



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

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NEWS RELEASE

FOR RELEASE _____ September 18, 2007

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, 2006.

The average annualized cost per resident/patient at the nine institutions under the control of the Iowa Department of Human Services ranged from \$72,497 at the State Training School – Eldora to \$232,161 at the Mental Health Institute - Independence and \$303,848 at the Mental Health Institute - Cherokee for the year ended June 30, 2006. Total general fund expenditures for the nine institutions increased 27.85% during the five year period to about \$193 million, the average number of residents/patients decreased 12.03%, from 1,322 to 1,163, and the average daily cost per resident/patient increased 45.33%, from \$314.68 to \$457.34, over the same period.

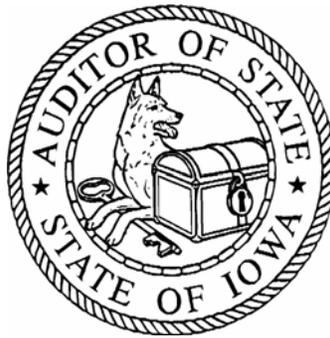
Copies of the report are available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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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, 2006

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



David A. Vaudt, CPA
Auditor of State

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September 12, 2007

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, 2006.

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 pertain to the internal control, 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.

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, 2006 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 28, 29, 30, 31, 33, 34, 35, 36 and 37 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 Chester J. Culver, Governor
Charles J. Krogmeier, Director, Department of Management
Dennis C. Prouty, 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 retardation 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 retardation or other disabilities in the State.

State Juvenile Home - Toledo – The State Juvenile Home - Toledo 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 nursing care 24 hours 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 ages 12 to 17 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, 2006, 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 was available for the year ended June 30, 2006 and is reported as reallocated support services costs on Schedule 6, pages 24 and 25. This information was not available prior to the year ended June 30, 2006.

The average annualized cost per resident/patient ranged from \$72,497 at the State Training School – Eldora to \$232,161 at the Mental Health Institute - Independence and \$303,848 at the Mental Health Institute – Cherokee for fiscal year 2006.

During fiscal year 1999, the Civil Commitment Unit for Sexual Offenders was opened and housed residents at the Iowa Medical and Classification Center at Oakdale. During fiscal year 2003, the Civil Commitment Unit for Sexual Offenders was relocated to a secure facility located in Cherokee. The number of residents increased from 1 on July 1, 1999 to 62 on June 30, 2006.

Total general fund expenditures increased 27.85%, from \$151,843,426 in 2002 to \$194,138,850 in 2006, the average number of residents/patients decreased 12.03%, from 1,322 to 1,163, and the average daily cost per resident/patient increased 45.33%, from \$314.68 to \$457.34, over the same period.

Median stay ranged from 13 days to 45 days at the four Mental Health Institutes for fiscal year 2006 and has generally remained constant or increased over the past five years at each Institution.

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, 2002 | | | | | |
|--|--|--|---|--|--------------------------|---------------------|
| | 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 | 63 | 111 | \$ 124,399 | 340.82 | 10 | \$ 3,408 |
| Mental Health Institute - Mt. Pleasant | 69 | 98 | 90,440 | 247.78 | 28 | 6,938 |
| Mental Health Institute - Cherokee | 64 | 237 | 222,897 | 610.68 | 13 | 7,939 |
| Mental Health Institute - Independence | 130 | 351 | 145,731 | 399.26 | 37 | 14,773 |
| Woodward Resource Center | 282 | 628 | 133,628 | 366.10 | | |
| Glenwood Resource Center | 395 | 828 | 119,053 | 326.17 | | |
| State Juvenile Home - Toledo | 101 | 128 | 68,306 | 187.14 | | |
| State Training School - Eldora | 193 | 217 | 59,549 | 163.15 | | |
| Civil Commitment Unit for Sexual Offenders | 25 | 31 | 58,190 | 159.42 | | |
| Total | 1,322 | 2,629 | \$ 114,859 | 314.68 | | |

| Year ended June 30, 2003 | | | | | | Year ended June 30, 2004 | | | | | |
|--------------------------------------|-----------------------------|--|---|--------------------|---------------|--------------------------------------|-----------------------------|--|---|--------------------|---------------|
| Average Number of Residents/Patients | Average Number of Employees | Average Annualized Cost per Resident/Patient | Average Daily Cost per Resident/Patient | Median Stay (Days) | Cost per Stay | Average Number of Residents/Patients | Average Number of Employees | Average Annualized Cost per Resident/Patient | Average Daily Cost per Resident/Patient | Median Stay (Days) | Cost per Stay |
| 47 | 97 | \$ 151,339 | 414.63 | 7 | \$ 2,902 | 48 | 90 | \$ 154,296 | 422.73 | 11 | \$ 4,650 |
| 52 | 87 | 110,369 | 302.38 | 29 | 8,769 | 58 | 96 | 111,172 | 304.58 | 29 | 8,833 |
| 48 | 206 | 272,244 | 745.87 | 15 | 11,188 | 46 | 208 | 305,128 | 835.97 | 13 | 10,868 |
| 94 | 307 | 191,686 | 525.17 | 40 | 21,007 | 92 | 303 | 205,365 | 562.64 | 54 | 30,383 |
| 281 | 622 | 139,616 | 382.51 | | | 281 | 640 | 152,174 | 416.92 | | |
| 391 | 803 | 126,359 | 346.19 | | | 390 | 845 | 139,749 | 382.87 | | |
| 88 | 114 | 73,816 | 202.24 | | | 89 | 112 | 79,741 | 218.47 | | |
| 192 | 200 | 58,294 | 159.71 | | | 187 | 195 | 64,266 | 176.07 | | |
| 35 | 27 | 62,150 | 170.27 | | | 38 | 54 | 99,297 | 272.05 | | |
| 1,228 | 2,463 | \$ 124,137 | 340.10 | | | 1,229 | 2,543 | \$ 135,830 | 372.14 | | |

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, 2005 | | | | | |
|--|--|--|---|--|--------------------------|---------------------|
| | 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 | 89 | \$ 159,852 | 437.95 | 12 | \$ 5,255 |
| Mental Health Institute - Mt. Pleasant | 57 | 87 | 119,563 | 327.57 | 29 | 9,500 |
| Mental Health Institute - Cherokee | 44 | 203 | 318,750 | 873.29 | 15 | 13,099 |
| Mental Health Institute - Independence | 89 | 298 | 217,909 | 597.01 | 48 | 28,657 |
| Woodward Resource Center | 269 | 629 | 165,667 | 453.88 | | |
| Glenwood Resource Center | 377 | 862 | 156,126 | 427.74 | | |
| State Juvenile Home - Toledo | 81 | 113 | 89,432 | 245.02 | | |
| State Training School - Eldora | 165 | 192 | 74,144 | 203.13 | | |
| Civil Commitment Unit for Sexual Offenders | 47 | 58 | 76,562 | 209.76 | | |
| Total | 1,176 | 2,531 | \$ 148,169 | 405.94 | | |

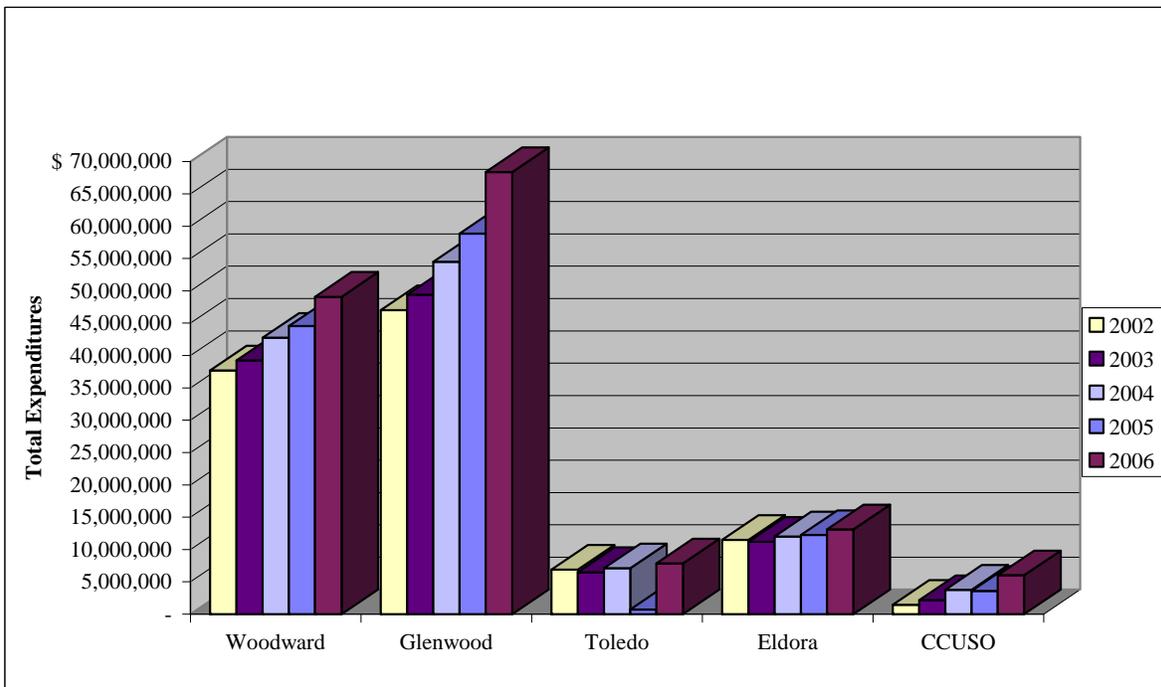
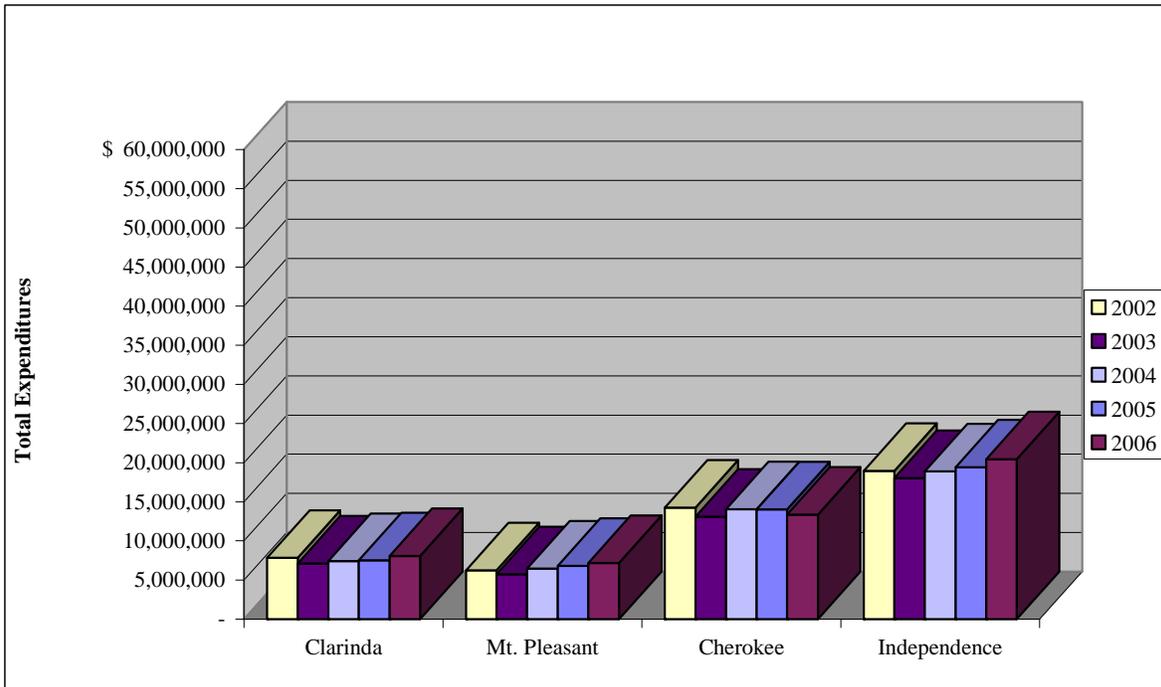
| Year ended June 30, 2006 | | | | | |
|--|--|---|--|--------------------------|---------------------|
| Average Number of Residents/ Patients | Average Number of Em- ployees | Average Annualized Cost per Resident/ Patient | Average Daily Cost per Resident/ Patient | Median Stay (Days) | Cost per Stay |
| 46 | 89 | \$ 175,494 | 480.81 | 13 | \$ 6,250 |
| 54 | 94 | 132,796 | 363.83 | 28 | 10,187 |
| 44 | 212 | 303,848 | 832.46 | 18 | 14,984 |
| 88 | 283 | 232,161 | 636.06 | 45 | 28,623 |
| 259 | 662 | 189,503 | 519.19 | | |
| 354 | 896 | 193,145 | 529.17 | | |
| 82 | 116 | 95,849 | 262.60 | | |
| 181 | 195 | 72,497 | 198.62 | | |
| 55 | 66 | 121,077 | 331.72 | | |
| 1,163 | 2,613 | \$ 166,929 | 457.34 | | |

Iowa Department of Human Services

Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient Information By Institution
Total Expenditures
(Unaudited)

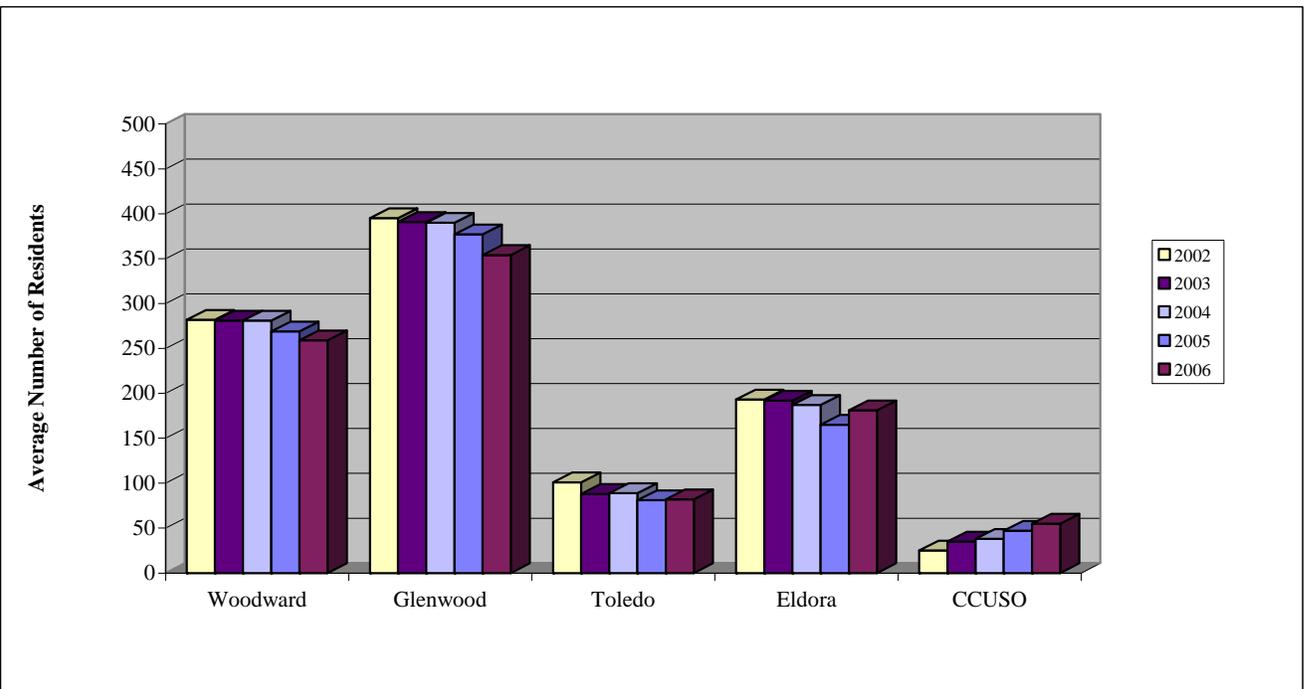
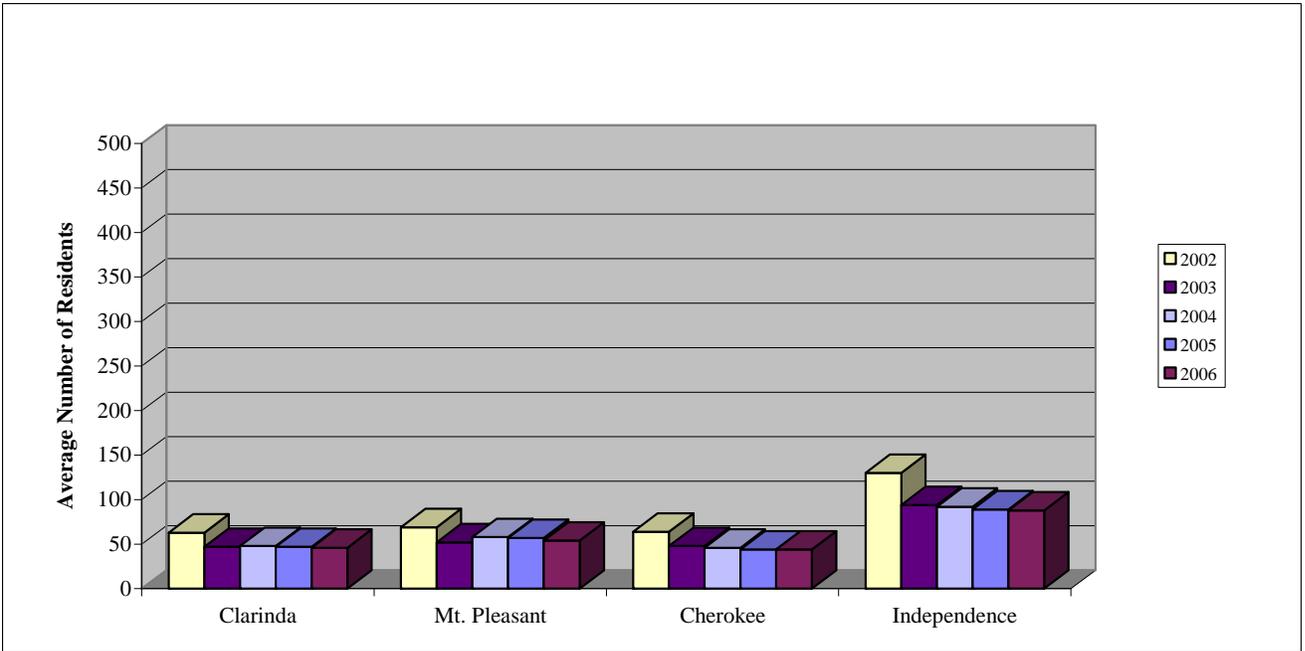
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient Information By Institution
Average Number of Residents/Patients
(Unaudited)

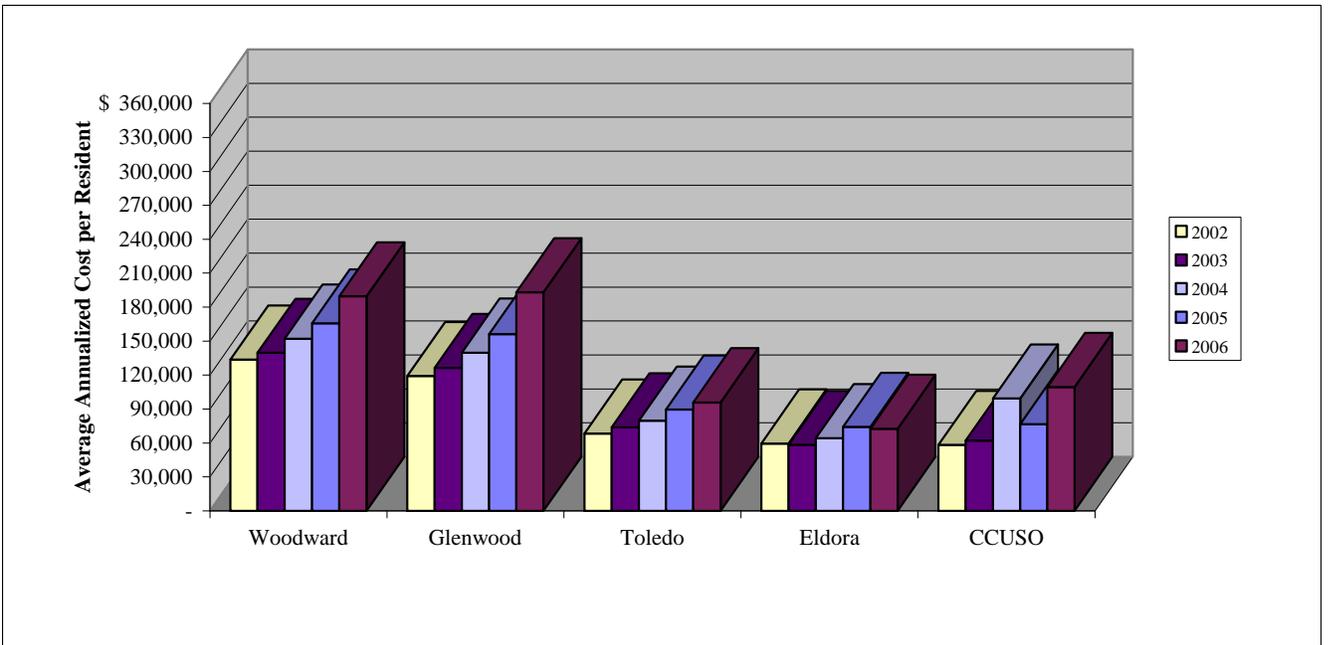
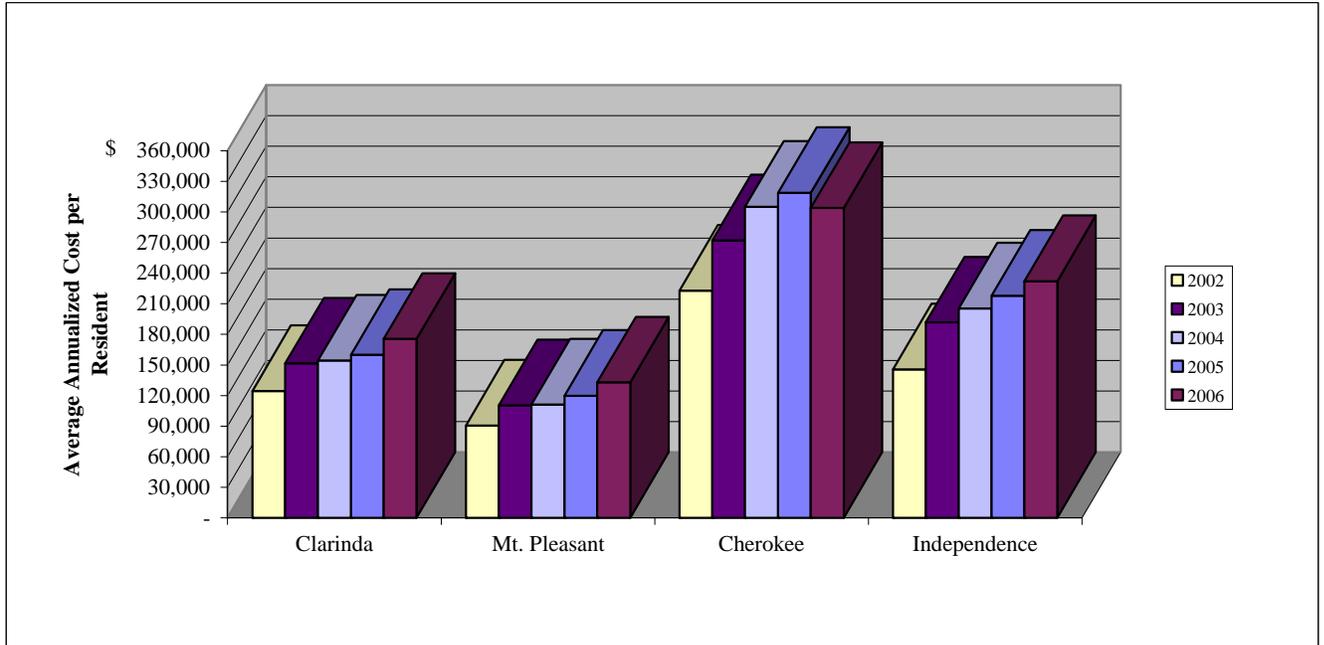
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Human Services

Average Cost Per Resident/Patient Information By Institution
 Average Annualized Cost per Resident/Patient
 (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, 2002

| | Mental Health Institute - Clarinda | Mental Health Institute - Mount Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|-------------------------------|--|--|--|--|
| Personal services | \$ 6,481,605 | 5,320,773 | 11,750,576 | 16,099,397 |
| Travel | 16,268 | 9,231 | 40,213 | 28,325 |
| Supplies and materials | 619,290 | 197,433 | 968,913 | 919,593 |
| Contractual services | 679,885 | 659,133 | 1,379,517 | 1,828,172 |
| Capital outlay | 38,864 | 52,400 | 121,992 | 68,815 |
| Claims and miscellaneous | 1,078 | 111 | 4,068 | 719 |
| Licenses, permits and refunds | 160 | - | 155 | 10 |
| Aid to individuals | - | 1,251 | - | - |
| Total | \$ 7,837,150 | 6,240,332 | 14,265,434 | 18,945,031 |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment Unit for Sexual Offenders | Total |
|--------------------------------|--------------------------------|---------------------------------------|---|---|--------------------|
| 31,277,469 | 38,343,563 | 5,909,377 | 9,649,296 | 992,739 | 125,824,795 |
| 196,570 | 210,130 | 11,347 | 35,865 | 7,221 | 555,170 |
| 2,510,985 | 3,694,396 | 436,441 | 519,772 | 9,824 | 9,876,647 |
| 3,156,897 | 3,810,171 | 521,021 | 1,213,083 | 440,375 | 13,688,254 |
| 471,350 | 524,231 | 13,763 | 58,888 | 4,589 | 1,354,892 |
| 12,226 | 442,399 | 6,719 | 12,583 | - | 479,903 |
| 300 | 980 | 257 | 3,393 | - | 5,255 |
| 57,259 | - | - | - | - | 58,510 |
| 37,683,056 | 47,025,870 | 6,898,925 | 11,492,880 | 1,454,748 | 151,843,426 |

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2003

| | Mental Health Institute - Clarinda | Mental Health Institute - Mt. Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|-------------------------------|--|--|--|--|
| Personal services | \$ 5,978,245 | 4,969,954 | 11,048,774 | 15,593,703 |
| Travel | 18,709 | 24,533 | 51,947 | 32,351 |
| Supplies and materials | 534,994 | 110,191 | 686,587 | 671,016 |
| Contractual services | 560,529 | 539,704 | 1,222,325 | 1,679,502 |
| Capital outlay | 19,959 | 94,066 | 57,065 | 38,930 |
| Claims and miscellaneous | 347 | 7 | 870 | 1,158 |
| Licenses, permits and refunds | 160 | - | 140 | 1,807 |
| Aid to individuals | - | 758 | - | - |
| Total | \$ 7,112,943 | 5,739,213 | 13,067,708 | 18,018,467 |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment Unit for Sexual Offenders | Total |
|--------------------------------|--------------------------------|---------------------------------------|---|---|--------------------|
| 32,954,167 | 40,225,392 | 5,617,914 | 9,480,977 | 1,381,651 | 127,250,777 |
| 182,884 | 188,216 | 13,323 | 39,998 | 76,200 | 628,161 |
| 2,602,096 | 3,944,846 | 373,872 | 517,230 | 44,672 | 9,485,504 |
| 2,854,374 | 3,962,768 | 474,866 | 1,033,238 | 577,655 | 12,904,961 |
| 627,080 | 617,442 | 8,208 | 113,292 | 95,063 | 1,671,105 |
| 11,294 | 466,818 | 7,204 | 4,482 | 9 | 492,189 |
| 61 | 810 | 457 | 3,195 | - | 6,630 |
| - | - | - | - | - | 758 |
| 39,231,956 | 49,406,292 | 6,495,844 | 11,192,412 | 2,175,250 | 152,440,085 |

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2004

| | Mental Health Institute - Clarinda | Mental Health Institute - Mt. Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|-------------------------------|--|--|--|--|
| Personal services | \$ 6,140,043 | 5,735,738 | 11,596,617 | 16,214,811 |
| Travel | 19,912 | 25,799 | 51,573 | 39,856 |
| Supplies and materials | 636,866 | 145,028 | 999,114 | 777,033 |
| Contractual services | 574,524 | 461,037 | 1,257,917 | 1,710,497 |
| Capital outlay | 34,516 | 79,473 | 122,007 | 149,630 |
| Claims and miscellaneous | 210 | 9 | 8,541 | 763 |
| Licenses, permits and refunds | 160 | - | 140 | 1,031 |
| Aid to individuals | - | 882 | - | - |
| Total | \$ 7,406,231 | 6,447,966 | 14,035,909 | 18,893,621 |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment Unit for Sexual Offenders | Total |
|--------------------------------|--------------------------------|---------------------------------------|---|---|-------------|
| 36,094,606 | 44,670,233 | 5,857,962 | 9,869,870 | 2,810,052 | 138,989,932 |
| 214,021 | 240,377 | 11,339 | 41,361 | 119,354 | 763,592 |
| 2,758,036 | 4,120,466 | 408,096 | 496,539 | 144,203 | 10,485,381 |
| 3,406,581 | 4,334,814 | 792,184 | 1,396,725 | 574,220 | 14,508,499 |
| 273,453 | 642,728 | 19,474 | 206,713 | 118,835 | 1,646,829 |
| 14,305 | 491,735 | 7,567 | 2,949 | 6,616 | 532,695 |
| 17 | 1,725 | 304 | 3,561 | - | 6,938 |
| - | - | - | - | - | 882 |
| 42,761,019 | 54,502,078 | 7,096,926 | 12,017,718 | 3,773,280 | 166,934,748 |

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2005

| | Mental Health Institute - Clarinda | Mental Health Institute - Mt. Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|-------------------------------|--|--|--|--|
| Personal services | \$ 6,230,599 | 5,650,314 | 11,748,781 | 16,578,366 |
| Travel | 23,172 | 34,234 | 37,583 | 49,413 |
| Supplies and materials | 681,378 | 500,490 | 908,101 | 789,547 |
| Contractual services | 539,534 | 523,652 | 1,181,571 | 1,766,484 |
| Capital outlay | 37,182 | 105,499 | 114,435 | 207,847 |
| Claims and miscellaneous | 1,076 | 23 | 34,359 | 363 |
| Licenses, permits and refunds | 99 | - | 155 | 1,860 |
| Aid to individuals | - | 871 | - | - |
| Total | \$ 7,513,040 | 6,815,083 | 14,024,985 | 19,393,880 |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment Unit for Sexual Offenders | Total |
|--------------------------------|--------------------------------|---------------------------------------|---|---|-------------|
| 37,140,439 | 47,092,296 | 6,079,933 | 10,177,473 | 3,115,210 | 143,813,411 |
| 298,021 | 307,429 | 12,613 | 46,924 | 37,160 | 846,549 |
| 2,791,634 | 4,895,951 | 482,099 | 563,216 | 43,236 | 11,655,652 |
| 3,261,810 | 4,851,779 | 626,753 | 1,265,760 | 308,745 | 14,326,088 |
| 1,057,966 | 1,164,666 | 35,549 | 168,240 | 61,666 | 2,953,050 |
| 14,465 | 546,639 | 6,699 | 7,312 | 32,409 | 643,345 |
| - | 860 | 354 | 4,821 | - | 8,149 |
| - | - | - | - | - | 871 |
| 44,564,335 | 58,859,620 | 7,244,000 | 12,233,746 | 3,598,426 | 174,247,115 |

Institutions Under the Control of the Iowa Department of Human Services

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2006

| | Mental Health Institute - Clarinda | Mental Health Institute - Mount Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|---|--|--|--|--|
| Personal services | \$ 6,559,270 | 5,891,414 | 12,502,054 | 17,400,969 |
| Travel | 27,378 | 53,729 | 56,606 | 46,241 |
| Supplies and materials | 896,610 | 520,538 | 927,784 | 922,118 |
| Contractual services | 527,307 | 550,560 | 1,486,415 | 1,912,789 |
| Capital outlay | 61,384 | 152,703 | 183,074 | 145,756 |
| Claims and miscellaneous | 615 | 52 | 38,407 | 844 |
| Licenses, permits and refunds | 157 | - | 140 | 1,034 |
| Aid to individuals | - | 2,006 | 49,584 | 425 |
| | | | | |
| Total before reallocations | <u>\$ 8,072,721</u> | <u>7,171,002</u> | 15,244,064 | <u>20,430,176</u> |
| Reallocated support services costs (see page 6) | | | <u>(1,874,746)</u> | |
| Total | | | <u><u>13,369,318</u></u> | |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment Unit for Sexual Offenders | Total |
|--------------------------------|--------------------------------|---------------------------------------|---|---|--------------------|
| 39,977,151 | 50,838,808 | 6,360,869 | 10,667,652 | 3,742,111 | 153,940,298 |
| 473,158 | 415,184 | 7,269 | 54,593 | 29,969 | 1,164,127 |
| 3,295,111 | 5,936,469 | 605,348 | 529,966 | 100,427 | 13,734,371 |
| 3,890,551 | 7,762,614 | 800,798 | 1,483,922 | 781,627 | 19,196,583 |
| 1,411,041 | 2,420,426 | 78,309 | 372,214 | 94,069 | 4,918,976 |
| 34,381 | 532,293 | 6,677 | 10,241 | 36,294 | 659,804 |
| 9 | 7,560 | 362 | 3,299 | - | 12,561 |
| - | 460,115 | - | - | - | 512,130 |
| <u>49,081,402</u> | <u>68,373,469</u> | <u>7,859,632</u> | <u>13,121,887</u> | <u>4,784,497</u> | <u>194,138,850</u> |
| | | | | <u>1,874,746</u> | |
| | | | | <u>6,659,243</u> | |

Institutions Under the Control of the Iowa Department of Human Services

Resident/Patient Population Statistics
(Unaudited)

Year ended June 30, 2006

| | Mental Health Institute - Clarinda | Mental Health Institute - Mt. Pleasant | Mental Health Institute - Cherokee | Mental Health Institute - Independence |
|--------------------------------------|---|---|---|---|
| Population beginning of year | 45 | 53 | 47 | 93 |
| Admissions: | | | | |
| First admissions | 146 | 480 | 309 | 236 |
| Readmissions | 106 | 137 | 224 | 156 |
| Returns: | | | | |
| Home visits | - | - | - | 393 |
| Limited leaves | - | - | - | 131 |
| Temporary medical transfers | - | - | - | 13 |
| Unauthorized departures | - | 8 | - | 3 |
| Total admissions | 252 | 625 | 533 | 932 |
| Released: | | | | |
| Discharges | 244 | 621 | 545 | 336 |
| Deaths | - | - | - | - |
| Home visits | - | - | - | 398 |
| Limited leaves | - | - | - | 190 |
| Temporary medical transfers | 4 | 10 | - | 13 |
| Unauthorized departures | - | - | - | 4 |
| Other | - | - | - | - |
| Total released | 248 | 631 | 545 | 941 |
| Population end of year | 49 | 47 | 35 | 84 |
| Average number of residents/patients | 46 | 54 | 44 | 88 |

| Woodward Resource Center | Glenwood Resource Center | State Juvenile Home - Toledo | State Training School - Eldora | Civil Commitment for Sexual Offenders |
|--------------------------------|--------------------------------|---------------------------------------|---|--|
| 259 | 360 | 83 | 182 | 48 |
| 8 | 11 | 103 | 322 | 13 |
| 3 | 12 | - | 35 | - |
| - | 379 | - | - | - |
| 56 | 2 | - | - | 2 |
| - | 157 | - | - | - |
| - | 5 | - | - | - |
| 67 | 566 | 103 | 357 | 15 |
| 29 | 36 | 106 | 184 | 1 |
| 2 | 3 | - | - | - |
| - | 380 | - | - | - |
| 40 | 2 | - | - | - |
| - | 163 | - | - | - |
| - | - | - | - | - |
| - | - | - | 184 | - |
| 71 | 584 | 106 | 368 | 1 |
| 255 | 342 | 80 | 171 | 62 |
| 259 | 354 | 82 | 181 | 55 |

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

- (1) Entertainment Fund Expenditures – Certain Entertainment Fund expenditures were not properly approved.

Recommendation – All expenditures should be approved, with the approval documented, prior to purchase.

Response – The activities staff, counselors and appropriate business office staff have been reminded to use the “Expendable Trust Fund Order” form with the proper approvals prior to the expenditure and to complete the expenditure by providing the business office with the final paid invoice for filing with the approved “Expendable Trust Fund Order” form.

Conclusion – Response accepted.

- (2) County Billings – Medication costs for certain patients were not adequately supported.

Recommendation – The Institution should maintain adequate support for medication costs billed to counties.

Response – New filing procedures are being developed to provide better organization for easier and more accurate retrieval of the 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:

K. David Voy, CPA, Manager
Karen J. Kibbe, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Paul F. Kearney, CGFM, Senior Auditor
Tiffany Amber Gossweiler, Staff Auditor
Mellissa M. Welhausen, CPA, Staff Auditor
Scott G. Anderson, Assistant Auditor
Marta M. Sobieszkoda, Assistant Auditor

June 30, 2006

Findings Reported in the State’s Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

- (1) Revenues and Receipts – Chapter 12.10 of the Code of Iowa requires 90% of all fees, commissions and moneys received be deposited within 10 days succeeding the collection. The Institution had deposits where 90% of the money received was not deposited within 10 days succeeding the collection.

Recommendations – All fees, commissions and moneys received by the Institution should be deposited within 10 days succeeding the collections as required by the Code of Iowa.

Response – Procedures have been reviewed and all fees, commissions and monies received by the Institution will be deposited within 10 subsequent days succeeding the collection as required by the Code of Iowa.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Kay F. Dunn, CPA, Manager
Carrie L. Livingston, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Gwen D. Fangman, CPA, Senior Auditor II
Tracy L. Haronik, CPA, Staff Auditor
Carmon K. Kutcher, Staff Auditor
Matthew R. Ritchey Assistant Auditor
Aaron P. Wagner, Assistant Auditor
Paula J. White, Assistant Auditor

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Kay F. Dunn, CPA, Manager
Dorothy O. Stover, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

James L. Blekfeld, CPA, Senior Auditor
Jeffrey L. Lenhart, Staff Auditor
Donald J. Lewis, CPA, Staff Auditor
Michelle P. Piehl, Staff Auditor
Brian P. Schenkelberg, Assistant Auditor

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

- (1) Rental Income – The Institution provides educational opportunities to nursing students. While at the Institution, students may stay at the facility for \$30 a week. The same person collects and delivers the weekly rent to the Business Office. Additionally, receipts are not maintained for rent collected.

Recommendations – To strengthen internal control, nursing students should take weekly rent payments and a completed invoice to the Business Office. The invoice should be signed by the business office and returned to the nursing coordinator where it should be maintained with the listing of students staying on campus.

Response – The Institution has developed a process that will be used to track these receipts in the future. All rents will be collected in the Business Office and will be tracked with both a receipt and an invoice supporting the rent charges. Additional supporting documentation will be maintained by the nursing coordinator related to the number of students staying on campus.

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:

Ernest H. Ruben, Jr., CPA, Manager
Daniel L. Grady, CPA, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Philip J. Cloos, Staff Auditor
Shawn R. Elsbury, Staff Auditor
Gelu Sherpa, Assistant Auditor
Delynne M. Kroeger, Assistant Auditor

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

- (1) Supply Inventories – Five of eight departments did not adequately segregate duties for inventories within their departments. Also, one of eight departments did not stop inventory activity during the physical inventory count at June 30, 2006.

Recommendation – The Center should implement policies and procedures to ensure inventory activity is stopped in order to perform an accurate count. Also, procedures should be implemented to ensure duties are properly segregated in each department.

Response – The Center concurs with the recommendation of ensuring inventory activity is stopped in the Campus Food Service Department to ensure an accurate count is performed. Woodward Resource Center has procedures in place to segregate duties of ordering, maintaining, receiving and the issuing of inventory.

Conclusion – Response accepted.

- (2) Procurement Cards – The Center uses procurement cards to purchase items for its various departments. The cards were issued through the State of Iowa Procurement Card Program with Commerce Bank. The State of Iowa Procurement Procedures Manual, Section 1.4, states in part, “The Agency Administrator will not hold a Purchasing Card and be primary contact for the agency (segregation of duties).” The coordinator is also a cardholder.

Recommendation – The Center should implement policies and procedures to ensure the State of Iowa Procurement Procedures Manual is properly followed. Specifically, transaction limits should be reviewed for reasonableness based on the amounts and types of purchases and should be adjusted accordingly. In addition, procedures should be implemented to ensure duties are properly segregated within the purchasing department.

Response – The Center concurs with this recommendation and has complied effective April 2007.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Findings and Recommendations for Woodward Resource Center

June 30, 2006

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Manager
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Marc D. Johnson, Staff Auditor
Shannon M. Hoffman, Assistant Auditor
Delynn M. Kroeger, Assistant Auditor
Janet K. Mortvedt, Assistant Auditor

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

Patient Bank Account – The Center performs monthly bank reconciliations for the patient account. However, the patient account book balance was not reconciled to the total individual patient subsidiary ledger balances (G-Link System). Also, an independent person does not review the reconciliation of the book balance to the total individual patient subsidiary ledger balances (G-Link System).

Recommendation – The patient account book balance should be reconciled to the total individual patient subsidiary ledger balances (G-Link System). To ensure all deposits and withdrawals are posted timely, an independent person should review and verify the book balance agrees with the total individual patient subsidiary ledger balances (G-Link System).

Response – The Center will perform monthly reconciliations between the patient account book balance and the total individual patient subsidiary ledger balances. The completed reconciliation will be reviewed by an independent person for accuracy of balances.

Conclusion – Response accepted.

Findings Related to Statutory Requirement and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

K. David Voy, CPA, Manager
Michelle L. Harris, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

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Tiffany Amber Gossweiler, Staff Auditor
Jedd D. Moore, Staff Auditor
Ryan J. Sisson, Staff Auditor
Matthew R. Ritchey, Assistant Auditor
Sharon K. Stickrod, Assistant Auditor

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

Capital Assets – The State Juvenile Home is required to keep an up-to-date and accurate capital asset listing to track and maintain control over its 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. We noted the following:

- (1) Seven assets did not have state tags affixed to them.
- (2) One item disposed of did not have proper authorization or supporting documentation for disposal.
- (3) One asset was disposed of but remained on the capital asset listing.

Recommendation – The State Juvenile Home should:

- (1) Develop and implement policies to ensure its capital asset listing is kept up-to-date and all items purchased are properly tagged with a state identification number.
- (2) Ensure all items disposed of have supporting documentation authorizing the disposal.

Response – The Iowa Juvenile Home will complete a physical inventory on an annual basis to ensure all capital assets are tagged and properly accounted for. In addition, a spreadsheet will be used to track disposals and supporting documentation will be maintained.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Donna F. Krueger, CPA, Manager
Melissa J. Knoll-Speer, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Jenny R. Schneider, Assistant Auditor
Adam D. Steffensmeier, Assistant Auditor

Findings and Recommendations for State Training School - Eldora

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

K. David Voy, CPA, Manager
Shawn R. Elsbury, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Michael P. Piehl, Staff Auditor
Janet K. Mortvedt, Assistant Auditor
Aaron P. Wagner, Assistant Auditor

Findings and Recommendations for Civil Commitment Unit for Sexual Offenders

June 30, 2006

Findings Reported in the State's Single Audit Report:

No matters were noted.

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:

Kay F. Dunn, CPA, Manager
Dorothy O. Stover, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Michael P. Piehl, Staff Auditor