

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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TABLE OF CONTENTS

	<u>Page</u>
Center Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	4
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings, Recommendations and Center Responses	
Current Findings	10
Prior Findings Not Repeated	13
Supplementary Information for State Compliance Purposes	
Summary	14
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	15
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	17
Description of Locally Held Funds	18
Schedule of Locally Held Funds – Cash Basis	21
Schedule of Changes in State Property (not examined)	23
Comparative Schedule of Cash Receipts and Deposits	24
Analysis of Significant Variations in Expenditures	25
Analysis of Significant Lapse Period Spending	27
Schedule of Changes in Inventories (not examined)	29
Analysis of Accounts Receivable (not examined)	30
Analysis of Operations	
Center Functions and Planning Program	31
Average Number of Employees	32
Employee Overtime (not examined)	33
Contractual Payroll Employees (not examined)	33
Shared Resources (not examined)	34
Center Utilization (not examined)	34
Annual Center Statistics	
Cost Per Year/Day Per Resident (not examined)	34
Ratio of Employee's to Residents (not examined)	35
Reported Employee Job Injuries (not examined)	35
Food Services (not examined)	35
Service Efforts and Accomplishments (not examined)	36

STATE OF ILLINOIS
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ANDREW MCFARLAND MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

CENTER OFFICIALS

Hospital Administrator (1/16/04 - Present)	Mr. Scott Viniard
Hospital Administrator (8/1/03 – 1/15/04)	Ms. Karen Schweighart
Hospital Administrator (1/1/03 – 7/31/03)	Ms. Karen Thurman
Business Office Administrator	Ms. Beverly McCurley

The Center is located at:

901 Southwind Road
Springfield, IL 62703



Rod Blagojevich, *Governor*

Carol L. Adams, Ph.D., *Secretary*

Greater Illinois - Central Region
Andrew McFarland Mental Health Center

● Jordan Litvak, Network Manager
● G. Scott Viniard, Hospital Administrator

November 8, 2005

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703-3154

Dear Mr. Holland:

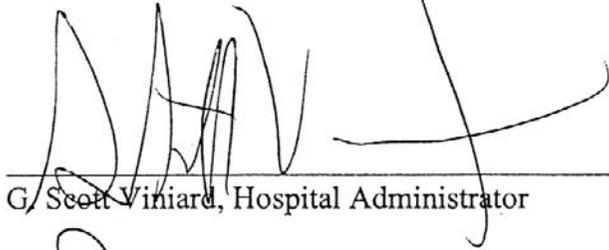
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

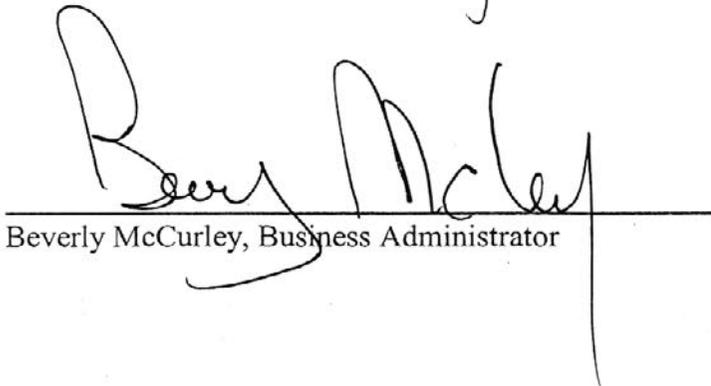
E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Sincerely,

Andrew McFarland Mental Health Center

A handwritten signature in black ink, appearing to read "G. Scott Viniard", written over a horizontal line.

G. Scott Viniard, Hospital Administrator

A handwritten signature in black ink, appearing to read "Beverly McCurley", written over a horizontal line.

Beverly McCurley, Business Administrator

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

COMPLIANCE REPORT

SUMMARY

The limited State compliance testing performed in this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	2	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
		CURRENT FINDINGS
05-1	10	Inadequate controls over pharmacy inventory records
05-2	12	Voucher Processing Weakness

PRIOR FINDINGS NOT REPEATED

05-3 13 Inadequate controls over employee attendance records

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on January 5, 2006. Attending were:

Department of Human Services
Albert Okwuegbunam, DHS Audit Liaison

Andrew McFarland Mental Health Center
Scott Viniard, Hospital Administrator
Beverly McCurley, Business Administrator
Louise Lee, Accountant Advanced

Office of the Auditor General
Candice Long, Audit Manager
Alison Schertz, Audit Supervisor

Responses to the recommendations were provided by Carol L. Adams, Secretary of the Department of Human Services, in a letter dated January 19, 2006.

INSERT YELLOW AUDITORS' REPORT TAB HERE

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE 5-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We performed a limited scope compliance examination of the State of Illinois Department of Human Services – Andrew McFarland Mental Health Center’s (Center) compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2005. The management of the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center’s compliance based on our examination.

- A. The State of Illinois Department of Human Services - Andrew McFarland Mental Health Center has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Department of Human Services - Andrew McFarland Mental Health Center has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Department of Human Services - Andrew McFarland Mental Health Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center on behalf of the State or held in trust by the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

law.

Our limited scope compliance examination of the Center was limited to the following areas of the Audit Guide:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 17 – Revenues, Refunds and Receivables
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance With Agency Specific Statutory Mandates

The areas of the Audit Guide not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the Department of Human Services Central Office, and accordingly, any findings from the results of those procedures have been included in the Department of Human Service – Central Office compliance report.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings, Recommendations and Center Responses as finding 05-2.

There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

Internal Control

The management of the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois

Department of Human Services - Andrew McFarland Mental Health Center's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

We noted certain matters involving internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Illinois Department of Human Services - Andrew McFarland Mental Health Center's ability to comply with one or more of the aforementioned requirements. A reportable condition is described in the accompanying schedule of State findings as finding 05-1.

A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider finding 05-1 to be a material weakness. Additionally, the results of our procedures disclosed another deficiency in internal control, which is required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of State findings as finding 05-2.

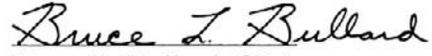
As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, to the 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Changes in Property, Schedule of Changes in Inventories, Analysis of Accounts Receivable, Employee Overtime, Contractual Payroll Employees, Shared Resources, Center Utilization, Annual Center Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Center and Department of Human Services management, and is not intended to be and should not be used by anyone other than these specified parties.


Bruce L. Bullard, CPA
Director of Financial
and Compliance Audits

November 8, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings

05-1. **FINDING** (Inadequate controls over pharmacy inventory records)

The pharmacy hub at the Andrew McFarland Mental Health Center (Center) did not maintain adequate pharmacy commodity inventory records. Responsibility for the pharmacy hub was transferred to the Department of Human Services – Central Office (Central Office) during FY05.

During our test counts of the pharmacy inventory, we noted that the Pharmacy did not follow-up on the discrepancies noted between the end of year counts and Pharmacy records. Pharmacy staff stated that Central Office staff conducted pharmacy counts on June 10, 2005 and made adjustments without consulting with either pharmacy staff or management of the Center prior to making adjustments. The June 30, 2005 adjusted balance per Central Office for the pharmacy inventory totaled \$344,276.

Thirteen of 25 (52%) items that required large adjustments as a result of the June 10, 2005 inventory count continued to have large discrepancies when the auditors recounted these items on September 19, 2005. Center pharmacy staff gave the following explanations for discrepancies:

- Four of 25 (16%) items tested reported discrepancies at the June 10th count, but were not adjusted for year-end reporting. As of the September 19th auditor recount, the same discrepancies were noted.
- Four of 25 (16%) items tested reported large adjustments made as a result of the June 10th count conducted by Central Office. The Center believed that the wrong drug strength may have been counted for each of these items which resulted in erroneous adjustments.
- One of 25 items (4%) tested was adjusted by the Central Office and by the Center, resulting in duplicate entries.
- Four of 25 items (16%) tested on September 19th noted discrepancies of approximately the same amount as the adjustments made as a result of the June 10th count. The auditor's count supported the accuracy of the Center's records versus the test counts performed and subsequent adjustments. The adjustments appeared to be inaccurate.
- Pharmacy personnel also stated that many adjustments made as a result of the June 10th count were incorrect due to the Central Office using a week old report to compare the

actual count to the recorded inventory. Only those medications that were not dispensed during the week of June 6-12 would have been accurate.

Good business practices require that internal controls be in place and operating to maintain effective accounting control over assets and ensure that they are properly reported. Accurate inventory quantity information is crucial in determining re-order and overstocking points.

Pharmacy personnel at the Center stated a lack of communication between the Central Office staff and the Center regarding the inventory count and the subsequent adjustments resulted in the errors noted.

Accurate and timely adjustments of commodity transactions are essential to maintaining an accurate perpetual inventory record and to ensure accurate financial reporting. Also, proper communication between commodity custodians and staff performing the inventory and adjustments is crucial to accurate adjustments being posted. (Finding Code No. 05-1)

RECOMMENDATION

We recommend all proposed adjustments be followed up with necessary pharmacy personnel to verify accuracy prior to adjustments being posted.

CENTER RESPONSE

Agreed. The Bureau of Pharmacy and Clinical Services (Bureau) staff will conduct another physical inventory. Bureau personnel will tabulate the counts, compare them to central office records (commodity control system), make the necessary adjustments and enter them into the commodity control system. After the adjustments have been posted, a pharmacist will review the adjustments for accuracy.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

05-2. **FINDING** (Voucher Processing Weakness)

The Andrew McFarland Mental Health Center (Center) did not approve vouchers for payment in a timely manner. During our testing, we noted the following:

Eleven of 62 (18%) vouchers tested, totaling \$81,354, were approved between 5 and 153 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an Agency to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill or approve the bill in whole or in part, within 30 days of physical receipt of the bill.

Center personnel stated a few vouchers were approved late because the Center was waiting for the contract to be approved by the Department of Human Services – Central Office and because they had to wait for appropriation transfers to be approved. In addition, an Account Technician retired in FY04, causing a shortage of staff available to process vouchers in a timely manner.

Failure to promptly approve vouchers may result in late payment of bills to vendors and result in interest charges levied against the Center. (Finding Code No. 05-2)

RECOMMENDATION

We recommend the Center comply with the Illinois Administrative Code procedures and implement controls to ensure vouchers are approved within the required time frame.

CENTER RESPONSE

Agreed. Additional staff was added to the Business Office in March 2005 to ensure that vouchers are processed in a timely manner. Management will review the Illinois Administrative Code requirements with all appropriate staff.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Prior Findings Not Repeated

05-3. **FINDING** (Inadequate controls over employee attendance records)

During the prior period, the Andrew McFarland Mental Health Center did not exercise adequate controls over employee attendance records.

During the current period, we noted no discrepancies between leave time requests and attendance reports. (Finding Code No. 03-1)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds – Cash Basis
- Schedule of Changes in State Property (not examined)
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)
- Analysis of Accounts Receivable (not examined)

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Shared Resources (not examined)
- Center Utilization (not examined)
- Annual Center Statistics
 - Cost Per Year/Day Per Resident (not examined)
 - Ratio of Employee's to Residents (not examined)
 - Reported Employee Job Injuries (not examined)
 - Food Services (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, except for information on the Schedule of Changes in Property, Schedule of Changes in Inventories, Analysis of Accounts Receivable, Employee Overtime, Contractual Payroll Employees, Shared Resources, Center Utilization, Annual Center Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2005

PUBLIC ACTS 93-0842, 93-0681 & 94-0015 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>General Revenue Fund - 001</u>					
Personal Services	\$ 11,390,600	\$ 10,852,934	\$ 534,641	\$ 11,387,575	\$ 3,025
Employee Retirement					
Contributions Paid by Employer	16,300	16,300	0	16,300	0
State Contribution to State					
Employees' Retirement System	1,780,300	1,689,879	84,154	1,774,033	6,267
State Contributions to Social Security	815,000	768,903	36,737	805,640	9,360
Contractual Services	1,754,300	1,417,571	283,535	1,701,106	53,194
Travel	9,300	8,079	1,129	9,208	92
Commodities	348,800	307,954	31,531	339,485	9,315
Printing	6,800	6,799	0	6,799	1
Equipment	63,600	47,315	14,122	61,437	2,163
Telecommunications	115,100	74,300	40,251	114,551	549
Operation of Automotive Equipment	33,000	22,352	7,389	29,741	3,259
Expenses Related to Living Skills Program	11,400	11,400	0	11,400	0
Costs Associated with Behavioral Health Services	146,800	146,800	0	146,800	0
 Total Fiscal Year 2005	 <u>\$ 16,491,300</u>	 <u>\$ 15,370,586</u>	 <u>\$ 1,033,489</u>	 <u>\$ 16,404,075</u>	 <u>\$ 87,225</u>

15

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2004

PUBLIC ACT 93-0092 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>General Revenue Fund - 001</u>					
Personal Services	\$ 11,480,800	\$ 10,584,943	\$ 495,868	\$ 11,080,811	\$ 399,989
Employee Retirement					
Contributions Paid by Employer	492,500	384,764	18,722	403,486	89,014
State Contribution to State					
Employees' Retirement System	1,572,900	990,272	17	990,289	582,611
State Contributions to Social Security	824,200	782,015	36,212	818,227	5,973
Contractual Services	1,722,100	1,437,152	210,160	1,647,312	74,788
Travel	5,700	4,529	1,115	5,644	56
Commodities	338,100	262,429	47,725	310,154	27,946
Printing	7,000	5,254	1,732	6,986	14
Equipment	64,600	23,742	40,357	64,099	501
Telecommunications	132,400	85,566	33,971	119,537	12,863
Operation of Automotive Equipment	28,500	21,762	6,364	28,126	374
Expenses Related to Living Skills Program	11,800	11,600	0	11,600	200
Costs Associated with Behavioral Health Services	152,100	152,097	0	152,097	3
 Total Fiscal Year 2004	 <u>\$ 16,832,700</u>	 <u>\$ 14,746,125</u>	 <u>\$ 892,243</u>	 <u>\$ 15,638,368</u>	 <u>\$ 1,194,332</u>

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**
For the Years Ended June 30,

	Fiscal Year		
	2005	2004	2003
<u>General Revenue Fund - 001</u>	P.A. 93-0842 P.A. 93-0681 P.A. 94-0015	P.A. 93-0092	P.A. 92-0538
Appropriations (Net of Transfers)	\$ 16,491,300	\$ 16,832,700	\$ 17,274,330
<u>Expenditures</u>			
Personal Services	\$ 11,387,575	\$ 11,080,811	\$ 12,059,875
Employee Retirement			
Contributions Paid by Employer	16,300	403,486	483,496
State Contribution to State			
Employees' Retirement System	1,774,033	990,289	1,236,712
State Contributions to Social Security	805,640	818,227	899,733
Contractual Services	1,701,106	1,647,312	1,730,063
Travel	9,208	5,644	732
Commodities	339,485	310,154	305,624
Printing	6,799	6,986	6,991
Equipment	61,437	64,099	0
Telecommunications	114,551	119,537	110,616
Operation of Automotive Equipment	29,741	28,126	25,379
Expenses Related to Living Skills Program	11,400	11,600	11,800
Costs Associated with Behavioral Health Services	146,800	152,097	153,800
Total Expenditures	\$ 16,404,075	\$ 15,638,368	\$ 17,024,821
Lapsed Balances	\$ 87,225	\$ 1,194,332	\$ 249,509

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2005

The locally held funds of the Center are grouped into two fund categories. These are nonappropriated funds with the exception of the Living Skills Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Funds

The General Revenue Funds consist of the Living Skills Fund and Petty Cash account. This fund and account are used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

The Living Skills Fund (SAMS fund number 1214) was established to provide behavioral modification programs for residents. The source of revenue is State appropriation. This appropriation is then expended by distributing reward payments that are earned by residents by achievement of desired behavioral modifications.

The Petty Cash account is maintained for the purpose of purchasing items of small cost, payment of postage due, and for other nominal expenditures that cannot be administered economically and efficiently through the customary vouchering system. Reimbursements to the account are from State general revenue appropriations for contractual services.

Special Revenue Funds

The Special Revenue Funds consists of the DHS Other Special Trusts Fund and the DHS Rehabilitation Fund. These funds are used to account for the proceeds of a specific revenue source that are legally restricted to expenditures for specific purposes.

The DHS Other Special Trust Fund (SAMS fund number 1139) was established to provide for the special comfort, pleasure and amusement of the residents. The primary sources of revenue for the fund are a percentage of vending machine commissions and monies donated for resident use. Also, any unclaimed Resident's Trust Fund balance of a resident separated from the Center for two years is transferred to this fund with the provision that the resident is entitled to the money upon application. These funds are then used for activities and materials to help fulfill the recipients' needs in these areas.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2005

The DHS Rehabilitation Fund (SAMS fund number 1144) was established to provide workshop services for individuals with the potential for gainful employment and independent living and for long-term employment of persons capable of working in a sheltered environment. The source of revenue is payments for contractual services provided by residents to outside enterprises for workshop production. Expenditures are for materials, supplies, and resident wages for work performed.

2. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS Resident's Trust Fund. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The DHS Resident's Trust Fund (SAMS fund number 1143) is maintained as a depository for funds of residents while in residence at the Center. The fund also is used to receive Social Security monies obtained to pay for resident billings. Disbursements from the fund consist primarily of withdrawals of monies for recipients' personal use at the Center or when discharged as well as payments to the Department of Human Services Central Office for care and treatment charges billed to the recipient.

Account Locations

Following is information regarding the location of checking/NOW accounts for the locally held funds at June 30, 2005:

Living Skills Fund 1214

Checking account
Bank of Springfield, Springfield, Illinois
Non-interest bearing

Petty Cash Fund

Checking account
Bank of Springfield, Springfield, Illinois
Non-interest bearing

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2005

Other Special Trust Fund 1139

NOW account
Bank of Springfield, Springfield, Illinois
Bearing interest at 0.70%

Rehabilitation Fund 1144

NOW account
Bank of Springfield, Springfield, Illinois
Bearing interest at 0.70%

Resident's Trust Fund 1143

NOW account
Bank of Springfield, Springfield, Illinois
Bearing interest at 0.70%

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2005

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	Petty Cash Account	Total
Balance - July 1, 2004	\$ 3,566	\$ 2,182	\$ 2,929	\$ 0	\$ 250	\$ 8,927
Receipts						
Investment Income	37	8				45
Resident Deposits			37,599			37,599
Donations		772				772
Appropriations				11,400		11,400
Vending Machine Commissions	24,018					24,018
Reimbursements					3,612	3,612
Total Receipts	<u>\$ 24,055</u>	<u>\$ 780</u>	<u>\$ 37,599</u>	<u>\$ 11,400</u>	<u>\$ 3,612</u>	<u>\$ 77,446</u>
Disbursements						
Cost of Sales	20,029					20,029
Contractual Services		743			3,617	4,360
Commodities		1,546				1,546
Resident Withdrawals			36,627			36,627
Living Skills Program				11,400		11,400
Total Disbursements	<u>\$ 20,029</u>	<u>\$ 2,289</u>	<u>\$ 36,627</u>	<u>\$ 11,400</u>	<u>\$ 3,617</u>	<u>\$ 73,962</u>
Balance - June 30, 2005	<u>\$ 7,592</u>	<u>\$ 673</u>	<u>\$ 3,901</u>	<u>\$ 0</u>	<u>\$ 245</u>	<u>\$ 12,411</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2004

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	Petty Cash Account	Total
Balance - July 1, 2003	\$ 1,699	\$ 5,806	\$ 11,184	\$ 0	\$ 764	\$ 19,453
Receipts						
Investment Income	9	21	25			55
Resident Deposits			26,120			26,120
Donations		1,197				1,197
Appropriations				11,600		11,600
Vending Machine Commissions	21,875					21,875
Reimbursements					3,989	3,989
Total Receipts	<u>\$ 21,884</u>	<u>\$ 1,218</u>	<u>\$ 26,145</u>	<u>\$ 11,600</u>	<u>\$ 3,989</u>	<u>\$ 64,836</u>
Disbursements						
Cost of Sales	17,607					17,607
Operating Expenses	2,410					2,410
Contractual Services		3,852			4,503	8,355
Commodities		990				990
Resident Withdrawals			34,400			34,400
Living Skills Program				11,600		11,600
Total Disbursements	<u>\$ 20,017</u>	<u>\$ 4,842</u>	<u>\$ 34,400</u>	<u>\$ 11,600</u>	<u>\$ 4,503</u>	<u>\$ 75,362</u>
Balance - June 30, 2004	<u>\$ 3,566</u>	<u>\$ 2,182</u>	<u>\$ 2,929</u>	<u>\$ 0</u>	<u>\$ 250</u>	<u>\$ 8,927</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2005
(not examined)

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
<u>Balance June 30, 2003</u>	<u>\$ 169,792</u>	<u>\$17,089,172</u>	<u>\$ 3,087,926</u>	<u>\$ 1,614,583</u>	<u>\$21,961,473</u>
Additions:					
Purchases				39,374	39,374
Transfers-in:					
Intra-agency				592,478	592,478
Inter-agency					0
Capital Development Board		135,499			135,499
Adjustments				10,203	10,203
Total Additions	<u>\$ 0</u>	<u>\$ 135,499</u>	<u>\$ 0</u>	<u>\$ 642,055</u>	<u>\$ 777,554</u>
Deductions:					
Transfers-out:					
Intra-agency				572,910	572,910
Inter-agency				14,585	14,585
Surplus Property				50,716	50,716
Scrap property				1,771	1,771
Adjustment				4,360	4,360
Total Deductions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 644,342</u>	<u>\$ 644,342</u>
<u>Balance June 30, 2004</u>	<u>\$ 169,792</u>	<u>\$17,224,671</u>	<u>\$ 3,087,926</u>	<u>\$ 1,612,296</u>	<u>\$22,094,685</u>
Additions:					
Purchases				93,343	93,343
Transfers-in:					
Intra-agency				95,203	95,203
Inter-agency					0
Capital Development Board			23,986		23,986
Adjustments				3,588	3,588
Total Additions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,986</u>	<u>\$ 192,134</u>	<u>\$ 216,120</u>
Deductions:					
Transfers-out:					
Intra-agency				30,345	30,345
Inter-agency				24,901	24,901
Surplus Property				60,516	60,516
Scrap property				0	0
Adjustment				36,600	36,600
Total Deductions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,362</u>	<u>\$ 152,362</u>
<u>Balance June 30, 2005</u>	<u>\$ 169,792</u>	<u>\$17,224,671</u>	<u>\$ 3,111,912</u>	<u>\$ 1,652,068</u>	<u>\$22,158,443</u>

Note: Center management indicated the balances at June 30, 2005 and 2004 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
For the Years Ended June 30,

<u>General Revenue Fund - 001</u>	FISCAL YEARS		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>RECEIPTS</u>			
Cafeteria Income	\$3,777	\$4,166	\$5,585
Jury Duty	150	178	145
Miscellaneous other	210	310	424
TOTAL RECEIPTS	<u><u>\$4,137</u></u>	<u><u>\$4,654</u></u>	<u><u>\$6,154</u></u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$4,137	\$4,654	\$6,154
Add: Deposits in transit - Beginning of year	238	352	167
Another center's receipts incorrectly posted to the Center		60	
Refund incorrectly recorded as a revenue		19	
DHS's receipts incorrectly posted to the Center	8	17	
Receipt incorrectly posted to the wrong fund	3,336		
Deduct: Deposits in transit - End of year	(305)	(238)	(352)
Center receipts incorrectly posted to another center	(131)	(320)	
DEPOSITS RECORDED BY COMPTROLLER	<u><u>\$7,283</u></u>	<u><u>\$4,544</u></u>	<u><u>\$5,969</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2005

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2005	2004	AMOUNT	%
Employee Retirement Contributions Paid by Employer	\$16,300	\$403,486	(\$387,186)	(95.96%)
State Contribution to State Employees' Retirement System	\$1,774,033	\$990,289	\$783,744	79.14%
Travel	\$9,208	\$5,644	\$3,564	63.15%

General Revenue Fund (001)

Employee Retirement Contributions Paid by Employer

The decrease in Employee Retirement Contribution expenditures in FY05 was due to the State ceasing to pay the Employee's portion of the State Employee Retirement Contribution in FY05.

State Contribution to State Employees' Retirement System

The increase in the State Contribution to State Employees' Retirement System expenditures in FY05 was due to the State suspending payments into the State Employees' Retirement System in FY04 as a result of Public Act 93-0665, which became effective in March 2004. The Act suspended contribution payments from the effective date of the Act through the payment of the final payroll from FY04 appropriations. Contributions resumed in FY05.

In addition the overall State employee retirement rate increased from 13.4% in FY04 to 16.1% in FY05.

Travel

The increase in travel expenditures from FY04 to FY05 was due to the Network office traveling more into the community, and due to the hospital administrative staff traveling to Chicago to the Substance Abuse and Mental Health Services Administration (SAMHSA) advisory board meeting.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2005

Fiscal Year 2004

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2004 and June 30, 2003 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2004	2003	AMOUNT	%
Travel	\$5,644	\$732	\$4,912	671.04%
Equipment	\$64,099	\$0	\$64,099	100.00%

General Revenue Fund (001)

Travel

The increase in travel expenditures from FY03 to FY04 was due to the creation of the Network, which does contracts with Community Mental Health Centers and Community Hospitals. Travel was incurred when Network employees visited counties outside of Sangamon County.

Equipment

The increase in equipment expenditures from FY03 to FY04 was due to a Departmental spending freeze imposed in FY03. In FY04, the Center purchased a refrigerator totaling approximately \$1,600 in November 2003, tables and chairs in January 2004 for the forensic adolescent unit totaling approximately \$10,000, commercial washers and dryers in March 2004 totaling approximately \$9,300 and a vehicle in the lapse period totaling approximately \$20,000. The remainder of the expenditures was for medical equipment, electronics, furniture and tools.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 2004 and 2005 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for fiscal year 2005 is shown below:

Fiscal Year Ended June 30, 2005			
EXPENDITURE ITEM	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	PERCENTAGE
Equipment	\$61,437	\$14,122	22.99%
Telecommunications	\$114,551	\$40,251	35.14%
Operation of Automotive Equipment	\$29,741	\$7,389	24.84%

General Revenue Fund (001)

Equipment

Expenditures of \$14,122 were spent during the lapse period due to the purchase of an electrocardiogram machine and some exercise bikes in May and June. The items were not received and paid until the lapse period.

Telecommunications

Expenditures of \$40,251 were spent during the lapse period due to invoices being held until money was transferred into the line in August.

Operation of Automotive Equipment

Expenditures of \$7,389 were spent during the lapse period due to invoices being held until money was transferred into the line in August.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2005

A schedule of significant lapse period spending for the fiscal year ended June 30, 2004 is shown below:

Fiscal Year Ended June 30, 2004

EXPENDITURE ITEM	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	PERCENTAGE
Printing	\$6,986	\$1,732	24.79%
Equipment	\$64,099	\$40,357	62.96%
Telecommunications	\$119,537	\$33,971	28.42%
Operation of Automotive Equipment	\$28,126	\$6,364	22.63%

General Revenue Fund (001)

Printing

Lapse period spending was due to an order of copy paper for the printers and copy machines that was placed in June 2004. The invoice was not received and paid until the lapse period.

Equipment

Lapse period spending was due to several equipment items, including a car, that were ordered in June 2004. The items were not received and paid until the lapse period.

Telecommunications

Lapse period spending was due to the fact that the Center was waiting for an appropriation transfer from the DHS Central Office to cover the Center's June telecommunications invoices.

Operation of Automotive Equipment

Lapse period spending was due to the fact that all repair and maintenance for the Center's State vehicles was completed in May and June. The vouchers for this work were processed in July 2004.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SCHEDULE OF CHANGES IN INVENTORIES
For the Two Years Ended June 30, 2005
(not examined)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
General Stores:				
Medical lab	\$ 5,508	\$ 20,408	\$ 19,098	\$ 6,818
Food supplies	13,136	193,899	192,812	14,223
Household and laundry	11,679	59,805	63,439	8,045
Other general stores	21,000	56,774	60,252	17,522
Mechanical Stores:				
Repair and Maintenance	0	81,049	81,049	0
Pharmacy	<u>122,432</u>	<u>2,003,998</u>	<u>1,782,154</u>	<u>344,276</u>
	<u>\$ 173,755</u>	<u>\$ 2,415,933</u>	<u>\$2,198,804</u>	<u>\$ 390,884</u>

	<u>Balance</u> <u>July 1, 2003</u> *	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
General Stores:				
Medical lab	\$ 5,781	\$ 19,058	\$ 19,331	5,508
Food supplies	16,789	177,664	181,317	13,136
Household and laundry	9,349	62,776	60,446	11,679
Other general stores	21,315	75,275	75,590	21,000
Mechanical Stores:				
Repair and Maintenance	0	42,543	42,543	0
Pharmacy	<u>121,626</u>	<u>590,711</u>	<u>589,905</u>	<u>122,432</u>
	<u>\$ 174,860</u>	<u>\$ 968,027</u>	<u>\$ 969,132</u>	<u>\$ 173,755</u>

Note: The inventories consist primarily of commodities and medications and are valued at weighted average cost.

* Beginning balances were restated to agree to the Commodity Control System at the Department of Human Services

Note: We were unable to examine the Schedule of Changes in Inventories because of internal control weaknesses. See finding 05-1 on pages 10-11.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Years Ended June 30,

ANALYSIS OF ACCOUNTS RECEIVABLE (not examined)

The Department has accounts receivable of \$1,685,453, arising from operations of the Andrew McFarland Mental Health Center (Center) at June 30, 2005. This total represents the amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at the Center. The Department of Human Services Central Office prepares and mails the monthly billing statements, receives the payments and records the revenue and receivable in their general ledger. The Patient Resource Unit at the Center is responsible for determining billing amounts and is responsible for pursuing collection of delinquent accounts. The aging of outstanding accounts receivables and determination of an allowance for uncollectible accounts are the responsibility of the Department of Human Services Central Office.

An aging of accounts receivable as of June 30, 2005, 2004 and 2003 prepared by the Department of Human Services Central Office and forwarded to the Center is as follows:

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$360,817	\$749,243	\$512,868
Past due (4-6 months)	145,733	142,660	137,146
Past due (7-12 months)	96,975	137,831	162,808
Past due (over 12 months)	<u>1,027,339</u>	<u>922,744</u>	<u>705,444</u>
Subtotal	\$1,630,864	\$1,952,478	\$1,518,266
Court Cases	<u>54,589</u>	<u>53,362</u>	<u>20,418</u>
Total	<u><u>\$1,685,453</u></u>	<u><u>\$2,005,840</u></u>	<u><u>\$1,538,684</u></u>

INSERT BLUE ANALYSIS OF OPERATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

CENTER FUNCTIONS AND PLANNING PROGRAM

The Illinois Department of Human Services (DHS) - Andrew McFarland Mental Health Center (Center) is located at 901 Southwind Road, Springfield, Illinois. The Center, a public psychiatric facility, is composed of practitioners who deliver care to those who suffer from the pervasive and enduring symptoms of severe psychiatric disorders. The Joint Commission on Accreditation of Healthcare Organizations, certified by Medicare/Medicaid, accredits the Center, which is certified for 146 hospital beds.

The Center works closely and collaborates with community mental health clinics, general psychiatric units, and private practitioners. The primary mission of the Center is to provide an efficient, comprehensive, integrated treatment approach which renders quality diagnosis, care, and treatment based on the most current knowledge, to individuals who suffer from these severe psychiatric disorders and which allow persons to be reintegrated into their family and community in the shortest possible time.

The Center is one of several State-operated facilities of the DHS. A formal planning program is operational within the DHS framework. The Facility Director determines plans and objectives of the Center and the Executive Staff based on broad guidelines established by DHS. In addition, the Center maintains an ongoing Quality Assurance and Improvement Program. The purpose of the Quality Assurance and Improvement Program is, with available resources, to assure that optimal quality care is delivered. This program is designed with mechanisms to:

- Identify the most important aspects of care that the Center provides;
- Establish measurable indicators to systematically monitor these aspects of care in an ongoing way;
- Carry out evaluation of the care when monitoring raises suspicions about its quality or appropriateness, in order to identify problems or opportunities for improvement;
- Take actions to resolve problems or improve care and evaluate effectiveness

The Center has established 16 separate functional areas. Each functional area has developed standards to which that specific area aspires and indicators used to measure whether or not the standards are being met. These standards and criteria are outlined in Standard of Care Plans and reviewed annually by both the Medical and Facility Director's Executive Council.

AUDITOR ASSESSMENT

The Center's overall planning and monitoring systems appear to be adequate to meet the Center's goals and objectives.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years:

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Rehabilitation services	9	9	12
Adult inpatient services	113	116	114
Central admissions	1	1	1
Medical, surgical and clinical services	21	20	26
Staff development	1	1	3
Superintendent's office	6	7	5
Administrative services	10	11	12
Engineering	7	6	7
Business management	5	5	8
Other support services	30	32	35
Dietary	<u>13</u>	<u>13</u>	<u>13</u>
Total Employees	<u>216</u>	<u>221</u>	<u>236</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee’s job classification. In most cases employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee’s job title.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Paid overtime hours worked during fiscal year	13,929	9,318
Value of overtime hours worked during fiscal year	<u>\$465,884</u>	<u>\$301,456</u>
Compensatory hours earned during fiscal year	5,378	3,624
Value of compensatory hours earned during fiscal year	<u>\$135,384</u>	<u>\$84,290</u>
Total paid overtime hours and earned compensatory hours during fiscal year	19,307	12,942
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$601,268</u>	<u>\$385,746</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The Center hires some individuals to perform personal services pursuant to a contract where the individual is deemed an “employee” under IRS regulations. Some of the services provided by the contractual payroll employees were in the areas of medical services and dietary nutrition.

The following table prepared from Department records presents the number of contractual payroll employees and the amount expended for contractual payroll employees during fiscal years 2005 and 2004.

	<u>2005</u>	<u>2004</u>
Contractual payroll employees paid during the fiscal year	3	7
Total amount expended for contractual payroll employees during the fiscal year	<u>\$102,483</u>	<u>\$520,372</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

SHARED RESOURCES (not examined)

During fiscal years 2005 and 2004, the Andrew McFarland Mental Health Center (Center) shared pharmaceutical operations with the Jacksonville Developmental Center at a pharmaceutical hub located at the Center. During fiscal year 2005, all responsibility for the hub, including salaries, was transferred to the Department of Human Services – Central Office. During fiscal year 2005 and 2004, the Center paid \$28,900 and \$245,300 respectively, for personal services expenditures. The Central Office assumed all of the commodities costs.

CENTER UTILIZATION (not examined)

Andrew McFarland Mental Health Center (Center) is situated on 90 acres in Springfield, Illinois. The Center has nine buildings on its grounds. Center management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the Center.

<u>Building Number</u>	<u>Type of Building</u>	<u>Square Footage</u>	<u>Occupation of Space</u>
Building 1	Administration	99,004 square feet	100% occupied
Building 2	Kennedy Hall	15,252 square feet	100% occupied
Building 3	Lincoln Hall	11,259 square feet	100% occupied
Building 4	Stevenson Hall	11,259 square feet	100% occupied
Building 5	Jefferson Hall	11,259 square feet	100% occupied
Building 6	Douglas Hall	11,259 square feet	Not occupied
Building 7	Monroe Hall	11,259 square feet	100% occupied
Building 8	Garage	7,074 square feet	100% occupied
Building 9	Transformer Building	693 square feet	100% usable space

COST PER YEAR/DAY PER RESIDENT (not examined)

The following schedule represents costs per resident based upon the Department of Human Services Management Cost System. This includes costs for depreciation and an allocation of costs incurred by the Department’s Central Office and other State agencies.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cost per year per resident	*	\$194,611	\$195,140
Cost per day per resident	*	\$532	\$535

* - The Department had not calculated this statistic by the close of fieldwork.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

RATIO OF EMPLOYEES TO RESIDENTS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Certified Capacity of Center	<u>146</u>	<u>146</u>	<u>146</u>
Average number of residents	<u>112</u>	<u>102</u>	<u>104</u>
Average number of employees	<u>216</u>	<u>221</u>	<u>236</u>
Ratio of employees to residents	<u>1.93 to 1</u>	<u>2.17 to 1</u>	<u>2.27 to 1</u>

REPORTED EMPLOYEE JOB INJURIES (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of reported employee injuries	<u>56</u>	<u>44</u>	<u>124</u>

FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>136,443</u>	<u>135,311</u>	<u>121,896</u>
Total food costs	\$192,403	\$173,754	\$164,111
Total labor costs	<u>467,436</u>	<u>481,161</u>	<u>441,935</u>
Total costs	<u>\$659,839</u>	<u>\$654,915</u>	<u>\$606,046</u>
Average food costs / meal	\$1.41	\$1.28	\$1.35
Average labor costs / meal	<u>3.43</u>	<u>3.56</u>	<u>3.62</u>
Total average cost / meal	<u>\$4.84</u>	<u>\$4.84</u>	<u>\$4.97</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANDREW MCFARLAND MENTAL HEALTH CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2005
(not examined)

The Andrew McFarland Mental Health Center's vision is for all persons to recover from mental illness with the support of hospital and community services. The mission of the Center is to provide treatment services in a safe environment for individuals with serious mental illness or serious emotional disturbances who cannot be served in a less restrictive setting. The primary goal of treatment is to return the individual to their community with individualized support to assist them with their plan for wellness.

Goals:

1. To advance the principles of Recovery through all service delivery systems.
2. To systematically coordinate and integrate delivery of inpatient services between McFarland Mental Health Center, Community Mental Health Centers, and Community Hospital Inpatient System (CHIPS) contracted hospitals.
3. To enhance linkage between systems, improve admission and discharge planning and review community relationships with respect to CHIPS.
4. To sustain high standards of risk management and quality forensic service delivery by enhancing efficiencies in community relations, resource dedication and inpatient service expansion.
5. To support fee for service transition in the community and to continue prudent fiduciary responsibility of management of the budget, staff resources, and its impact on care delivery for consumers.
6. Continue the development of Regional Governance, refinement of organizational structure and evaluation of effectiveness in managing the Department of Mental Health and Regional priorities for FY05.

Objectives:

1. Develop a patient centered, recovery oriented, strength based treatment-planning process.
2. Infuse all discussions and planning centers for mental health care delivery with consumer representation.
3. Review clinical and medical admission criteria for the hospital.
4. Enhance cultural sensitivity and cultural diversity through staff hiring and training.

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5. Promote violence prevention to further reduce the use of seclusion and restraints and eliminate coercive treatment on both civil and forensic units.
6. Revise treatment plans to reflect a strength-based model.
7. Review and revise draft of the Continuity of Care Agreement to reflect current trends in care delivery at the Center.
8. Review level of forensic activity in the region to evaluate trends and volume.
9. Monitor and evaluate implemented efficiencies to identify impact on patient care.
10. Evaluate the progress on integration of Wellness Recovery principles into hospital care delivery systems.

Resident Statistics:

	FY05	FY04	FY03
Admission:	910	851	885
Average Daily Census:	113	108	104
Bed Days:	41,315	39,475	37,810
Average Length of Stay (Discharged Patients):			
Adult	36	32	35
Adolescents	265	159	128
Forensics	288	218	144