

# **REPORT DIGEST**

**ANDREW McFARLAND  
MENTAL HEALTH  
CENTER**

**LIMITED SCOPE  
COMPLIANCE  
EXAMINATION**

For the Two Years Ended:  
June 30, 2009

**Summary of Findings:**

Total this report	2
Total last report	3
Repeated from last report	1

Release Date:  
June 29, 2010



State of Illinois  
Office of the Auditor General  
**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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## **SYNOPSIS**

- ◆ The Center did not properly complete the notice regarding restricted rights of individuals.
- ◆ The Center did not maintain adequate controls over accounts receivable.

{Expenditures and Activity Measures are summarized on the reverse page.}

**ANDREW MCFARLAND MENTAL HEALTH CENTER**  
**LIMITED SCOPE COMPLIANCE EXAMINATION**  
**For The Two Years Ended June 30, 2009**

<b>EXPENDITURE STATISTICS</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
• <b>Total Expenditures (All Appropriated Funds)</b> .....	<b>\$21,317,534</b>	<b>\$21,096,005</b>	<b>\$18,470,170</b>
<b>OPERATIONS TOTAL</b> .....	\$21,306,134	\$21,084,605	\$18,458,770
% of Total Expenditures.....	99.9%	99.9%	99.9%
Personal Services .....	\$14,143,856	\$14,224,931	\$13,168,298
% of Operations Expenditures.....	66.4%	67.5%	71.3%
Average No. of Employees.....	212	225	229
Average Salary Per Employee .....	\$66,716	\$63,222	\$57,503
Other Payroll Costs (FICA, Retirement).....	\$3,984,717	\$3,373,585	\$2,466,210
% of Operations Expenditures .....	18.7%	16.0%	13.4%
Commodities .....	\$470,882	\$478,993	\$392,840
% of Operations Expenditures .....	2.2%	2.3%	2.1%
Contractual Services.....	\$2,461,623	\$2,529,710	\$2,012,576
% of Operations Expenditures.....	11.6%	12.0%	10.9%
All Other Items.....	\$245,056	\$477,386	\$418,846
% of Operations Expenditures.....	1.1%	2.2%	2.3%
<b>GRANTS TOTAL</b> .....	<b>\$11,400</b>	<b>\$11,400</b>	<b>\$11,400</b>
% of Total Expenditures.....	0.1%	0.1%	0.1%
• <b>Cost of Property and Equipment</b> .....	<b>22,932,321</b>	<b>22,748,364</b>	<b>22,049,975</b>
<b>SELECTED ACTIVITY MEASURES (Not examined)</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
• Average Number of Residents .....	111	115	115
• Ratio of Employees to Residents .....	1.91/1	1.96/1	1.99/1
• Paid Overtime Hours and Earned Compensatory Hours	20,404	21,206	18,360
• Value of Paid Overtime Hours and Earned Compensatory Hours.....	\$746,634	\$744,675	\$605,712
• Cost Per Year Per Resident.....	*	\$235,736	\$209,683
*The Department had not calculated this statistic at the close of fieldwork.			
<b>HOSPITAL ADMINISTRATOR(S)</b>			
During Period: Gregory Viniard (1/16/04 – 9/15/07), Karen Schweighart (beginning 9/16/07)			
Currently: Karen Schweighart			

## **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **IMPROPER COMPLETION OF THE NOTICE REGARDING RESTRICTED RIGHTS**

The Center did not properly complete the notice regarding restricted rights of individuals (notice). We noted the following:

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#### **Notices did not indicate the method of delivery**

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#### **Notices did not indicate the recipient's preference to further notification**

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#### **Officials agree with Auditor recommendation**

- Four of 25 (16%) notices reviewed were not completed to indicate whether the notice was delivered in person or mailed.
- Twelve of 25 (48%) notices reviewed were not completed to indicate whether the recipient wished anyone to be notified and, when applicable, who was notified. (Finding 1, pages 9-10)

We recommended the Center ensure notices regarding restricted rights of individuals are properly completed to document and certify the recipients and/or affected parties are aware of the communication restrictions.

Center officials agreed with our recommendation and stated staff will be retrained and reviews will be conducted to ensure compliance.

### **INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Center did not maintain adequate controls over accounts receivable. We noted the following:

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#### **Inaccurate account receivables**

- Two of 25 (8%) accounts receivables tested contained errors related to the processing and entering of Medicare Part A claims. One claim was billed to Medicare by both the contractor hired to process billings and the Center. Although the bill

was paid by Medicare, the Center's records still reflected the claim as a receivable due to the double billing and resulted in the accounts receivable balance being overstated by \$63,840 at 6/30/09. The other receivable was a claim totaling \$41,040 with a notice date of 6/30/08 that was rejected by Medicare due to billing errors, and no action had been taken to correct the errors and resubmit the claim until auditor inquiry.

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**Overdue accounts receivables were not submitted timely**

- Four of 25 (16%) accounts receivables tested totaling \$8,839 outstanding for more than 180 days were not submitted to the Department of Human Services Central Office as required. (Finding 2, pages 11-12)

We recommended the Center implement controls to ensure that the status and accuracy of account receivables is checked and overdue accounts are submitted to Central Office timely.

Center officials agreed with our recommendation and stated the billing errors were corrected.

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**Officials agree with Auditor recommendation****AUDITORS' OPINION**

We conducted a limited scope compliance examination of the Center as required by the Illinois State Auditing Act. Financial statements for the entire Department of Human Services will be presented in the Department's audit report.

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WILLIAM G. HOLLAND, Auditor General

WGH:PH:pp

**AUDITORS ASSIGNED**

The compliance examination was conducted by the Office of the Auditor General's staff.