

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009  
Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois**

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

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DEPARTMENT OF HUMAN SERVICES  
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**CENTER OFFICIALS**

Facility Director	Mr. Gustavo Espinosa
Hospital Administrator (11/8/09 – Current) (9/1/05 – 11/7/09)	Ms. Edith Newman Mr. Fred Nirdé
Medical Director (2/16/09-Current) (7/01/08-2/15/09 Interim) (12/16/03-6/30/08)	Dr. Robert Sharpe Dr. Robert Sharpe Dr. James Brunner
Business Administrator	Ms. Janice Evans

The Center is located at:

1200 South First Avenue  
Hines, IL 60141



Pat Quinn, Governor

Michelle R.B. Saddler, Secretary

100 South Grand Avenue, East • Springfield, Illinois 62762  
401 South Clinton Street • Chicago, Illinois 60607

February 25, 2010

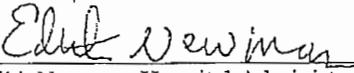
Prado & Renteria, CPAs, Prof. Corp.  
1837 South Michigan Ave  
Chicago, IL 60616

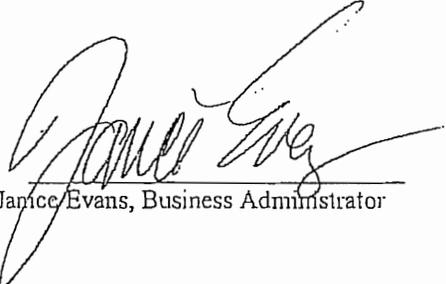
Ladies and Gentlemen:

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, 2009. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2009, the Center has 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. Except as noted in findings 09-2 and 09-3 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. Except as noted in findings 09-2 and 09-3 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,

  
Edith Newman, Hospital Administrator

  
Janice Evans, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
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**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	4	6
Repeated findings	4	3
Prior recommendations implemented or not repeated	2	2

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

**SCHEDULE OF FINDINGS**

CURRENT FINDINGS			
<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-1	9	Inadequate Controls Over Accounts Receivable	Significant Deficiency (Noncompliance)
09-2	12	Inadequate Segregation of Duties and Management Oversight of Locally Held Funds	Material Weakness (Noncompliance)
09-3	14	Inadequate Controls Over Locally Held Funds	Material Weakness (Noncompliance)

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09-4	16	Inadequate Control Over Voucher Processing	Significant Deficiency (Noncompliance)
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PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	17	Inadequate Monitoring of Monthly Attendance Reporting
B	17	Incomplete Employee Payroll Deduction Authorization Cards

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on February 8, 2010. Attending were:

Department of Human Services Central Office (Via telephone conference)

Anna Moore, Audit Liaison

Albert Okwuegbunam, Bureau Chief, Audit Liaisons

Elaine Novak – Associate Director, Division of Mental Health

Cheri Wehmhoff, Fiscal - Department of Mental Health

John J. Madden Mental Health Center

Edith Newman, Hospital Administrator

Janice Evans, Business Administrator

Patricia Ortiz, Business Manager

Steven Czuprynski, Accounting Supervisor

Tracy Davis, Health Information Services Administrator

Office of the Auditor General

Kevin Carhill, Audit Manager

(Special Assistant Auditors)

Hilda S. Renteria, Partner

Amelita Mapagu, Auditor

Responses to the recommendations were provided by Michelle R. B. Saddler, Secretary, Illinois Department of Human Services per correspondence dated February 25, 2010.



**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 Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2009. 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. State revenues and receipts collected by 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 State of Illinois Department of Human Services – John J. Madden Mental Health 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.

We conducted our examination 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 listed in the first paragraph of this report 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.

As described in findings 09-2 and 09-3 in the accompanying Schedule of Findings, the State of Illinois Department of Human Services – John J. Madden Mental Health Center did not comply with the requirements regarding:

- C. The 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.
- 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.

Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Human Services – John J. Madden Mental Health Center to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois Department of Human Services – John J. Madden Mental Health Center complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009. However, the results of our procedures disclosed other instances of noncompliance, 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 as Finding Codes 09-1 and 09-4.

### **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 listed in the first paragraph of this report. 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 requirements listed in the first paragraph of this report as a basis for designing 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, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Human Services – John J. Madden Mental Health Center’s internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Human Services – John J. Madden Mental Health Center’s internal control over compliance.

A *deficiency* in an entity’s internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over compliance that we consider to material weaknesses and other deficiencies that we consider to be significant deficiencies. We consider the deficiencies in internal control over compliance as described in the accompanying Schedule of Findings as findings 09-2 and 09-3 to be material weaknesses.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in findings 09-1 and 09-4 in the accompanying Schedule of Findings to be a significant deficiency.

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

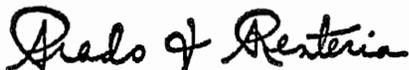
The State of Illinois Department of Human Services – John J. Madden Mental Health Center’s responses to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Human Services – John J. Madden Mental Health Center’s responses and, accordingly, we express no opinion on them.

### **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 2009 and the 2008 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 2007 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.



February 25, 2010  
Chicago, Illinois

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, 2009

Current Findings

**09-1 Finding – INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE**

The Center had inadequate controls over identifying a patient's ability to pay and following up on accounts receivable.

**Patient Financial Case Record**

The Center did not maintain complete patient financial case records to support the initial setup of the patient's receivable in the billing system.

- 10 of 25 (40%) accounts receivables tested did not have all required documentation in the financial case record to support determination of patient's ability to pay. These accounts receivable totaled \$88,469.

The Illinois Department of Mental Health and Developmental Disabilities (MH/DD) Policy and Procedures Manual 02.08.01.040 states that when a recipient enters a facility, financial data is obtained from completed forms, questionnaires and interviews with recipient, relatives of recipient and other persons or organizations. Service charges are determined on the basis of financial data and documentation obtained. In addition, the Center's Recipient Resource Unit manual states that the Center is required to perform a patient financial background investigation. The investigation extends to every individual or entity that, under statute, may have an obligation or responsibility for the payment of services charged to the patient.

**Notice of Determination**

The Center did not complete the "Notice of Determination" within 60 days of admittance or did not complete it timely.

- 7 of 25 (28%) accounts receivable tested totaling \$42,246 did not have a "Notice of Determination" (DHS-612) on file.
- 7 of 25 (28%) accounts receivable tested totaling \$15,688 did not reflect timely completion of the "Notice of Determination"(DHS-612). These notices were completed 24 to 663 days after the 60-day period from date of admittance.

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Current Findings

**09-1 Finding – INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE  
(Continued)**

The Department of Mental Health and Developmental Disabilities (MH/DD) Policy and Procedure Manual No. 02.08.01.040 provides that debtor is notified of charges by form DMHDD-612, “Notice of Determination” prepared and mailed by Center staff. The Center’s Recipient Resource Unit manual states that the Center is required to complete and issue to the recipient a “Notice of Determination” within 60 days of admittance.

**Accounts Receivable Over 180 Days Old**

The Center did not follow-up on accounts receivable over 180 days old or report them as a collection problem to Central Office.

- 11 of 25 (44%) accounts receivable tested did not have a “Collection Activities Delinquent Notice” (IL462-0642) form on file supporting the facility follow-up on all accounts receivable up to 180-days. These receivables totaled \$71,916.
- 16 of 25 (64%) accounts receivable tested were outstanding over 180-days and did not have a DHS-681 form filed with DHS Central Office. These receivables totaled \$138,284.
- 1 of 25 (4%) accounts receivable did not pertain to a Center’s patient. The receivable belonged to another facility (Fox DC). This receivable totaled \$13,080, which was outstanding over 180 days.

Department of Mental Health and Developmental Disabilities (MH/DD) Policy and Procedure No. 02.08.01.040 states that the RE-2 system automatically generates the Collection Activities Delinquent Notice (IL462-0642) when an individual account becomes delinquent and that these letters are mailed by the facility resource staff.

Department of Mental Health and Developmental Disabilities (MH/DD) Policy and Procedure No. 02.08.01.040 states that at 180 days, form DMHDD-681, “Notice to DMHDD Central Office of Account Collection Problem” should be completed and used to notify DMHDD Central Office of an account collection problem and to request assistance in collection.

Center officials stated the Center did not have a reimbursement officer from November 2007 through June 2009.

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Current Findings

**09-1 Finding – INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE  
(Continued)**

The Center may experience financial loss from the failure to investigate patients' financial background and from failure to complete and issue the Notice of Determination of ability to pay. In addition, failure to notify DHS Central Office of the account collection problem may result in the delay or loss of collection and an inaccurate reporting of accounts receivable. (Finding Codes 09-1 and 07-1)

Recommendation:

We recommend the Center comply with existing policies and procedures to process and collect amounts owed.

Department Response:

Agree. The facility has made significant effort and progress to hire the positions necessary to complete Notice of Determinations in a timely manner and forward accounts receivables over 180 days old to the Department's Bureau of Collections. The Center has hired a Reimbursement Officer II on 8-15-09 and transferred the Patient Resource Unit (PRU) functions to the Center's Health Information Management Unit. The Center's Health Information Management Unit will be managing all the Medicare billing. The Patient Resource Unit and the Health Information Management Unit staff will complete all private and zero billing transactions. The Patient Resource Unit staff now gathers all financial paperwork from Intake the next work day.

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Current Findings

**09-2 Finding – INADEQUATE SEGREGATION OF DUTIES AND MANAGEMENT OVERSIGHT OF LOCALLY HELD FUNDS**

The Center had inadequate segregation of duties over locally held fund activities. In addition, the Center's monitoring system includes ineffective management oversight which does not take into account procedures that will prevent or detect misstatements in a timely manner. Our review of locally held funds revealed the following:

- The Trust Fund Custodian was responsible for expenditure processing, cash receipt processing, and expenditure and receipt reconciliation of the locally held funds.
- Locally held funds receipts and disbursements were commingled as follows:
  - Resident Trust Fund (Fund 1143) – Cash receipts for Resident's Trust Fund in the amount of \$1,076 were improperly deposited and recorded to Other Special Trust Fund (Fund 1139).
  - Other Special Trust Fund (Fund 1139) – Cash receipts for Other Special Trust Fund in the amount of \$5,461 (PACE Advertising receipts) were improperly deposited and recorded to Patient Travel Trust Fund (Fund 1247).
  - Other Special Trust Fund (Fund 1139) – Cash from Other Special Trust Fund in the amount of \$1,455 was used to pay expenses of the Patient Travel Fund (Fund 1247) which defeats the purpose of having separate funds for separate activities. The Center recorded the disbursement and the subsequent reimbursement to Fund 1139 as expense and receipt of the Other Special Trust Fund (Fund 1139).

Prudent 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 the reconciliation procedures currently in place at the facility were not followed.

A lack of segregation of duties increases the likelihood that a loss from error or irregularities would occur and not be prevented in the normal course of employees carrying out their assigned duties. We considered these exceptions to be a material weakness. (Finding Codes 09-2, 07-2 and 05-5)

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Current Findings

**09-2 Finding – INADEQUATE SEGREGATION OF DUTIES AND MANAGEMENT OVERSIGHT OF LOCALLY HELD FUNDS (continued)**

Recommendation:

We recommend that the Center establish sound internal control procedures to segregate duties within the locally held funds.

Department Response:

Agree. The facility will strengthen the controls based on the internal control procedures for the locally held funds record keeping, reporting, and monitoring and receipts and disbursements. Bank reconciliations will be completed monthly by the Accountant and approved by the Business Administrator.

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Current Findings

**09-3 Finding – INADEQUATE CONTROLS OVER LOCALLY HELD FUNDS**

The Center had inadequate controls over reporting and recordkeeping of locally held fund activities.

**Reporting**

- Our review of locally held fund reconciliations revealed that locally held fund balances per the Report of Receipts and Disbursements of Locally Held Funds (Form C-17), which is required to be filed with the State’s Comptroller, did not agree to DHS’s Trust Fund System balances nor to the reconciled bank balance as follows:

Fund Description	Balance per Form C-17	Balance Per DHS Trust Fund System	Reconciled Bank Balance
<u>FY2008</u>			
DHS Resident’s Trust Fund	\$8,015	\$8,808	\$8,015
Patient Travel Trust Fund	8,354	8,356	8,354
<u>FY2009</u>			
DHS Other Special Trust Fund	\$11,456	\$10,472	\$11,456
DHS Resident’s Trust Fund	7,644	7,954	7,644
Patient Travel Trust Fund	1,822	1,822	2,066

**Recordkeeping**

- Our review also revealed that discrepancies between DHS’s Trust Fund System balances and bank balances were due to deficiencies in recordkeeping. Specifically our testing revealed the following:
  - Other Special Trust Fund (Fund 1139) - A disbursement related to patient activities of \$108 dated 07/03/08 was not recorded in the DHS Trust Fund System.
  - Other Special Trust Fund (Fund 1139) - Interest income earned as of June 30, 2008 and 2009 of \$685 and \$99 respectively was not recorded in the DHS Trust Fund System.

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Current Findings

**09-3 Finding – INADEQUATE CONTROLS OVER LOCALLY HELD FUNDS  
(continued)**

State Statute (15 ILCS 405/16) requires agencies to submit Locally Held Fund reports as prescribed by the Comptroller. The Comptroller's Office has ruled that Locally Held Funds must file Form C-17, "Report of Receipts and Disbursements for Locally Held Funds" to report locally held fund activity for each fund. The report is to be filed on a quarterly basis and should be received by the Office of the Comptroller no later than the last day of the month following the last day of the quarter.

Center officials stated the reconciliation procedures currently in place at the facility were not followed.

Lack of adequate internal controls over locally held funds increases the likelihood that a loss from error or irregularities could occur and not be prevented in the normal course of employees carrying out their assigned duties. We considered these exceptions to be a material weakness. (Finding Codes 09-3 and 07-3)

Recommendation:

We recommend the Center strengthen controls over locally held funds reporting, recordkeeping, and receipts and disbursements.

Department Response:

Agree. The Center will strengthen the controls based on the internal control procedures for the locally held funds record keeping, reporting, and monitoring and receipts and disbursements. Every attempt will be made to enforce the procedures in place.

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DEPARTMENT OF HUMAN SERVICES  
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Current Findings

**09- 4 Finding – INADEQUATE CONTROL OVER VOUCHER PROCESSING**

The Center did not ensure that all invoices were approved and paid within the time required by the Illinois Administrative Code.

During our review of vendor 25 contractual vouchers totaling \$240,112 and 25 commodity vouchers totaling \$77,466, our tests revealed:

- 8 of 25 (32%) contractual vouchers tested totaling \$106,252 were not approved within 30 days from date of receipt. These vouchers ranged from 3 to 60 days late.
- 3 of 25 (12%) commodity vouchers tested totaling \$8,899 were not approved within 30 days from date of receipt. These vouchers ranged from 35 to 57 days late.
- In 1 of 25 (4%) contractual vouchers the Center approved and paid for services at a rate that was not included in the contractual agreement. Specifically, the vendor billed the Center for Senior Consultant Services at the daily rate of \$2,500. The Senior Consultant daily rates per the contractual agreement were \$1,700 and \$1,500.

Illinois Administrative Code (74 IL Administrative. 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 they are still experiencing staff shortages, as in the prior examination, which does not allow for adequate distribution of tasks. Center officials were not able to identify the underlying cause for the different senior consultant's daily rate.

Failure to establish sound internal controls to process invoices and vouchers timely resulted in late payment of invoices and interest owed to vendors. (Finding Codes 09-4, 07-6 and 05-2)

Recommendation:

We recommend the Center ensure prompt processing of invoices so vendors will be paid timely and we also recommend the Center recover any overpayments from the vendor.

Department Response:

Agree. The Center will make every effort to ensure prompt processing of invoices so vendors can be paid timely. The new interim Hospital Administrator has made it a priority for contract monitors to review and sign invoices timely. A monthly Invoice Tracking Report is provided to the various contract monitors detailing invoices received, the vendor name and invoice amount. The Contract Monitor is responsible for approving and signing the invoices within three days.

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, 2009

Prior Audit Finding Not Repeated

**A Finding – INADEQUATE MONITORING OF MONTHLY ATTENDANCE REPORTING**

The Center did not monitor implementation of the Department of Human Services Administrative Directive 01.02.02.170 Time and Attendance Records.

Of 59 monthly attendance reports tested 46 were not available and 2 were not signed by the employee or supervisor. (Finding Code 07-4)

Status – Not Repeated as Center Finding

Of 93 selections tested 2 (2%) did not have a monthly attendance report on file. These exceptions will be reported as part of an overall Central Office Finding.

**B Finding – INCOMPLETE EMPLOYEE PAYROLL DEDUCTION AUTHORIZATION CARDS**

The Center did not maintain all required payroll deduction documentation for employees.

Of 25 employee files, 7 (28%) did not contain one or more authorization cards to support employee payroll deductions. In addition, 1 of the 25 employee files was missing or did not have a complete employee application. (Finding Code 07-5)

Status – Not Repeated as Center Finding

For 25 employee files tested 4 (16%) did not have authorization cards to support employee payroll deductions. These exceptions will be reported as Immaterial Finding IM09-1.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**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 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 accountants do not express an opinion on the supplementary information.

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, 2009

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2009	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2009	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2009	BALANCES LAPSED AUGUST 31, 2009
PUBLIC ACT 95-0734					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 24,048,200	\$ 22,092,800	\$ 1,035,884	\$ 23,128,684	\$ 919,516
Employee retirement contributions paid by employer	505,000	260,863	218,242	479,105	25,895
State contributions to state employees' retirement system	4,393,800	4,393,800	-	4,393,800	-
State contributions to Social Security	1,618,900	1,541,090	76,012	1,617,101	1,799
Contractual Services	1,862,900	1,227,848	550,720	1,778,568	84,332
Travel	44,400	29,641	2,250	31,891	12,509
Commodities	541,400	468,080	26,220	494,300	47,100
Printing	18,700	17,562	-	17,562	1,138
Equipment	66,300	55,705	-	55,705	10,595
Telecommunications services	208,400	129,243	78,411	207,654	746
Operation of auto equipment	21,700	15,541	4,716	20,257	1,443
Expenses related to living skills program	14,200	-	-	-	14,200
Costs associated with behavioral health services	-	-	-	-	-
Total	<u>\$ 33,343,900</u>	<u>\$ 30,232,173</u>	<u>\$ 1,992,455</u>	<u>\$ 32,224,627</u>	<u>\$ 1,119,272</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  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Fiscal Year Ended June 30, 2008

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2008	LAPSE PERIOD EXPENDITURES JULY 1ST TO SEPTEMBER 30, 2008	TOTAL EXPENDITURES 15 MONTHS ENDED SEPTEMBER 30, 2008	BALANCES LAPSED SEPTEMBER 30, 2008
PUBLIC ACTS 95-0348					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 23,540,900	\$ 22,498,448	\$ 1,024,605	\$ 23,523,053	\$ 17,847
Employee retirement contributions paid by employer	-	-	-	-	-
State contributions to state employees' retirement system	3,909,300	3,728,777	168,184	3,896,961	12,339
State contributions to Social Security	1,612,800	1,540,100	72,666	1,612,766	34
Contractual Services	1,736,600	1,307,766	413,091	1,720,857	15,743
Travel	45,300	33,007	6,143	39,150	6,150
Commodities	580,800	531,185	30,034	561,219	19,581
Printing	19,200	19,100	82	19,182	18
Equipment	62,400	48,119	0	48,119	14,281
Telecommunications services	209,300	168,033	39,057	207,090	2,210
Operation of auto equipment	17,300	12,084	5,091	17,175	125
Expenses related to living skills program	19,200	-	-	-	19,200
Costs associated with behavioral health services	147,400	147,393	-	147,393	7
Total	<u>\$ 31,900,500</u>	<u>\$ 30,034,012</u>	<u>\$ 1,758,953</u>	<u>\$ 31,792,965</u>	<u>\$ 107,535</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  
JOHN J. MADDEN MENTAL HEALTH CENTER  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Years Ended June 30, 2009

	FISCAL YEARS		
	2009	2008	2007
	P.A. 95-0734	P.A. 95-0348	P.A. 94-0798
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 33,343,900	\$ 31,900,500	\$ 29,929,800
EXPENDITURES			
Personal services	23,128,684	23,523,053	22,331,615
Employee retirement contributions paid by employer	479,105	-	-
State contributions to state employees' retirement system	4,393,800	3,896,961	2,575,117
State contributions to Social Security	1,617,101	1,612,766	1,554,235
Contractual services	1,778,568	1,720,857	1,768,298
Travel	31,891	39,150	47,042
Commodities	494,300	561,219	457,971
Printing	17,562	19,182	17,804
Equipment	55,705	48,119	214,704
Telecommunications services	207,654	207,090	197,780
Operations of auto equipment	20,257	17,175	12,242
Expenses related to living skills program	-	-	-
Costs associated with behavioral health services	-	147,393	147,393
Total Expenditures	<u>32,224,627</u>	<u>31,792,965</u>	<u>29,324,201</u>
LAPSED BALANCES	<u>\$ 1,119,273</u>	<u>\$ 107,535</u>	<u>\$ 605,599</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, 2009

The locally held funds of the Center are grouped into two fund categories. These are non-appropriated funds with the exception of 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 Funds

The General Funds consist of the 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 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 Fund 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 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 residents 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, 2009

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.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
June 30, 2009

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2008	\$ 13,282	\$ 10,427	\$ 2,902	\$ 849
Receipts				
Income from Sales	-	-	-	-
Investment Income	-	-	-	-
Resident deposits	-	31,334	-	-
Donations	-	-	-	-
Appropriations	-	-	15,000	515
Vending machine commissions	2,181	-	-	-
Other	5,108	1,007	-	50
Total Receipts	<u>\$ 7,289</u>	<u>\$ 32,341</u>	<u>\$ 15,000</u>	<u>\$ 565</u>
Disbursements				
Cost of sales	-	-	-	-
Operating expenses	5,393	-	21,538	811
Contractual services	-	-	-	-
Travel	-	-	-	-
Resident activities	-	32,712	-	-
Equipment	-	-	-	-
Resident withdrawals	-	-	-	-
Appropriations returned	-	-	-	-
Other	108	-	(6)	-
Total Disbursements	<u>\$ 5,501</u>	<u>\$ 32,712</u>	<u>\$ 21,532</u>	<u>\$ 811</u>
Balance - June 30, 2009	<u><u>\$ 15,070</u></u>	<u><u>\$ 10,056</u></u>	<u><u>\$ (3,630)</u></u>	<u><u>\$ 603</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
June 30, 2008

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2007	\$ 23,102	\$ 6,920	\$ 1,716	\$ 287
Receipts				
Income from Sales	-	-	-	-
Investment Income	-	-	-	-
Resident deposits	-	56,224	-	-
Donations	-	-	-	-
Appropriations	-	-	21,806	3,560
Vending machine commissions	4,709	-	-	-
Other	3,615	1,076	(5,461)	15
Total Receipts	<u>\$ 8,324</u>	<u>\$ 57,300</u>	<u>\$ 16,345</u>	<u>\$ 3,575</u>
Disbursements				
Cost of sales	-	-	-	-
Operating expenses	19,599	-	15,159	3,013
Contractual services	-	-	-	-
Travel	-	-	-	-
Resident activities	-	53,793	-	-
Equipment	-	-	-	-
Resident withdrawals	-	-	-	-
Appropriations returned	-	-	-	-
Other	(1,455)	-	-	-
Total Disbursements	<u>\$ 18,144</u>	<u>\$ 53,793</u>	<u>\$ 15,159</u>	<u>\$ 3,013</u>
Balance - June 30, 2008	<u><u>\$ 13,282</u></u>	<u><u>\$ 10,427</u></u>	<u><u>\$ 2,902</u></u>	<u><u>\$ 849</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
JOHN J. MADDEN MENTAL HEALTH CENTER  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For the Two Years Ended June 30, 2009

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
<u>Balance June 30, 2007</u>	<u>\$1,311,041</u>	<u>\$ 19,243,880</u>	<u>\$ 2,115,903</u>	<u>\$ 1,775,183</u>	<u>\$ 24,446,007</u>
Additions:					
Purchases				195,384	195,384
Transfers-in:					
Intra-agency				557,756	557,756
Inter-agency					-
Capital Development Board		271,422			271,422
Surplus Property					-
DAVTE Fund					-
Donations					-
Adjustments				715	715
Total Additions	<u>\$ -</u>	<u>\$ 271,422</u>	<u>\$ -</u>	<u>\$ 753,855</u>	<u>\$ 1,025,277</u>
Deductions:					
Transfers-out:					
Intra-agency				532,904	532,904
Inter-agency				18,103	18,103
Surplus property					-
Scrap property				41,145	41,145
Condemned and lost property					-
Retirements					-
Adjustment				138,155	138,155
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,307</u>	<u>\$ 730,307</u>
<u>Balance June 30, 2008</u>	<u>\$1,311,041</u>	<u>\$ 19,515,302</u>	<u>\$ 2,115,903</u>	<u>\$ 1,798,731</u>	<u>\$ 24,740,977</u>
Additions:					
Purchases				53,705	53,705
Transfers-in:					
Intra-agency				484,170	484,170
Inter-agency					-
Capital Development Board		87,436	87,436		174,872
Surplus Property					-
DAVTE Fund					-
Donations					-
Adjustments					-
Total Additions	<u>\$ -</u>	<u>\$ 87,436</u>	<u>\$ 87,436</u>	<u>\$ 537,875</u>	<u>\$ 712,747</u>
Deductions:					
Transfers-out:					
Intra-agency				459,989	459,989
Inter-agency				4,798	4,798
Surplus property				66,338	66,338
Scrap property				239	239
Condemned and lost property					-
Retirements					-
Adjustment				2,571	2,571
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,935</u>	<u>\$ 533,935</u>
<u>Balance June 30, 2009</u>	<u>\$1,311,041</u>	<u>\$ 19,602,738</u>	<u>\$ 2,203,339</u>	<u>\$ 1,802,671</u>	<u>\$ 24,919,789</u>

Note: The property balances at June 30, 2008 and 2009 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		
	2009	2008	2007
<u>RECEIPTS</u>			
Rental of Real Property	\$ 37,339	\$ 36,287	\$ 35,264
Jury duty	346	1,178	554
Copy charges	-	57	55
Miscellaneous other (Keys & ID)	55	158	-
Miscellaneous other (Rebates)	<u>8,364</u>	<u>2,815</u>	<u>130</u>
<b>TOTAL RECEIPTS</b>	<u><u>\$ 46,104</u></u>	<u><u>\$ 40,495</u></u>	<u><u>\$ 36,003</u></u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 46,104	\$ 40,495	\$ 36,003
Add: Deposits in transit - Beginning of year	-	2,990	-
Deduct: Deposits in transit - End of year	(3,112)	-	(2,990)
Receipts not recorded by Comptroller for Center	(8,174)	(1,716)	-
Other	<u>(276)</u>	<u>619</u>	<u>-</u>
<b>RECEIPTS RECORDED BY COMPTROLLER</b>	<u><u>\$ 34,542</u></u>	<u><u>\$ 42,388</u></u>	<u><u>\$ 33,013</u></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, 2009

**Fiscal Year 2009**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2009 and June 30, 2008 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2009</u>	<u>2008</u>	<u>AMOUNT</u>	<u>%</u>
Costs Associated w/behavioral services	\$ 0	\$ 147,393	\$ (147,393)	(100%)

Center management provided the following explanation for the significant variance identified above.

Costs Associated with behavioral health services

A contract did not exist in FY09.

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, 2009

**Fiscal Year 2008**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement	\$3,896,961	\$2,575,117	\$1,321,844	51%
Commodities	\$ 561,219	\$ 457,971	\$ 103,248	23%
Equipment	\$ 48,119	\$ 214,704	\$ (166,585)	(78)%
Operations of Auto Equipment	\$ 17,176	\$ 12,242	\$ 4,934	40%

Center management provided the following explanation for the significant variations identified above.

Employee retirement

The Employee Retirement Contributions expenditures 51% increase between FY2007 and FY2008 were based from the 'retirement payout rates' changes from FY2007 thru FY2009 as follows: 11.525% (FY07), 16.6% (FY08), and 21.049% (FY09).

Commodities

Madden purchases significantly increased in the procuring of medical supplies and household cleaning supplies in FY08.

Equipment

Purchases were higher in FY07 due to the need to replace dietary and housekeeping supplies. Madden also procured computers and printers in FY07.

Operations of Auto Equipment

Expenditures were higher for repairs and maintenance and gasoline purchases in FY08.

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, 2009

We have reviewed lapse period spending for fiscal years ended June 30, 2009 and 2008 and have identified significant lapse period spending (15% or more). A schedule of significant lapse period spending for fiscal year 2009 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2009</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$1,778,568	\$550,720	31%
Telecommunications Services	\$ 207,654	\$ 78,411	38%
Operations of Auto Equipment	\$ 20,257	\$ 4,716	23%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Contractual Services

Vendors submitted invoices during the end of the fiscal year which had to be reviewed and approved prior to vouchering during the lapse period.

Telecommunications Services

All the invoices for telecommunication services come from the Department of Central Management Services and invoices for the end of the fiscal year usually arrive at the facility during the lapse period.

Operations of Auto Equipment

The facility received the invoices during the lapse period from the Department of Central Management Services for auto repair and maintenance. The invoices were processed during the lapse period.

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, 2009

A schedule of significant lapse period spending for the fiscal year ended June 30, 2008 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2008</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$ 1,720,857	\$ 413,091	24%
Travel	\$ 39,150	\$ 6,143	16%
Telecommunications Services	\$ 207,090	\$ 39,057	19%
Operations of Auto Equipment	\$ 17,176	\$ 5,091	30%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Contractual Services

Vendors submitted invoices during the end of the fiscal year, which had to be reviewed, approved and vouchered during the lapse period.

Travel

Madden employees submitted travel vouchers at the end of the fiscal year.

Telecommunications Services

All the invoices for telecommunication services come from the Department of Central Management Services and invoices for the end of the fiscal year usually arrive at the facility during the lapse period.

Operations of Auto Equipment

The facility receives the invoices during the lapse period from the Department of Central Management Services for auto repairs and maintenance. The invoices were processed during 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, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
General Stores:				
Medical lab	\$ -	\$ 34,466	\$ 34,466	\$ -
Food supplies	56,215	254,688	287,845	23,058
Household and laundry	13,886	135,956	129,387	20,455
Other general stores	1,878	81,544	80,400	3,022
Clothing	-	24,897	24,897	-
Mechanical Stores:				
Repair and Maintenance	-	26,505	26,505	-
Other mechanical stores	-	-	-	-
Pharmacy	202,994	1,869,703	2,000,149	72,548
	<u>\$ 274,973</u>	<u>\$ 2,427,759</u>	<u>\$2,583,649</u>	<u>\$ 119,083</u>

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
General Stores:				
Medical lab	-	\$ 35,956	\$ 35,956	\$ -
Food supplies	20,167	335,123	299,075	56,215
Household and laundry	20,982	137,833	144,929	13,886
Other general stores	1,950	86,287	86,359	1,878
Clothing	-	58,956	58,956	-
Mechanical Stores:				
Repair and Maintenance	-	37,716	37,716	-
Other mechanical stores	-	-	-	-
Pharmacy	201,453	1,975,946	1,974,405	202,994
	<u>\$ 244,552</u>	<u>\$ 2,667,817</u>	<u>\$2,637,396</u>	<u>\$ 274,973</u>

Notes:

The information noted in the above schedule was obtained from Center records and is valued at weighted average cost. The Department of Human Services (Department) commodity control system encountered data processing difficulties in June and July 2009 resulting in a need to retake the annual inventory in August, 2009 for the entire Department, including the Centers. The June 30, 2009 ending inventory information in the schedule for the General and Mechanical Stores inventories may vary from the corrected ending inventories; however, all significant variations were reconciled. The information presented in the above schedule for the General and Mechanical Stores inventories is \$455 greater than the corrected June 30, 2009 inventory balance for those areas.

Because of the above noted data processing difficulties the Department could only reconcile the June 30, 2009 ending inventory information for the pharmaceutical inventory through June 28, 2009. Any difference between the Center provided information for the June 30, 2009 pharmaceutical inventory in the schedule above and the corrected ending balance could not be determined.

The data processing difficulties noted above are being reported in the Department's Central Office compliance report.

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ANALYSIS OF ACCOUNTS RECEIVABLE  
For the Two Years Ended June 30, 2009

The Center has accounts receivable of \$786,358 at June 30, 2009. This represents amounts due from private assets, private insurance, Social Security Administration, etc. for resident care provided at the 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, 2009, 2008 and 2007 prepared by the Department of Human Services Central Office and forwarded to the Center is as follows:

	<b>June 30,</b>		
	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
Current (0-3 months)	\$58,388	(\$44,815)	\$119,884
Past due (4-6 months)	110,000	648	44,762
Past due (7-12 months)	28,426	43,002	80,894
Past due (over 12 months)	<u>510,909</u>	<u>495,282</u>	<u>397,204</u>
Subtotal	\$707,723	\$494,117	\$642,744
Court Cases	<u>78,635</u>	<u>81,785</u>	<u>81,785</u>
Total	<u><b>\$786,358</b></u>	<u><b>\$575,902</b></u>	<u><b>\$724,529</b></u>

Note: Duplicate Medicare settlement payments in April 2008 and May 2008 resulted in a negative accounts receivable balance in fiscal year 2008.

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**CENTER FUNCTIONS AND PLANNING PROGRAM**

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

**FUNCTIONS**

John J. Madden Mental Health Center (MMHC) is a 150-bed Illinois Department of Human Services (IDHS) facility, located at 1200 South First Avenue, Hines, Illinois 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.

MMHC provides inpatient treatment and psychosocial rehabilitation for people with serious mental illness who cannot be treated in their respective community mental health clinics. Patients at MMHC have an average hospital stay of approximately 11 days. Before being discharged, recipients are linked with their local city or suburban mental health clinic for follow-up services.

**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 Central Strategic Plan. Following are the goals set forth in the FY09 Strategic Plan:

- Enhance the involvement of consumers in developing consumer oriented recovery based mental health services to expand their role in the planning, evaluation, and delivery of services.
- Improve the appropriateness and effectiveness of clinical interventions to meet the changing needs of clients.
- Identify and address service gaps and the improvement of quality of a comprehensive public mental health system of care.
- Develop inter/intra departmental collaboration among service systems in order to provide a more comprehensive array of mental health and support services.
- Enhance staff competence through the development of skills and knowledge in leadership, management, and clinical intervention.
- Further develop appropriate tools and structures to manage resources and care.
- Increase data-based decision-making in a continuous quality improvement environment.

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AVERAGE NUMBER OF EMPLOYEES

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

	<u>Fiscal Year</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Rehabilitation services	7	7	8
Adult inpatient services	105	109	133
Central admissions	32	33	0
Medical, surgical and clinical services	45	46	31
Staff development	1	1	0
Superintendent's office	0	0	0
Administrative services	32	37	23
Engineering	18	19	16
Business management	6	8	36
Other support services	30	31	74
Dietary	<u>19</u>	<u>24</u>	<u>0</u>
Total Employees	<u>295</u>	<u>315</u>	<u>321</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 2009, 2008 and 2007.

	<b>Fiscal Year</b>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Paid overtime hours worked during fiscal year	<u>54,252</u>	<u>59,317</u>	<u>62,892</u>
Value of overtime hours worked during fiscal year	<u>\$2,059,070</u>	<u>\$2,240,702</u>	<u>\$2,255,950</u>
Compensatory hours earned during fiscal year	<u>11,142</u>	<u>12,058</u>	<u>13,271</u>
Value of compensatory hours earned during fiscal year	<u>\$399,182</u>	<u>\$432,028</u>	<u>\$432,865</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>65,394</u>	<u>71,375</u>	<u>76,163</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$2,458,252</u>	<u>\$2,672,730</u>	<u>\$2,688,815</u>

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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 and consumer specialist.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2009, 2008 and 2007.

	<b>Fiscal Year</b>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractual payroll employees paid during the fiscal year	<u>1</u>	<u>2</u>	<u>1</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$23,952</u>	<u>\$23,324</u>	<u>\$22,664</u>

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CENTER UTILIZATION (not examined)

John J. Madden Mental Health Center (Center) is situated on 32 acres in Hines, Illinois. 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.	Status	%	Item of Note
1	Residential	10,000	Occupied	100%	Note 1
2	Residential	10,000	Occupied	100%	
3	Residential	10,000	Occupied	100%	
4	Residential	10,000	Occupied	100%	
5	Residential	10,000	Occupied	100%	
6	Residential	10,000	Occupied	100%	
7	Residential	10,000	Vacant	10%	Note 2
8	Residential	10,000	Swing Space		Note 3
9	Classrooms	10,000	Occupied	100%	Note 4
10	Classrooms	10,000	Vacant		Note 5
11	Residential	10,000	Occupied	100%	Note 6
12	Residential	10,000	Occupied	100%	Note 7
13	Administration	80,000	Occupied	100%	
14	Loading Dock	1,000	Occupied	100%	

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Items of Note:

- Note 1           Pavilion 1 is being utilized as the Center's intake department.
- Note 2           Pavilion 7 is being used by property control and house keeping.
- Note 3           Pavilion 8 is used as Swing Space for the other pavilions.
- Note 4           Pavilion 9 is not occupied by MMHC. The pavilion is being utilized by Guardianship and Advocacy Commission (an outside agency).
- Note 5           Pavilion 10 is vacant and only a few property items related to Rehab Center (its previous use) are stored there. Items like stove, refrigerator, general crafts, etc.
- Note 6           Pavilion 11 is being used by the Cook County Circuit Court for Mental Health Court cases since 05/09 (Patients moved out on 01/08).
- Note 7           Pavilion 12 is being utilized by the Office of the Inspector General.

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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>2009</u>	<u>2008</u>	<u>2007</u>
Cost per year per resident	*	<u>\$304,801</u>	<u>\$278,192</u>
Cost per day per resident	*	<u>\$832.79</u>	<u>762.17</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>2009</u>	<u>2008</u>	<u>2007</u>
Certified Capacity of Center	<u>150</u>	<u>150</u>	<u>175</u>
Average number of residents	<u>137</u>	<u>138</u>	<u>136</u>
Average number of employees	<u>295</u>	<u>315</u>	<u>321</u>
Ratio of employees to residents	<u>2.15 to 1</u>	<u>2.28 to 1</u>	<u>2.36 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>2009</u>	<u>2008</u>	<u>2007</u>
Number of reported employee injuries	<u>67</u>	<u>65</u>	<u>66</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>2009</u>	<u>2008</u>	<u>2007</u>
Meals served	<u>142,170</u>	<u>132,165</u>	<u>148,920</u>
Total food costs	\$237,519	\$297,521	\$213,400
Total labor costs	<u>864,151</u>	<u>847,288</u>	<u>779,353</u>
Total costs	<u>\$1,101,670</u>	<u>\$1,144,809</u>	<u>\$992,753</u>
Average food costs / meal	\$1.67	\$2.25	\$1.43
Average labor costs / meal	<u>\$6.08</u>	<u>\$6.41</u>	<u>\$5.23</u>
Total average cost / meal	<u>\$7.75</u>	<u>\$8.66</u>	<u>\$6.66</u>

Note: Residents are served three meals per day and three snacks per day (8 snack servings equate to one meal for determining total meals served). In addition, certain residents are given double servings as prescribed by physician orders.

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SERVICE EFFORTS AND ACCOMPLISHMENTS  
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(not examined)

The hospital's strategic plan addresses the following goal areas:

1. Enhance the involvement of consumers (and the partnership with parents of children and adolescents) in developing consumer oriented recovery based mental health services, to expand their role in the planning, evaluation, and delivery of services.
2. Improve the appropriateness and effectiveness of clinical interventions to meet the changing needs of clients.
3. Identify and address service gaps and the improvement of quality of a comprehensive public mental health system of care.
4. Develop inter / intra Departmental collaboration among service systems in order to provide a more comprehensive array of mental health and support services.
5. Enhance staff competence through the development of skills and knowledge in leadership, management, and clinical intervention.
6. Further develop appropriate tools and structures to manage resources and care.
7. Increase data-based decision-making in a continuous quality improvement environment.

To varying degrees, progress has been made in all of these areas during FY 2009 and FY 2008.

Accomplishments:

- Updated the camera security system to provide enhanced surveillance of the hospital and grounds
- Added new equipment in the kitchen to ensure meals are cooled within required guidelines
- Conducted a failure mode analysis on food allergies / food delivery resulting in the purchase of closed dietary carts and red trays for patients with allergies
- Continued success has been realized in improving the appropriateness and effectiveness of the hospital's clinical operations through violence prevention/reduced restraint use efforts
- Moved Mental Health Court to Pavilion 11 resulting in decreased elopement risk, decreased overtime for court trips, and decreased interruption in patient care functions
- Staff and Patient injury rates remain below average state rates

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(not examined)

Accreditation:

John J. Madden Mental Health Center was successfully re-accredited by the Joint Commission on Accreditation of Healthcare Organizations on a three year unconditional basis in September of 2007.