

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES

CLYDE L. CHOATE MENTAL HEALTH  
AND DEVELOPMENTAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

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STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
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**CENTER OFFICIALS**

Director	Ms. Janice Farmer
Director (7/01/03 – 09/21/03)	Ms. Leann Taylor
Assistant Director (Acting)	Ms. Dianna Williams
Assistant Director (07/01/03 – 03/31/04)	Mr. Karl Mitchener
Hospital Administrator	Dr. Sarah Andrew
Business Office Administrator:	
Current	Mr. Chris Wells
01/01/05 – 07/31/05 (Acting)	Mr. Aaron Phelps
07/01/03 – 12/31/04	Mr. Richard Wilson

The Center is located at:

1000 North Main Street  
Anna, Illinois 62906



Rod R. Blagojevich, *Governor*

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

CLYDE L. CHOATE MENTAL HEALTH & DEVELOPMENTAL CENTER  
1000 NORTH MAIN • ANNA, IL 62906

September 30, 2005

West & Company, LLC  
Certified Public Accountants  
919 E. Harris  
Greenville, IL 62246

Ladies and Gentlemen:

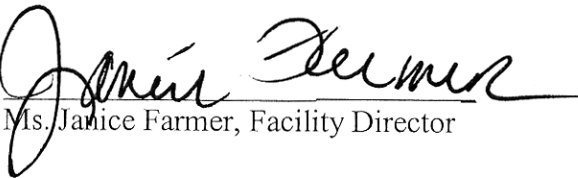
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements, except as disclosed to you during the engagement. 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 year(s) ended June 30, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.

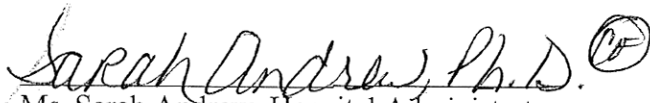
- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, 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.

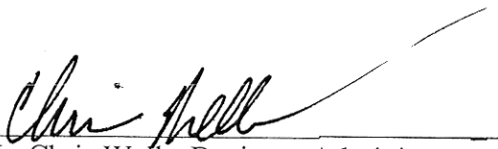
E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Clyde L. Choate Mental Health & Developmental Center

  
Ms. Janice Farmer, Facility Director

  
Ms. Sarah Andrew, Hospital Administrator

  
Mr. Chris Wells, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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	8	-
Repeated findings	-	-
Prior recommendations implemented or not repeated	-	-

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
CURRENT FINDINGS		
05-1	10	Inventory
05-2	13	Property Control Procedures
05-3	15	Inadequate Controls Over Personal Services
05-4	18	Inadequate Controls Over Patient Travel Trust Fund
05-5	20	Controls Over Accounts Receivable Need Improvement
05-6	22	Locally Held Fund Reporting Errors
05-7	23	Voucher Processing Procedures
05-8	25	Lack of Adequate Segregation of Duties



INSERT YELLOW AUDITORS' REPORT TAB HERE



**WEST & COMPANY, LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

MEMBERS

E. LYNN FREESE  
RICHARD C. WEST  
KENNETH L. VOGT  
DOUGLAS R. STROUD  
BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH

919 E. HARRIS AVENUE  
GREENVILLE, ILLINOIS 62246

\_\_\_\_\_  
(618) 664-4848

OFFICES

EFFINGHAM  
SULLIVAN  
GREENVILLE  
MATTOON

**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**

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Human Services – Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental 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 of the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center on behalf of the State or held in trust by the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with 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 Services – Central Office compliance report. We have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General’s financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 30, 2005.

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 - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center’s compliance with specified requirements.

As described in findings 05-1, 05-2, 05-3, and 05-4 in the accompanying schedule of State findings and questioned costs, the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center did not comply with requirements regarding compliance requirements B, C, and E. Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center to comply with the aforementioned requirements.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental 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 findings 05-5, 05-6, and 05-7.

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 - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental 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 have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 30, 2005.

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 - Clyde L. Choate Mental Health and Developmental Center's ability to comply with one or more of the aforementioned requirements. Reportable conditions are described in the accompanying schedule of State findings and questioned costs as findings 05-1, 05-2, 05-3, and 05-4.

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 findings 05-1, 05-2, and 05-3 to be material weaknesses. Additionally, the results of our procedures disclosed other deficiencies in internal control, 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 State findings and questioned costs as finding 05-5, 05-6, 05-7, and 05-8.

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

#### **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 Employee Overtime, Contractual Payroll Employees, 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.

*West + Company, LLC*

West & Company, LLC

September 30, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE

05-1 FINDING - Inventory

The Center did not complete an adequate year-end physical inventory and did not sufficiently maintain perpetual commodities inventory records.

The total value of commodities inventory at June 30, 2003 was \$390,543. Total commodities expenditures were \$1,331,468 and \$1,237,837 for fiscal years 2005 and 2004, respectively. Because of poor record keeping and the numerous weaknesses noted in internal controls over commodities inventory we were unable to report on commodities inventory balances at June 30, 2004 and June 30, 2005 in the Center's limited scope compliance examination report.

We noted the following exceptions and weaknesses during our testing of the Center's commodity inventory records:

- General store (food) requisitions were not being submitted to the business office in a timely manner. During our inventory observation on June 21, 2005 we noted 19 outstanding inventory requisition forms that were not entered into the inventory management system. 13 of these requisitions were over one week old. Upon further inquiry, it appeared no effort was made to submit these items timely to the business office.
- The Center's complete physical inventory count was not performed close enough to fiscal year end to ensure accurate reporting of year-end inventory; general store food and non-food inventories were counted on May 16<sup>th</sup> and June 13<sup>th</sup>, respectively.
- Most of the same staff responsible for maintaining the inventory performed the physical inventory counts.
- No interim periodic inventory test counts were performed.
- 40 of 72 (56%) items selected for test counts could not be reconciled to the June 30 Monthly Commodity Status Report. The net variance of the unreconciled inventory was \$1,227.
- Inventory was not well maintained in the general store (food). The same inventory items were often stored in various locations.

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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-1 FINDING – Inventory (continued)

- The Center is not inputting inventory transactions into their system on a timely basis. Center employees told us that they were always a couple of weeks behind in entering data into the inventory management system. We corroborated the Center employees' representation during our testing and noted that no activity was input into the system for general and mechanical stores for the week ended July 3, 2005.
- The Center failed to follow a memo from the Department of Human Services (DHS) for fiscal year 2005 inventory cutoff. DHS sent a memo to the Centers stating that fiscal year 2005 inventory transactions could be input until July 10, 2005. We noted the Center input fiscal year 2006 transactions before July 10<sup>th</sup> and Center personnel indicated that fiscal year 2005 transactions were input after July 10<sup>th</sup>.
- The business office frequently failed to forward weekly and monthly inventory reports to the storekeepers.
- Inventory items were removed from the general store (non-food) without appropriate requisitions.

The Illinois Administrative Code (44 Ill. Adm. Code 1.6010) requires each state agency to have general supervision and accountability for tangible personal property and other supplies under its control and to conduct a periodic inventory of all warehouses and similar storage areas under its jurisdiction.

Center management stated that the problems with inventory were caused by employee turnover, employees on leave of absence, and insufficient staff allocated to this area.

Failure to maintain accurate and timely inventory records could result in unexpected shortages, overstocking, theft or waste of commodities. (Finding Code No. 05-1)

STATE OF ILLINOIS  
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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-1 FINDING – Inventory (continued)

RECOMMENDATION

We recommend the Center devote the resources necessary to timely report inventory transactions to the business office, to timely input inventory transactions into the reporting system, and to timely distribute inventory reports to the appropriate storekeepers. The Center should require the completion of requisition forms anytime inventory is used.

We also recommend the Center conduct a complete physical inventory near the end of the physical year with staff independent of maintaining the inventory. The Center should better organize general stores inventories by maintaining inventory items in one location. The Center should also consider conducting periodic test counts of inventory throughout the year to increase the accuracy of perpetual inventory records.

AGENCY RESPONSE

Agree. Management and supervisory staff are currently implementing directives and procedures to ensure that the storekeeper timely submits store requisitions to the Business Office. The Center will ensure that inventory counts are performed at or near the fiscal year's end by staff not responsible for maintaining the inventory. Responsible staff will perform periodic inventory tests and input all inventory transactions into the inventory system, including the distribution of inventory reports to the appropriate storekeepers. No item of inventory will be removed from the facility stores without the appropriate requisition. A system of inventory control, storage and maintenance will be implemented at the Center establishing supervision and accountability pertaining to property and supplies under the control of the food store, general store, and property. Training will be held with Springfield Administrative staff.



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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-2 FINDING – Property Control Procedures

The Center is not in compliance with property control procedures.

We noted the following conditions:

- During the tour of buildings and grounds, we noted a storage building that contained instances of oversupply and deterioration of property and equipment. The building contained 632 items valued at \$213,258. Center officials acknowledged that some of the items were equipment in excess of the Center's current needs and some of the items were likely scrap. Agencies are required to regularly survey their inventories for transferable equipment that is no longer needed or useable by the agency and report the transferable equipment to DCMS (44 Ill. Adm. Code 5010.620).
- 21 of 32 (66%) property transactions tested did not have proper documentation maintained at the Center. The property transactions that did not have proper documentation included 7 additions totaling \$24,205, 12 transfers valued at \$158,709, and 2 deletions valued at \$16,042. The Illinois Department of Human Services Property Management Procedures require properly completed forms for equipment transactions including: transfers to CMS Surplus (Form IL 1354), transfers of EDP equipment (Form IL 444-4290), transfers of non-EDP equipment (Form IL 444-0701), scrapping of inventory (Form IL 401-1353), and all documentation supporting equipment purchased with grant monies. In addition, the Center should complete and retain DCMS' Form IL 401-0204 "Vehicle Acquisition and Change Report" for all vehicles transferred to Surplus.
- Reconciliations were not performed between the Property Control System (agency records) and amounts reported to the Illinois Office of the Comptroller. We were able to reconcile Center records to the ending balances reported to the Comptroller for the fiscal years ended June 30, 2004 and 2005, but were unable to reconcile Center records to the activity reported to the Comptroller during the period. SAMS procedure 29.10.10 requires agencies to maintain detail records of State Property and report the balances and changes quarterly to the Illinois Office of the Comptroller.

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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-2 FINDING – Property Control Procedures (continued)

- 1 of 40 (3%) items of equipment tested valued at \$12,843 did not have a control tag affixed. Agencies are responsible for marking each piece of State-owned equipment in their possession with a unique six-digit identification number (44 Ill. Adm. Code 5010.210).

According to Center personnel, the property control weaknesses were the result of employee turnover and unintentional oversight.

Although no loss of State Property was noted, failure to comply with Department property control procedures underutilizes State resources and increases the risk of financial reporting errors and misappropriation of assets. (Finding Code No. 05-2)

RECOMMENDATION

We recommend the Center review internal procedures to improve controls and ensure equipment transactions are properly reported including reconciling Center records to those reported to the Illinois Office of the Comptroller, preparing transaction forms in accordance with Department Procedures, reporting and transferring Surplus and scrap property on a more timely basis, and tagging property and equipment.

AGENCY REPOSENSE

Agree. The Center will ensure that a reconciliation is performed quarterly between the property control system (agency records) and those amounts reported to the Comptroller's office. Center staff will review all equipment now held in storage for a review of need, utility, and surplus, and react accordingly. Responsible Center staff will affix equipment items with control tags in a timely manner. The Center's Business Office will ensure that all transactions and documentation are completed in a timely fashion.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-3 FINDING – Inadequate Controls Over Personal Services

The Center failed to document review of payroll vouchers, did not perform employee evaluations timely, and erroneously calculated an employee's accrued vacation.

- All 48 payroll vouchers examined totaling \$6,258,595 showed no evidence of review by the Center's management.

Good internal control procedures require that Center personnel evidence their review of the payroll systems input that generates the payroll vouchers to certify that Center employees named, their respective indicated positions and service times, and appropriation to be charged, as shown on the accompanying payroll sheets are true, complete, correct and according to the provisions of the law.

- During our testing of employee files, we noted 5 of 50 (10%) files contained either untimely employee evaluations or employee evaluations that had not been completed. 3 of the evaluations tested were performed an average of 6 months late. 2 of the evaluations tested had not been performed in over a year as of the end of fieldwork September 30, 2005.

The Illinois Administrative Code (80 IL Adm. Code 302.270) requires an agency to prepare an evaluation not less often than annually. Six-month probationary employees are required to have two employee evaluations during their probationary period and four-month probationary employees one employee evaluation during their probationary period.

- We tested attendance records in employee files to determine whether accruals, usage, and year-end balances were in accordance with agency rules. Out of 50 records tested we discovered 1 (2%) file with an improper calculation of prior service credit on the Center's current records dating back to when the employee was hired in 1998. An employee was erroneously given full-time prior service credit for part-time work performed at a state university resulting in the employee receiving an extra 13.8 days of vacation valued at approximately \$1,800. The Center is reviewing the extra vacation granted to determine their course of action.

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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-3 FINDING – Inadequate Controls Over Personal Services (continued)

The Department of Human Services “State Service History Prior to Current Employment” form details policies and procedures for crediting prior service credit. This form and the Center’s employee handbook states that employees must be in pay status at least half of the workdays in a month to earn vacation for the month. Part-time employees earn vacation on a prorated basis.

Center personnel indicated clerical oversights and turnover in the Business Administrator position were reasons for the lack of documented review of the payroll systems input that generates the payroll vouchers. Center personnel stated that of the five exceptions noted in untimely employee evaluations, four were caused by insufficient staff to timely perform this function. The fifth exception involved a supervisor who subsequently went on a leave of absence. Center personnel stated the accrued vacation error was a clerical oversight where the Center failed to differentiate the employee’s part-time status when calculating prior service credit.

Failure to properly approve payroll vouchers could lead to improper payment of appropriated payroll funds. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Delays in evaluations cause untimely formal feedback to employees regarding their performance and may cause certain probationary employees to become certified prior to formal review. Failure to differentiate between full-time and part-time past service status of employees could result in the Center granting excess leave time to employees. (Finding Code No. 05-3)

RECOMMENDATION

We recommend the Center document approval of payroll vouchers, allocate the resources necessary to timely perform employee evaluations, and properly assess the prior service status of employees when calculating accrued vacation for new employees.

STATE OF ILLINOIS  
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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-3 FINDING – Inadequate Controls Over Personal Services (continued)

AGENCY RESPONSE

Disagree. Payroll vouchers are not approved for payment at the local level. The State Finance Act cited (30 ILCS 105-9.03) clearly states that the Chief Executive Officer or his designee shall certify payroll vouchers. Payroll is run centrally, approved centrally, and otherwise processed in Springfield. No signatures other than the Secretary's and the Director of CMS are required on vouchers. The employee file that revealed an improper calculation of prior service credit was an action dated back to 1998. Although the error persisted in the file for the period of the audit, it was not a matter that arose within the time frame of the audit.

To alleviate the concerns of the auditors, the Business Administrator now certifies that employees listed and receiving pay are employed locally with DHS through Choate Mental Health and Developmental Center. The Administration and Human Resources will direct and allocate the resources that are necessary to timely perform employee evaluations timely. The Center's Business Administrator now verifies all local vouchers, each pay period.

AUDITORS' COMMENT

Good internal control procedures would dictate that Center personnel located at the Clyde L. Choate facility in Anna, Illinois would need to evidence their review of the pertinent payroll input information such as named employee, position, hours worked and appropriation charged. While the actual voucher may be signed in Springfield, it is clear that Springfield personnel are relying on review at the local facility to certify payroll voucher payments are paid to the correct employee in the correct amounts with the correct appropriation for time actually worked. We saw no evidence of supervisory review of any of the 48 payroll input documents examined at the Choate facility.

Although the prior service credit calculation error occurred in 1998, the incorrect balance was still maintained on the facility's records at the time of our examination.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-4 FINDING – Inadequate Controls Over Patient Travel Trust Fund

The Center lacked adequate internal controls and documentation for the operation of Patient Travel Trust Fund.

The following exceptions were noted during our testing of the Patient Travel Trust Fund:

- The Center failed to maintain a disbursements log summarizing Patient Travel Trust Fund expenditures. Disbursements totaled \$4,700 and \$5,026 in fiscal years 2004 and 2005, respectively.
- No reconciliations were performed of travel expenditures to unexpended cash balances. Appropriations to the Patient Travel Trust Fund were \$5,800 and \$3,300 in fiscal years 2004 and 2005, respectively.
- Fiscal year 2004 patient travel fund expenditures records could not be located. Disbursements from the fund in fiscal year 2004 were \$4,700.
- Fiscal year 2005 patient travel fund expenditures could not be reconciled from agency records to supporting documentation. The unreconciled difference was \$593.

Good business practices require the implementation of internal controls designed to safeguard assets and provide assurance that all transactions are valid, authorized, and properly recorded. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve the records containing adequate and proper documentation of the essential transactions of the agency.

Center personnel indicated that they were aware of inadequate controls over this fund and cited staff shortages caused by the long-term leave of absence taken by the travel fund supervisor.

Failure to establish internal controls and maintain supporting documentation for locally held funds increases the likelihood that theft, misappropriation of funds and financial reporting errors could occur and not be detected in the normal course of business. (Finding Code No. 05-4)

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-4 FINDING – Inadequate Controls Over Patient Travel Fund (continued)

RECOMMENDATION

We recommend the Center strengthen internal controls over the Patient Travel Trust Fund to ensure that expenditures from the fund have adequate supporting documentation, are properly recorded in cash disbursements logs and are periodically reconciled to the unexpended cash balance by an independent person.

AGENCY REPOSE

Agree. The Center's Business Office has reassigned the responsibility for the Patient Travel Trust Fund. This staff will maintain a disbursement log summarizing patient travel. The books pertaining to disbursements will be reviewed by another staff member to safeguard assets, provide assurance as the validity of the transaction and will reconcile the account.

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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-5 FINDING –Controls Over Accounts Receivable Need Improvement

The Center did not consistently monitor and pursue the collection of accounts receivable for recipient accounts.

During our testing of resident’s files, we noted 12 of 50 (24%) accounts receivable balances tested were not turned over to the Central Office for collection or for write off of uncollectible balances. Three accounts totaling \$5,883 were one to three years old and had not been reported to the Central Office for further collection efforts. Nine accounts totaling \$63,913 were deemed uncollectible by the Center and had not been reported to the Central Office for write off of the uncollectible balances.

According to the Department of Human Services Policy and Procedure Manual No. 01.04.02.03, Form DMHDD-681, “Notice to DMHDD Central Office of Account Collection Problem” should be completed and used to notify Central Office of an account collection problem and to request assistance in collection when the accounts are over nine months old. When accounts are deemed uncollectible the Center is to report these accounts to the Central Office by completing the Form DMHDD-682, “DMHDD Criteria Used to Determine That This Account is Uncollectible”.

Center management stated they did not consistently adhere to receivable monitoring and collection procedures because of the lack of personnel to continuously monitor and maintain the resident accounts.

Failure to notify Central Office of the collection difficulties may result in the delay or loss of revenue and an overstatement of accounts receivable asset balances. (Finding Code No. 05-5)

RECOMMENDATION

We recommend the Center allocate sufficient resources to the Resident Resource Unit to properly manage receivables and report accounts with collection problems and uncollectible accounts to the Central Office according to Department policy.



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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-5 FINDING –Controls Over Accounts Receivable Need Improvement (continued)

AGENCY REPOSE

Agree. While the cited errors were immediately reconciled during the initial week of the audit, the Center’s Facility Recipient Resource Unit will dedicate some of their time to accounts receivable. The Unit will strive to monitor and forward to the Central Office all accounts deemed uncollectible. A “tickler” file for past due accounts will be used to maintain an awareness of files requiring attention.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
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CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-6 FINDING – Locally Held Fund Reporting Errors

Reporting errors were noted when testing the Center’s “Report of Receipts and Disbursements for Locally Held Funds” (Form C-17).

During our review of Form C-17’s, we noted reporting errors on 5 of 8 (63%) of the quarterly reports when trying to reconcile cash reported on the C-17 to June 30 agency records for both fiscal years. The average variance in the cash balance was \$1,807 for the five reporting errors we noted. No supervisory review of the Form C-17’s is performed before they are submitted to the Illinois Office of the Comptroller.

SAMS Procedure 33.13.10 requires each agency to file a quarterly “Report of Receipts and Disbursements for Locally Held Funds” to the Illinois Office of the Comptroller.

Center personnel indicated the reporting errors were caused by the combination of inaccurate records from previous quarters and data entry delays at the end of each quarter.

Failure to properly report the Center’s locally held fund information reduces the reliability of the comprehensive fiscal database for the State of Illinois. (Finding Code No. 05-6)

RECOMMENDATION

We recommend that supervisory personnel review the Form C-17 reports to ensure the reliability of data reported to the Illinois Office of the Comptroller.

AGENCY REPOSE

Agree. The Center will implement directives to ensure that supervisory personnel review C-17 reports with the objective of timely submission of data to the Illinois Comptroller’s Office.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-7 FINDING – Voucher Processing Procedures

The Center was not in compliance with voucher processing procedures.

Based on our examination of vouchers for the two-year period ended June 30, 2005, we noted the following instances of noncompliance:

- 16 of 50 (32%) vouchers tested totaling \$107,441 were not approved or denied within 30 days after receipt of the vendor invoice. No interest was due to these vendors.
- 2 of 50 (4%) vouchers tested totaling \$114,932 contained an improper Statewide Accounting Management System (SAMS) object code classification.

The Illinois Administrative Code (74 IL Adm. Code 900.70) requires state agencies to review vendor invoices and approve or deny payment within 30 days of physical receipt of a proper bill. SAMS (Section 11) provides proper object code classifications for agency expenditures.

Center personnel cited clerical oversight, delays in obtaining invoices and receiving reports within the Center, and delays in the contract approval process as the primary reasons for delays in the voucher approvals and for the incorrect object code classifications noted. Further, one of the incorrect object code classifications was subsequently detected by the Illinois Office of the Comptroller and corrected.

Delays in processing vouchers could result in the assessment of interest charges to the State and improper coding of expenditures reduces the reliability of information in the Department and State of Illinois financial reports. (Finding Code No. 05-7)

RECOMMENDATION

We recommend the Center comply with the prompt payment provisions of the Illinois Administrative Code and take more care in determining the object code classification of vouchers processed.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-7 FINDING – Voucher Processing Procedures (continued)

AGENCY RESPONSE

Agree. The facility seeks to be prompt with payments on vouchers in order to maintain a positive relationship with vendors. It bears reiteration that the Center's Business Office has been and remains severely understaffed at times compromising the smooth and efficient operation of this office.

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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-8 FINDING – Lack of Adequate Segregation of Duties

The Center failed to maintain adequate segregation of duties in two areas.

We noted the following conditions:

- In the automotive operations, the employee responsible for maintaining fuel inventory is also responsible for reconciling fuel consumption. The Center consumed \$33,473 and \$53,011 of fuel during fiscal years 2004 and 2005, respectively.
- In the Rehabilitation Fund (Side Street Café), a single employee processes cash receipts, makes bank deposits, and maintains agency books and records. The Rehabilitation Fund had \$55,005 of receipts and \$54,794 of disbursements in fiscal year 2004, and \$69,101 of receipts and \$68,401 of disbursements in fiscal year 2005.

Good business practices require the segregation of direct custody of assets from responsibility for authorizing transactions, recording transactions, and reconciling the accounting records.

According to Center personnel, the control weaknesses were the result of employee turnover and insufficient staff devoted to these areas.

A lack of segregation of duties increases the likelihood that a loss from errors or fraud could occur and not be detected in the normal course of business. (Finding Code No. 05-8)

RECOMMENDATION

We recommend the Center segregate the responsibilities of maintaining and reconciling automotive fuel inventory to separate employees. We also recommend that the functions of preparing cash transactions for the Rehabilitation Fund be segregated from the recordkeeping duties and the reconciliation function.

STATE OF ILLINOIS  
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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-8 FINDING – Lack of Adequate Segregation of Duties (continued)

AGENCY REPOSE

Agree. The facility, prior to the audit, implemented a segregation of responsibilities within the structure of the Side Street Café. The same is now performed within the Center's Engineering Department regarding reconciliation of fuel inventory and consumption.

STATE OF ILLINOIS  
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FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Prior Audit Findings Not Repeated

There were no findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2003.

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STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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
- 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

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Center Utilization (not examined)
- Annual Center Statistics
  - Cost Per Year/Day Per Resident (not examined)
  - Ratio of Employees 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 Employee Overtime, Contractual Payroll Employees, 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  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACT 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 26,677,600	\$ 24,235,554	\$ 2,348,000	\$ 26,583,554	\$ 94,046
Employee retirement contributions paid by employer	38,064	38,064	-	38,064	-
State contributions to state employees' retirement system	4,160,500	3,769,717	368,724	4,138,441	22,059
State contributions to Social Security	1,887,700	1,707,162	169,863	1,877,025	10,675
Contractual Services	1,958,700	1,695,663	172,186	1,867,849	90,851
Travel	20,200	17,780	2,100	19,880	320
Commodities	1,338,500	1,186,037	145,431	1,331,468	7,032
Printing	16,600	11,929	1,171	13,100	3,500
Equipment	70,400	65,079	5,244	70,323	77
Telecommunications services	155,300	115,306	32,751	148,057	7,243
Operation of auto equipment	53,500	45,737	7,611	53,348	152
Expenses related to living skills program	37,400	37,400	-	37,400	-
Costs associated with behavioral health services	41,300	41,300	-	41,300	-
Total - Appropriated Fund - 001	<u>\$ 36,455,764</u>	<u>\$ 32,966,728</u>	<u>\$ 3,253,081</u>	<u>\$ 36,219,809</u>	<u>\$ 235,955</u>
<u>DHS Private Resources - 690</u>					
Choate recycling project		45,234	-	45,234	
Grand Total - All Funds		<u>\$ 33,011,962</u>	<u>\$ 3,253,081</u>	<u>\$ 36,265,043</u>	

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>APPROPRIATIONS NET OF TRANSFERS</u>	<u>EXPENDITURES THROUGH JUNE 30, 2004</u>	<u>LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2004</u>	<u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004</u>	<u>BALANCES LAPSED AUGUST 31, 2004</u>
PUBLIC ACT 93-0092					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 25,517,000	\$ 23,296,753	\$ 1,123,584	\$ 24,420,337	\$ 1,096,663
Employee retirement contributions paid by employer	990,100	787,010	39,661	826,671	163,429
State contributions to state employees' retirement system	3,388,700	2,153,736	46	2,153,782	1,234,918
State contributions to Social Security	1,790,900	1,690,643	82,602	1,773,245	17,655
Contractual Services	1,981,600	1,815,134	165,234	1,980,368	1,232
Travel	24,800	21,210	1,617	22,827	1,973
Commodities	1,257,900	1,197,829	40,008	1,237,837	20,063
Printing	14,500	13,985	462	14,447	53
Equipment	90,600	70,801	19,679	90,480	120
Telecommunications services	194,200	165,728	28,467	194,195	5
Operation of auto equipment	79,300	67,351	10,235	77,586	1,714
Expenses related to living skills program	38,800	38,000	-	38,000	800
Costs associated with behavioral health services	42,800	42,799	-	42,799	1
Total	<u>\$ 35,411,200</u>	<u>\$ 31,360,979</u>	<u>\$ 1,511,595</u>	<u>\$ 32,872,574</u>	<u>\$ 2,538,626</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>Appropriated Funds</u>	P.A. 93-0842 & 93-0681	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 36,455,764</u>	<u>\$ 35,411,200</u>	<u>\$32,416,950</u>
EXPENDITURES			
Personal services	26,583,554	24,420,337	23,499,686
Employee retirement contributions paid by employer	38,064	826,671	906,673
State contributions to state employees' retirement system	4,138,441	2,153,782	2,407,286
State contributions to Social Security	1,877,025	1,773,245	1,704,399
Contractual services	1,867,849	1,980,368	1,906,469
Travel	19,880	22,827	19,283
Commodities	1,331,468	1,237,837	1,197,356
Printing	13,100	14,447	14,018
Equipment	70,323	90,480	34,080
Telecommunications services	148,057	194,195	165,652
Operations of auto equipment	53,348	77,586	48,700
Expenses related to living skills program	37,400	38,000	38,300
Cost associated with behavioral health services	41,300	42,799	43,300
Total Expenditures	<u>36,219,809</u>	<u>32,872,574</u>	<u>31,985,202</u>
LAPSED BALANCES	<u>\$ 235,955</u>	<u>\$ 2,538,626</u>	<u>\$ 431,748</u>
<u>Non-Appropriated Funds</u>			
DHS PRIVATE RESOURCES FUND - 690			
EXPENDITURES			
Choate recycling project	<u>\$ 45,234</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total - All Funds:			
Total Expenditures	<u>\$ 36,265,043</u>	<u>\$ 32,872,574</u>	<u>\$31,985,202</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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, Patient Travel Trust Fund, and Petty Cash Fund, which are appropriated funds. 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, Patient Travel Trust Fund and Petty Cash account. These funds 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 Patient Travel Trust Fund (SAMS fund number 1247) was established to provide for transportation of residents without funds. The source of revenue is the State appropriation. Expenditures are for travel costs incurred to transport indigent recipients to another facility or to their home upon discharge.

The Petty Cash account is maintained for the purpose of making change, 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.

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DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Special Revenue Funds (continued)

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.

Investments and Account Locations

The following schedule lists the locations and amounts of investments and bank accounts of the locally held funds at June 30, 2005:

Investments

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>
Resident’s Trust Fund		
Certificate of Deposit:		
First National Bank of Jonesboro	2.93%	\$30,000

The above certificate of deposit is covered by Federal Deposit Insurance Corporation insurance. The carrying amount approximates fair value.

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CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

Living Skills Fund

Checking Account  
Anna National Bank; Anna, IL  
Non-Interest bearing

Patient Travel Trust Fund

An imprest fund is the only account maintained by this locally held fund. See finding 05-4.

Petty Cash Account

Checking Account  
Anna National Bank; Anna, IL  
Non-Interest bearing

DHS Other Special Trust Fund

Checking Account  
Anna National Bank; Anna, IL  
Bearing Interest at .75%

DHS Rehabilitation Fund

Checking Account  
Anna National Bank; Anna, IL  
Non-Interest bearing

DHS Resident's Trust Fund

Checking Account  
Anna National Bank; Anna, IL  
Bearing Interest at .75%



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SCHEDULE OF LOCALLY HELD FUNDS-CASH BASIS  
JUNE 30, 2005

	1144 Rehabilitation Workshop Fund	1139 Other Special Trust Fund	1143 Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Fund	N/A Petty Cash Fund
Balance - July 1, 2004	\$ 2,450	\$ 17,628	\$ 59,942	\$ 1,747	\$ 1,910	\$ 182
Receipts						
Income from sales	69,101	-	-	-	-	-
Investment income	-	136	-	-	-	-
Resident deposits	-	-	782,408	-	-	-
Donations	-	18,984	-	-	-	-
Appropriations	-	-	-	37,400	3,300	756
Total Receipts	<u>69,101</u>	<u>19,120</u>	<u>782,408</u>	<u>37,400</u>	<u>3,300</u>	<u>756</u>
Disbursements						
Cost of sales	68,401	-	-	-	-	-
Contractual services	-	21,376	-	-	-	-
Commodities	-	1,246	-	-	-	-
Travel	-	-	-	-	3,116	-
Equipment	-	-	-	-	-	-
Resident withdrawals	-	-	773,023	-	-	-
Living Skills Program	-	-	-	35,505	-	-
Other	-	-	-	176	1,910	872
Total Disbursements	<u>68,401</u>	<u>22,622</u>	<u>773,023</u>	<u>35,681</u>	<u>5,026</u>	<u>872</u>
Balance - June 30, 2005	<u>\$ 3,150</u>	<u>\$ 14,126</u>	<u>\$ 69,327</u>	<u>\$ 3,466</u>	<u>\$ 184</u>	<u>\$ 66</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
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SCHEDULE OF LOCALLY HELD FUNDS-CASH BASIS  
JUNE 30, 2004

	1144 Rehabilitation Workshop Fund	1139 Other Special Trust Fund	1143 Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Fund	N/A Petty Cash Fund
Balance - July 1, 2003	\$ 2,239	\$ 22,329	\$ 54,674	\$ 3,092	\$ 810	\$ 36
Receipts						
Income from sales	54,360	-	-	-	-	-
Investment income	-	160	-	-	-	-
Resident deposits	-	-	818,738	-	-	-
Donations	645	16,369	-	-	-	-
Appropriations	-	-	-	39,000	5,800	1,050
Total Receipts	<u>55,005</u>	<u>16,529</u>	<u>818,738</u>	<u>39,000</u>	<u>5,800</u>	<u>1,050</u>
Disbursements						
Cost of sales	54,794	-	-	-	-	-
Contractual services	-	18,963	-	-	-	-
Commodities	-	1,737	-	-	-	-
Travel	-	-	-	-	4,700	-
Equipment	-	530	-	-	-	-
Resident withdrawals	-	-	813,470	-	-	-
Living Skills Program	-	-	-	40,345	-	-
Other	-	-	-	-	-	904
Total Disbursements	<u>54,794</u>	<u>21,230</u>	<u>813,470</u>	<u>40,345</u>	<u>4,700</u>	<u>904</u>
Balance - June 30, 2004	<u>\$ 2,450</u>	<u>\$ 17,628</u>	<u>\$ 59,942</u>	<u>\$ 1,747</u>	<u>\$ 1,910</u>	<u>\$ 182</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SCHEDULE OF CHANGES IN STATE PROPERTY  
YEARS ENDED JUNE 30, 2004 & 2005

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
<u>Balance June 30, 2003</u>	<u>\$ 37,381</u>	<u>\$ 39,434,152</u>	<u>\$ 5,516,787</u>	<u>\$ 3,692,777</u>	<u>\$ 48,681,097</u>
Additions:					
Purchases	-	-	-	127,270	127,270
Transfers-in:					
Intra-agency	-	-	-	601,489	601,489
Inter-agency	-	-	-	970	970
Capital Development Board	-	472,175	169,729	-	641,904
Surplus Property	-	-	-	-	-
DAVTE Fund	-	-	-	-	-
Donations	-	-	-	-	-
Adjustments	-	-	-	62,916	62,916
Total Additions	<u>-</u>	<u>472,175</u>	<u>169,729</u>	<u>792,645</u>	<u>1,434,549</u>
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	590,258	590,258
Inter-agency	-	-	-	65,572	65,572
Surplus Property	-	-	-	23,960	23,960
Scrap property	-	-	-	71,897	71,897
Condemned and lost property	-	-	-	-	-
Clerical error and other	-	-	-	8,821	8,821
Adjustment	-	-	-	4	4
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,512</u>	<u>760,512</u>
<u>Balance June 30, 2004</u>	<u>37,381</u>	<u>39,906,327</u>	<u>5,686,516</u>	<u>3,724,910</u>	<u>49,355,134</u>
Additions:					
Purchases	-	-	-	133,133	133,133
Transfers-in:					
Intra-agency	-	-	-	889,181	889,181
Inter-agency	-	-	-	33,948	33,948
Capital Development Board	-	314,352	31,668	-	346,020
Surplus Property	-	-	-	-	-
DAVTE Fund	-	-	-	-	-
Donations	-	-	-	-	-
Adjustments	-	-	-	52,347	52,347
Total Additions	<u>-</u>	<u>314,352</u>	<u>31,668</u>	<u>1,108,609</u>	<u>1,454,629</u>
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	890,270	890,270
Inter-agency	-	-	-	21,038	21,038
Outside agencies	-	-	-	-	-
Surplus property	-	-	-	-	-
Scrap property	-	-	-	88,154	88,154
Condemned and lost property	-	-	-	-	-
Clerical error and other	-	-	-	28,110	28,110
Adjustment	-	-	-	258	258
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,027,830</u>	<u>1,027,830</u>
<u>Balance June 30, 2005</u>	<u>\$ 37,381</u>	<u>\$ 40,220,679</u>	<u>\$ 5,718,184</u>	<u>\$ 3,805,689</u>	<u>\$ 49,781,933</u>

Note: The property balances at June 30, 2004 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller. However, the changes in state property that occurred during the current examination period could not be reconciled to Center records. See Finding Code 05-2.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Refund of Living Skills Program	\$ -	\$ -	\$ 373
Jury duty, witness fees, military duty	302	431	364
Copy charges	751	1,115	-
Sale of scrap and goods	-	-	1,605
Insurance reimbursements	2,550	-	-
Telephone reimbursements	-	34	-
Miscellaneous, fax, subpoena	176	339	119
<b>TOTAL RECEIPTS</b>	<u>\$ 3,779</u>	<u>\$ 1,919</u>	<u>\$ 2,461</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 3,779	\$ 1,919	\$ 2,461
Add: Deposits in transit - Beginning of year	39	95	75
Deduct: Deposits in transit - End of year	310	39	95
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<u>\$ 3,508</u>	<u>\$ 1,975</u>	<u>\$ 2,441</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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		INCREASE (DECREASE)	
	<u>JUNE 30</u>		<u>AMOUNT</u>	<u>%</u>
	<u>2005</u>	<u>2004</u>		
Employee retirement contributions paid by employer	\$ 38,064	\$ 826,671	\$ (788,607)	(95.4)%
State contributions to state employees' retirement system	\$ 4,138,441	\$ 2,153,782	\$ 1,984,659	92.2%
Equipment	\$ 70,323	\$ 90,480	\$ (20,157)	(22.3)%
Telecommunication services	\$ 148,057	\$ 194,195	\$ (46,138)	(23.8)%
Operation of auto equipment	\$ 53,348	\$ 77,586	\$ (24,238)	(31.3)%
Choate recycling project	\$ 45,234	\$ -	\$ 45,234	100.0%

Employee retirement contributions paid by employer

Employee retirement contributions paid by employer substantially decreased \$788,607 because Merit Compensation and Alternative Formula employees are now required to contribute 4% of retirement contributions from their checks. Also, the state eliminated their portion of the retirement contributions.

State contributions to state employees' retirement system

State contributions to state employees' retirement system increase of \$1,984,659 was due to state changes in funding retirement plans. These changes caused the contribution rate to drastically increase in fiscal year 2005.

Equipment

Decrease of \$20,157 in equipment expenditures was attributed to the Center having more pressing priorities in other areas. The equipment appropriation was transferred to these other areas with more pressing needs.

Telecommunication services

Telecommunication services decreased \$46,138 due to the Center switching pager services from a private vendor to a state contract late in fiscal year 2004. This savings was fully reflected in fiscal year 2005.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

**Fiscal Year 2005 (continued)**

Operation of auto equipment

Operation of auto equipment decreased \$24,238 due to the Center using private vendors for oil changes, etc. instead of the state garage. Also, the Center substituted a couple of older vehicles for vehicles on the surplus lot in Springfield, which resulted in fewer repairs.

Choate recycling project

The increase in Choate recycling project money is the result of changes made in how this money was reported. The Center received this funding during the prior two years but it was reported by another agency.

**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		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Equipment	\$ 90,480	\$ 34,080	\$ 56,400	165.5%
Operation of auto equipment	\$ 77,586	\$ 48,700	\$ 28,886	59.3%

Equipment

Equipment expenditures increase of \$56,400 was due to the Center's needs for new equipment resulting from the limited amount of purchases from previous years.

Operation of auto equipment

The increase in expenditures of \$28,886 can be attributed to an aging fleet where the majority of the Center's vehicles had greater than 150,000 miles on them. This caused the Center to incur large mechanical costs in trying to keep the vehicles in satisfactory operating condition.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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, 2005 and 2004 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

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Telecommunications services	\$ 148,057	\$ 32,751	22.1%

Telecommunication services

There were several bills that arrived late with questionable charges included on them. The Center waited on vendor explanations for these charges and the bills were subsequently paid in the lapse period.

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

Fiscal Year Ended June 30, 2004

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$ 90,480	\$ 19,679	21.8%

Equipment

Near the end of fiscal year 2004, the Center had appropriations money remaining and purchased some needed furniture and elevator equipment. These items were ordered late in the fiscal year causing significant lapse period spending.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SCHEDULE OF CHANGES IN INVENTORIES  
FOR THE TWO YEARS ENDED JUNE 30, 2005  
(not examined)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
General Stores:				
Medical lab	\$ 18,080	\$ 86,076	\$ 66,018	\$ 38,138
Food supplies	124,096	628,093	659,073	93,116
Household and laundry	31,126	47,395	49,348	29,173
Other general stores	47,126	355,501	326,828	75,799
Mechanical Stores:				
Repair and Maintenance	32,001	104,371	106,599	29,773
Coal and coke	31,781	440,649	253,418	219,012
Other mechanical stores	2,938	49,694	51,490	1,142
Pharmacy	116,560	1,068,891	1,103,965	81,486
	<u>\$ 403,708</u>	<u>\$ 2,780,670</u>	<u>\$ 2,616,739</u>	<u>\$ 567,639 *</u>

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
General Stores:				
Medical lab	\$ 13,829	\$ 61,078	\$ 56,827	\$ 18,080
Food supplies	105,147	522,281	503,332	124,096
Household and laundry	28,041	63,271	60,186	31,126
Other general stores	17,173	310,719	280,766	47,126
Mechanical Stores:				
Repair and Maintenance	31,558	101,550	101,107	32,001
Coal and coke	58,033	408,106	434,358	31,781
Other mechanical stores	453	41,150	38,665	2,938
Pharmacy	136,309	946,969	966,718	116,560
	<u>\$ 390,543</u>	<u>\$ 2,455,124</u>	<u>\$ 2,441,959</u>	<u>\$ 403,708 *</u>

Notes:

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

We were unable to examine the Schedule of Changes in Inventories because of internal control weaknesses and noncompliance in inventory procedures. See finding 05-1 on pages 10-12.

\* The Center reported June 30 inventory balances using numbers compiled from balancing the general ledger at year end. These balances were \$46,376 and \$1,194 less than the totals reported in the general ledger for fiscal year 2005 and 2004, respectively. The Center was unable to reconcile these variances.



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
ANALYSIS OF ACCOUNTS RECEIVABLE  
FOR THE YEARS ENDED JUNE 30,

The Department had accounts receivable of \$1,000,803, arising from operations of Clyde L. Choate Mental Health and Developmental Center at June 30, 2005. This total represents amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at Clyde L. Choate Mental Health and Developmental 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:

	<b>June 30,</b>		
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Current (0-3 months)	\$ 230,612	\$ 443,999	\$ 286,855
Past due (4-6 months)	47,002	39,392	82,180
Past due (7-12 months)	64,481	169,911	131,238
Past due (over 12 months)	<u>658,708</u>	<u>660,835</u>	<u>905,857</u>
Total	<u>\$1,000,803</u>	<u>\$1,314,137</u>	<u>\$1,406,130</u>

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STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
CENTER FUNCTIONS AND PLANNING PROGRAM  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Center Functions

The Clyde L. Choate Mental Health and Developmental Center is a residential facility providing treatment, habilitation, training, and residential services for mentally ill and developmentally disabled persons in the 28 southern counties of Illinois. The Center opened in 1869 as the Illinois Southern Hospital for the Insane, was renamed Anna State Hospital in 1968, and became known as Clyde L. Choate Mental Health and Developmental Center in 1988. The Center is accredited for both its mentally ill and developmentally disabled programs by the Joint Commission of Accreditation of Healthcare Organizations. The Center is also certified by the Illinois Department of Public Health.

The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/0.01 et seq.) gives the Department the power and authority to exercise executive and administrative supervision over all institutions, divisions, programs, and services, including the Clyde L. Choate Mental Health and Developmental Center. It also provides the basis for the Department to regulate and operate mental health hospitals and outlines admission criteria, treatment and review provisions, and discharge criteria.

The Clyde L. Choate Mental Health and Developmental Center operates a 488 bed facility and maintains an approximate residential population of 275. Each individual resident provides the focus for the services provided. Keeping in mind the personal choices, values and goals of individuals being serviced, supports and services are made available according to needs indicated through comprehensive assessments. Numerous treatment and training programs are designed to offer developmental, educational, vocational, and social training to the recipients. The Center provides lodging, medical and nursing care for all persons in addition to the treatment and training programs.

The Center is located at 1000 North Main Street, Anna, Illinois and operates under the jurisdiction of the Illinois Department of Human Services, Office of Mental Health (Department). The Department is located at 401 William Stratton Building, Springfield, Illinois. The Department's mission is to assist Illinois residents achieve self-sufficiency, independence, and health to the maximum extent possible by providing integrated, family-oriented services, promoting prevention, and establishing measurable outcomes in partnership with communities. Values have been shaped by legislative mandates, resources, and society's norms.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
CENTER FUNCTIONS AND PLANNING PROGRAM  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Center Planning Program

The Clyde L. Choate Mental Health and Developmental Center has developed a formal management system to address the standards of the Department of Human Services. This system encompasses formal written long and short-term goals as part of the Center's strategic planning process. This process is completed every two years to discuss the future of the organization and identify strategic measures, in which to meet the needs of patients. A review of the strategic plan occurs on an annual basis, in order to focus on those goals and objectives that are in need of revision, as well as identify those which have been met.

Auditor's Assessment of Center's Planning Program

The Clyde L. Choate Mental Health and Developmental Center appears to be effectively using their planning program to improve their current management of the Center and has established adequate operating programs to meet their defined goals and objectives.

Agency Head and Location

Janice Farmer, Center Director  
Sarah Andrew, Hospital Administrator  
Clyde L. Choate Mental Health and Developmental Center  
1000 North Main  
Anna, Illinois 62906

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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>
Mental health technicians and supervisors	227	224	209
Support service workers and supervisors	84	83	77
Medical, dental and pharmacy	79	78	71
Office and clerical	37	37	33
Resident treatment	68	66	63
Administrative	25	26	26
Education	5	5	5
Security	<u>5</u>	<u>5</u>	<u>5</u>
Total employees	<u><u>530</u></u>	<u><u>524</u></u>	<u><u>489</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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	<u>145,509</u>	<u>124,495</u>
Value of overtime hours worked during fiscal year	<u>\$ 3,292,361</u>	<u>\$ 2,814,952</u>
Compensatory hours earned during fiscal year	<u>13,581</u>	<u>15,953</u>
Value of compensatory hours earned during fiscal year	<u>\$ 362,686</u>	<u>\$ 379,766</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>159,090</u>	<u>140,448</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 3,655,047</u>	<u>\$ 3,194,718</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 Psychology support, hairdressers, dental services, speech/language therapists, and audiology.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

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

	<u>2005</u>	<u>2004</u>
Contractual payroll employees paid during the fiscal year	<u>4</u>	<u>6</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$ 40,391</u>	<u>\$ 102,621</u>

CENTER UTILIZATION (not examined)

Clyde L. Choate Mental Health and Developmental Center (Center) is situated on 300 acres just outside Anna, IL. The Center has forty 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</u>	<u>Type/Use</u>	<u>Square feet</u>	<u>Status</u>	<u>%</u>
Main Building	Personnel, Business, Fiscal	42,294	Occupied	100%
Cedar	Recipient Housing/Care	45,116	Occupied	100%
Cypress	Recipient Housing/Care	28,383	Occupied	100%
Sycamore	Recipient Housing/Care & Laundry	55,716	Occupied	100%
Redbud	Recipient Housing/Care	44,465	Occupied	50%
Dogwood	Recipient Housing/Care	28,333	Occupied	100%
Magnolia	Recipient Housing/Care	39,143	Occupied	100%
Goodner Hall	Gymnasium/Commissary	25,663	Occupied	100%
Clinical Services	Credit Union, Apartments, Union and Office	22,347	Occupied (a)	90%
Administration	Facility Director & Adm. Offices	21,663	Occupied	100%
Dewey Cottage	Tri-County Special Education	18,556	Occupied (b)	66%
Rehabilitation	Recreation/Health Services	52,012	Occupied (c)	50%
Kitchen Stores	Food Storage	19,900	Occupied	100%
Kitchen	Kitchen, Training Center, Pharmacy and Lounge	34,229	Occupied	100%
General Store	Mechanical Store & Commodities	21,100	Occupied	100%
Life Skills	Recipient Training Classes	21,215	Occupied	100%

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER UTILIZATION (not examined - continued)

<u>Building</u>	<u>Type/Use</u>	<u>Square feet</u>	<u>Status</u>	<u>%</u>
Manual Skills #1	Classes – Glass & Furniture Refinishing	2,363	Occupied	100%
Manual Skills #2	Recreational Storage	1,680	Occupied	100%
Greenhouse	Plants/Flowers	7,900	Occupied	100%
Athons Cottage	Storage	18,077	Storage (*)	N/A
Lence Cottage	Storage	18,097	Storage (*)	N/A
Oak Hall	Shawnee Community College	27,687	Occupied (d)	100%
Barnes Hall	Daycare & Regional Office of Education	27,025	Occupied (e)	100%
Lawn Shed	Lawn Crew	9,810	Occupied	100%
Paint Shop	Painting		Occupied	100%
Repair Garage	Truck Storage Building	3,816	Occupied	100%
Lumber Storage	Lumber Storage	7,336	Occupied	100%
Industrial Shop	Carpenter, Plumber & Electrician Shop	16,031	Occupied	100%
Engineer Bldg.	Chief Engineer Office	3,200	Occupied	100%
Cottage #6	Recipient Housing/Care	3,627	Occupied	100%
Cottage #7	Recipient Housing/Care	3,627	Occupied	100%
Fire House	Recipient Car Wash	2,000	Occupied	100%
Storage Bldg. - Butler	Trucks & Heavy Equipment Storage	5,100	Storage	100%
Power Plant	Generate Electricity & Heat	21,032	Occupied	100%
Cottage #1	Security Office	2,023	Occupied	100%
Cottage #2	Recipient Housing/Care	2,023	Unoccupied	N/A
Cottage #3	Recipient Housing/Care	2,023	Unoccupied	N/A
Cottage #4	Recipient Housing/Care	5,682	Occupied	100%
Cottage #5	Recipient Housing/Care	2,023	Unoccupied	N/A
Therapy Pool	Swimming Pool	1,827	Occupied (*)	100%
Chapel	Religious Services	1,827	Occupied	100%

a - Clinical Services Building is leased to Shawnee Development Council (basement level) for office space/food pantry and ASH Credit Union (main floor – 2 offices) for office space.

b - Dewey Cottage (2 story) is leased to Tri-County Special Education District which provides Special Education Classes for residents and community 21 years and under.



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER UTILIZATION (not examined - continued)

c - Rehabilitation Services Building is leased to The Homeless, which is a non-profit program that provides clothing for the homeless, and to the Office of Inspector General (OIG) for office space.

d - Oak Hall is leased to Shawnee Community College.

e - Barnes Hall is leased to Sunrise Preschool (top floor) which provides preschool and day care services, Southern Seven Health Dept. (bottom floor) which administers Head Start Program, and the Regional Supt of Schools (bottom floor) for Adult Education Program & Safe School.

\* - Athons Cottage and Lence Cottage are in poor condition, contain asbestos, and are not occupied, but used solely for storage. The swimming pool is occupied 100% when in season.

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	*	<u>\$ 162,461</u>	<u>\$ 150,336</u>
Cost per day per resident	*	<u>\$ 444</u>	<u>\$ 412</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL 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>488</u>	<u>488</u>	<u>488</u>
Average number of residents	<u>267</u>	<u>278</u>	<u>279</u>
Average number of employees	<u>530</u>	<u>524</u>	<u>489</u>
Ratio of employees to residents	<u>2.0 to 1</u>	<u>1.9 to 1</u>	<u>1.8 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>227</u>	<u>159</u>	<u>166</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.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>375,000</u>	<u>373,993</u>	<u>383,500</u>
Total food costs	\$ 504,568	\$ 436,688	\$ 420,699
Total labor costs	<u>1,133,042</u>	<u>1,147,342</u>	<u>1,083,644</u>
Total costs	<u>\$ 1,637,610</u>	<u>\$ 1,584,030</u>	<u>\$ 1,504,343</u>
Average food costs / meal	\$ 1.35	\$ 1.17	\$ 1.10
Average labor costs / meal	<u>3.02</u>	<u>3.07</u>	<u>2.83</u>
Total average cost / meal	<u>\$ 4.37</u>	<u>\$ 4.24</u>	<u>\$ 3.93</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
FOR THE TWO YEARS ENDED JUNE 30, 2005  
(not examined)

Choate Developmental Center's vision is to provide individualized support to maximize opportunities for people to participate with increased independence in the natural rhythm of life through meaningful work, community involvement, and the development of personal relationships. The Center has addressed this vision by focusing on indicators that enhance the quality of life for the persons living at Choate.

A review of the quality indicators for the past two fiscal years shows the Center's improvement in the following areas:

- The Center has continued to expand work opportunities for individuals - recycling, food services, and the operation of Side Street Café provide successful day programming.
- The Illinois Department of Public Health's annual survey results in only 13 standard level tags for fiscal year 2006.
- The Center has revised the restraint policy and has seen significant reduction in the use and time spent by residents in physical restraint.
- The Center undertook an aggressive census reduction plan. A determination was made to pursue discharge for individuals who displayed the behavioral and health risk indicators to succeed in the community. A total of 52 individuals were discharged in fiscal year 2005.