

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES

JOHN J. MADDEN MENTAL HEALTH 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

**Duffner & Company, P.C.**

Certified Public Accountants  
HERITAGE STANDARD BANK BUILDING  
2400 WEST 95th STREET  
EVERGREEN PARK, ILLINOIS 60805  
(708) 424-7266  
FAX (708) 424-8192

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
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For the Two Years Ended June 30, 2005

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**CENTER OFFICIALS**

Facility Director (9/1/05 - Current)	Mr. Gustavo Espinosa
Facility Director (1/2/02 – 8/31/05)	Dr. Lorrie Stone
Hospital Administrator (9/1/05 – Current)	Mr. Fred Nirde
Hospital Administrator (10/1/03 – 8/31/05)	Mr. Thomas Monahan
Hospital Administrator (9/1/03 – 9/30/03)	Vacant
Hospital Administrator (7/1/87 – 8/31/03)	Ms. Patricia Madden
Medical Director (12/16/03 – Current)	Dr. James Brunner
Medical Director (7/1/97 – 12/15/03)	Dr. Carol Black
Business Administrator (1/24/04 - Current)	Ms. Janice Evans
Business Administrator (1/1/03 – 1/23/04)	Vacant
Business Administrator (7/16/70 - 12/31/02)	Mr. Bob Mathis

The Center is located at:

1200 South First Avenue  
Hines, IL 60141



**Illinois Department of Human Services**

JOHN J. MADDEN MENTAL HEALTH CENTER  
1200 SOUTH FIRST AVENUE  
HINES, ILLINOIS 60141

Duffner & Company, PC  
Certified Public Accountants  
2400 West 95<sup>th</sup> Street 4<sup>th</sup> Floor  
Evergreen Park, IL 60805

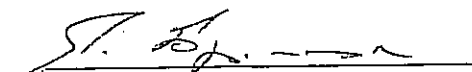
November 2, 2005

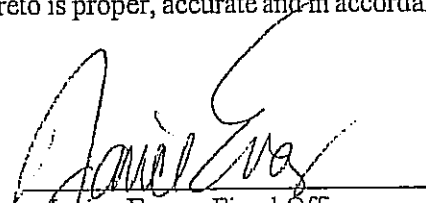
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Center. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Center'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, 2005 and June 30, 2004, the Center materially complied with the assertions below.

- A. The 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 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 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 Center are in accordance with applicable laws and regulations and the accounting and record keeping 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 Center on behalf of the State or held in trust by the Center have been properly and legally administered, and the accounting and record keeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

  
Gustavo Espinosa, Director

  
Janice Evans, Fiscal Officer

INSERT YELLOW COMPLIANCE REPORT TAB HERE

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANTS' REPORT**

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

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	5	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	3

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

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

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
CURRENT FINDINGS		
05-1	9	Inadequate Support for Payroll Deductions
05-2	10	Inadequate Control over Voucher Processing
05-3	11	Untimely Performance Evaluations
05-4	12	Inadequate Billing and Collection of Accounts Receivable
05-5	14	Inadequate Segregation of Duties

PRIOR FINDINGS NOT REPEATED  
None

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department and Center personnel. The Center waived their right to an exit conference in a letter dated March 20, 2006.

Responses to the recommendations were provided by Ms. Carol Adams Ph.D. from DHS Central Office in a letter dated March 20, 2006.

INSERT YELLOW AUDITORS' REPORT TAB HERE



# Duffner & Company, P.C.

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STANDARD BANK BUILDING  
2400 WEST 95th STREET  
EVERGREEN PARK, ILLINOIS 60805  
(708) 424-7266  
FAX (708) 424-8192

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

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

- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Human Services – John J. Madden Mental Health Center on behalf of the State or held in trust by the State of Illinois Department of Human Services – John J. Madden Mental Health 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 Service – Central Office compliance report.

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

In our opinion, the State of Illinois Department of Human Services – John J. Madden Mental Health Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings, Recommendations and Center Responses as findings (05-1,05-2,05-3,05-4 and 05-5)

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

## **Internal Control**

The management of the State of Illinois Department of Human Services – John J. Madden Mental Health Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services – John J. Madden Mental Health Center’s internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. 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. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving 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 Findings, Recommendations and Center Responses as findings (05-1,05-2,05-3,05-4 and 05-5).

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

## **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.

*Ruffalo & Company P.C.*

November 2, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOISSTATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

05-1 Finding: Inadequate Support for Payroll Deductions

Authorizations to support various deductions from employee's pay were missing

In our review of 50 personnel files, 29 files (58%) did not contain authorization cards to support employee payroll deductions as follow:

- 27 union dues withholding authorization cards
- 9 union association withholding authorization cards
- 4 bond voluntary withholding authorization cards
- 5 credit union voluntary withholding authorization cards
- 4 elective insurance coverage agreements
- 5 voluntary charity authorization withholding statements
- 1 voluntary flexible medical care coverage agreement
- 1 voluntary deferred compensation authorization statement

Department of Human Services Administrative Directive 01.02.02.260 requires signed "Payroll Deduction Authorization Cards" in order to support deductions from employee's pay. These forms must be on file to ensure proper and accurate deductions.

Center officials stated that implementation of Human Resource Unit "rightsizing" in fiscal year 2005 for all state operated facilities, has decreased operating capacity by at least sixty percent. The effect of those staff reductions left the Human Resource Unit unable to perform all of the functions assigned to it.

Failure to maintain signed authorization forms to support deductions from employee's pay may lead to improper and inaccurate deductions. In addition, inaccurate deferred compensation deductions may result in negative tax consequences to the individual employee. (Finding Code 05-1)

Recommendation: We recommend that the Center ensure that all employees' authorization forms are on file to support deductions from pay.

Department Response:

Agreed. The Center has begun augmenting current staff resources to comply with the audit recommendation. Added Personnel resources are needed to assure implementation.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

05-2 Finding: Inadequate Control over Voucher Processing

The John J. Madden Mental Health Center (Center) did not adequately document the processing and approval of invoices as required by Department of Human Service's procedures and did not ensure all invoices were approved and paid within the time required by the Illinois Administrative Code.

During our review of vendor invoices and vouchers we noted:

- 39 of 130 vouchers tested (30%) were not approved within a 30 day time period. These late voucher payments totaled \$463,637 and were 2 to 299 days late.
- 9 of 130 vouchers tested (6.9%) included invoices that were not paid within 60 days of receipt of the vendor invoice. These invoices totaled \$79,377 and were 31 to 269 days late.
- Interest amounting to \$6,840 was not paid to the vendors on these late payments.

Illinois Administrative Code (74 IL Adm. Code 900.70) promulgated under the State Prompt Payment Act (30 ILCS 540/3-3), requires invoices to be approved or disapproved within 30 days after receipt of the invoice. The Illinois Administrative Code (74 IL Adm. Code 900.100) states that interest shall begin accruing on the 61<sup>st</sup> day after receipt of a proper bill and shall continue to accrue until the bill is paid by the Comptroller Office. Interest is calculated at a rate of 1% per month. State agencies are required to pay interest amounting to \$50 or more. Interest amounting to \$5 but less than \$50 must be requested by the Vendor.

Center officials stated that a lack of positions and segregation of duties increased the likelihood that internal controls to process invoices and vouchers resulted in late payment of invoices and non-payment of interest to vendors. Due to the hiring freeze, the Accountant Supervisor, Account Clerk, and Business Specialist positions were not filled which resulted in one staff to carry out the assigned duties for three different positions.

Failure to establish sound internal controls to process invoices and vouchers timely resulted in late payment of invoices and interest owed to vendors. (Finding Code 05-2)

Recommendation: We recommend the Center ensure prompt processing of invoices so vendors will be paid timely.

Department Response:

Agreed. The Center is in the process of filling vacant positions plus personnel redeployments that are necessary to comply with 90% or more accuracy.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

05-3 Finding: Untimely Filing of Performance Evaluations

Written performance evaluations were not prepared and submitted on an annual basis.

For thirty-eight out of 50 (76%) employee personnel files examined, performance evaluations had been completed late or not at all. Twenty seven performance evaluations were performed between 2 and 120 days late and 2 over 120 (127 and 214) days late. Nine employees were missing performance evaluation for one of the two years covered in the engagement period.

Section 302.270 of the "Merit and Fitness Code" (80 Ill. Adm. Code 302) requires performance evaluations be performed not less than annually. The Department of Human Services Administrative Directive 01.02.04.020 requires supervisors to conduct periodic reviews of employee performance and document those reviews via annual written performance evaluation.

Center officials stated that implementation of Human Resource Unit "rightsizing" in fiscal year 2005 for all state operated facilities has decreased operating capacity by at least sixty percent. The effect of those staff reductions left the Human Resource Unit unable to perform all of the functions assigned to it.

Performance evaluations are designed to determine whether employees are fulfilling their job description and also to document their progress towards specific objectives. Evaluations are also a determining factor in pat increases. Untimely performance evaluations can hamper these efforts.. (Finding Code 05-3)

Recommendation: We recommend the Center comply with the Department of Human Services policies to ensure that evaluations are prepared in a timely manner.

Department Response:

Agreed. The Center has begun complying with departmental policies requiring the timely completion of staff evaluations. The Center's Human Resource (HR) Unit "rightsizing" has impaired HR oversight on compliance with this issue. The Center's current personnel resources are being augmented to comply with the recommendation.



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

05-4 Finding: Inadequate Billing and Collection of Accounts Receivable

The Patient Resource Unit (PRU) did not operate during fiscal year 2005 resulting in a significant reduction in moneys collected.

The Patient Resource Unit is responsible for determining what the daily service charge should be for patient services and who is responsible for payment (i.e. Medicare, Medicaid, insurance, private pay). Once the determination is made, the Patient Resource Unit is responsible for billing and collection for the patient service. Beginning July 1, 2004, there was no contractor in place to operate the unit and the Center did not staff the Patient Resource Unit.

The Department of Human Services (DHS) Central Office performed partial operations of the Patient Resource Unit for Madden Mental Health Center. Collections for reimbursement of patient services decreased significantly from \$609,800 in fiscal year 2003 to \$198,200 in fiscal year 2004 and \$12,000 in fiscal year 2005, a decrease of \$597,800 over the two year period. It is unclear how much should have been billed for fiscal year 2005 patient services. In addition, court cases regarding reimbursements for patient services were not being pursued. The total due as of June 30, 2005 was \$112,502.

The Mental Health & Developmental Disabilities Code (405 ILCS 5/5-108) states, "Whenever an individual is covered, in part or in whole, under any type of insurance arrangement, private or public for services provided by the Department, the proceeds from such insurance shall be considered as part of the individual's ability to pay..." Since the Center did not have an operating Patient Reimbursement Unit they were unable to determine the daily service charge, who was responsible for payment (i.e. individual, insurance, Medicare or Medicaid), and the subsequent billing and collection.

Center officials attributed the problems of not staffing the Patient Resource Unit to delays in the hiring process at the Department of Human Services.

Failure to operate the Patient Resource Unit could lead to a significant loss of state revenue. (Finding Code 05-4).

Recommendation: We recommend that Center management take the necessary measures to immediately resume operations of the Patient Resource Unit so charges for patient services may be billed and payment be reimbursed to the State.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

Department Response:

Agreed. The Center has made significant effort and progress to hire the positions necessary to carry on these functions. Corrective action to operate a functioning Patient Resource Unit will be significantly completed by June 30, 2006.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

05-5 Finding: Inadequate Segregation of Duties

There were several problems in segregation of duties within the fiscal department as follows.

- The Accountant was responsible for expenditure processing, cash receipt processing, and expenditure and receipt reconciliation of the locally-held funds.
- Bank reconciliations for the locally-held funds were also prepared by the Accountant. The reconciliations were not reviewed by management. Our testing disclosed that three of the locally-held funds reconciled cash balances did not agree to the cash reported on the general ledgers. At June 30, 2005 the Resident Travel Fund ledger balance was \$154 more than the reconciled balance, the Special Trust Fund ledger balance was \$3,618 more than the reconciled balance and the Living Skills Trust Fund ledger balance was \$31 more than the reconciled balance.
- The Business Administrator approved invoice-vouchers without reviewing the supporting documentation. The invoice-vouchers were approved by the Business Administrator by reviewing an email from the Accountant which attached a list of invoice-vouchers for payment.

Good business practices require the Center to maintain adequate segregation of duties and proper review of expenditures. Procedures should function to prevent improper processing of expenditures, cash receipts and ensure the accuracy and reliability of accounting data and promote operational efficiency.

Center officials stated that due to the hiring freeze, the Accountant Supervisor, Account Clerk, and Business Specialist positions were not filled which required one person to carry out the assigned duties for three different positions.

A lack of segregation of duties increases the likelihood that a loss from error or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. Failure to perform a review of invoice-vouchers to the supporting documentation eliminates any changes for discovery of errors or omissions and could lead to improper payment for goods and services. (Finding Code 05-5)

Recommendation: We recommend the Center establish sound internal control procedures to ensure proper review of expenditures and to segregate duties between expenditure and cash receipt processing and reconciliation.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

Department Response:

Agreed. The Center has begun establishing sound internal control procedures to ensure proper review of expenditures and to segregate duties between expenditure and cash receipt processing and reconciliation. Vacant positions must be filled and supplement staff support may be necessary.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
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  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds – Cash Basis
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories
- 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 Employee's to Residents (not examined)
  - Reported Employee Job Injuries (not examined)
  - Food Services (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, except for information on 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  
JOHN J. MADDEN MENTAL HEALTH 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		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
			EXPENDITURES THROUGH JUNE 30, 2005	EXPENDITURES JULY 1ST TO AUGUST 31, 2005		
PUBLIC ACT 93-0842						
GENERAL REVENUE FUND - 001						
Personal Services	\$ 18,517,500	\$ 17,580,198	\$ 868,090	\$	\$ 18,448,288	\$ 69,212
Employee retirement contributions paid by employer	23,032	23,032	-		23,032	-
State contributions to state employees' retirement system	2,894,700	2,744,193	137,494		2,881,687	13,013
State contributions to Social Security	1,281,800	1,208,380	61,935		1,270,315	11,485
Contractual Services	1,798,500	1,129,346	371,718		1,501,064	297,436
Travel	27,800	23,500	4,258		27,758	42
Commodities	404,300	281,040	77,912		358,952	45,348
Printing	20,000	10,555	1,875		12,430	7,570
Equipment	35,500	21,874	12,070		33,944	1,556
Telecommunications services	257,300	71,546	100,417		171,963	85,337
Operation of auto equipment	14,500	7,359	3,613		10,972	3,528
Expenses related to living skills program	19,200	10,000	-		10,000	9,200
Network Transition	143,100	143,100	-		143,100	-
Total	\$ 25,437,232	\$ 23,254,123	\$ 1,639,382	\$	\$ 24,893,505	\$ 543,727

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2004	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2004	TOTAL	
				EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004	BALANCES LAPSED AUGUST 31, 2004
	\$	\$	\$	\$	\$
<b>GENERAL REVENUE FUND - 001</b>					
Personal Services	18,973,400	16,662,062	789,848	17,451,910	1,521,490
Employee retirement contributions paid by employer	743,800	530,872	25,133	556,005	187,795
State contributions to state employees' retirement system	2,536,700	1,548,409	30	1,548,439	988,261
State contributions to Social Security	1,213,300	1,153,576	57,717	1,211,293	2,007
Contractual Services	1,744,700	1,323,136	278,342	1,601,478	143,222
Travel	27,800	19,112	5,604	24,716	3,084
Commodities	543,300	329,110	38,941	368,051	175,249
Printing	19,400	10,754	665	11,419	7,981
Equipment	32,300	18,298	12,542	30,840	1,460
Telecommunications services	205,000	170,317	33,016	203,333	1,667
Operation of auto equipment	19,600	15,876	3,332	19,208	392
Expenses related to living skills program	19,900	10,000	-	10,000	9,900
Costs associated with behavioral health services	148,300	146,924	-	146,924	1,376
<b>Total</b>	<b>\$ 26,227,500</b>	<b>\$ 21,938,446</b>	<b>\$ 1,245,170</b>	<b>\$ 23,183,616</b>	<b>\$ 3,043,884</b>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>25,437,232</u>	<u>26,227,500</u>	<u>26,388,380</u>
EXPENDITURES			
Personal services	\$ 18,448,288	\$ 17,451,910	\$19,268,435
Employee retirement contributions paid by employer	23,032	556,005	718,552
State contributions to state employees' retirement system	2,881,687	1,548,439	1,974,145
State contributions to Social Security	1,270,315	1,211,293	1,371,588
Contractual services	1,501,064	1,601,478	1,665,795
Travel	27,758	24,716	18,628
Commodities	358,952	368,051	420,426
Printing	12,430	11,419	11,785
Equipment	33,944	30,840	-
Telecommunications services	171,963	203,333	150,815
Operations of auto equipment	10,972	19,208	16,075
Expenses related to living skills program	10,000	10,000	19,900
Costs associated with behavioral health services	-	146,924	150,000
Network Transition	143,100	-	-
Total Expenditures	<u>\$ 24,893,505</u>	<u>\$ 23,183,616</u>	<u>\$25,786,144</u>
LAPSED BALANCES	<u>\$ 543,727</u>	<u>\$ 3,043,884</u>	<u>\$ 602,236</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

The locally held funds of the Center are grouped into two fund categories. These are nonappropriated funds with the exception of the Living Skills Fund and Patient Travel Trust 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 source of revenue for the fund is a percentage of vending machine commissions and monies donated for resident use. Also, any unclaimed Resident's Trust Fund balance of a resident separated from the Center for two years is transferred to this fund with the provision that the resident is entitled to the money upon application. These funds are then used for activities and materials to help fulfill the recipients' needs in these areas.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

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

2. Fiduciary Fund Type

Agency Fund

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

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

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>
DHS Other Special Trust Fund Certificate of Deposit Forest Park National Bank & Trust Forest Park, IL	2.35%	<u>\$5,000</u>
Total Investments		<u>\$5,000</u>

The above certificate of deposit was covered by Federal Deposit Insurance Corporation insurance. The carrying amounts approximate their fair value.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

Living Skills Fund

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

Patient Travel Trust Fund

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

Petty Cash Account

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

DHS Other Special Trust Fund

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

DHS Rehabilitation Fund

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

DHS Resident's Trust Fund

Checking Account  
Forest Park National Bank & Trust Company  
Forest Park, IL, non-interest bearing

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2005

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$1,440	\$17,046	\$ 3,916	\$ 4,571	\$ 252	\$ 439
Receipts						
Income from Sales	1,579					
Investment Income		85				
Resident deposits		9,637	23,972			
Donations						
Appropriations				10,000	7,500	
Vending machine commissions						
Unclaimed funds						
Petty Cash						2,637
Other						
Total Receipts	<u>\$1,579</u>	<u>\$9,722</u>	<u>\$23,972</u>	<u>\$10,000</u>	<u>\$7,500</u>	<u>\$2,637</u>
Disbursements						
Cost of sales	2,470					
Operating expenses						
Contractual services						
Travel					7,577	
Resident activities						
Equipment						
Resident withdrawals		4,816	23,973			
Appropriations returned						
Living skills program				3,487		
Petty cash						2,921
Other						
Total Disbursements	<u>\$2,470</u>	<u>\$4,816</u>	<u>\$23,973</u>	<u>\$3,487</u>	<u>\$7,577</u>	<u>\$2,921</u>
Balance - June 30, 2005	<u>\$549</u>	<u>\$21,952</u>	<u>\$3,915</u>	<u>\$11,084</u>	<u>\$175</u>	<u>\$155</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2004

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	Petty Cash Account
Balance - July 1, 2003	\$634	\$15,521	\$ 20,781	\$ 6,607	\$ 1,506	\$ 458
Receipts						
Income from Sales	2,307					
Investment Income		15				
Resident deposits		7,945	19,472			
Donations						
Appropriations				10,000	7,500	
Vending machine commissions						
Unclaimed funds						
Petty cash						2,778
Other		65	54	20	67	
Total Receipts	<u>\$2,307</u>	<u>\$8,025</u>	<u>\$19,526</u>	<u>\$10,020</u>	<u>\$7,567</u>	<u>\$2,778</u>
Disbursements						
Cost of sales	1,501					
Operating expenses						
Contractual services						
Travel					8,821	
Resident activities						
Equipment						
Resident withdrawals		6,500	36,391			
Appropriations returned						
Living skills program				12,056		
Petty cash						2,797
Other						
Total Disbursements	<u>\$1,501</u>	<u>\$6,500</u>	<u>\$36,391</u>	<u>\$12,056</u>	<u>\$8,821</u>	<u>\$2,797</u>
Balance - June 30, 2004	<u>\$1,440</u>	<u>\$17,046</u>	<u>\$3,916</u>	<u>\$4,571</u>	<u>\$252</u>	<u>\$439</u>

Note: "Other Receipts" include adjustments to agree ending balance to reconciled bank balances



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH 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
<b>Balance June 30, 2003</b>	\$ 1,311,041	\$ 16,552,711	\$ 2,021,293	\$ 1,877,238	\$ 21,762,283
<b>Additions:</b>					
Purchases	-	-	-	35,204	35,204
<b>Transfers-in:</b>					
Intra-agency	-	-	-	671,898	671,898
Capital Development Board	-	100,164	-	-	100,164
Adjustments	-	-	-	2,465	2,465
<b>Total Additions</b>	<b>\$ -</b>	<b>\$ 100,164</b>	<b>\$ -</b>	<b>709,567</b>	<b>\$ 809,731</b>
<b>Deductions:</b>					
<b>Transfers-out:</b>					
Intra-agency	\$ -	\$ -	\$ -	684,509	\$ 684,509
Inter-agency	-	-	-	12,154	12,154
Scrap property	-	-	-	44,219	44,219
Clerical error	-	-	-	8,887	8,887
Other	-	-	-	4,638	4,638
Adjustment	-	-	-	2,736	2,736
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>757,143</b>	<b>\$ 757,143</b>
<b>Balance June 30, 2004</b>	<b>\$ 1,311,041</b>	<b>\$ 16,652,875</b>	<b>\$ 2,021,293</b>	<b>1,829,662</b>	<b>\$ 21,814,871</b>
<b>Additions:</b>					
Purchases	\$ -	\$ -	\$ -	43,069	\$ 43,069
<b>Transfers-in:</b>					
Intra-agency	-	-	-	490,418	490,418
Capital Development Board	-	1,812,166	30,362	-	1,842,528
Adjustments	-	-	-	3,443	3,443
<b>Total Additions</b>	<b>\$ -</b>	<b>\$ 1,812,166</b>	<b>\$ 30,362</b>	<b>536,930</b>	<b>\$ 2,379,458</b>
<b>Deductions:</b>					
<b>Transfers-out:</b>					
Intra-agency	\$ -	\$ -	\$ -	637,285	\$ 637,285
Surplus property	-	-	-	354	354
Scrap property	-	-	-	44,452	44,452
Clerical Error	-	-	-	1,918	1,918
Other	-	-	-	712	712
Adjustment	-	-	-	47	47
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>684,768</b>	<b>\$ 684,768</b>
<b>Balance June 30, 2005</b>	<b>\$ 1,311,041</b>	<b>\$ 18,465,041</b>	<b>\$ 2,051,655</b>	<b>1,681,824</b>	<b>\$ 23,509,561</b>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Rental of real property	\$ 33,304	\$ 29,675	\$ 31,453
Jury duty, witness fees, military duty	-	-	-
Copy charges	-	-	-
Survey fees	-	-	-
Sale of training material	-	-	-
Sale of pallets	-	-	-
Insurance reimbursements	-	-	-
Telephone reimbursements	-	-	-
Miscellaneous other	1,016	2,449	1,271
<b>TOTAL RECEIPTS</b>	<u>\$ 34,320</u>	<u>\$ 32,124</u>	<u>\$ 32,724</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 34,320	\$ 32,124	\$ 32,724
Add: Deposits in transit - Beginning of year	-	2,691	2,547
Deduct: Deposits in transit - End of year	<u>(2,793)</u>	<u>-</u>	<u>(2,691)</u>
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<u>\$ 31,527</u>	<u>\$ 34,815</u>	<u>\$ 32,580</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2005

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

	FISCAL YEAR ENDED		INCREASE (DECREASE)	
	<u>JUNE 30</u>		<u>AMOUNT</u>	<u>%</u>
	<u>2005</u>	<u>2004</u>		
Employee retirement contributions paid by employer	\$ 23,032	\$ 556,005	\$ (532,973)	(96%)
State contributions to state employees' retirement	\$2,881,687	\$1,548,439	\$1,333,248	86%
Operation of automotive	\$ 10,972	\$ 19,208	\$ (8,236)	(43%)
Behavioral health services	\$ 0	\$ 146,924	\$ (146,924)	(100%)
Network transition	\$ 143,100	\$ 0	\$ 143,100	100%

Employee retirement contributions paid by employer

Employee retirement contributions were suspended in the last quarter of fiscal year 2004 due to the passage of legislation that allowed for the sale of bonds to make the contributions.

State contributions to state employees' retirement

There was a rate increase in fiscal year 2005 to the employees' retirement.

Operation of Automotive

During fiscal year 2005 the Center did not expend as much to repair facility cars.

Behavioral health services

There was no appropriation in fiscal year 2005 for behavioral health services.

Network transition

The Center received \$143,100 appropriation in fiscal year 2005 for a community network program to transition more services from the Center to community based mental health service organizations.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

**Fiscal Year 2004**

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

	<u>FISCAL YEAR ENDED</u>		<u>INCREASE</u>	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ 556,005	\$ 718,522	\$(162,517)	(23%)
State contributions to state employees' retirement	\$1,548,439	\$1,974,145	\$(425,706)	(22%)
Travel	\$ 24,716	\$ 18,628	\$ 6,088	33%
Equipment	\$ 30,840	\$ 0	\$ 30,840	100%
Telecommunications	\$ 203,333	\$ 150,815	\$ 52,518	35%
Living skills program	\$ 10,000	\$ 19,900	\$ (9,900)	(50%)

Employee retirement contributions paid by employer

During the last quarter of fiscal year 2004 retirement contributions were suspended.

State contributions to state employees' retirement

The average employee headcount was reduced by 33 from 345 in fiscal year 2003 to 312 in fiscal year 2004.

Travel

During fiscal year 2004 there was an increase in expenditures to hotels due to increased travel by employees for meetings at Central Office.

Equipment

There were no funds appropriated in fiscal year 2003 for the purchase of equipment. Fiscal year 2004 purchases include a copier, thermometers and a sump pump.

Telecommunications

The Center had payments to the Efficiency Initiative Fund in fiscal year 2004 and none in 2003.

Living skills program

In fiscal year 2004 only \$10,000 was appropriated and expended for the living skills program.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 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:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual	\$1,501,064	\$371,718	25%
Commodities	\$ 358,952	\$ 77,912	22%
Equipment	\$ 33,944	\$ 12,070	36%
Telecommunications	\$ 171,963	\$100,417	58%
Operation of automotive	\$ 10,972	\$ 3,613	33%

Contractual

The Center's Fiscal Department was unable to process all invoices in a timely fashion. The review of vouchers, proper approval signatures and assembling supporting documentation for invoices received late in the fiscal year was not completed until the lapse period.

Commodities

The Center's Fiscal Department was unable to process all invoices in a timely fashion. The review of vouchers, proper approval signatures and assembling supporting documentation for invoices received late in the fiscal year was not completed until the lapse period.

Equipment

The Center purchased equipment for the new central intake unit which opened in late May 2005 but the invoices were not approved for payment until the lapse period..

Telecommunications

Lapse period spending was due to timing of billings from the Department of Central Management Services for telecommunication services used during the year.

Operation of automotive

Lapse period spending was due to timing of billings from the State Garage Revolving Fund for services used during the year.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

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

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2004</u>		<u>PERCENTAGE</u>
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	
Travel	\$24,716	\$ 5,604	23%
Equipment	\$30,840	\$12,542	41%

Travel

Invoice-vouchers for travel expenses that were incurred towards the end of the fiscal year were submitted late by the Center's Fiscal Department.

Equipment

A contract dispute for equipment purchases resulted in payment in the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF CHANGES IN INVENTORIES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
General Stores:				
Medical lab	\$ -	\$ 23,094	\$ 22,236	\$ 858
Food supplies	23,912	186,224	180,585	29,551
Household and laundry	15,539	67,845	69,158	14,226
Other general stores	2,759	44,560	44,109	3,210
Clothes		20,981	20,981	0
Mechanical Stores:				
Repair and Maintenance	-	25,940	25,940	0
Mechanical Stores	-	-	-	0
Pharmacy	240,139	1,717,814	1,765,470	192,483
	<u>\$ 282,349</u>	<u>\$ 2,086,458</u>	<u>\$2,128,479</u>	<u>\$ 240,328</u>

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
General Stores:				
Medical lab	\$ -	\$ 31,850	\$ 31,850	\$ -
Food supplies	22,568	180,083	178,739	23,912
Household and laundry	10,653	75,344	70,458	15,539
Other general stores	3,765	62,130	63,136	2,759
Clothes	-	7,788	7,788	0
Mechanical Stores:				
Repair and Maintenance	-	36,459	36,459	0
Mechanical Stores	-	-	-	0
Pharmacy	210,364	1,492,501	1,462,726	240,139
	<u>\$ 247,350</u>	<u>\$ 1,886,155</u>	<u>\$1,851,156</u>	<u>\$ 282,349</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF ACCOUNTS RECEIVABLE  
FOR THE YEARS ENDED JUNE 30,

The Department has accounts receivable of \$643,936, arising from operations of the John J. Madden Mental Health Center at June 30, 2005. This total represents amounts due from private assets, private insurance, Social Security Administration, etc. for resident care provided at the John J. Madden Mental Health 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 Patient Resource Unit at the Center was not in operation during fiscal year 2005. This issue is included as a finding in this report. 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:

	<u>June 30,</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$ 910	\$27,988	\$239,946
Past due (4-6 months)	8,276	6,766	49,156
Past due (7-12 months)	17,290	83,048	87,116
Past due (over 12 months)	<u>504,958</u>	<u>660,244</u>	<u>410,589</u>
Subtotal	\$531,434	\$778,046	\$786,807
Court Cases	<u>112,502</u>	<u>212,722</u>	<u>0</u>
Total	<u>\$643,936</u>	<u>\$990,768</u>	<u>\$786,807</u>



INSERT BLUE ANALYSIS OF OPERATIONS TAB HERE

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER FUNCTIONS AND PLANNING PROGRAM

The functions and planning program of the Center are as follows:

FUNCTIONS

The John J. Madden Mental Health Center (Madden) is a 224-bed Illinois Department of Human Services (DHS) facility, located at 1200 South First Avenue, Hines, Illinois. Madden is located adjacent to the Loyola University Medical Center and the Hines Veterans Administration Hospital. The facility was constructed in the late 1960's and provides inpatient psychiatric services for adults living in Chicago and west suburban Cook County.

Madden hospitalizes those patients who cannot be treated in their respective community mental health clinics. The recipients of Madden have an average hospital stay of approximately 14 days. Before being discharged, recipients are linked with their local city or suburban mental health clinic for follow-up services.

There are thirty-four Community Mental Health Agencies located in Madden's service area and fifteen crisis programs. The goal of the crisis program is to reduce the number of admissions to Madden by providing crisis intervention pre-screening of potential admissions and a direct referral to community-based services.

The John J. Madden Mental Health Center provides inpatient treatment and psychosocial rehabilitation for people with serious mental illness who, for a time, cannot be serviced in the community.

The goal of treatment is to stabilize and resolve acute psychiatric symptomatology in the most humane and least disruptive manner possible. Treatment addresses the biological, psychological and social needs of the person with the ultimate goal of returning the individual to their prior level of functioning. Services are delivered in a manner to build resilience and facilitate the recovery of persons with mental illness.

Psychosocial rehabilitation promotes a higher level of functioning in the environment of choice with a minimal amount of support necessary. The goal of psychosocial rehabilitation is to develop the recipient's skills and support necessary for success and satisfaction in their chosen environment.

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The mission of the John J. Madden Mental Health Center is to help people with mental illness regain control of their lives. Rehabilitation is outcome oriented, focused on the present, concrete and practical. Rehabilitation values freedom of choice, skill development, right to support, independence, personal satisfaction, individualization and empowerment.

PLANNING PROGRAM

A strategic plan is developed annually based on planning meetings held by the Center's Executive Council. The Council conducts a quarterly review of the objectives set forth in the plan. The goals set forth in the strategic plan for Fiscal Year ended 2005 include:

- Enhance the involvement of consumers in developing consumer oriented recovery based mental health services and to expand their role in the planning, evaluation, and delivery of services.
- Improve the appropriateness and effectiveness of clinical interventions to match the changing needs of clients.
- Address service gaps and the improvement of quality of a comprehensive public mental health system of care. In addition, promote coordination between service systems in order to provide a comprehensive array of mental health and support services.
- Enhance staff competence through the development of skills and knowledge in leadership, management, and clinical interventions.
- Develop appropriate tools and structures to manage resources and care.
- Increase data-based decision-making in a continuous quality improvement environment.

AUDITOR'S ASSESSMENT OF THE CENTER'S PLANNING PROGRAM

The Center has established an adequate operating program to meet its defined goals and objectives.

Name and Location of Agency Head

Facility Director: Mr. Gustavo Espinosa  
Address: 1200 South First Avenue  
Hines, Illinois 60141

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AVERAGE NUMBER OF EMPLOYEES

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

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Rehabilitation services	8	8	14
Adult inpatient services	149	159	181
Central admissions	9	9	9
Medical, surgical and clinical services	30	19	32
Staff development	4	3	1
Superintendent's office	0	0	5
Administrative services	23	21	14
Engineering	14	14	17
Business management	6	7	10
Other support services	49	51	37
Dietary	<u>16</u>	<u>21</u>	<u>25</u>
Total Employees	<u>308</u>	<u>312</u>	<u>345</u>

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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>36,941</u>	<u>24,803</u>
Value of overtime hours worked during fiscal year	<u>\$1,180,995</u>	<u>\$802,078</u>
Compensatory hours earned during fiscal year	<u>9,031</u>	<u>7,763</u>
Value of compensatory hours earned during fiscal year	<u>\$250,767</u>	<u>\$228,936</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>45,972</u>	<u>32,566</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,431,762</u>	<u>\$1,031,014</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 neurology, psychiatric, podiatrist, consumer specialist, and hospital administrator.

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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>8</u>	<u>13</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$117,944</u>	<u>\$196,381</u>

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CENTER UTILIZATION (NOT EXAMINED)

John J. Madden Mental Health Center (Center) is situated on 32 acres in Hines. The Center has 14 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.

Bldg #	Use	Sq. Ft.	Occupancy	Item of Note
1	Residential	10,000	Occupied	Note 1
2	Residential	10,000	Occupied	
3	Residential	10,000	Occupied	
4	Residential	10,000	Occupied	
5	Residential	10,000	Unoccupied	Note 2
6	Residential	10,000	Occupied	Note 3
7	Residential	10,000	Occupied	
8	Residential	10,000	Occupied	
9	Classrooms	10,000	Occupied	Note 4
10	Classrooms	10,000	Unoccupied	Note 5
11	Residential	10,000	Occupied	
12	Residential	10,000	Occupied	Note 6
13	Administration	80,000	Occupied	
14	Loading Dock	1,000	Occupied	

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Items of Note:

- Note 1      Bldg 1 is being utilized as the Center's Intake Department
- Note 2      Bldg 5 has been unoccupied since May 2003 due to reductions in admissions. The building is in good working condition. There is a plan to occupy the pavilion of the building when staff is hired..
- Note 3      Bldg 6 is currently occupied by Hurricane Katrina evacuees scheduled to vacate November 30, 2005
- Note 4      Bldg 9 is being utilized by an outside agency Guardian/Advocacy.
- Note 5      Bldg 10 is unoccupied due to reduction in admissions.
- Note 6      Bldg 12 is being utilized by the Office of the Inspector General.

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>\$254,447</u>	<u>\$235,034</u>
Cost per day per resident	*	<u>\$695</u>	<u>\$644</u>

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



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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>124</u>	<u>148</u>	<u>224</u>
Average number of residents	<u>111</u>	<u>120</u>	<u>128</u>
Average number of employees	<u>308</u>	<u>312</u>	<u>345</u>
Ratio of employees to residents	<u>2.77 to 1</u>	<u>2.60 to 1</u>	<u>2.70 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>92</u>	<u>69</u>	<u>73</u>

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FOOD SERVICES (not examined)

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

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>121,545</u>	<u>131,400</u>	<u>151,840</u>
Total food costs	\$174,218	\$186,628	\$208,919
Total labor costs	<u>633,853</u>	<u>682,496</u>	<u>665,131</u>
Total costs	<u>\$808,071</u>	<u>\$869,124</u>	<u>\$874,050</u>
Average food costs / meal	\$1.43	\$1.42	\$1.38
Average labor costs / meal	<u>5.21</u>	<u>5.19</u>	<u>4.38</u>
Total average cost / meal	<u>\$6.64</u>	<u>\$6.61</u>	<u>\$5.76</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS  
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(not examined)

**Service Efforts and Accomplishments**

John J. Madden Mental Health Center's organizational planning is an interactive process. Strategy, mission, vision, values and strategic planning objectives are interrelated, and are viewed as on-going processes. Continuous Quality Improvement increased the mental health service area by absorbing additional planning areas from the metropolitan area. The Center utilizes data to guide and direct all improvement activities for each function within the hospital. The Council establishes all Performance Improvement Teams and is responsible for improvement in identified areas. Major accomplishments noted in fiscal year 2004 and fiscal year 2005 through improvement processes include:

Accomplishments:

- Increase consumer participation in hospital wide committees.
- Changed its mission to an acute hospital stay with a declining length of stay.
- Leadership staff participated in National Technical Assistance Center training, and established a leadership witnessing plan which resulted in decreased restraint and seclusion rates by 50% which is now below national rates.
- Maintained higher new generation anti-psychotic rates than the statewide averages.

Accreditation:

- The Center was re-accredited in April 2004 for three years by the Joint Commission on Accreditation of Healthcare Organizations.