



OFFICE OF THE AUDITOR GENERAL
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Supplemental Digest
Department of Human Services
June 2010

A total of 22 reports for the Department of Human Services (Department) have been issued today. The reports include the Central Office, 8 Developmental Centers, 8 Mental Health Centers, 2 combination Mental Health / Developmental Centers and 3 Centers for Rehabilitation and Education.

The Department of Human Services – Central Office report contains a Department-wide financial audit for the year ended June 30, 2009 and a compliance attestation examination for the two years ending June 30, 2009. The other 21 reports are limited scope compliance attestation examinations of individual centers for the two years ending June 30, 2009.

In all, the reports contain a total of 90 findings, which is slightly up from the 85 findings reported in the June 30, 2007 engagements. Four of the current center reports had no findings, an increase of one center over the number reported for the two years ending June 30, 2007.

The more prevalent findings in the 2009 engagements were in the areas of operations, statutory mandates, revenue, receipts and accounts receivable, internal control, and payroll and personnel. The attached schedule of Major Findings by Topic summarizes the findings disclosed in the reports.

Summaries of certain operational and statistical data have been included in the attached charts and schedules. For example, one chart provides details on the average number of residents / students by center. This chart also groups the centers by function and provides subtotals by function and for the Department as a whole. According to Department figures, for fiscal year 2009 the Department had an average total population of 4,371 residents / students at centers, compared to 4,504 for fiscal year 2008 and 4,656 for fiscal year 2007.

Another chart provides details on the average cost per year per resident / student by center and groups the centers by function. This chart notes the average cost for fiscal year 2008, 2007 and 2006. The fiscal year 2009 data had not been calculated by the Department by the close of engagement fieldwork. According to the Department, for 2008 the average cost per year per resident / student ranged from a high of \$383,417 at Tinley Park Mental Health Center to a low of \$79,787 at the Treatment and Detention Facility.

The final chart provides information regarding the value of paid overtime hours and earned compensatory hours, number of employees per center, and the ratio of employees to residents / students at the centers. Based on information provided by the Department for fiscal year 2009, the number of employees per resident / student ranged from a high of 2.95 at Tinley Park Mental Health Center to a low of .63 at the Treatment and Detention Facility.

MAJOR FINDINGS BY TOPIC

Overview of findings for the two years ended June 30, 2009

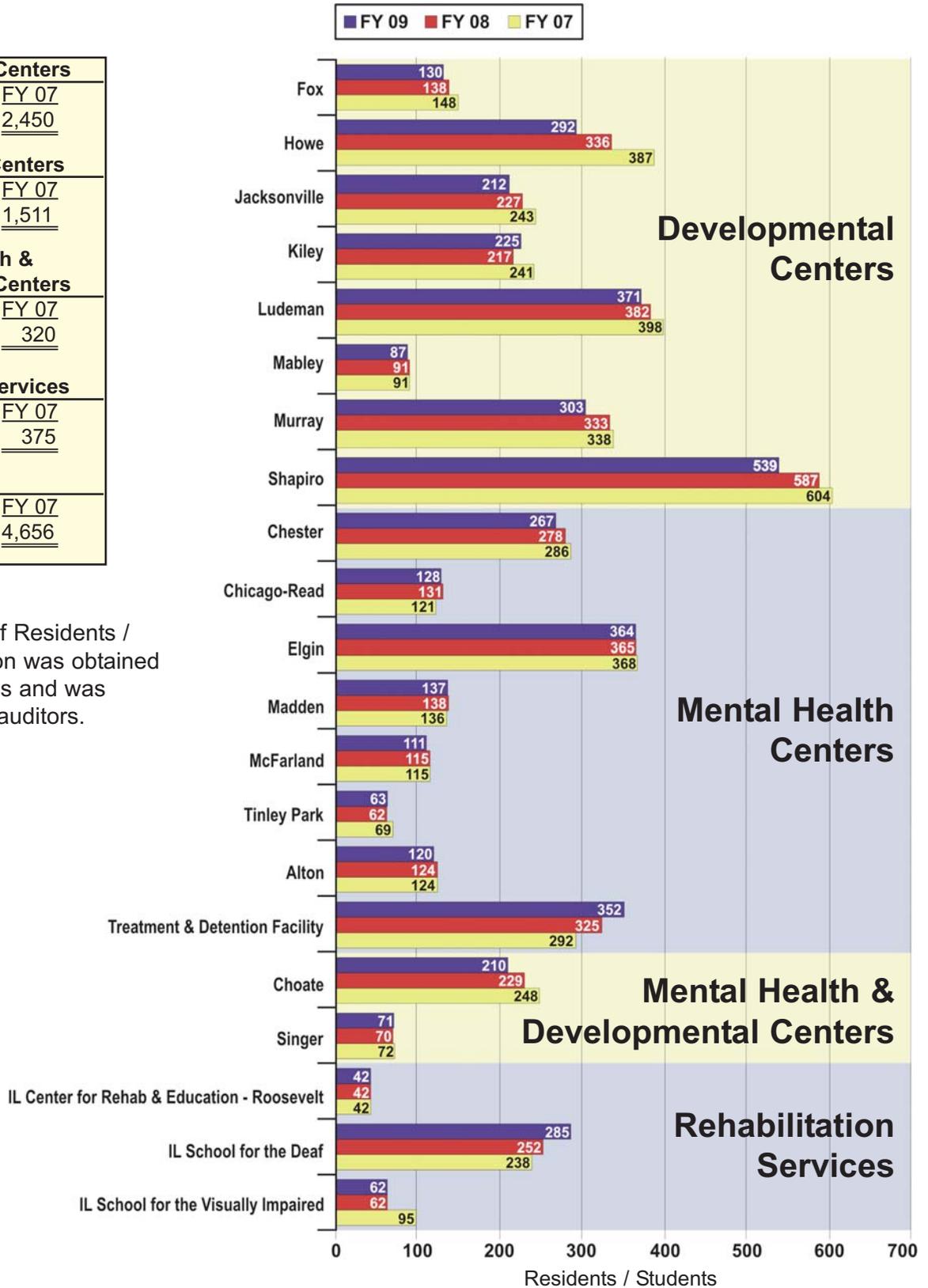
# of Findings		Topics
FY 07	FY09	
14	22	OPERATIONS Decertification of two Centers as Medicare & Medicaid service providers. Child care provider addresses matched to Sex Offender Registry and child care assistance payments made for tuition. Weaknesses over implementing fee-for-service conversion. Contracts with a university to hire former employees. Weaknesses in administering Gaining Early Awareness and Readiness for Undergraduate Program. Improper transfer to the FY 09 Budget Relief Fund. Invoice vouchers not being processed properly, failure to timely determine disposition of unspent grant funds and contract agreements not signed or executed timely. Inadequate security administration function, contingency planning weaknesses and inadequate procedures for disposal of confidential information. Access to IS production data not adequately restricted. Telephone calling cards, pagers & cell phones not cancelled timely.
19	15	STATUTORY MANDATES Inadequate procedures over mental health service payments. Weaknesses in contract administration. Failure to recover grant funds by circumventing the Grant Funds Recovery Act. Grants for Child Care Expansion Program exceeded the limit. Required reports not submitted timely to Governor and General Assembly. Failure to make required appointments to boards and panels or to make appointments timely. Supporting documentation not maintained in accordance with State Records Act. Inadequate documentation regarding restraint use and notice of discharge not timely provided. Improper completion of the notice regarding restricted rights and resident files missing required documentation. No policy and rate structure in place for charging residents for service at the TDF. Contracts not reduced to writing prior to start of services. Fire Code violations noted at School and re-determinations of Kid Care eligibility not being completed.
10	12	REVENUE & RECEIPTS / ACCOUNTS RECEIVABLE Failure to update allowance for uncollectable accounts receivable in a consistent manner. Inadequate receipts controls including weaknesses in recording, the reconciliation process and not timely depositing receipts. Inadequate controls over accounts receivable including weaknesses over quarterly reporting of receivables and processing and collection of accounts receivable at the centers.
11	11	INTERNAL CONTROL Inadequate controls over returned checks. Inadequate segregation of duties and management oversight of locally held funds at centers including, inadequate recordkeeping, reporting and monitoring. Internal control weaknesses were noted in the Home Services Program including controls over monitoring and payment of unemployment insurance benefits. Inappropriate expenditures from Other Special Trust Fund and Trust Fund not reconciled timely.
10	11	PAYROLL AND PERSONNEL Weaknesses identified in the areas of recordkeeping and maintenance of time, attendance, leaves of absence and payroll and personnel records. Time records not maintained in compliance with State Officials and Employees Ethics Act. Weaknesses noted in maintaining documentation of temporary employee assignments. Employee performance evaluations not performed timely and payroll voucher not reviewed by an independent person. No minimum education or experience requirements for hiring security therapy aides at the TDF.
9	7	COMMODITIES / INVENTORY Inadequate controls over inventory and commodities including improper physical counts and a lack of segregation of duties during inventory counts. Commodity inventory system is outdated and insufficient. Excess inventory was maintained at a Center and commodity inventory records were not accurately and timely maintained.
6	7	PROPERTY, PLANT & EQUIPMENT Inadequate controls over capital asset financial reporting. Inadequate physical security over property including a lack of controls over the recording and reporting at Centers.
3	4	REPORTS & RECORDS Weaknesses in preparation of year end financial reporting forms and financial statements, and locally held funds quarterly reports not filed timely.
3	1	OPERATION OF AUTOMOBILES Inadequate records for State vehicles assigned to Department employees.
85	90	TOTAL OF MAJOR FINDINGS BY TOPIC

AVERAGE NUMBER OF RESIDENTS/STUDENTS

(By Center, not examined)

Developmental Centers		
FY 09	FY 08	FY 07
<u>2,159</u>	<u>2,311</u>	<u>2,450</u>
Mental Health Centers		
FY 09	FY 08	FY 07
<u>1,542</u>	<u>1,538</u>	<u>1,511</u>
Mental Health & Developmental Centers		
FY 09	FY 08	FY 07
<u>281</u>	<u>299</u>	<u>320</u>
Rehabilitation Services		
FY 09	FY 08	FY 07
<u>389</u>	<u>356</u>	<u>375</u>
TOTAL		
FY 09	FY 08	FY 07
<u>4,371</u>	<u>4,504</u>	<u>4,656</u>

Average Number of Residents / Students information was obtained from Center records and was not verified by the auditors.



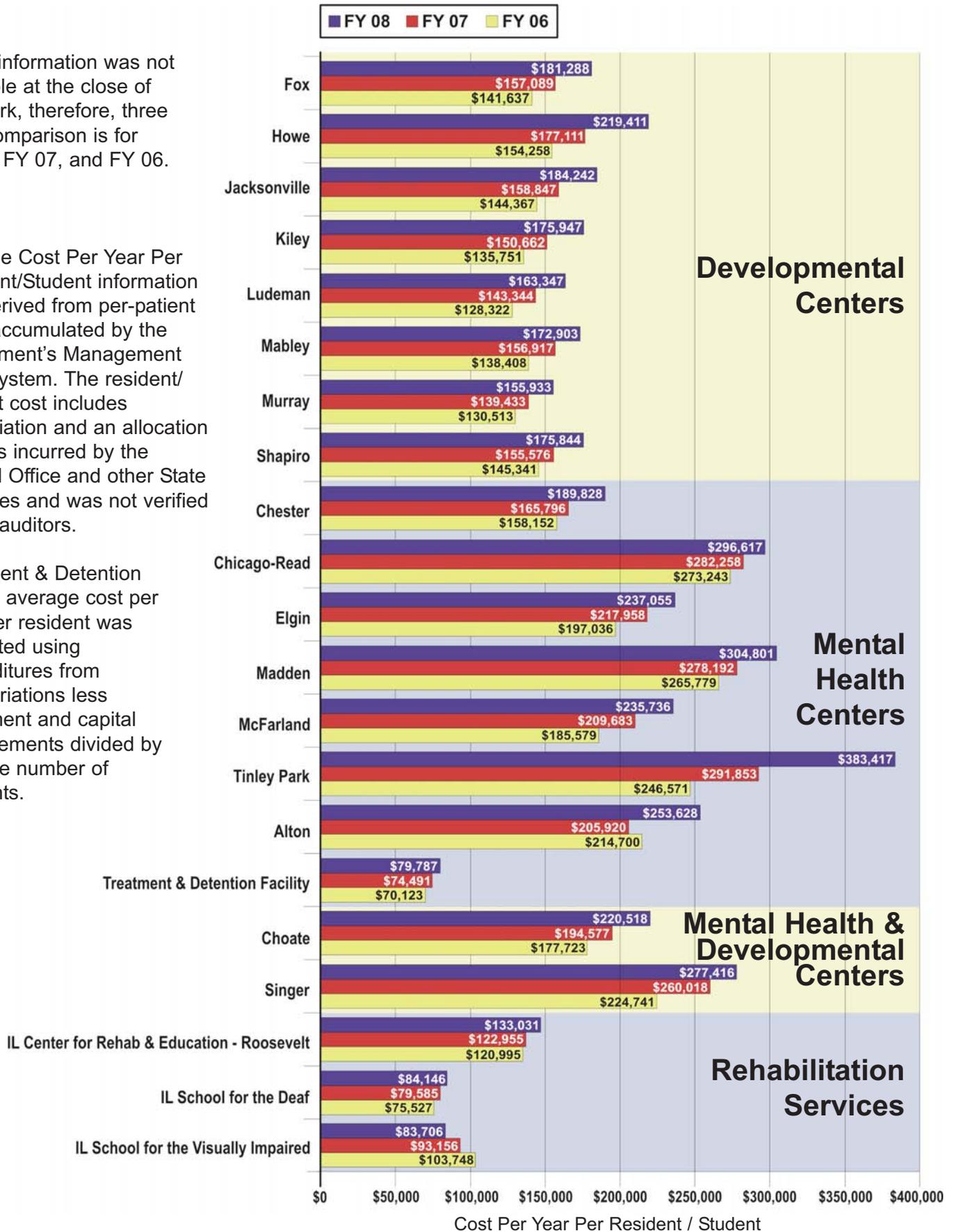
AVERAGE COST PER YEAR RESIDENT/STUDENT

(By Center, not examined)

FY 09 information was not available at the close of fieldwork, therefore, three year comparison is for FY 08, FY 07, and FY 06.

Average Cost Per Year Per Resident/Student information was derived from per-patient costs accumulated by the Department's Management Cost System. The resident/student cost includes depreciation and an allocation of costs incurred by the Central Office and other State Agencies and was not verified by the auditors.

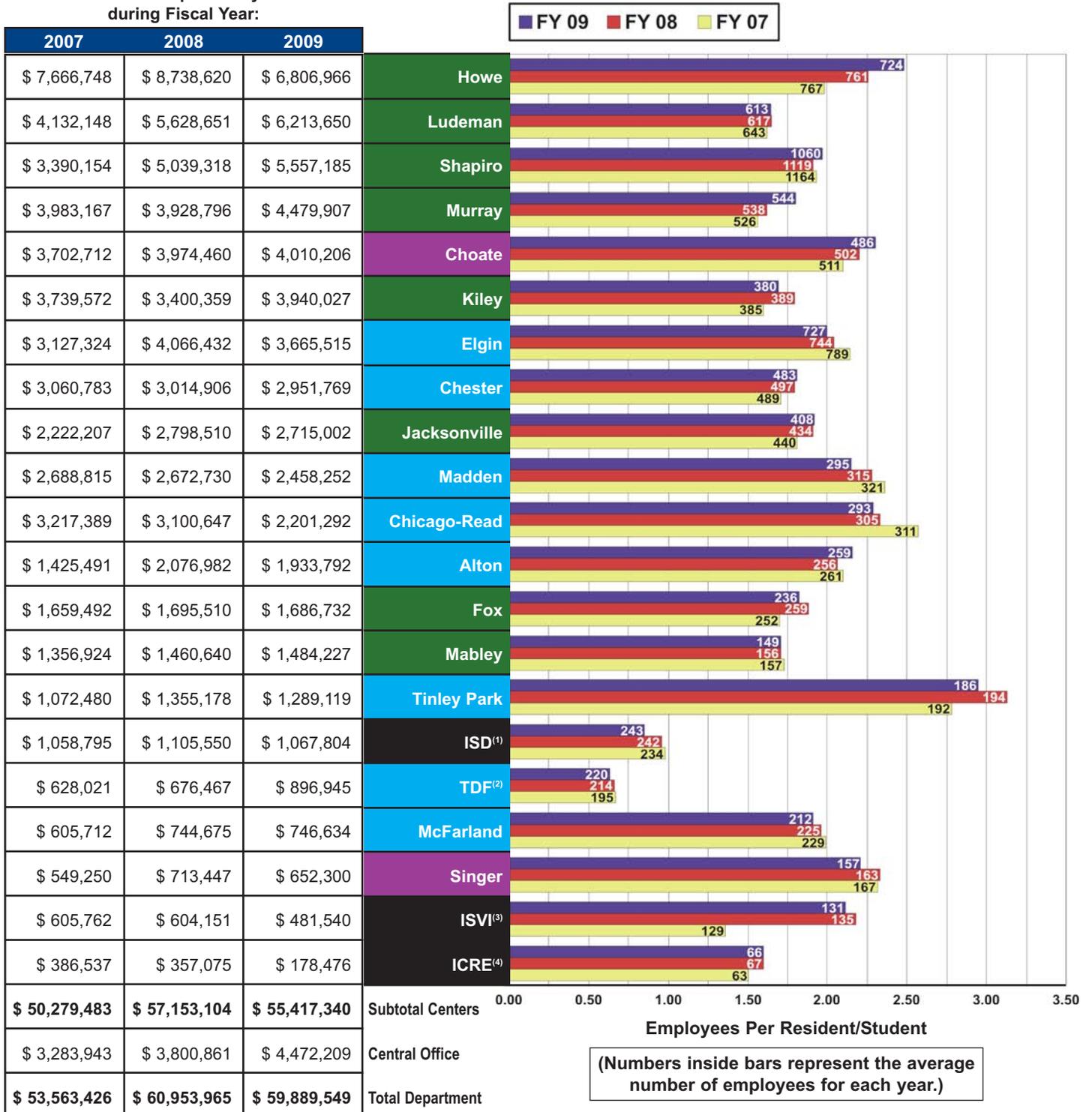
Treatment & Detention Facility average cost per year per resident was computed using expenditures from appropriations less equipment and capital improvements divided by average number of residents.



NUMBER OF EMPLOYEES PER RESIDENT/STUDENT & EMPLOYEE OVERTIME/COMPENSATORY TIME

Total Value of Paid Overtime Hours
& Earned Compensatory Time
during Fiscal Year:

(By Center, not examined)



■ Developmental Centers ■ Mental Health Centers ■ Mental Health & Developmental Centers ■ Rehabilitation Services Centers

Note: Information was obtained from Department records, and was not examined as part of the testing.

⁽¹⁾ Illinois School for the Deaf

⁽²⁾ Treatment and Detention Facility

⁽³⁾ Illinois School for the Visually Impaired

⁽⁴⁾ Illinois Center for Rehabilitation & Education