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OFFICE OF THE AUDITOR GENERAL WILLIAM G. HOLLAND

<u>Supplemental Digest</u> <u>Department of Human Services</u> <u>June 2010</u>

A total of 22 reports for the Department of Human Services (Department) have been issued today. The reports include the Central Office, 8 Developmental Centers, 8 Mental Health Centers, 2 combination Mental Health / Developmental Centers and 3 Centers for Rehabilitation and Education.

The Department of Human Services – Central Office report contains a Department-wide financial audit for the year ended June 30, 2009 and a compliance attestation examination for the two years ending June 30, 2009. The other 21 reports are limited scope compliance attestation examinations of individual centers for the two years ending June 30, 2009.

In all, the reports contain a total of 90 findings, which is slightly up from the 85 findings reported in the June 30, 2007 engagements. Four of the current center reports had no findings, an increase of one center over the number reported for the two years ending June 30, 2007.

The more prevalent findings in the 2009 engagements were in the areas of operations, statutory mandates, revenue, receipts and accounts receivable, internal control, and payroll and personnel. The attached schedule of Major Findings by Topic summarizes the findings disclosed in the reports.

Summaries of certain operational and statistical data have been included in the attached charts and schedules. For example, one chart provides details on the average number of residents / students by center. This chart also groups the centers by function and provides subtotals by function and for the Department as a whole. According to Department figures, for fiscal year 2009 the Department had an average total population of 4,371 residents / students at centers, compared to 4,504 for fiscal year 2008 and 4,656 for fiscal year 2007.

Another chart provides details on the average cost per year per resident / student by center and groups the centers by function. This chart notes the average cost for fiscal year 2008, 2007 and 2006. The fiscal year 2009 data had not been calculated by the Department by the close of engagement fieldwork. According to the Department, for 2008 the average cost per year per resident / student ranged from a high of \$383,417 at Tinley Park Mental Health Center to a low of \$79,787 at the Treatment and Detention Facility.

The final chart provides information regarding the value of paid overtime hours and earned compensatory hours, number of employees per center, and the ratio of employees to residents / students at the centers. Based on information provided by the Department for fiscal year 2009, the number of employees per resident / student ranged from a high of 2.95 at Tinley Park Mental Health Center to a low of .63 at the Treatment and Detention Facility.

MAJOR FINDINGS BY TOPIC

Overview of findings for the two years ended June 30, 2009

# of Fii	ndings	Topics
FY 07	FY09	
14	22	OPERATIONS
		Decertification of two Centers as Medicare & Medicaid service providers. Child care provider addresses matched to Sex Offender Registry and child care assistance payments made for tuition. Weaknesses over implementing fee-for- service conversion. Contracts with a university to hire former employees. Weaknesses in administering Gaining Early Awareness and Readiness for Undergraduate Program. Improper transfer to the FY 09 Budget Relief Fund. Invoice vouchers not being processed properly, failure to timely determine disposition of unspent grant funds and contract agreements not signed or executed timely. Inadequate security administration function, contingency planning weaknesses and inadequate procedures for disposal of confidential information. Access to IS production data not adequately restricted. Telephone calling cards, pagers & cell phones not cancelled timely.
19	15	STATUTORY MANDATES
		Inadequate procedures over mental health service payments. Weaknesses in contract administration. Failure to recover grant funds by circumventing the Grant Funds Recovery Act. Grants for Child Care Expansion Program exceeded the limit. Required reports not submitted timely to Governor and General Assembly. Failure to make required appointments to boards and panels or to make appointments timely. Supporting documentation not maintained in accordance with State Records Act. Inadequate documentation regarding restraint use and notice of discharge not timely provided. Improper completion of the notice regarding restricted rights and resident files missing required documentation. No policy and rate structure in place for charging residents for service at the TDF. Contracts not reduced to writing prior to start of services. Fire Code violations noted at School and re-determinations of Kid Care eligibility not being completed.
10	12	REVENUE & RECEIPTS / ACCOUNTS RECEIVABLE
		Failure to update allowance for uncollectable accounts receivable in a consistent manner. Inadequate receipts controls including weaknesses in recording, the reconciliation process and not timely depositing receipts. Inadequate controls over accounts receivable including weaknesses over quarterly reporting of receivables and processing and collection of accounts receivable at the centers.
11	11	INTERNAL CONTROL
		Inadequate controls over returned checks. Inadequate segregation of duties and management oversight of locally held funds at centers including, inadequate recordkeeping, reporting and monitoring. Internal control weaknesses were noted in the Home Services Program including controls over monitoring and payment of unemployment insurance benefits. Inappropriate expenditures from Other Special Trust Fund and Trust Fund not reconciled timely.
10	11	PAYROLL AND PERSONNEL
		Weaknesses identified in the areas of recordkeeping and maintenance of time, attendance, leaves of absence and payroll and personnel records. Time records not maintained in compliance with State Officials and Employees Ethics Act. Weaknesses noted in maintaining documentation of temporary employee assignments. Employee performance evaluations not performed timely and payroll voucher not reviewed by an independent person. No minimum education or experience requirements for hiring security therapy aides at the TDF.
9	7	COMMODITIES / INVENTORY
		Inadequate controls over inventory and commodities including improper physical counts and a lack of segregation of duties during inventory counts. Commodity inventory system is outdated and insufficient. Excess inventory was maintained at a Center and commodity inventory records were not accurately and timely maintained.
6	7	PROPERTY, PLANT & EQUIPMENT
		Inadequate controls over capital asset financial reporting. Inadequate physical security over property including a lack of controls over the recording and reporting at Centers.
3	4	REPORTS & RECORDS
		Weaknesses in preparation of year end financial reporting forms and financial statements, and locally held funds quarterly reports not filed timely.
3	1	OPERATION OF AUTOMOBILES
		Inadequate records for State vehicles assigned to Department employees.
85	90	TOTAL OF MAJOR FINDINGS BY TOPIC

AVERAGE NUMBER OF RESIDENTS/STUDENTS

FY 09 FY 08 FY 07

(By Center, not examined)

600

700

Developmental Centers] –	130	
<u>FY 09</u> <u>FY 08</u> <u>FY 07</u>	Fox	138	
2,159 2,311 2,450		292	
	Howe		336 387
Mental Health Centers		212	
<u>FY 09</u> <u>FY 08</u> <u>FY 07</u>	Jacksonville	227	
<u>1,542</u> <u>1,538</u> <u>1,511</u>	_	243	Developmental
Mental Health &	Kiley	225 217	
Developmental Centers	_	241	Centers
<u>FY 09 FY 08 FY 07</u>	Ludeman		371
281 299 320	_		398
	Mabley	87 91	
Rehabilitation Services	induity	91	
FY 09 FY 08 FY 07		30	03
389 356 375	Murray		333 338
			539
TOTAL	Shapiro		587
<u>FY 09</u> <u>FY 08</u> <u>FY 07</u>	-	007	604
4,371 4,504 4,656	Chester	267 278 286	
]	286	
	Chicago-Read	128 131	
		121	
Average Number of Resident	ts /		364
Students information was obt	ained Elgin		365
Students information was obt from Center records and was	amed _	137	368
from Center records and was	allieu _	137 138 136	Mental Health
	amed _	138 136	Mental Health
from Center records and was	amed _	138 136 111 115	368
from Center records and was	Madden	138 136 111 115 115	Mental Health
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from Center records and was	Madden Madden McFarland	138 136 111 115 115 63 62 69 120	Mental Health
from Center records and was	Madden Madden McFarland Tinley Park —	138 136 111 115 115 63 62 69	Mental Health Centers
from Center records and was	Madden Madden McFarland Tinley Park Alton	138 136 111 115 115 63 62 69 120	Mental Health
from Center records and was	Madden Madden McFarland Tinley Park —	138 136 111 115 115 63 62 69 120 124 124 124	368 Mental Health Centers
from Center records and was	Madden Madden McFarland Tinley Park Alton Treatment & Detention Facility	138 136 111 115 115 63 62 69 120 124 124 124	Mental Health Centers
from Center records and was	Madden Madden McFarland Tinley Park Alton	138 136 111 115 115 63 62 69 120 124 124 124	368 Mental Health Centers
from Center records and was	Ained	138 136 111 115 115 63 62 69 120 124 124 124 124 229 248	368 Mental Health Centers 352 352 Mental Health &
from Center records and was	Madden Madden McFarland Tinley Park Alton Treatment & Detention Facility	138 136 111 115 115 63 62 69 120 124 124 124 292 210 229 248	Mental Health Centers
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from Center records and was not verified by the auditors.	Ained	138 136 111 115 63 62 69 120 124 124 124 229 248 71 70 72 248 248 248	Mental Health Centers
from Center records and was not verified by the auditors.	Ained	138 136 111 115 63 62 69 120 124 124 124 229 248 71 70 72 248 248 248	Mental Health Centers
from Center records and was not verified by the auditors.	Ained	138 136 111 115 63 62 69 120 124 124 124 229 248 71 70 72 248 248 248	Mental Health Centers
from Center records and was not verified by the auditors.	Ained	138 136 111 115 115 115 115 63 62 69 120 124 229 210 229 248 71 70 72 43	Mental Health Centers
from Center records and was not verified by the auditors.	Ained	138 136 111 115 63 62 69 120 124 124 124 229 248 71 70 72 248 248 248	Mental Health Centers

0

100

200

Residents / Students

400

500

300

AVERAGE COST PER YEAR RESIDENT/STUDENT

(By Center, not examined)

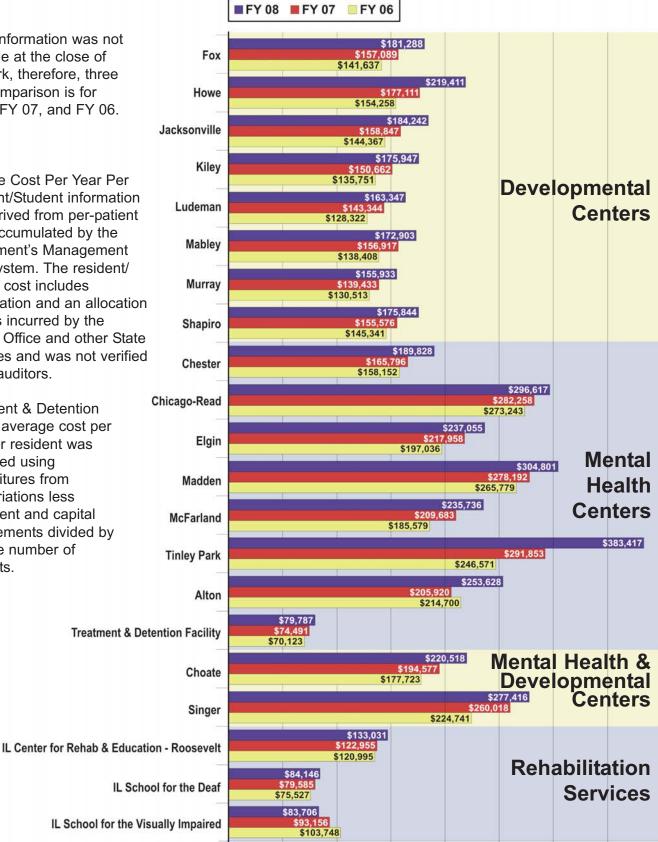
FY 09 information was not available at the close of fieldwork, therefore, three vear comparison is for FY 08, FY 07, and FY 06.

Average Cost Per Year Per Resident/Student information was derived from per-patient costs accumulated by the Department's Management Cost System. The resident/ student cost includes depreciation and an allocation of costs incurred by the Central Office and other State Agencies and was not verified by the auditors.

Treatment & Detention Facility average cost per year per resident was computed using expenditures from appropriations less equipment and capital improvements divided by average number of residents.

Treatment & Detention Facility

\$0



\$50,000 \$100,000 \$150,000 \$200,000 \$250,000 \$300,000 \$350,000 \$400,000 Cost Per Year Per Resident / Student

NUMBER OF EMPLOYEES PER RESIDENT/STUDENT & EMPLOYEE OVERTIME/COMPENSATORY TIME

(By Center, not examined)

& Earned Compensatory Time during Fiscal Year: FY 09 **FY 08 FY 07** 2008 2007 2009 724 \$ 7.666.748 \$ 8,738,620 \$ 6,806,966 761 Howe 767 \$ 4.132.148 \$ 5.628.651 \$ 6.213.650 Ludeman \$ 3,390,154 \$ 5,039,318 \$ 5,557,185 Shapiro \$ 3,983,167 \$ 3,928,796 \$ 4,479,907 Murray \$ 3,974,460 \$ 3,702,712 \$ 4,010,206 Choate \$ 3,739,572 \$ 3,400,359 \$ 3,940,027 Kiley 385 \$ 3,127,324 \$ 4,066,432 \$ 3,665,515 Elgin 89 \$ 3,060,783 \$ 3,014,906 \$ 2,951,769 Chester \$ 2,222,207 \$ 2,798,510 \$ 2,715,002 Jacksonville \$ 2,688,815 \$ 2,672,730 \$ 2,458,252 Madden \$ 3,217,389 \$ 3,100,647 \$ 2.201.292 Chicago-Read 311 \$ 1,425,491 \$ 2,076,982 \$ 1,933,792 Alton \$ 1,659,492 \$ 1,695,510 \$ 1,686,732 Fox \$ 1.356.924 \$ 1,460,640 \$ 1,484,227 Mabley 186 104 \$ 1.072.480 \$ 1.355.178 \$ 1.289.119 **Tinley Park** 192 \$ 1,058,795 ISD⁽¹⁾ \$ 1,105,550 \$ 1,067,804 \$ 628,021 \$676,467 \$896,945 TDF⁽²⁾ \$605.712 \$744.675 \$746.634 **McFarland** \$713.447 \$ 549.250 \$ 652.300 Singer \$605,762 \$604,151 \$481,540 ISVI⁽³⁾ 129 66 67 \$ 386,537 \$ 357,075 \$178,476 63 0.50 2.00 2.50 3.00 3.50 1.00 1.50 0.00 \$ 50,279,483 \$ 57,153,104 \$ 55,417,340 **Subtotal Centers Employees Per Resident/Student** \$ 3,283,943 \$ 3,800,861 \$ 4,472,209 **Central Office** (Numbers inside bars represent the average number of employees for each year.) \$ 53,563,426 \$ 60,953,965 \$ 59,889,549 **Total Department**

Developmental Centers

Mental Health Centers

Mental Health & Developmental Rehabilitation Services Centers Centers

Note: Information was obtained from Department records, and was not examined as part of the testing.

Total Value of Paid Overtime Hours

⁽¹⁾ Illinois School for the Deaf

⁽³⁾ Illinois School for the Visually Impaired ⁽⁴⁾ Illinois Center for Rehabilitation & Education

⁽²⁾ Treatment and Detention Facility