	39,611
Supplies and materials	614,623	488,622	1,139,013	826,108
Contractual services	474,122	965,845	1,444,356	2,369,571
Capital outlay	452,170	310,875	341,030	734,960
Claims and miscellaneous	610	14	1,610	233
Licenses, permits and refunds	351	-	880	1,380
Aid to individuals	-	2,104	-	-
Total before reallocations	<u>\$ 8,713,402</u>	<u>9,057,158</u>	16,346,895	<u>21,791,011</u>
Reallocated support services costs (see page 6)			<u>(2,713,996)</u>	
Total			<u>\$ 13,632,899</u>	

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
49,739,132	61,879,966	7,800,942	11,656,638	7,515,623	184,198,395
305,257	258,865	10,630	45,237	29,051	782,935
4,389,389	5,230,396	728,189	680,886	131,077	14,228,303
4,005,195	6,499,272	788,874	1,317,193	533,424	18,397,852
1,943,175	1,820,819	397,492	703,508	271,354	6,975,383
59,342	398,798	650	9,766	667	471,690
3,689	2,750	4,327	1,668	-	15,045
-	-	-	-	-	2,104
<u>60,445,179</u>	<u>76,090,866</u>	<u>9,731,104</u>	<u>14,414,896</u>	<u>8,481,196</u>	<u>225,071,707</u>
				<u>2,713,996</u>	
				<u>11,195,192</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2014

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,048,841	7,658,955	13,553,779	18,092,970
Travel	28,587	27,168	50,612	42,807
Supplies and materials	453,111	493,182	1,086,803	841,475
Contractual services	581,297	733,928	1,637,098	2,823,429
Capital outlay	61,170	196,345	86,530	251,844
Claims and miscellaneous	2,224	24	1,792	829
Licenses, permits and refunds	463	-	870	2,580
Aid to individuals	-	1,849	-	-
Total before reallocations	<u>\$ 8,175,693</u>	<u>9,111,451</u>	16,417,484	<u>22,055,934</u>
Reallocated support services costs (see page 6)			<u>(2,593,756)</u>	
Total			<u>\$ 13,823,728</u>	

* As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
47,907,556	61,918,723	4,537,207	11,887,771	7,681,100	180,286,902
296,091	370,388	8,439	53,952	33,380	911,424
3,585,192	4,636,026	305,796	773,241	51,706	12,226,532
4,233,436	6,883,734	806,811	1,513,719	862,599	20,076,051
929,761	1,635,720	7,805	242,128	73,137	3,484,440
7,567	390,396	-	6,423	749	410,004
3,460	4,200	315	6,575	-	18,463
-	-	612	-	-	2,461
<u>56,963,063</u>	<u>75,839,187</u>	<u>5,666,985</u>	<u>14,483,809</u>	<u>8,702,671</u>	<u>217,416,277</u>
				<u>2,593,756</u>	
				<u>11,296,427</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2015

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Personal services	\$ 7,245,015	6,975,918	13,701,384	18,348,897
Travel	28,190	23,830	59,242	38,532
Supplies and materials	502,652	416,196	1,280,468	1,108,376
Contractual services	563,490	680,636	1,558,733	2,524,127
Capital outlay	93,439	212,325	43,597	322,472
Claims and miscellaneous	9,566	21	1,593	4,369
Licenses, permits and refunds	623	-	135	2,537
Aid to individuals	-	885	-	-
Total before reallocations	<u>\$ 8,442,975</u>	<u>8,309,811</u>	16,645,152	<u>22,349,310</u>
Reallocated support services costs (see page 6)			<u>(3,001,576)</u>	
Total			<u>\$ 13,643,576</u>	

As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
48,404,701	62,809,379	-	12,116,652	8,122,061	177,724,007
292,341	238,427	-	57,061	33,456	771,079
3,817,857	4,696,905	-	737,101	88,772	12,648,327
4,108,786	6,246,911	-	1,905,116	906,831	18,494,630
796,732	1,054,997	-	225,408	14,184	2,763,154
3,759	427,626	-	4,749	839	452,522
13,120	3,900	-	2,356	-	22,671
-	-	-	-	-	885
<u>57,437,296</u>	<u>75,478,145</u>	-	<u>15,048,443</u>	9,166,143	<u>212,877,275</u>
				<u>3,001,576</u>	
				<u>12,167,719</u>	

Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics
(Unaudited)

Year ended June 30, 2015

	Mental Health Institute - Clarinda**	Mental Health Institute - Mt. Pleasant**	Mental Health Institute - Cherokee	Mental Health Institute - Independence
Population beginning of year	24	46	24	50
Admissions:				
First admissions	69	321	363	126
Readmissions	40	95	165	77
Returns:				
Home visits	-	3	-	101
Limited leaves	-	-	-	-
Temporary medical transfers	-	-	-	4
Total admissions	109	419	528	308
Released:				
Discharges	133	459	518	204
Deaths	-	-	-	-
Home visits	-	3	-	101
Limited leaves	-	-	-	-
Temporary medical transfers	-	1	-	5
Other	-	2	-	-
Total released	133	465	518	310
Population end of year	-	-	34	48
Average number of residents/patients	18	38	31	51

* As of the end of January 2014, no juveniles resided at the Toledo Juvenile Home.

** As of June 30, 2015, no patients resided at the Clarinda or Mount Pleasant Mental Health Institutes.

Woodward Resource Center	Glenwood Resource Center	State Juvenile Home - Toledo *	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders
155	247	-	115	101
4	5	-	182	4
2	2	-	18	-
-	297	-	-	-
34	-	-	-	1
-	142	-	-	-
40	446	-	200	5
11	13	-	73	-
3	4	-	-	1
-	291	-	-	-
28	-	-	-	4
-	151	-	-	-
-	-	-	122	3
42	459	-	195	8
153	234	-	120	98
154	240	-	116	108

June 30, 2015

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:

(1) 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. When duties are properly segregated, the activities of one employee act as a check of those of another. The following were noted:

- a) Mail is not opened and distributed by someone other than accounting personnel. A list of receipts is not prepared by the mail opener. Responsibilities for collection and deposit preparation functions are not segregated from those for recording and accounting for cash receipts for the Sales and Collection, Contingent, Patient and Entertainment Funds.
- b) A surprise cash count was not performed.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Institute should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. A surprise cash count should be performed by an independent individual on an annual basis.

Response – We will begin to do surprise cash counts. We do attempt to have segregation of duties as much as possible, but realize we need to find other ways. However, the Institute closed on June 30, 2015.

Conclusion – Response accepted.

(2) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each agency of the state to maintain a written, detailed and up-to-date inventory of property under its charge, control and management. The Institute is required to keep an up-to-date and accurate asset listing to track and maintain control over capital assets. The following were noted:

- There are no procedures for periodically testing capital assets by an individual having no responsibility for the capital assets.
- There are no procedures in place to ensure capital asset tags are properly fixed on the asset. For 1 of 3 capital assets tested there was no capital asset tag affixed to the asset.
- For 1 of 3 capital assets tested for existence, the asset was not located.

Recommendation – The Institute should establish written procedures to ensure a detailed, up-to-date capital asset listing is maintained. Procedures should include, but not be limited to, ensuring all capital assets are properly tagged.

Findings and Recommendations for the Mental Health Institute – Clarinda

June 30, 2015

Response – We will be coming up with a procedure for capital assets testing to ensure capital asset tags are attached to the asset. However, the Institute closed on June 30, 2015.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager
Christian E. Cottingham, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Tiffany A. Aliprandi, Staff Auditor
Cole L. Hocker, Staff Auditor
Jonathan M. Mader, Staff Auditor
Mallory A. Sims, Staff Auditor
Carolina M. Chavez, Assistant Auditor
Nathaniel W. Packer, Assistant Auditor

June 30, 2015

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 Finding Related to Internal Control:

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, control and management. Approval for all deletions was completed at the end of the fiscal year; not at the time the asset was disposed of.

Recommendation – The Institute should develop procedures to ensure a detailed, up-to date capital asset listing is maintained for all assets. Procedures should include, but not be limited to, ensuring all capital asset deletions are approved timely and prior to deletion.

Response – The Business Manager will clarify the policy with Mount Pleasant business office staff and all department heads regarding proper communication on the disposal of property to ensure we are notified at the time of disposal and not at the time of physical inventory.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Manager
Joseph B. Sparks, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Eric L. Rath, Senior Auditor
Melissa E. Janssen, CPA, Staff Auditor
Daniel S. Nilsen, Staff Auditor
Sarah J. Swisher, Staff Auditor
Kristin R. Finke, Assistant Auditor
Robert E. Fisher, Assistant Auditor
Zachary J. Koziolk, Assistant Auditor

June 30, 2015

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:

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:

Timothy D. Houlette, CPA, Manager
Joshua W. Ostrander, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Michael A. Chervek, Staff Auditor
Cole L. Hocker, Staff Auditor
Alex N. Kawamura, Staff Auditor
Adjoa S. Adanledji, Assistant Auditor
Alison C. Anker, Assistant Auditor
Preston R. Grygiel, Assistant Auditor

June 30, 2015

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:

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:

Deborah J. Moser, CPA, Manager
Darryl J. Brumm, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Kelly L. Hilton, Senior Auditor
Mark D. Newhall, Staff Auditor
Janell R. Wieland, Staff Auditor
Debra M. Copeland, Assistant Auditor

June 30, 2015

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 Finding Related to Internal Control:

Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps prevent losses from employee error or dishonesty.

Three pharmacy employees have the ability to receive, issue, store and record inventory without proper segregation of duties.

Recommendation – The Center should implement procedures to segregate the duties of receiving, issuing, storing, and recording inventory.

Response – Current procedure is to have a pharmacy staff sign for the delivery, a second pharmacy staff checks in the order and records the inventory and a third person puts the order away. Each person assigned to the pharmacy will be trained on each step. This is to help with coverage in a small pharmacy with four employees.

Conclusion – Response accepted.

Finding Related to Statutory Requirements and Other Matters:

Target Small Business Procurement Goals – 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 Center for fiscal year 2015 was not set at a level greater than fiscal year 2014 actual TSB spending.

Recommendation – The Center should establish a goal which exceeds the 2014 actual TSB spending, as required.

Response – The Center concurs.

Conclusion – Response accepted.

Findings and Recommendations for the Woodward Resource Center

June 30, 2015

Staff:

Questions or requests for further assistance should be directed to:

Ernest H. Ruben Jr., CPA, Manager
Kaylynn D. Short, CPA, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Leanna J. Showman, Senior Auditor
David A. Cook, CPA, Staff Auditor
Michael Holowinski, Staff Auditor
Alex N. Kawamura, Staff Auditor
Jonathan M. Mader, Staff Auditor
Dan S. Nilsen, Staff Auditor
Jessica L. Russell, Staff Auditor
Erin J. Sietstra, Staff Auditor
Sarah J. Swisher, Staff Auditor
Ryan M. Barrett, Assistant Auditor
Cole J. Hanley, Assistant Auditor

June 30, 2015

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:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Target Small Business Procurement Goals – 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 center for fiscal year 2015 was not set at a level greater than fiscal year 2014 actual TSB spending.

Recommendation – The center should establish a goal which exceeds the 2014 actual TSB spending, as required.

Response – Glenwood Resource Center's (GRC) fiscal year 2014 TSB spending of \$35,347 included \$24,495 with Embark IT, Inc., the vendor who configured GRC's computers when desktop PC's were purchased. This is not something GRC will purchase every year. When this fact is considered, GRC's remaining purchases in fiscal year 2014 were \$10,852. GRC's spending in fiscal year 2015 of \$14,642 did exceed our remaining fiscal year 2014 spending. Another vendor CJ Cooper & Associates, Inc. was paid \$2,110 in fiscal year 2014 for GRC's drug testing. In fiscal year 2015, the state contract changed to First Lab, and GRC is no longer able to use CJ Cooper & Associates, Inc. for the testing.

In a search of the Targeted Small Businesses website, there are very few TSB's in the area surrounding the facility. Mills County has one, Fremont County (to our south) has one, Page County (to our east) has zero, and Pottawattamie County (to our north and including Council Bluffs, IA) has six Targeted Small Business vendors listed. Of these six, two are lawn care services (which GRC handles internally), one is graphic design and one is interior decorating.

Due to the lack of Target Small Businesses that GRC can utilize in Southwest Iowa, it is a challenge for the facility to meet this goal. GRC will make the best effort to attain established goals.

Conclusion – Response accepted.

Findings and Recommendations for the Glenwood Resource Center

June 30, 2015

Staff:

Questions or requests for further assistance should be directed to:

Timothy D. Houlette, CPA, Manager
Laura M. Wernimont, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Ramona F. Daly, Staff Auditor
Jessica R. Frisch, Staff Auditor
Tyler H. Moran, Staff Auditor
Dan S. Nilsen, Staff Auditor
Debra M. Copeland, Assistant Auditor
Tyler A. Propst, Assistant Auditor

June 30, 2015

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 Finding Related to Internal Control:

Payroll – Departments process and record payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises. One individual has the ability to initiate and approve P-1 documents.

Recommendation – To strengthen controls, the School should develop and implement procedures to further segregate duties so one individual does not have the ability to apply multiple levels of approval to P-1 documents. The School should obtain a listing from the Department of Administrative Services to verify School approvals of P-1 documents are being applied appropriately. This report should be independently reviewed by the Business Manager or designee.

Response - The School has recently hired a new Business Manager and will begin to implement internal controls to strengthen this process. The Business Manager or designee will independently review the P-1 documents going forward.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Ashley J. Moser, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Premnarayan Gobin, Staff Auditor
Jenna M. Paysen, Staff Auditor
Zachary J. Koziolk, Assistant Auditor

June 30, 2015

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:

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:

Timothy D. Houlette, CPA, Manager
Joshua W. Ostrander, Senior Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Cole L. Hocker, Staff Auditor