

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

NEWS RELEASE

FOR RELEASE

October 18, 2012

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt 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, 2011.

The average annualized cost per resident/patient at the nine institutions under the control of the Iowa Department of Human Services ranged from \$92,764 at the State Training School – Eldora to \$301,855 at the Woodward Resource Center and \$421,601 at the Mental Health Institute - Cherokee for the year ended June 30, 2011. Total general fund expenditures for the nine institutions increased 5.72% during the five year period to approximately \$220 million, the average number of residents/patients decreased 15.6%, from 1,137 to 960, and the average daily cost per resident/patient increased 25.2%, from \$501.40 to \$627.80, over the same period.

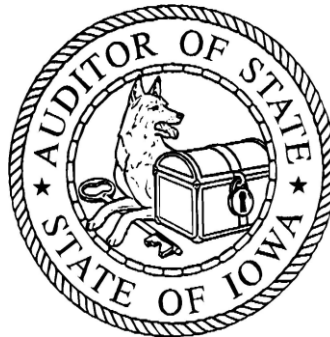
Copies of the report are available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1262-8990-BR00.pdf>.

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

JUNE 30, 2011

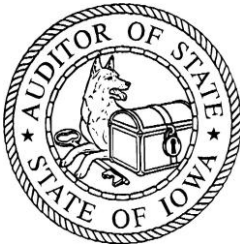
Office of
**AUDITOR
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State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State

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David A. Vaudt, CPA
Auditor of State

October 9, 2012

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, 2011.

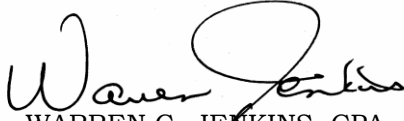
In conducting our audits, we became aware of certain aspects concerning the various Institutions' operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, 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, 2011 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 29, 30, 31, 32, 34, 35, 36, 37 and 38 and they are available to discuss these matters with you.


DAVID A. VAUDT, 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 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:

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 for the mentally retarded 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 for the mentally retarded 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.

State Training School - Eldora – The Training School was established in 1868. The Institution is a minimum security facility for boys between the ages of twelve and eighteen 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.

Iowa Department of Human Services

Overview

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, Iowa. 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.

As mentioned on the previous page, 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 of Iowa.

Scope and Methodology

We have calculated an average cost per resident/patient at each Institution for the five years ended June 30, 2011 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.
- (2) At the inception of a capital lease, total principal payments are recorded as expenditures and as other financing sources for statewide purposes. For purposes of this report, we have included only the current year principal and interest payments 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.

Iowa Department of Human Services

Overview

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 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 on Schedules 2, 3, 4, 5 and 6 on pages 16 through 25.

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 \$92,764 at the State Training School – Eldora to \$301,855 at the Woodward Resource Center and \$421,601 at the Mental Health Institute – Cherokee for fiscal year 2011.

Total general fund expenditures increased 5.72%, from \$208,083,701 in 2007 to \$219,981,354 in 2011, the average number of residents/patients decreased 15.6%, from 1,137 to 960, and the average daily cost per resident/patient increased 25.2%, from \$501.40 to \$627.80, over the same period.

Median stay ranged from 9 days to 44 days at the four Mental Health Institutes for fiscal year 2011.

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, 2007					
	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	48	91	\$ 176,892	484.64	21	\$10,177
Mental Health Institute - Mt. Pleasant	59	101	132,795	363.82	28	10,187
Mental Health Institute - Cherokee	40	213	344,165	942.92	14	13,201
Mental Health Institute - Independence	86	283	243,051	665.89	48	31,963
Woodward Resource Center	248	697	221,510	606.88		
Glenwood Resource Center	338	920	217,387	595.58		
State Juvenile Home - Toledo	79	118	104,366	285.93		
State Training School - Eldora	173	197	79,748	218.49		
Civil Commitment Unit for Sexual Offenders	66	78	100,552	275.49		
Total	1,137	2,698	\$ 183,011	501.40		

Schedule 1

Year ended June 30, 2008						Year ended June 30, 2009					
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
46	93	\$ 196,548	538.49	19	\$10,231	44	92	\$ 209,599	574.24	8	\$ 4,594
60	106	144,064	394.70	28	11,052	66	107	137,009	375.37	26	9,760
40	212	362,275	992.53	13	12,903	38	205	376,881	1,032.55	14	14,456
84	280	259,768	711.69	36	25,621	82	278	273,346	748.89	37	27,709
235	717	247,023	676.77			218	729	288,813	791.27		
326	927	242,674	664.86			314	932	260,964	714.97		
76	118	117,810	322.77			72	123	125,631	344.19		
166	194	89,716	245.80			160	201	96,100	263.29		
71	84	108,292	296.69			78	92	114,036	312.43		
1,104	2,731	\$ 201,716	552.65			1,072	2,759	\$ 217,557	596.05		

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, 2010					
	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	47	85	\$ 182,805	500.83	9	\$ 4,508
Mental Health Institute - Mt. Pleasant	71	97	120,963	331.41	28	9,279
Mental Health Institute - Cherokee	34	194	387,690	1,062.17	15	15,932
Mental Health Institute - Independence	78	262	274,225	751.30	48	36,062
Woodward Resource Center	205	724	318,359	872.22		
Glenwood Resource Center	300	922	269,879	739.39		
State Juvenile Home - Toledo	75	114	115,320	315.95		
State Training School - Eldora	141	188	99,726	273.22		
Civil Commitment Unit for Sexual Offenders	80	89	121,179	332.00		
Total	1,031	2,675	\$ 223,456	612.21		

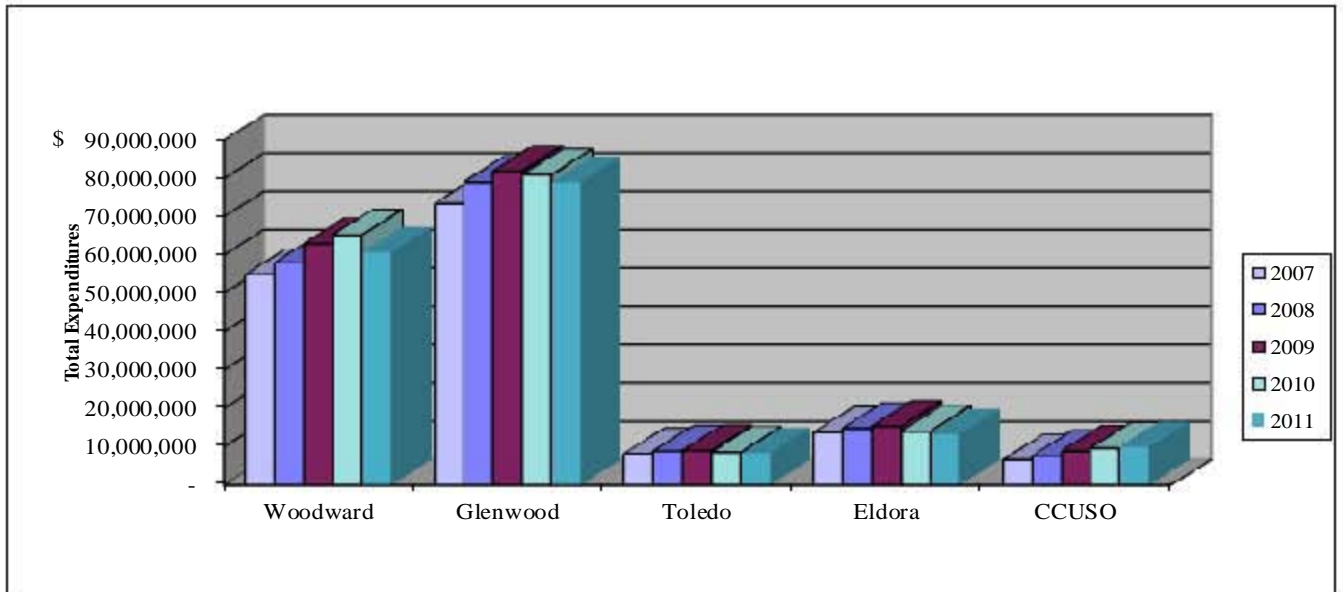
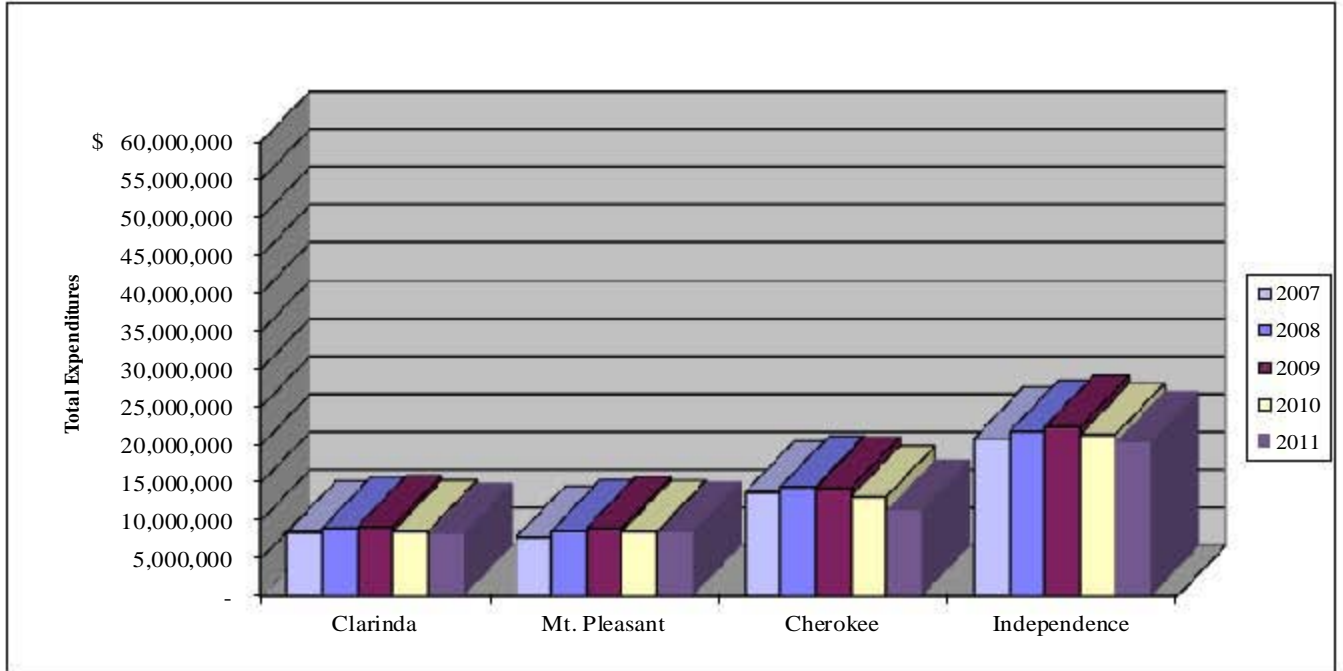
Year ended June 30, 2011					
Average Number of Residents/ Patients	Average Number of Em- ployees	Average Annualized Cost per Resident/ Patient	Average Daily Cost per Resident/ Patient	Median Stay (Days)	Cost per Stay
40	80	\$ 207,391	568.19	9	\$ 5,114
63	92	134,204	367.68	29	10,663
27	157	421,601	1,155.07	12	13,861
59	233	345,732	947.21	44	41,677
201	711	301,855	827.00		
286	883	276,437	757.36		
60	103	141,266	387.03		
143	169	92,764	254.15		
81	88	123,141	337.37		
960	2,516	\$ 229,147	627.80		

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)

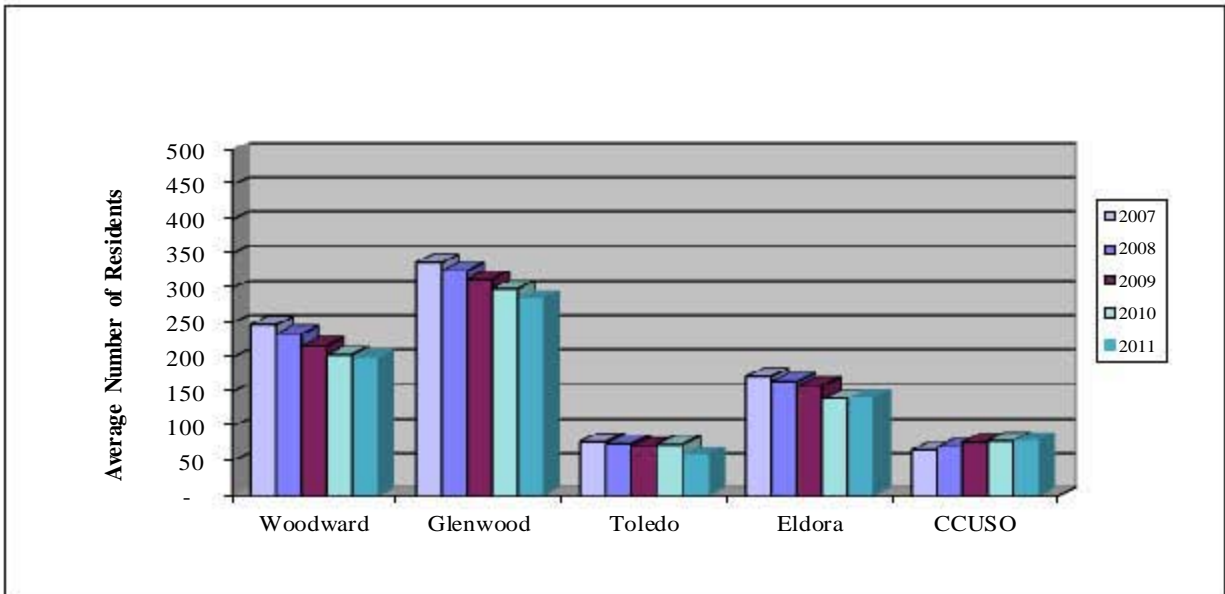
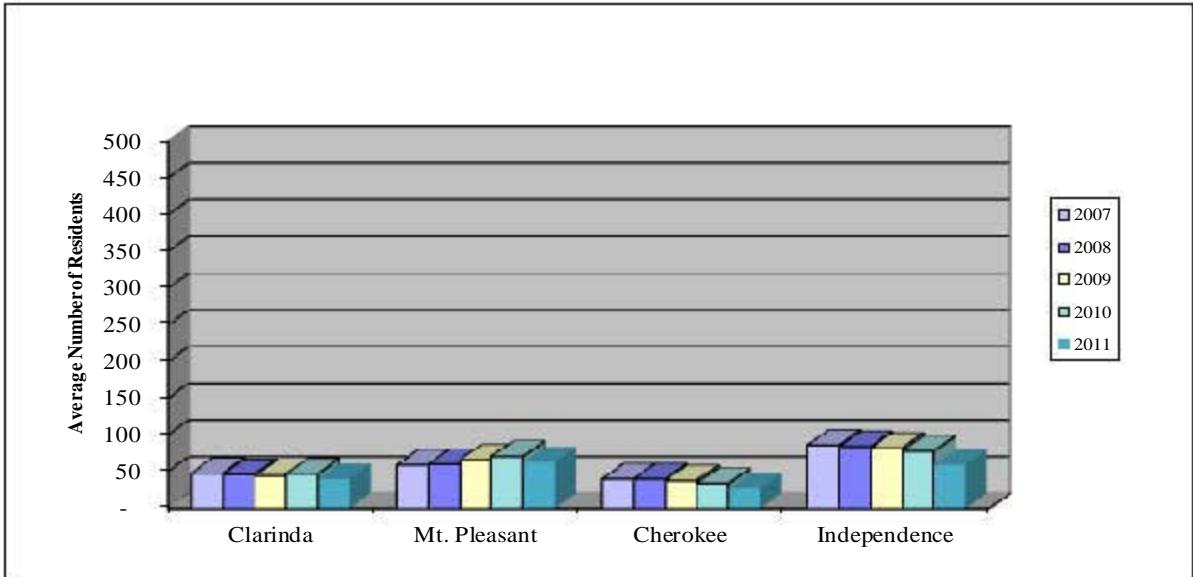
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Human Services

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

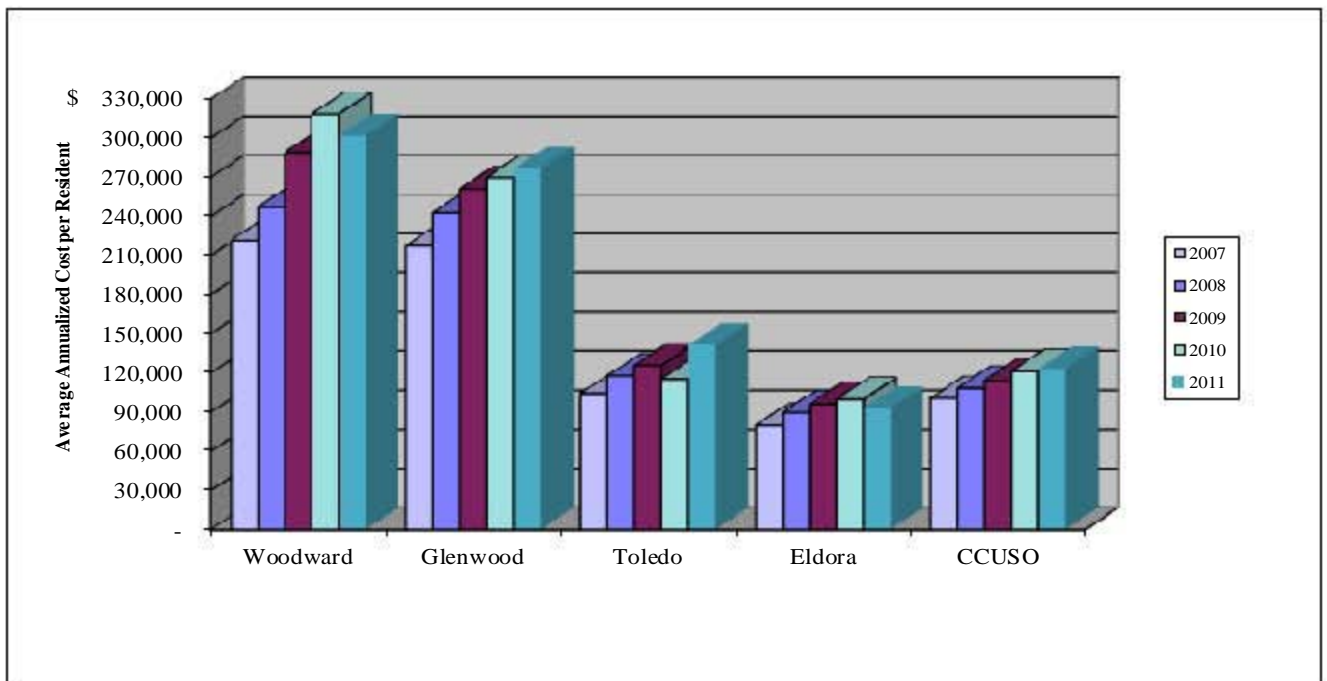
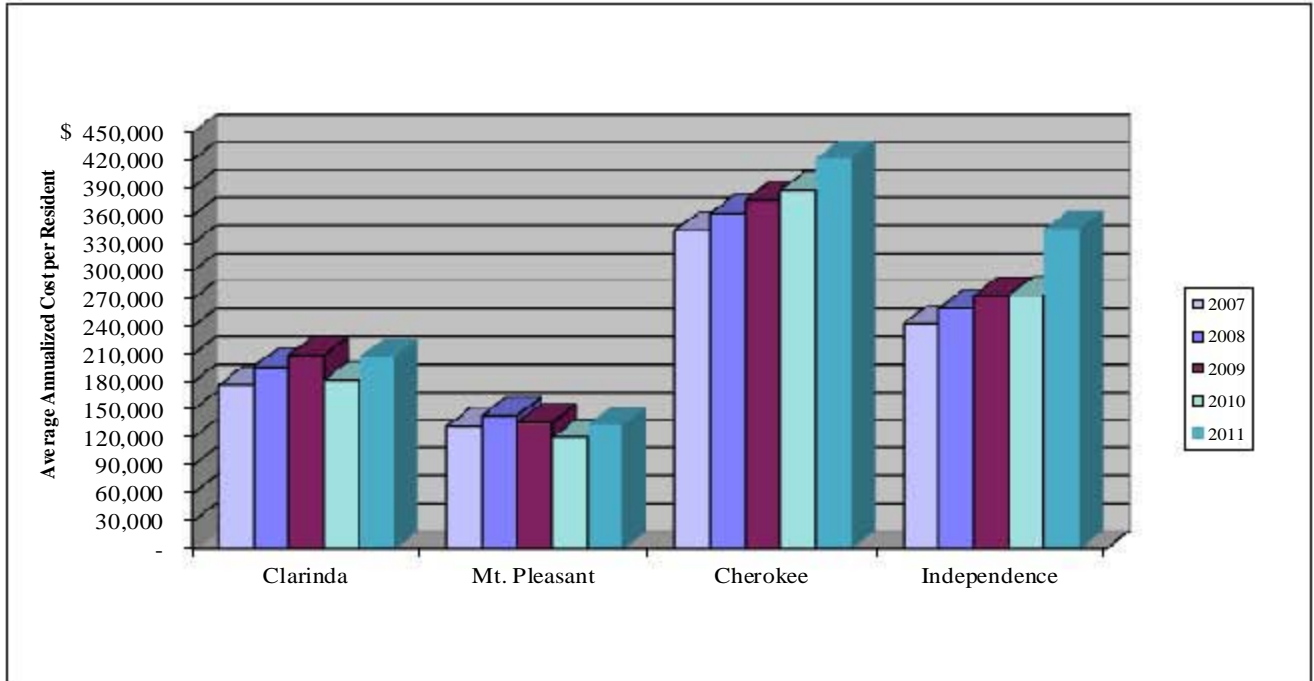
For the Last Five Fiscal Years



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



Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2007

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 6,974,408	6,607,924	13,097,593	17,987,635	44,147,216
Travel	32,341	21,055	61,512	47,868	163,525
Supplies and materials	784,206	474,112	953,231	929,528	3,761,111
Contractual services	534,099	636,244	1,408,683	1,874,328	4,818,602
Capital outlay	164,335	93,516	164,310	55,466	1,895,961
Claims and miscellaneous	709	27	3,144	492	147,097
Licenses, permits and refunds	732	-	154	7,082	870
Aid to individuals	-	2,016	-	-	-
Total before reallocations	<u>\$ 8,490,830</u>	<u>7,834,894</u>	15,688,627	<u>20,902,399</u>	<u>54,934,382</u>
Reallocated support services costs (see page 6)			<u>(1,922,019)</u>		
Total			<u>\$ 13,766,608</u>		

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
55,176,264	6,787,256	11,267,363	4,502,835	166,548,494
235,937	20,081	69,613	34,646	686,578
5,649,422	598,421	706,984	27,255	13,884,270
8,331,823	736,550	1,439,726	129,846	19,909,901
3,583,845	94,876	301,082	19,305	6,372,696
497,445	5,135	8,167	549	662,765
2,186	2,572	3,385	-	16,981
-	-	-	-	2,016
<u>73,476,922</u>	<u>8,244,891</u>	<u>13,796,320</u>	4,714,436	<u>208,083,701</u>
			<u>1,922,019</u>	
			<u>6,636,455</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2008

	Mental Health Institute - Clarinda	Mental Health Institute - Mount Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 7,391,770	7,216,650	13,682,846	18,417,624	47,143,096
Travel	40,638	33,797	43,114	58,315	495,664
Supplies and materials	990,920	532,517	977,555	987,342	3,634,099
Contractual services	554,287	773,252	1,535,253	2,031,591	4,946,799
Capital outlay	63,397	86,227	231,219	323,034	1,689,921
Claims and miscellaneous	126	405	1,409	1,035	140,380
Licenses, permits and refunds	85	1,010	505	1,578	407
Aid to individuals	-	-	-	-	-
Total before reallocations	<u>\$ 9,041,223</u>	<u>8,643,858</u>	16,471,901	<u>21,820,519</u>	<u>58,050,366</u>
Reallocated support services costs (see page 6)			<u>(1,980,918)</u>		
Total			<u>\$ 14,490,983</u>		

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
60,378,764	7,221,028	12,104,745	5,091,505	178,648,028
440,068	33,390	60,763	65,017	1,270,766
6,366,174	695,767	752,121	106,345	15,042,840
8,314,399	759,312	1,554,480	274,163	20,743,536
3,073,359	236,224	400,995	169,134	6,273,510
532,949	6,139	14,524	1,678	698,645
5,939	1,676	5,222	-	16,422
226	-	-	-	226
<u>79,111,878</u>	<u>8,953,536</u>	<u>14,892,850</u>	5,707,842	<u>222,693,973</u>
			<u>1,980,918</u>	
			<u>7,688,760</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2009

	Mental Health Institute - Clarinda	Mental Health Institute - Mt. Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 7,529,126	7,385,240	13,819,279	19,051,691	50,053,247
Travel	84,462	22,152	44,692	73,630	580,285
Supplies and materials	897,809	580,518	1,222,413	965,007	4,149,086
Contractual services	591,079	979,587	950,191	2,077,976	6,129,541
Capital outlay	119,038	73,686	307,189	240,646	1,901,365
Claims and miscellaneous	359	840	331	3,149	147,139
Licenses, permits and refunds	465	-	780	2,309	607
Aid to individuals	-	540	-	-	-
Total	\$ 9,222,338	9,042,563	16,344,875	22,414,408	62,961,270
Reallocated support services costs (see page 6)			<u>(2,023,410)</u>		
Total			<u>\$ 14,321,465</u>		

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
62,500,842	7,651,720	12,287,820	5,827,528	186,106,493
254,567	17,633	55,147	7,240	1,139,808
6,584,419	677,889	855,556	786,475	16,719,172
9,289,745	659,861	1,849,605	195,958	22,723,543
2,785,072	29,723	307,860	53,657	5,818,236
520,882	4,332	18,818	569	696,419
7,116	4,288	1,167	-	16,732
-	-	-	-	540
<u>81,942,643</u>	<u>9,045,446</u>	<u>15,375,973</u>	<u>6,871,427</u>	<u>233,220,943</u>
			<u>2,023,410</u>	
			<u>8,894,837</u>	

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2010

	Mental Health Institute - Clarinda	Mental Health Institute - Mt. Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Personal services	\$ 7,250,076	6,921,068	13,496,617	18,320,418	50,362,160
Travel	52,181	77,156	59,239	78,724	1,159,313
Supplies and materials	652,037	490,945	1,075,399	777,745	4,726,391
Contractual services	594,108	914,448	1,202,746	2,122,178	7,172,716
Capital outlay	42,725	183,274	121,510	86,222	1,742,716
Claims and miscellaneous	225	331	1,688	1,690	99,756
Licenses, permits and refunds	466	-	895	2,565	528
Aid to individuals	-	1,183	-	-	-
	<hr/>				
Total	<u>\$ 8,591,818</u>	<u>8,588,405</u>	15,958,094	<u>21,389,542</u>	<u>65,263,580</u>
Reallocated support services costs (see page 6)			<u>(2,776,626)</u>		
Total			<u>\$ 13,181,468</u>		

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
61,197,320	7,198,717	11,598,464	5,900,877	182,245,717
1,079,322	70,078	100,344	10,653	2,687,010
6,130,446	671,346	579,128	729,698	15,833,135
9,275,428	653,344	1,552,170	267,289	23,754,427
2,704,880	49,760	214,712	9,050	5,154,849
573,001	3,765	13,260	146	693,862
3,354	2,026	3,343	-	13,177
-	-	-	-	1,183
<u>80,963,751</u>	<u>8,649,036</u>	<u>14,061,421</u>	<u>6,917,713</u>	<u>230,383,360</u>
			<u>2,776,626</u>	
			<u>9,694,339</u>	

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	Woodward Resource Center
Personal services	\$ 7,216,774	6,796,196	11,634,175	17,158,403	50,087,941
Travel	22,401	10,006	55,509	27,055	380,352
Supplies and materials	523,233	461,404	905,510	799,733	4,479,918
Contractual services	498,036	1,025,590	1,399,542	2,091,352	4,809,727
Capital outlay	34,698	159,299	144,081	318,639	804,932
Claims and miscellaneous	54	58	1,165	945	108,933
Licenses, permits and refunds	425	-	780	2,077	985
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>	<u>60,672,788</u>
Reallocated support services costs (see page 6)			<u>(2,757,545)</u>		
Total			<u>\$ 11,383,217</u>		

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders	Total
61,427,351	7,022,669	11,085,766	6,124,755	178,554,030
692,274	11,896	37,574	63,732	1,300,799
6,712,830	678,049	624,520	799,415	15,984,612
8,264,636	682,848	1,333,028	180,936	20,285,695
1,453,278	77,944	167,607	47,202	3,207,680
506,136	1,980	12,745	825	632,841
4,584	595	3,958	-	13,404
-	-	-	-	2,293
<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

Resident/Patient Population Statistics
(Unaudited)

Year ended June 30, 2011

	Mental Health Institute - Clarinda	Mental Health Institute - Mt. Pleasant	Mental Health Institute - Cherokee	Mental Health Institute - Independence	Woodward Resource Center
Population beginning of year	45	64	30	63	203
Admissions:					
First admissions	105	616	274	130	9
Readmissions	70	152	155	109	-
Returns:					
Home visits	-	1	-	205	-
Limited leaves	-	-	-	2	49
Temporary medical transfers	-	6	-	16	-
Unauthorized departures	-	2	-	1	-
Total admissions	175	777	429	463	58
Released:					
Discharges	184	760	429	239	15
Deaths	-	-	-	-	4
Home visits	-	1	-	205	-
Limited leaves	-	-	-	3	49
Temporary medical transfers	-	8	3	16	-
Unauthorized departures	-	11	-	2	-
Other	-	-	-	-	-
Total released	184	780	432	465	68
Population end of year	36	61	27	61	193
Average number of residents/patients	40	63	27	59	201

Glenwood Resource Center	State Juvenile Home - Toledo	State Training School - Eldora	Civil Commitment Unit for Sexual Offenders
289	76	129	80
4	67	250	4
4	-	8	-
409	-	-	-
-	-	-	-
165	-	-	-
-	-	-	-
582	67	258	4
14	91	108	1
6	-	-	-
409	-	-	-
-	-	-	-
165	-	-	-
-	-	-	-
-	-	149	-
594	91	257	1
277	52	130	83
286	60	143	81

June 30, 2011

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. 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 Fund, Patient and Entertainment Funds. Bank reconciliations are not reviewed by an independent person or there was no written evidence of who performed the independent review.

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

Response – The Institution will continue to review its internal control policies, including utilization of staff outside the business office to assist in recording and accounting for cash receipts.

Conclusion – Response accepted.

- (2) Bank Reconciliations – Monthly bank to book reconciliations were not performed timely and reconciliations are not reviewed by an independent person.

Recommendation – Proper book to bank reconciliation procedures should be performed timely as a control over cash reporting. The reconciliations should be reviewed by an independent person and the reviews should be evidenced by the reviewer's signature or initials and the date reviewed.

Response – The Institution is in the process of reviewing our banking procedures and will include a review of the bank reconciliations in the changes we are making to the procedures.

Conclusion – Response accepted.

- (3) 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 Institution is required to keep an up-to-date and accurate asset listing to track and maintain control over capital assets. This includes properly classifying additions and deletions for equipment and vehicles throughout the fiscal year, making additions and deletions to the capital asset listing and ensuring items are properly tagged.

Findings and Recommendations for Mental Health Institute - Clarinda

June 30, 2011

The following items were noted:

- There is no written guideline for cost allocation of assets between Clarinda MHI and Clarinda Department of Corrections (DOC) identifying whether the asset belongs to the MHI or the DOC.
- One asset tested did not have a State tag ID affixed to the asset.

Recommendation – The Institution should establish guidelines for cost allocation and identifying capital assets between Clarinda MHI and Clarinda DOC. The Institution should review policies and procedures to ensure all applicable capital assets purchased and maintained are properly tagged with the State tag ID number.

Response – The Institution will review its policies for capital assets; including the cost allocation of capital assets. We will also review our policy on tagging assets; particularly those in areas not suited for paper tags.

Conclusion – Response accepted.

- (4) Cancelling Supporting Documentation – Supporting documentation for 17 of 23 items was not cancelled to prevent reuse.

Recommendation – The Institution should establish policies and procedures to require and ensure supporting documentation is properly cancelled to prevent reuse

Response – The Institution will review its payment and revenue processes to include cancelling all supporting documentation.

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:

Marlys K. Gaston, CPA, Manager
Tracey L. Gerrish, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Ryan T. Jelsma, Staff Auditor
Cory A. Lee, Assistant Auditor
Jamie T. Reuter, Assistant Auditor

June 30, 2011

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:

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 Institution is required to keep an up-to-date and accurate capital asset listing to track and maintain control over capital assets. This includes properly classifying additions and deletions for equipment and vehicles throughout the fiscal year, making additions and deletions to the capital asset listing and ensuring items are properly tagged. Four assets did not have State tags affixed to them.

Recommendation – The Institution should review policies and procedures to ensure all applicable capital assets purchased and maintained are properly tagged with the State ID number.

Response – The Institution will ensure all applicable capital assets purchased and maintained by the Institution are properly tagged with a State ID number.

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
Scott P. Boisen, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Tyler L. Carter, Staff Auditor
James H. Pitcher, Staff Auditor
Russell G. Jordan, CPA, Assistant Auditor
Eric L. Rath, Assistant Auditor
W. Brad Corley, Assistant Auditor

June 30, 2011

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
Kelly L. Hilton, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Brett A. Hoffman, Staff Auditor
Hannah K. Haas, Assistant Auditor
Marijke J. Hodgson, Assistant Auditor
Andi J. Kaufman, CPA, Assistant Auditor
Jamie T. Reuter, Assistant Auditor

June 30, 2011

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:

Eligibility – Title XIX – The Institution is required to maintain patient files, including documentation of patient eligibility for Title XIX funding which can be in a paper or electronic format. Patient files did not contain evidence of proper determination of eligibility, including reviews for continued eligibility during the fiscal year ended June 30, 2011. Documentation for patient eligibility was subsequently obtained in order to bill for services.

Recommendation - The Institution should maintain patient files, including documentation of patient eligibility for Title XIX funding, on a current basis.

Response - The Institution will comply with the recommendation. During the fiscal year ended June 30, 2010, the Institution's only Income Maintenance Worker separated employment under the State Employee Retirement Incentive Program (SERIP). This position was not immediately replaced. An Income Maintenance Worker was added to the Institution staff during the fiscal year ended June 30, 2011 and has been maintaining required documentation since then. This employee was also able to retrospectively establish eligibility for Title XIX and update the patient files accordingly.

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:

Suzanne R. Dahlstrom, 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, Staff Auditor
Brett A. Hoffman, Staff Auditor
Ryan T. Jelsma, Staff Auditor
James H. Pitcher, Staff Auditor
Emily K. Creighton, Assistant Auditor
Karie A. Meisgeier, CPA, Assistant Auditor
Andi J. Kaufman, CPA, Assistant Auditor

June 30, 2011

Findings Reported in the State's Single Audit Report:

No matters were noted.

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

No matters were noted.

Other Findings Related to Internal Control:

- (1) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each agency to maintain a written, detailed and up-to-date inventory of property under its charge and control. One asset selected from the capital asset listing could not be located because the asset was disposed of during the year, causing assets and accumulated depreciation to be overstated by \$17,100.

Recommendation – The Center should implement procedures to ensure the capital asset listing is current and accurate.

Response – Woodward Resource Center acknowledges one item tested did not exist and was on the capital asset listing, but has now been deleted.

Conclusion – Response accepted.

- (2) Reconciliation of Medicare D Billings – A reconciliation of Medicare D billings to payments received is not performed.

Recommendation – A reconciliation of Medicare D billings to payments received should be performed monthly to detect and correct billing errors.

Response – Woodward Resource Center will move forward with having the Pharmacy provide the Business Office with a report to use for reconciling the billings and payments.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

Employee Evaluations – Annual employee performance evaluations should be performed. Three of ten employees tested did not have a current performance evaluation in his or her personnel file.

Recommendation – The Center should implement procedures to ensure employee performance evaluations are performed annually.

Response – This has been corrected and reviewed with all supervisors at Woodward Resource Center.

Conclusion – Response accepted.

Findings and Recommendations for Woodward Resource Center

June 30, 2011

Staff:

Questions or requests for further assistance should be directed to:

Michelle B. Meyer, CPA, Manager
Casey L. Johnson, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Janet K. Mortvedt, CPA, Senior Auditor
Leanna J. Showman, Staff Auditor
Nancy J. Umsted, Assistant Auditor
Jamie T. Reuter, Assistant Auditor
Victor L. Kennedy, Assistant Auditor

Findings and Recommendations for Glenwood Resource Center

June 30, 2011

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
Marta M. Sobieszkoda, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Gabriel M. Stafford, CPA, Staff Auditor
Robert W. Endriss, Assistant Auditor
Adam B. Bartz, Assistant Auditor
Victor L. Kennedy, Assistant Auditor
Jason Ropte, Auditor Intern

June 30, 2011

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:

Brian R. Brustkern, CPA, Manager
Jenny R. Lawrence, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Leanna J. Showman, Staff Auditor
Ryan T. Jelsma, Staff Auditor
Marijke Hodgson, Assistant Auditor
Andi J. Kaufman, CPA, Assistant Auditor
Stephen J. Hoffman, Auditor Intern

June 30, 2011

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the States Report on Internal Control:

No matters were noted.

Other Finding Related to Internal Control:

Capital Assets - The State Training School sold four vehicles during fiscal year 2011. However, the gain on sale was incorrectly calculated and was overstated by \$4,822.14 on the GAAP package. Also, the current year depreciation was overstated by \$139,198.08. In addition, a prior year correction of \$7,510.09 for accumulated depreciation was not included in the current year, resulting in a total accumulated depreciation overstatement of \$146,708.17 on the GAAP package.

Recommendation - 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 and control. Accumulated depreciation and any gains on sale of equipment should be properly computed and reported on the GAAP package. Capital asset records should be updated to adjust for these corrections.

Response - The business office staff shall make the recommended corrections to the capital asset records in the GAAP package. Even though the GAAP package was meticulously reviewed by the available staff, this review process missed the overstatement of depreciation and the error in accumulated depreciation. The State Training School shall incorporate additional reviews which will help ensure GAAP package reporting is as error free as possible.

Conclusion - Response accepted.

Finding 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
Brett A. Hoffman, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Justin M. Scherrman Staff Auditor
Kelly L. Hilton, Staff Auditor
Adam B. Bartz, Assistant Auditor
Laura E. Grinnell, Assistant Auditor
Cory A. Lee, Assistant Auditor

June 30, 2011

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
Kelly L. Hilton, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in the audits include:

Brett A. Hoffman, Staff Auditor
Andi J. Kaufman, CPA, Assistant Auditor