
REPORT DIGEST

JACKSONVILLE DEVELOPMENTAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this report	7
Total last report	3
Repeated from last report	0

Release Date:
June 29, 2010



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

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available on
the worldwide web at
<http://www.auditor.illinois.gov>

SYNOPSIS

- The Center did not exercise adequate controls over employee attendance to ensure employees' work hours and benefit time were properly recorded and documented.
- The Center did not exercise adequate internal controls over payroll vouchers.
- The Center did not have adequate controls to monitor individuals on leaves of absence.
- The Center inappropriately expended trust fund monies and could not provide adequate supporting documentation.

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

JACKSONVILLE DEVELOPMENTAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
• Total Expenditures (All Appropriated Funds).....	\$30,790,910	\$30,885,845	\$28,101,521
<u>OPERATIONS TOTAL</u>	\$30,774,710	\$30,869,645	\$28,085,321
% of Total Expenditures	99.9%	99.9%	99.9%
Personal Services	\$21,257,153	\$22,108,065	\$20,811,877
% of Operations Expenditures	69.1%	71.6%	74.1%
Average No. of Employees	405	433	440
Average Salary Per Employee.....	\$52,487	\$51,058	\$47,300
Other Payroll Costs (FICA, Retirement)	\$6,018,942	\$5,268,084	\$3,913,777
% of Operations Expenditures	19.6%	17.1%	13.9%
Commodities	\$1,820,833	\$1,748,484	\$1,584,375
% of Operations Expenditures	5.9%	5.7%	5.7%
Contractual	\$1,425,189	\$1,485,628	\$1,493,581
Services.....	4.6%	4.8%	5.3%
% of Operations	\$252,593	\$259,384	\$281,711
Expenditures.....	0.8%	0.8%	1.0%
All Other Items.....	\$16,200	\$16,200	\$16,200
% of Operations Expenditures	0.1%	0.1%	0.1%
<u>GRANTS TOTAL</u>			
% of Total Expenditures			
• Cost of Property and Equipment	\$42,473,898	\$42,006,916	\$41,666,678
SELECTED ACTIVITY MEASURES			
(Not Examined)	FY 2009	FY 2008	FY 2007
Average Number of Residents.....	212	227	243
Ratio of Employees to Residents.....	1.92 to 1	1.91 to 1	1.81 to 1
Paid Overtime Hours & Earned Compensatory Hours.....	98,405	103,014	81,609
Value of Paid Overtime Hours & Earned Compensatory			
Hours.....	\$2,715,002	\$2,798,510	\$2,222,207
Cost Per Year Per Resident.....	*	\$184,242	\$158,847
* The Department had not calculated this statistic at the close of fieldwork.			
FACILITY DIRECTORS			
During Examination Period: Mr. Michael Hurt (7/1/07 through 12/9/07)			
Ms. Peggy Davidsmeyer (12/10/07 through current)			
Currently: Ms. Peggy Davidsmeyer			

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER EMPLOYEE
TIMEKEEPING**

The Jacksonville Developmental Center (Center) did not exercise adequate controls over employee attendance to ensure employees' work hours and benefit time were properly recorded and documented.

During our review of employee timekeeping records we noted the following:

Monthly attendance records did not correlate

- The Daily Staff Attendance Report, Staff Requests for Time Off, Monthly Attendance Record and the Annual Attendance Record did not correlate for 9 of 25 (36%) employees tested.

Some request forms were not completed

- A Staff Request for Time Off form was not completed for 11 of 25 (44%) employees tested when time off was taken.
- Six of 25 (24%) employees tested had Staff Request for Time Off forms that were not signed and/or dated by the employee and supervisor. As a result, we could not determine whether the absences were approved in a timely manner.

Some employees tested did not have proper approvals

- The Center did not maintain the Staff Request for Time Off forms with the Daily Staff Attendance Reports. Staff Request for Time Off forms were kept with the employee's supervisor. (Finding 1, pages 10-11)

We recommended the Center implement controls to ensure employees' attendance records are accurate. We further recommended the Center ensure that employees are submitting Staff Request for Time Off forms and the proper approvals are obtained timely.

Officials agree with Auditor recommendations

Officials agreed with our recommendation and stated the Center will retrain supervisors and timekeepers on the Administrative Directives governing employee attendance records and requests for time off. The Center's payroll clerk will periodically monitor attendance records and staff requests for time off to assure they match.

INADEQUATE CONTROLS OVER PAYROLL VOUCHERS

The Jacksonville Developmental Center (Center) did not exercise adequate internal controls over payroll vouchers.

Independent person not reviewing and approving payroll vouchers

During our testing, we noted the Center did not have an independent person review and approve payroll vouchers. The payroll clerk enters the approved time into the Central Payroll System which generates the payroll voucher and employee paychecks. A copy of the payroll voucher is sent to the payroll clerk who files it away without any review or approval by Center personnel. (Finding 2, page 12)

We recommended the Center ensure a person independent of the payroll preparation verify payroll expenditures are accurate.

Officials agree with Auditor recommendation

Officials agreed with our recommendation and stated that the Center will ensure a person independent of the payroll preparation verifies the payroll expenditures are accurate by hiring a Business Administrator who will assume this responsibility.

INADEQUATE CONTROLS OVER LEAVES OF ABSENCE

The Jacksonville Developmental Center (Center) did not have adequate controls to monitor individuals on leaves of absence.

During our review of leave of absences, we noted the following:

- Two of 25 (8%) employees tested, the Center did not obtain the employee signatures on the appropriate forms prior to the commencement of the leave of absence or when the employee returned from the leave of absence.
- Eight of 25 (32%) employees tested, the Center did not obtain and approve all required leave of absence forms with the agency head or the employee signatures in a timely manner. The forms were obtained and approved between 7 and 226 days after the commencement of the leave of absence.

Some employees tested did not have timely leave of absence approvals

Proper personnel were not notified of employee's leave of absences

- Four of 25 (16%) employees tested, the required personnel were not properly notified when an employee took a leave of absence or when the employee returned from the leave of absence. (Finding 3, pages 13-14)

We recommended the Center strengthen controls to monitor employees on leaves of absence by obtaining all required approval signatures and notifying the required personnel when an employee is taking and returning from a leave of absence.

Officials agree with Auditor recommendation

Officials agreed with our recommendation and stated that the Center will tighten the existing procedures by not allowing staff to take a leave or return from leave without first completing, signing and submitting the appropriate paperwork.

INAPPROPRIATE EXPENDITURES FROM THE OTHER SPECIAL TRUST FUND

The Jacksonville Developmental Center (Center) inappropriately expended trust fund monies out of the Other Special Trust Fund (Fund). In addition, the Center could not provide adequate supporting documentation for disbursements made from the Fund.

During testing of Other Special Trust Fund transactions, we noted the following:

Inappropriate disbursements made from trust fund

- Five of 25 (20%) disbursements totaling \$2,063 were not appropriate. One disbursement totaling \$1,000 was made to purchase postage for the Center's postage meter and \$500 was to pay the Center's UPS delivery account. The remaining \$563 in disbursements included purchases for a newspaper subscription for the business office, checks for the Center's petty cash fund account and staff development materials.

Gift cards could not be located

- The Center purchased four gift cards from a vendor totaling \$3,022 in fiscal year 2009. The gift cards were used to purchase Christmas gifts for persons served at the Center. After the Christmas gifts were purchased, three of the four gift cards had a total remaining balance of \$364. Center personnel could not account for the remaining balances or the location of the gift cards. (Finding 4, pages 15-16)

We recommended the Center comply with the uses and purposes of the Other Special Trust Fund. We further recommended the Center maintain sufficient supporting documentation related to payment of disbursements.

**Officials agree with
Auditor recommendations**

Officials agreed with our recommendation and stated that the Center will retrain staff on the appropriate uses and purposes of the Other Special Trust Fund. In addition, the Center will put additional controls in place to ensure that sufficient supporting documentation regarding disbursement of funds is maintained

OTHER FINDINGS

The remaining findings are reportedly being given attention by the Center.

AUDITOR'S OPINION

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

**STATE COMPLIANCE EXAMINATION –
ACCOUNTANTS' REPORT**

The auditors qualified their report on State Compliance for findings 09-1 and 09-2. Except for the noncompliance described in these findings, the auditors state the Center complied, in all material respects, with the requirements described in the report.

WILLIAM G. HOLLAND, Auditor General

WGH:TLD:pp

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General's staff.