

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES

WARREN G. MURRAY  
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  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

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DEPARTMENT OF HUMAN SERVICES  
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**CENTER OFFICIALS**

Director	Mr. James Veach
Director (7/01/03 – 07/15/04)	Ms. Vickie Niederhofer
Assistant Director	Vacant
Assistant Director (07/01/03 – 07/15/04)	Ms. Lisa Marcum
Business Office Administrator	Mr. Ronald Eversgerd

The Center is located at:

1535 West McCord Street  
Centralia, Illinois 62801



Rod R. Blagojevich, *Governor*

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

Murray Developmental Center  
1535 West McCord  
Centralia, IL 62801

October 12, 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.

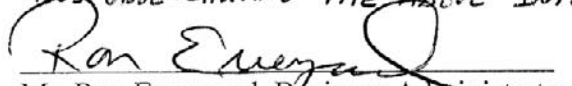
E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Murray Developmental Center

  
Mr. James Veach, Center Director

TO THE BEST OF MY KNOWLEDGE  
AND UNDERSTANDING THE ABOVE INFORMATION IS ACCURATE

  
Mr. Ron Eversgerd, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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	5	3
Repeated findings	3	1
Prior recommendations implemented or not repeated	-	1

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

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
05-1	10	Inventory
05-2	12	Employee Evaluations
05-3	14	Real Property Inventory
05-4	15	Lack of Adequate Segregation of Duties
05-5	16	Inadequate Controls Over Accounts Receivable

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For the Two Years Ended June 30, 2005

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**  
**(CONTINUED)**

PRIOR FINDINGS NOT REPEATED

The findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2003 have been repeated and are presented in the Schedule of Findings, Recommendations, and Center Responses section of this report.

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on December 8, 2005. Attending were:

Warren G. Murray Developmental Center

Mr. James Veach, Center Director  
Mr. Ron Eversgerd, Business Administrator  
Ms. Vickie Miller, Information Services Specialist II

Office of the Auditor General

Ms. Kathy Lovejoy, Contract Manager

West & Company, LLC

Ms. Janice Romack, Partner  
Mr. Kevin Pruemmer, Manager  
Mr. Jeremy Landreth, Supervisor

Responses to the recommendations were provided by Ms. Carol L. Adams, Ph.D., Secretary – Illinois Department of Human Services, in a letter dated December 14, 2005.

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  
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**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 – Warren G. Murray 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 - Warren G. Murray 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 - Warren G. Murray Developmental Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services – Warren G. Murray 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 - Warren G. Murray 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 - Warren G. Murray 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 - Warren G. Murray 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.

## Compliance (continued)

- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Human Services - Warren G. Murray Developmental Center on behalf of the State or held in trust by the State of Illinois Department of Human Services - Warren G. Murray 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 Center Functions and Planning Program
- Chapter 30 – Auditing Compliance With Center 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 October 12, 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 - Warren G. Murray 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 - Warren G. Murray Developmental Center’s compliance with specified requirements.

As described in findings 05-1 and 05-3 in the accompanying Schedule of Findings, Recommendations and Center Responses, Warren G. Murray Developmental Center did not comply with requirements regarding:

- 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.

## **Compliance (continued)**

- 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.

Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Human Services – Warren G. Murray 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 - Warren G. Murray 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 05-2 and 05-5.

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 - Warren G. Murray 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 - Warren G. Murray 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 October 12, 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 - Warren G. Murray Developmental Center's ability to comply with one or more of the aforementioned requirements. Reportable conditions are described in the accompanying Schedule of Findings, Recommendations and Center Responses as findings 05-1 and 05-3.

### **Internal Control (continued)**

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 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 Findings, Recommendations and Center Responses as finding 05-4.

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

October 12, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE

05-1 FINDING – Inaccurate Inventory Records

The Warren G Murray Developmental Center (Center) commodities inventory procedures were not performed in a timely manner to ensure the proper accounting and safeguarding of inventory.

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

- A complete pharmacy inventory count was last conducted by the Center on June 27, 2004. Therefore, the auditors did not perform test counts.
- A commodities inventory was conducted prior to June 30, 2005; however, records were not maintained in order to roll forward to year-end numbers.
- Adjustments for the actual year end commodities inventory count differences were not posted into the inventory system prior to the closing and printing of the June 30 final reports for fiscal years 2004 and 2005. As a result, correct June 30 inventory balances were not available.
- The Center's June 30, 2004 and 2005 net commodities inventory adjustments were significant. Net adjustment of (\$99,672) and (\$265,410) were posted after inventory reports were printed for fiscal years 2004 and 2005, respectively. Furthermore, the per-unit price of coal was misstated resulting in an inventory understatement of \$82,952 for fiscal year 2005.
- Physical commodities inventory counts could not be verified on 10 of 84 items (12%) selected for testing. Eight of these variances were discovered in the mechanical store, where inventory was not maintained in an orderly manner. The other two exceptions were discovered in general stores and office supplies, respectively.

The Statewide Accounting and Management System's (SAMS) (procedure 27.20.77) requires agencies with inventory exceeding \$150,000 to report the value of such inventory (at the lower of cost or market) to the Comptroller's Office. In order for the Department to report the proper value of the inventory to the Comptroller's Office, accurate and complete perpetual inventory records must be maintained. Additionally, good internal controls are necessary in order to safeguard State assets.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE

05-1 FINDING – Inaccurate Inventory Records (continued)

Center personnel stated the year-end Commodity Status Report is not received from the Central Office until the next fiscal year. This report is necessary to calculate inventory adjustments since it details reported inventory balances. Delays in receiving year-end inventory reports coupled with a lack of training contributed to these conditions.

Failure to maintain accurate and timely inventory records could result in inaccurate accounting and reporting of inventory values. Inaccurate reporting on the Inventory Analysis Report will affect the Department's ability to accurately report the value of inventories at fiscal year end to the Office of the Comptroller. (Finding Code 05-1, 03-1, 01-1, IM 01-2, 99-1)

RECOMMENDATION

We recommend Center management allocate sufficient and adequately trained staff to maintaining a perpetual inventory and a review of the Commodity Control Systems reports be performed on a timely basis. Supervisory personnel should also consider analytical comparisons of the inventory reports to the anticipated inventory needs for the Center. Enhanced internal controls should facilitate more accurate reporting of inventory values.

AGENCY RESPONSE

Agree. The Center currently has one property and supply clerk that handles both commodity control and equipment inventory. The Center has implemented a new in-house database for inventory control as of December 6, 2005. This database has the capability of producing reports for inventory on hand, store receiving reports, etc. This system should help eliminate errors with wrong commodity numbers, conversions, etc., thus eliminating corrections on weekly status reports. This program will provide accurate inventory counts throughout the year for spot checking and avoid numerous year-end adjustments for accurate inventory.

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)

05-2 FINDING – Failure to Perform Employee Evaluations Timely

The Warren G. Murray Developmental Center (Center) employee's evaluations were not performed timely.

During our testing of employee files, we noted 4 of 20 (20%) files contained untimely completion of employee evaluations. After further inquiry, Center records detailed 25 employee evaluations, which were delinquent at June 30, 2005. At June 30, 2005, the Center employed 521 full time employees.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires an agency to prepare an evaluation during each employee's probationary period but not less often than annually. The Department's Employee Handbook states an employee appraisal is an important tool for both the employee and employer. Employee appraisals help set challenging yet realistic objectives and provide necessary feedback regarding employee performance.

According to Center management, emphasis has been placed on performing timely evaluations. The number of delinquent evaluations has decreased and the majority of the evaluations were just a couple of months delinquent.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustment, promotion, demotion, discharge, layoff, recall, and reinstatement decisions in a timely manner. Delays in evaluations cause untimely formal feedback to employees on their performance and may cause certain probationary employees to become certified prior to formal review. (Finding Code 05-2, 03-2)

RECOMMENDATION

We recommend the Center comply with the Illinois Administrative Code and perform timely employee evaluations.



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-2 FINDING – Failure to Perform Employee Evaluations Timely (continued)

AGENCY RESPONSE

Agree. As stated in the finding, the number of delinquent evaluations had decreased and the majority of the evaluations were just a couple of months delinquent. Since the last audit, the new Center Director has instructed staff about the importance of timely evaluations. A policy is in place where the Center Director receives monthly delinquent evaluation reports from personnel and he contacts the supervisor with a deadline for completion of the delinquent evaluation.

STATE OF ILLINOIS  
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WARREN G. MURRAY DEVELOPMENTAL CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-3 FINDING – Real Property Inventory

The Center is not performing a real property inventory count which would reveal obsolete items on their inventory records.

During our testing of real property, we noted the real property inventory report contained many items that appear to be obsolete and no items were removed for the two years under examination. In addition, a complete real property inventory count was not conducted in order to ensure the accuracy of the contents listed in the report.

The Statewide Accounting and Management System (SAMS) procedure 29.10.10 requires each State agency to conduct an inventory of its assets on an annual basis in order to support the existence and accuracy of amounts reported. At a minimum, agencies should ensure the listing of immovable assets is complete, accurate and supported by underlying documentation of ownership.

Management stated quarterly evaluations of the list are being performed. Furthermore, the Center employee responsible for reviewing the real property inventory list believes inventory deletions should be performed by the Capital Development Board, since they are responsible for administering real property projects.

The Center reported total real property balances at June 30, 2005 and 2004 of \$47,687,932 and \$45,999,261, respectively. Failure to maintain accurate fixed asset reporting reduces the reliability of Statewide fixed asset information. (Finding Code 05-3, 03-3)

RECOMMENDATION

We recommend the Center strengthen controls over real property inventory and comply with SAMS to ensure accurate reporting of real property information.

AGENCY RESPONSE

Agree. The Center has assigned real property responsibilities to the Chief Engineer. The real property inventory will be completed in full by June 30, 2006. The Real Property Quarterly Report will be reviewed timely by the Chief Engineer for additions and deletions to ensure accurate reporting of real property.

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)

05-4 FINDING – Lack of Adequate Segregation of Duties

The Center has internal control weaknesses due to inadequate segregation of duties over pharmacy inventory.

In August 2005, pharmacy personnel responsible for maintaining inventory were also entering pharmacy receivers and requisitions.

Good business practices require adequate segregation of duties between recording transactions in the accounting records and directly handling the related assets resulting from the transaction process. These practices help ensure the safeguarding of assets, assist in providing the most accurate and reliable accounting data, and promote operational efficiency.

According to Center management, the control weaknesses were the result of staff shortages in recording pharmacy inventory transactions.

A lack of segregation of duties increases the possibility that a loss from errors or fraud could occur and not be detected in the normal course of business. (Finding Code 05-4)

RECOMMENDATION

We recommend the Center implement procedures to ensure that no employee has the ability to both input and reconcile data entry transactions and directly handle the assets resulting from the transaction process.

AGENCY RESPONSE

Agree. As of September 1, 2005, pharmacy has become part of Central Management System (CMS). The Center or the Department of Human Services (DHS) has no control over employees, data entry inventory, or assets of the pharmacy department.

STATE OF ILLINOIS  
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FOR THE TWO YEARS ENDED JUNE 30, 2005

CURRENT FINDINGS – STATE COMPLIANCE (continued)

05-5 FINDING – Inadequate Controls over Accounts Receivable

The Warren G. Murray Developmental Center (Center) failed to timely submit the Notice of Determination of ability to pay.

During our testing of the recipient’s ability to pay, we noted 19 of 50 (38%) recipients records tested did not reflect timely completion of the Notice of Determination of ability to pay. For the nineteen exceptions noted, the Notice of Determination of ability to pay could not be located for three records and the remaining sixteen averaged 29 days late.

The Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedures Manual no. 01.04.02.03 states form DMHDD-612, “Notice of Determination” is to be prepared and mailed to the recipient within sixty days of admittance.

The Resident Resource Unit personnel indicated the delays were due to recent, and unexpected, changes in staff in the patient-billing department.

Failure to timely complete and issue the Notice of Determination of ability to pay could result in financial loss to the Center. (Finding Code 05-5)

RECOMMENDATION

We recommend the Center timely complete the Notice of Determination of ability to pay.

AGENCY RESPONSE

Agree. The vacancy has been filled and the “Notice of Determination” will be completed timely.

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

Prior Findings Not Repeated

The findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2003 have been repeated and are presented in the Schedule of Findings, Recommendations, and Center Responses section of this report.

INSERT BLUE SUPPLEMENTARY INFORMATION TAB HERE

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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 (not examined)
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)
- Analysis of Accounts Receivable

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  
WARREN G. MURRAY 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 ACTS 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 23,513,900	\$ 22,412,026	\$ 1,056,343	\$ 23,468,369	\$ 45,531
Employee retirement contributions paid by employer	36,066	36,066	-	36,066	-
State contributions to state employees' retirement system	3,672,700	3,482,192	165,500	3,647,692	25,008
State contributions to Social Security	1,676,200	1,590,217	76,036	1,666,253	9,947
Contractual Services	1,627,600	1,236,933	361,167	1,598,100	29,500
Travel	9,900	4,872	2,341	7,213	2,687
Commodities	1,373,000	1,125,189	151,902	1,277,091	95,909
Printing	10,000	9,872	-	9,872	128
Equipment	122,300	-	113,769	113,769	8,531
Telecommunications services	81,000	39,302	39,257	78,559	2,441
Operation of auto equipment	52,900	32,270	20,383	52,653	247
Expenses related to living skills program	2,900	2,900	-	2,900	-
Total	<u>\$ 32,178,466</u>	<u>\$ 29,971,839</u>	<u>\$ 1,986,698</u>	<u>\$ 31,958,537</u>	<u>\$ 219,929</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  
WARREN G. MURRAY DEVELOPMENTAL 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
PUBLIC ACT 93-0092					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 22,142,000	\$ 21,117,453	\$ 946,792	\$ 22,064,245	\$ 77,755
Employee retirement contributions paid by employer	848,000	765,829	35,250	801,079	46,921
State contributions to state employees' retirement system	2,931,600	1,997,737	57	1,997,794	933,806
State contributions to Social Security	1,607,100	1,529,268	68,978	1,598,246	8,854
Contractual Services	1,566,700	1,311,967	238,320	1,550,287	16,413
Travel	6,800	2,449	1,153	3,602	3,198
Commodities	1,288,300	1,070,517	103,095	1,173,612	114,688
Printing	10,400	8,249	-	8,249	2,151
Equipment	126,700	67,360	58,401	125,761	939
Telecommunications services	101,300	66,200	35,003	101,203	97
Operation of auto equipment	53,800	36,951	16,718	53,669	131
Expenses related to living skills program	3,000	2,900	-	2,900	100
Total	<u>\$ 30,685,700</u>	<u>\$ 27,976,880</u>	<u>\$ 1,503,767</u>	<u>\$ 29,480,647</u>	<u>\$ 1,205,053</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  
WARREN G. DEVELOPMENTAL CENTER  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842 & 93-0681	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 32,178,466	\$ 30,685,700	\$ 29,575,100
EXPENDITURES			
Personal services	23,468,369	22,064,245	21,482,487 *
Employee retirement contributions paid by employer	36,066	801,079	793,814
State contributions to state employees' retirement system	3,647,692	1,997,794	2,188,364
State contributions to Social Security	1,666,253	1,598,246	1,552,674
Contractual services	1,598,100	1,550,287	1,613,695
Travel	7,213	3,602	3,314
Commodities	1,277,091	1,173,612	1,386,788
Printing	9,872	8,249	6,071
Equipment	113,769	125,761	8,018
Telecommunications services	78,559	101,203	81,506
Operations of auto equipment	52,653	53,669	44,439
Expenses related to living skills program	2,900	2,900	3,000
Total Expenditures	31,958,537	29,480,647	29,164,170
LAPSED BALANCES	\$ 219,929	\$ 1,205,053	\$ 410,930

\* \$538,739 in Center Personal Services expenditures were paid by DHS Central Office and are not included in the above total.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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 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 and Petty Cash account. These funds are used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

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

The Petty Cash account is maintained for the purpose of 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. This fund is used to account for the proceeds of a specific revenue source that are legally restricted to expenditures for specific purposes.

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

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		
Certificates of Deposit:		
Murray Employee Credit Union; Centralia, IL	2.72%	\$ 20,000
Murray Employee Credit Union; Centralia, IL	2.72%	20,000
First County Bank of Albers; Albers, IL	3.36%	70,000
Farmers State Bank; Hoffman, IL	1.44%	30,000
Farmers State Bank; Hoffman, IL	1.44%	<u>20,000</u>
		160,000
U.S. Series E Bonds		<u>175</u>
Total Investments		<u>\$ 160,175</u>

The above certificates of deposit are covered by Federal Deposit Insurance Corporation and the National Credit Union Administration insurance. The carrying amounts of the certificates of deposit approximate their fair value. The fair value of the U.S. Series E Bonds is approximately \$1,161.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

Living Skills Fund

Checking Account  
US Bank; Centralia, IL  
Non-Interest bearing

Petty Cash Account

Checking Account  
US Bank; Centralia, IL  
Non-Interest bearing

DHS Other Special Trust Fund

Checking Account  
US Bank; Centralia, IL  
Bearing interest at .22%

DHS Resident's Trust Fund

Checking Account  
US Bank; Centralia, IL  
Non-Interest bearing

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2005

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$ 11,486	\$ 257,068	\$ -	\$ 274
Receipts				
Investment income	76	3,766	-	-
Resident deposits	-	1,870,602	-	-
Donations	43,763	-	-	-
Appropriations	-	-	2,900	488
Vending machine commissions	26,862	-	-	-
Total Receipts	<u>70,701</u>	<u>1,874,368</u>	<u>2,900</u>	<u>488</u>
Disbursements				
Contractual services	-	-	-	679
Resident activities	46,664	-	-	-
Resident withdrawals	-	1,874,294	-	-
Living skills program	-	-	2,900	-
Total Disbursements	<u>46,664</u>	<u>1,874,294</u>	<u>2,900</u>	<u>679</u>
Balance - June 30, 2005	<u>\$ 35,523</u>	<u>\$ 257,142</u>	<u>\$ -</u>	<u>\$ 83</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2004

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	N/A Petty Cash Account
Balance - July 1, 2003	\$ 25,402	\$ 265,473	\$ 18	\$ 315
Receipts				
Investment income	37	3,648	-	-
Resident deposits	-	1,793,706	-	-
Donations	3,468	-	-	-
Appropriations	-	-	2,900	566
Vending machine commissions	34,965	-	-	-
Total Receipts	<u>38,470</u>	<u>1,797,354</u>	<u>2,900</u>	<u>566</u>
Disbursements				
Contractual services	-	-	-	607
Resident activities	52,386	-	-	-
Resident withdrawals	-	1,805,759	-	-
Living skills program	-	-	2,918	-
Total Disbursements	<u>52,386</u>	<u>1,805,759</u>	<u>2,918</u>	<u>607</u>
Balance - June 30, 2004	<u>\$ 11,486</u>	<u>\$ 257,068</u>	<u>\$ -</u>	<u>\$ 274</u>



STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
SCHEDULE OF CHANGES IN STATE PROPERTY  
YEARS ENDED JUNE 30, 2004 & 2005  
(not examined)

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
Balance June 30, 2003	\$ 82,850	\$ 38,161,431	\$ 6,101,883	\$ 3,225,392 *	\$ 47,571,556
Additions:					
Purchases	-	-	-	83,508	83,508
Transfers-in:					
Intra-agency	-	-	-	214,538	214,538
Inter-agency	-	-	-	28,090	28,090
Capital Development Board	-	1,644,741	8,356	-	1,653,097
Adjustments	-	-	-	8,718	8,718
Total Additions	-	1,644,741	8,356	334,854	1,987,951
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	265,620	265,620
Inter-agency	-	-	-	10,896	10,896
Surplus property	-	-	-	70,171	70,171
Scrap property	-	-	-	16,256	16,256
Clerical error and other	-	-	-	7,818	7,818
Adjustment	-	-	-	-	-
Total Deductions	-	-	-	370,761	370,761
Balance June 30, 2004	82,850	39,806,172	6,110,239	3,189,485	49,188,746
Additions:					
Purchases	-	-	-	147,708	147,708
Transfers-in:					
Intra-agency	-	-	-	324,427	324,427
Inter-agency	-	-	-	57,121	57,121
Capital Development Board	-	1,664,561	24,111	-	1,688,672
Surplus Property	-	-	-	-	-
Adjustments	-	-	-	4,004	4,004
Total Additions	-	1,664,561	24,111	533,260	2,221,932
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	410,461	410,461
Inter-agency	-	-	-	58,049	58,049
Outside agencies	-	-	-	-	-
Scrap property	-	-	-	101,903	101,903
Clerical error and other	-	-	-	3,310	3,310
Adjustment	-	-	-	707	707
Total Deductions	-	-	-	574,430	574,430
Balance June 30, 2005	\$ 82,850	\$ 41,470,733	\$ 6,134,350	\$ 3,148,315	\$ 50,836,248

Notes:

\* Equipment beginning balance was adjusted by \$1,771 due to a deletion that was inadvertently omitted in 2002.

The Center is not performing a real property inventory, which would reveal obsolete items or required adjustments to their inventory records. Therefore we were unable to determine:

- The Property and Equipment balances at June 30, 2005 and 2004 were fairly stated.
- Property and equipment included in the balance sheet physically existed.
- Obsolete property and equipment were identified and properly valued.

See Finding 05-3.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	\$ 551	\$ 210	\$ 388
Copy charges	-	-	21
Telephone reimbursements	111	432	96
Miscellaneous other	534	385	89
<b>TOTAL RECEIPTS</b>	<u><u>\$ 1,196</u></u>	<u><u>\$ 1,027</u></u>	<u><u>\$ 594</u></u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 1,196	\$ 1,027	\$ 594
Add: Deposits in transit - Beginning of year	-	-	-
Deduct: Deposits in transit - End of year	<u>(185)</u>	<u>-</u>	<u>-</u>
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<u><u>\$ 1,011</u></u>	<u><u>\$ 1,027</u></u>	<u><u>\$ 594</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ 36,066	\$ 801,079	\$ (765,013)	(95.5)%
State contributions to state employees' retirement system	\$ 3,647,692	\$ 1,997,794	\$ 1,649,898	82.6%
Travel	\$ 7,213	\$ 3,602	\$ 3,611	100.3%
Printing	\$ 9,872	\$ 8,249	\$ 1,623	19.7%
Telecommunications services	\$ 78,559	\$ 101,203	\$ (22,644)	(22.4)%

Employee retirement contributions paid by employer

Employee retirement contributions paid by employer decreased \$765,013 due to 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 \$1,649,898 was due to state changes in funding retirement plans. These changes caused the contribution rate to drastically increase in fiscal year 2005.

Travel

Travel increase of \$3,611 was attributed to required assistance with the Department of Public Health (DPH) Correction Plan. The Center was required to send four to five staff, twice a month for multiple days to retrain employees at another Center, help create new forms, and monitor the staff as required by the DPH Corrective Plan.

Printing

Printing expenditures increased \$1,623 due to an increase in paper purchases from CMS warehouse. The increase in paper usage was the result of additional printers installed at the Center to comply with HIPAA.

Telecommunication services

Telecommunication services decreased \$22,644 due to more stringent monitoring of personal phone calls in 2005. Also, the Center's phone system was struck by lightning in 2004, resulting in higher repair bills.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

**Fiscal Year 2004**

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

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Printing	\$ 8,249	\$ 6,071	\$ 2,178	35.9%
Equipment	\$ 125,761	\$ 8,018	\$ 117,743	100.0%
Telecommunications services	\$ 101,203	\$ 81,506	\$ 19,697	24.2%
Operation of auto equipment	\$ 53,669	\$ 44,439	\$ 9,230	20.8%

Printing

Printing expenditures increased \$2,178 due to an increase in paper purchases from CMS warehouse. The increase in paper usage was the result of additional printers installed at the Center to comply with HIPAA.

Equipment

Equipment expenditures increased \$117,743 due to the 2003 equipment appropriation being used to help cover other major line items.

Telecommunications services

Expenditures increased \$19,697 due to the Center's phone system being struck by lightning which resulted in higher repairs.

Operation of auto equipment

The increase in expenditures of \$9,230 can be attributed to additional needed repairs due to an aging fleet of vehicles.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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>
Contractual services	\$ 1,598,100	\$ 361,167	22.6%
Travel	\$ 7,213	\$ 2,341	32.5%
Equipment	\$ 113,769	\$ 113,769	100.0%
Telecommunication services	\$ 78,559	\$ 39,257	50.0%
Operation of auto equipment	\$ 52,653	\$ 20,383	38.8%

Contractual services

Lapse period expenditures were significant due to the Center waiting for increases on contracts to be approved. Also, there was a delay in receiving the electric bill which caused it to be paid during lapse period.

Travel

The Center was required to send staff to another Center to retrain employees, help create new forms, and monitor staff as required by the Department of Public Health Corrective Plan. The plan was enacted near the end of the fiscal year resulting in significant lapse period spending.

Equipment

Equipment appropriation money was frozen by the Center until the end of the fiscal year to ensure this money wouldn't be needed for emergencies in other line items. Since there were no emergency expenditures, the equipment appropriation was used late in the fiscal year to purchase necessary medical and other equipment.

Telecommunication services & Operation of auto equipment

The Center exhausted these appropriation line items late in the fiscal year and requested appropriation transfers. The transfers were not approved by Central Office until lapse period, resulting in significant lapse period spending.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

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

Fiscal Year Ended June 30, 2004

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$ 3,602	\$ 1,153	32.0%
Equipment	\$ 125,761	\$ 58,401	46.5%
Telecommunications services	\$ 101,203	\$ 35,003	34.6%
Operation of auto equipment	\$ 53,669	\$ 16,718	31.2%

Travel

Significant lapse period spending occurred due to travel required to perform a review of Shapiro per Senate Bill 472. Five employees from the Center were needed on the review team for three days.

Equipment

Equipment expenditures during lapse were significant because purchases of medical and other equipment needed by the Center were put on hold until the middle of June to make sure sufficient funding was available to cover the other major line items.

Telecommunication services & Operation of auto equipment

The Center exhausted these appropriation line items late in the fiscal year and requested appropriation transfers. The transfers were not approved by Central Office until lapse period, resulting in significant lapse period spending.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY 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	\$ 21,481	\$ 77,202	\$ 80,098	\$ 18,585
Food supplies	72,912	572,098	541,876	103,134
Household and laundry	51,178	340,201	327,555	63,824
Other general stores	14,895	74,008	69,811	19,092
Mechanical Stores:				
Repair and Maintenance	60,703	106,462	87,280	79,885
Coal and coke	46,093	233,035	234,432	44,696
Other mechanical stores	4,293	42,904	42,324	4,873
Pharmacy	168,332	1,837,026	1,816,760	188,598
	<u>\$ 439,887</u>	<u>\$ 3,282,936</u>	<u>\$ 3,200,136</u>	<u>\$ 522,687</u>

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
General Stores:				
Medical lab	\$ 16,681	\$ 101,067	\$ 96,267	\$ 21,481
Food supplies	83,147	497,077	507,312	72,912
Household and laundry	58,880	324,313	332,015	51,178
Other general stores	12,639	75,727	73,471	14,895
Mechanical Stores:				
Repair and Maintenance	95,494	123,045	157,836	60,703
Coal and coke	35,505	229,887	219,299	46,093
Other mechanical stores	4,139	41,172	41,018	4,293
Pharmacy	142,570	1,464,642	1,438,880	168,332
	<u>\$ 449,055</u>	<u>\$ 2,856,930</u>	<u>\$ 2,866,098</u>	<u>\$ 439,887</u>

Notes:

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

We noted various problems with inventory which resulted in unreliable inventory balances at June 30, 2005 and 2004. See Finding 05-1 for further details.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
ANALYSIS OF ACCOUNTS RECEIVABLE  
FOR THE YEARS ENDED JUNE 30,

The Department had accounts receivable of \$221,620, arising from operations of Warren G. Murray 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 Warren G. Murray 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)	\$ 214,385	\$ 159,939	\$ 141,746
Past due (4-6 months)	3,238	1,642	82
Past due (7-12 months)	1,861	504	158
Past due (over 12 months)	<u>2,136</u>	<u>19,356</u>	<u>25,322</u>
Total	<u>\$ 221,620</u>	<u>\$ 181,441</u>	<u>\$ 167,308</u>



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STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
WARREN G. MURRAY DEVELOPMENTAL CENTER  
ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER FUNCTIONS AND PLANNING PROGRAM

Center Functions

Warren G. Murray Developmental Center (Center) is a residential facility providing support and habilitation training for the developmentally disabled. The Center opened in June of 1964 and is located at 1535 West McCord Street, Centralia, Illinois. The Center is under the jurisdiction of the Illinois Department of Human Services, Office of Mental Health (Department).

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 Warren G. Murray 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 campus of Warren G. Murray Developmental Center includes 13 major buildings, 6 of which are residential cottages accommodating from 60 to 64 residents each. There are 4 living units in each residential building. The Center maintains an approximate residential population of 345 developmentally disabled persons. Each individual resident provides the focus for the services provided. Keeping in mind the personal choices, values and goals of individuals being serviced, support and services are made available according to needs indicated through comprehensive assessments. Treatment and training programs are designed to aid residents in physical, mental and social growth. The Center provides lodging, medical and nursing care for all persons in addition to the treatment and training programs.

The primary mission of Warren G. Murray Developmental Center is to provide effective treatment and developmental training programs for those individuals who, by virtue of the severity of their disability, require a protective environment, and who cannot be adequately cared for by existing community-based services. It is the mission of this Center to promote and enhance the abilities of these persons to their optimal level of independence and self-sufficiency so that all persons may be reintegrated into their natural environment or a community-based alternative in the shortest possible time.

The mission involves the provision of 24-hour developmental training services to promote the highest possible quality of humane and habilitative life and treatment, to provide these services in a manner which minimizes disruption to the individual's natural support system, to ensure that the dignity and rights of all persons served are preserved during the course of their treatment, and to assist all persons serviced in strengthening and maximizing their own resources and improving the quality of their lives. All programs and services are developed with consideration of the individual's choices and preferences in daily living.

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Center Planning Program

Warren G. Murray Developmental Center has established formal written long and short-term goals with respect to its functions and programs. The formal plan contains a statement concerning the Center's operational and program philosophy. In accordance with this philosophy, the Center has established specific intentions and objectives with which to achieve each goal. Facility goals and objectives are established by the Facility Director's Executive Council, which consists of the following:

- Center Director
- Assistant Center Director
- Personnel Officer
- Chief Fiscal Officer
- Residential Services Director
- Director of Nurses
- Medical Director
- Labor Relations Administrator
- AFSCME Representative
- Affirmative Action/EEO Officer

The Executive Council meets on the first and third Wednesday of each month to consider alternative approaches, review and update goals and objectives, and monitor results in terms of achieving established goals and objectives, on a timely basis.

The Administrative Services Council has broad representation of facility-wide support areas. This Council is chaired by the Assistant Center Director. Members include the following:

- Center Director
- Director of Nurses
- Internal Security Investigator
- Business Administrator
- Information Services Specialist
- Chief Engineer
- Housekeeping Manager
- Dietary Manager
- Labor Relations Administrator
- Laundry Manager
- Patient Resources Administrator
- AFSCME Representative
- Payroll Manager

The Residential Services Director is also a member representing the Program Council (described below). The Administrative Council meets on the fourth Wednesday of each month, and at other times at the discretion of the Chairperson, Executive Council, or the Facility Director.

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Center Planning Program (continued)

The Program Council is a broad representation of facility-wide program services. This Council is chaired by the Residential Services Director. Members include the following:

- Center Director
- All Residential Managers
- Director of Nurses
- Adult Day Program/Work Skills Training Administrator
- Social Worker Administrator
- Psychology Services Administrator
- Information Services Specialist
- Training Coordinator
- Activity Therapy Supervisor
- AFSCME Representative
- Hearing & Speech Supervisor

The Assistant Center Director is a member representing the Administrative Council. The Program Council meets on the second Wednesday of each month and at other times at the discretion of the Chairperson, Executive Council, or the Center Director.

Auditor's Assessment of Center's Planning Program

Warren G. Murray 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.

Center Head and Location

James Veach, Center Director  
Warren G. Murray Developmental Center  
1535 West McCord  
Centralia, Illinois 62801

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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>
Mental health technicians and supervisors	299	319	319
Support service workers and supervisors	61	60	59
Medical, dental and pharmacy	68	71	68
Office and clerical	13	13	13
Resident treatment	18	19	18
Administrative	23	24	25
Education	4	4	5
Security	5	5	5
Other	<u>54</u>	<u>54</u>	<u>53</u>
 Total employees	 <u>545</u>	 <u>569</u>	 <u>565</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>115,632</u>	<u>96,368</u>
Value of overtime hours worked during fiscal year	<u>\$ 2,530,618</u>	<u>\$ 1,951,272</u>
Compensatory hours earned during fiscal year	<u>12,059</u>	<u>13,025</u>
Value of compensatory hours earned during fiscal year	<u>\$ 239,459</u>	<u>\$ 233,321</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>127,691</u>	<u>109,393</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 2,770,077</u>	<u>\$ 2,184,593</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The Center did not incur any expenditures for contractual payroll employees for the two years under examination.

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CENTER UTILIZATION (not examined)

Warren G. Murray Developmental Center (Center) is situated on 120 acres near Centralia, IL. The Center has eighteen 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>Square Feet</u>	<u>Status</u>	<u>% Being Used</u>
Apple	28,687	Residential	100%
Berry	28,957	Residential	100
Cherry	28,500	Leased 50%, Storage 50%	50
Daisy	28,983	Residential 75%, Program 25%	100
Elm	28,500	Residential	100
Fir	28,983	Residential	100
Grape	28,983	Residential	100
Administration	48,873	Offices, School Program, & Work Skill Training	100
Freidrich	29,526	Adult Day Program	100
Dietary	23,458	Dietary, Conference Center General Stores, Clothing Offices	100
Laundry	9,487	Storage 50%, Machinist 25%, Wheelchair programs 25%	100
Pump House	963	Sewage Removal	100
Mechanical	13,236	Crafts	100
Boiler House	11,346	Heating, Air Conditioning & Hot Water	100
Residential House	1,380	Used for Family Visits	100
Water Tower	-	Water Storage	100
Garage	460	Storage	100
Barn	6,000	Recreation Building	100

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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	*	\$ 126,208	\$ 119,947
Cost per day per resident	*	<u>\$ 345</u>	<u>\$ 329</u>

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

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>372</u>	<u>372</u>	<u>372</u>
Average number of residents	<u>345</u>	<u>350</u>	<u>347</u>
Average number of employees	<u>545</u>	<u>569</u>	<u>565</u>
Ratio of employees to residents	<u>1.58 to 1</u>	<u>1.63 to 1</u>	<u>1.63 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>191</u>	<u>276</u>	<u>321</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.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>504,791</u>	<u>514,651</u>	<u>491,464</u>
Total food costs	\$ 526,164	\$ 488,605	\$ 423,155
Total labor costs	<u>1,058,354</u>	<u>1,159,146</u>	<u>1,181,423</u>
Total costs	<u>\$ 1,584,518</u>	<u>\$ 1,647,751</u>	<u>\$ 1,604,578</u>
Average food costs / meal	\$ 1.04	\$ .95	\$ .86
Average labor costs / meal	<u>2.10</u>	<u>2.25</u>	<u>2.40</u>
Total average cost / meal	<u>\$ 3.14</u>	<u>\$ 3.20</u>	<u>\$ 3.26</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS  
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(not examined)

The Illinois Department of Public Health has conducted two Annual Certification Surveys during the last two years. Both surveys produced great outcomes with no Medicare Conditions of Participation violations and only a few minor Illinois Department of Public Health violations. Furthermore, we have also been through two Senate Bill 472 surveys, which are required by the Senate and are sister facility evaluations of services provided, with great outcomes as well.

Over the last two years we have also been awarded an extension of our Council on Accreditation of Rehabilitation Facilities (CARF). CARF is a nationally recognized accrediting body that surveys agencies on rigorous standards by evaluating the operations of the Center inclusive of fiscal, human resources, life safety, management, quality enhancement as well as service delivery. CARF awarded the Center the highest of four possible survey outcomes for both surveys that have been undertaken by this facility. The Center received a three year accreditation to August 2006, when the Center will be resurveyed.

Murray Developmental Center has been able to retain the close working relationships with several other agencies over the years. Throughout the last two years, some of the agencies involved and events held consist of:

- Two American Red Cross Blood Drives were held at the Murray Developmental Campus with over 125 pints of blood donated.
- Employees participated in two Relay for Life events for the American Cancer Society raising over \$10,000 and assisting the Society to raise over \$1,000,000 in the last 10 years.
- The Center continues to work closely with the American Heart Association.
- Employees continue to teach and work in the community regarding various health issues.
- The Center has bridged the gap between community providers and state agencies and has begun providing services to community residents.
- The Center hosts monthly and emergency CART meetings assisting the community providers with services by offering suggestions to handle their troubled clients.
- The Center sponsored two very successful Murray Games involving many volunteers; mainly from the athletic departments of Kaskaskia College.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (CONTINUED)  
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(not examined)

- An agreement with Kaskaskia College was signed providing for internship activities at the Center.
- The Center developed a relationship with A.B.A.T.E. Motorcycle Club and hosted a motorcycle rally for a donation of proceeds to the Murray Parents Association; first year donations totaled \$2,320.
- The first annual Ron Johnson Memorial Softball Tournament was held raising \$1,200 for the Murray Center Activity Fund. The Center is considering hosting a golf tournament next year.
- The Center worked with Southern Illinois University Carbondale for recruitment of staff and development of intern opportunities

These items are just a few of the many successes of Murray Center during the last two years. The Center is pleased to provide services in the city of Centralia and the surrounding area. The Center continues to move forward and is admitting residents from the entire state of Illinois, although mostly from the central and southern areas of the State of Illinois.