

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

CLYDE L. CHOATE MENTAL HEALTH
AND DEVELOPMENTAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2007

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

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DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

CENTER OFFICIALS

Director	Ms. Janice Farmer
Assistant Director – Acting (6/01/05 – Current)	Ms. Cheryl Muckley
Hospital Administrator – Acting (10/01/06 – Current)	Ms. Cindy Flamm
Hospital Administrator (7/01/05-9/30/06)	Dr. Sarah Andrew
Business Office Administrator	Mr. Christopher Wells

The Center is located at:

1000 North Main Street
Anna, Illinois 62906

CLYDE L. CHOATE DEVELOPMENTAL CENTER
1000 NORTH MAIN • ANNA, IL 62906

May 19, 2008

Kemper CPA Group, LLP
3401 Professional Park Drive
P.O. Box 129
Marion, Illinois 62959

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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2007, the Agency has materially complied with the assertions below.

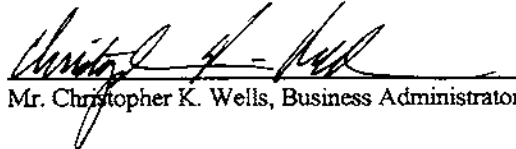
- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, 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. State revenues and receipts collected by the agency 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. 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 record keeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Clyde L. Choate Mental Health and Developmental Center



Ms. Janice Farmer, Facility Director



Mr. Christopher K. Wells, Business Administrator



Ms. Elaine Ray, Hospital Administrator

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT

SUMMARY

The limited State compliance testing performed during 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 Engagements 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	7	8
Repeated findings	6	-
Prior recommendations implemented or not repeated	2	-

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
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CURRENT FINDINGS

07-1	9	Inventory
07-2	12	Property Control Procedures
07-3	14	Inadequate Controls Over Locally Held Funds
07-4	17	Controls Over Accounts Receivable Need Improvement
07-5	18	Locally Held Fund Reporting Errors
07-6	19	Voucher Processing Procedures
07-7	21	Inadequate Controls Over Receipts

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT (CONCLUDED)

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONCLUDED)

PRIOR FINDINGS NOT REPEATED

07-8	23	Inadequate Controls Over Personal Service
07-9	23	Lack of Adequate Segregation of Duties

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on Wednesday, April 23, 2008. Attending were:

Department of Human Services (via teleconference)

Ms. Mary Fritz	Audit Liaison
Ms. Jamie Nardulli	Audit Liaison

Clyde L. Choate Mental Health and Development Center

Mr. Chris Wells	Business Administrator
Mr. Jason Cochran	Accountant Supervisor
Ms. Debra Moore	Business Manager

Office of the Auditor General

Ms. Alison Schertz	Manager
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Kemper CPA Group LLP

Mr. Clatus Bierman	Partner
Mr. Richard Biebl	Staff Accountant

Responses to the recommendations were provided by Ms. Carol L. Adams, PhD, Secretary of the Illinois Department of Human Services, in a letter dated May 14, 2008.

**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 – Clyde L. Choate Mental Health and Developmental Center's 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, 2007. The management of the State of Illinois Department of Human Services – Clyde L. Choate Mental Health and 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 – Clyde L. Choate Mental Health and Developmental Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services - Clyde L. Choate Mental Health and 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 - Clyde L. Choate Mental Health and 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 - Clyde L. Choate Mental Health and 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 - Clyde L. Choate Mental Health and 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.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center on behalf of the State or held in trust by the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and 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 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 - Clyde L. Choate Mental Health and Developmental 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 have also performed certain procedures with respect to the accounting records of the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Human Services for the year ended June 30, 2007. The results of these additional procedures have been communicated to the Department of Human Services – Central Office auditors.

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 - Clyde L. Choate Mental Health and 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 - Clyde L. Choate Mental Health and Developmental Center's compliance with specified requirements.

As described in finding 07-1 in the accompanying Schedule of Findings and Recommendations, the State of Illinois Department of Human Services – Clyde L. Choate Mental Health and Developmental Center did not comply with requirements regarding compliance requirements B and C. Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Human Services – Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2007. However, the results of our procedures disclosed other 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 and Recommendations as findings 07-2, 07-3, 07-5, 07-6, and 07-7.

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 - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental 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 - Clyde L. Choate Mental Health and Developmental Center's internal control over compliance. We have also performed certain 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 for the year ended June 30, 2007. The results of these additional procedures have been communicated to the Department of Human Services - Central Office auditors.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A *control 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Recommendations as items 07-1, 07-2, 07-3, 07-4, 07-5, 07-6, and 07-7 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Recommendations, we consider item 07-1 to be a material weakness.

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center's response to the findings identified in our examination are described in the accompanying Schedule of Findings and Recommendations. We did not examine State of Illinois Department of Human Services - Clyde L. Choate Mental Health and Developmental Center's responses and, accordingly, we express no opinion on it.

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 2007 and the 2006 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 2005 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.



Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

May 19, 2008

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings

07-1. **FINDING** (Inventory)

The Clyde L. Choate Mental Health and Developmental Center (Center) did not complete an adequate year-end physical inventory and did not sufficiently maintain perpetual commodities inventory records.

Total commodities expenditures were \$1,400,265 and \$1,407,000 for fiscal years 2007 and 2006, respectively. Because of poor record keeping and the numerous weaknesses noted in internal controls over commodities inventory, we were unable to report on commodities balances at June 30, 2006 and June 30, 2007 in the Center's limited scope compliance examination report.

During our testing of the Center's commodity inventory records, we noted the following deficiencies:

- Storekeepers from three of the four stores (75%) who are responsible for maintaining the inventory also performed the physical inventory counts. Temporary workers were brought in to help with inventory; however, in the general store, the staff responsible for maintaining the inventory performed the count and the temporary workers recorded the figures.
- No interim periodic inventory test counts were performed in FY07.
- Inventory was not well maintained in the general store (food). Inventory items were not stored in an orderly manner and the same items were often stored in multiple locations. Instances were noted where food items that had expired were still in inventory.
- Sixteen of 24 (67%) items tested during the inventory test count required an adjustment to write-down inventory. The majority of adjustments made by the Center were to write-down food inventory. The frequent write-down of food inventory suggests that items are being removed from the food store without appropriate requisitions.

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Current Findings (continued)

07-1. **FINDING** (Inventory) (continued)

- As a result of the annual inventory count, during June 2007 the Center adjusted inventory down by \$439,784 (115%). Most of the adjustment (\$411,688) was due to the Center not recording their coal usage during FY07.
- The business office frequently failed to forward weekly and monthly inventory reports to the storekeepers.
- One instance was noted where the storekeeper did not use the same unit of measurement as the system during the inventory count. The inventory count was done on a "can" basis but the system reports it on a "case" basis. As a result the inventory was overstated by 1,055 cases.
- One of twelve (8%) commodities vouchers tested, valued at \$418, could not be traced to the Center's Monthly Status Report and was recorded in the wrong fiscal year. The Center records inventory into the inventory system at the date the storekeeper signs off on a receiving report, which could be several days or weeks after the inventory is actually received. This results in ending inventory being incorrectly stated.
- Seventeen of 77 (22%) items selected for test counts could not be reconciled to the June 30, 2007 Monthly Commodity Status Report.

The Illinois Administrative Code (44 Ill. Adm. Code 1.6010) requires each state agency to have general supervision and accountability for tangible personal property and other supplies under its control and to conduct a periodic inventory of all warehouses and similar storage areas under its jurisdiction.

Center management stated the Center was directed by supervisors in Springfield when the annual inventory would be conducted. The business office has experienced significant turnover and changes in commodity control, purchasing and accountant supervisor. A lack of clarity between the Central Office and the Center led to the mistake between the comparison of cans to cases.

Failure to maintain accurate and timely inventory records could result in unexpected shortages, overstocking, theft or waste of commodities. (Finding Code No. 07-1, 05-1)

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-1. **FINDING** (Inventory) (continued)

RECOMMENDATION

We recommend the Center devote the resources necessary to timely report inventory transactions to the business office. In addition, we recommend the Center develop and implement internal control procedures to ensure the following are completed in a timely manner:

- Inventory transactions are input into the reporting system
- Inventory reports are distributed to the appropriate storekeepers
- Requisition forms are completed every time inventory items are consumed

We also recommend the Center conduct a complete physical inventory at the end of each fiscal year with staff independent of maintaining the inventory. The Center should develop procedures to ensure the general store inventories are better organized and they periodically test count inventory throughout the year to increase the accuracy of perpetual inventory records and ensure expired items are properly disposed.

CENTER RESPONSE

Partially agree. The Center does ensure inventory in the food store is well maintained. The food store has been separated into areas for general storage, immediate use items and items needed for menu substitutes. The multiple locations have been established to increase efficiency at the facility. Inventory is rotated to minimize loss through expiration. Requisitions for all food items are prepared and submitted for approval in advance of issuance. Periodic test counts are performed throughout the year, discrepancies are followed up on and adjustments made if necessary.

The Center does agree that some controls were not sufficient during the audit period due to the business office experiencing significant turnover and staff shortages which resulted in the recording and reconciling exceptions noted by the auditors. The facility now has additional staff and will increase controls over commodity inventories.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-2. **FINDING** (Property Control Procedures)

The Center did not maintain sufficient controls over the utilization, recording and reporting of its property. We noted the following conditions:

- During the tour of buildings and grounds, we noted a storage building that contained instances of oversupply and deterioration of property and equipment. The building contained 604 items valued at \$254,714.
- Seventeen of 20 (85%) property location adjustments tested, valued at \$4,722, were not made timely. Since location adjustments were not entered until several months after the asset inventory count occurred we were unable to reconcile the Center's Asset Inventory Count record to the Comptroller's Activity Location Report.
- Three of 40 (7.5%) equipment items tested, totaling \$2,032, did not have a property control tag affixed and two of 40 (5%) items tested, totaling \$876, could not be traced from the inventory report to the physical asset.
- One of 40 (3%) items tested, valued at \$150, could not be traced to the quarterly reports.
- Six of 15 (40%) asset transactions tested did not have proper documentation; this included two transfers totaling \$21,362 and four deletions totaling \$20,150.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.620) requires that agencies regularly survey their inventories for transferable equipment that is no longer needed or usable by the agency and report the transferable equipment to DCMS. The Illinois Administrative Code (44 Ill. Adm. Code 5010.210) also requires that agencies mark each piece of State-owned equipment in their possession with a unique six digit identification number. In addition, the Statewide Accounting Management System (SAMS) procedure 29.10.10 requires agencies to maintain supporting detail records for each asset and to report any changes, additions, deletions, or other transactions affecting real property to DCMS on a monthly basis.

Center management stated the storekeeper/property control position was vacant for several months. This resulted in delay in the accurate accounting of property.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-2. **FINDING** (Property Control Procedures) (continued)

Failure to comply with the stated property control procedures underutilizes State resources and increases the risk of financial reporting errors and misappropriation of assets. (Finding Code No. 07-2, 05-2)

RECOMMENDATION

We recommend the Center develop and implement internal procedures to ensure equipment transactions have proper supporting documentation, approval, and are reported timely, all capital assets have a control tag, and surplus and scrap property is reported and transferred to DCMS on a timely basis.

CENTER RESPONSE

Agree. The Centers Property Control Clerk position that remained vacant for several months during the audit period has now been filled. The facility has been working routinely to eliminate surplus, damaged and outdated equipment. Property will be marked with an indelible marker and a property control tag to ensure identification. Controls will be strengthened to ensure proper documentation, approval and timely reporting.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-3. **FINDING** (Inadequate Controls Over Locally Held Funds)

The Center lacked adequate internal controls and documentation for the operation of their locally held funds.

The following exceptions were noted during our testing of the Patient Travel Trust Fund:

- Although the disbursement form has an area for a unique disbursement number, 10 of 10 (100%) disbursements tested, totaling \$556, did not have a disbursement number.
- Two of ten (20%) disbursements tested, totaling \$216, that required travel vouchers be completed, did not have completed travel vouchers.
- One of ten (10%) disbursements tested, totaling \$32, did not contain a written request for funds.
- The Patient Travel Fund, which is a cash fund, had a negative balance for 56 days during FY06. The highest negative balance was \$437.
- The Travel Fund Disbursements Journal for July 2006 was missing.
- During FY07, the Travel Fund Disbursements Journal did not include a running balance.

The following exceptions were noted during our testing of the Special Trust Fund:

- Eleven of twenty (55%) disbursements tested, totaling \$2,201 were missing supporting documentation; seven disbursements were missing a voucher or invoice, three disbursements were missing a disbursement request, and two disbursements did not have any supporting documentation.
- Seven of twenty (35%) disbursements tested, totaling \$340, did not have indication of approval.
- Four of twenty (20%) receipts tested, totaling \$138, could not be traced from the receipts journal to the bank statement.
- Two of twenty (10%) individual items on deposit slips tested, totaling \$46, could not be traced from the bank statement to the receipt documentation.

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Current Findings (continued)

07-3. **FINDING** (Inadequate Controls Over Locally Held Funds) (continued)

The following exceptions were noted during our testing of the Recipient Trust Fund:

- Twenty of 100 (20%) disbursements tested, totaling \$11,514, were missing supporting documentation; sixteen disbursements did not have a disbursement request, two disbursements were missing invoices, and four disbursements did not have any supporting documentation.
- Twenty-nine of 100 (29%) disbursements tested, totaling \$13,511, did not have indication of approval.
- Fourteen of 100 (14%) disbursements tested, totaling \$2,643, were not stamped that they were paid.
- One of twenty receipts (5%) tested, totaling \$25, could not be traced from the receipts journal to the bank statement.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all state agencies establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should provide assurance that funds are safeguarded against waste, loss, unauthorized use, and misappropriation and that funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve the records containing adequate and proper documentation of the essential transactions of the agency.

Center management stated the Center does not currently have procedures in place that require documentation of approval of disbursements and supporting documentation may have been misplaced when someone was temporarily filling in for the person that oversees the locally held funds. Center management further stated some receipts could not be traced to the bank statement because cash receipts are deposited together and there is not a breakdown on the deposit slip for cash. Additionally, the accountant supervisor position was vacated for most of the examination period.

Failure to establish internal controls and maintain supporting documentation for locally held funds increases the likelihood that theft, misappropriation of funds and financial reporting errors could occur and not be detected within a timely period by employees in the normal course of performing their assigned duties. (Finding Code No. 07-3, 05-4)

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For the Two Years Ended June 30, 2007

Current Findings (continued)

07-3. **FINDING** (Inadequate Controls Over Locally Held Funds) (continued)

RECOMMENDATION

We recommend the Center develop and implement internal controls to ensure that disbursements from the fund have adequate supporting documentation, are properly approved, are properly recorded in cash disbursements and receipts logs and are periodically reconciled to the unexpended cash balance by an individual independent of the receipt and disbursement process.

CENTER RESPONSE

Agree. The Center will strengthen the controls over locally-held funds to ensure proper supporting documentation, approvals, recording of transactions, reconciliation and segregation of duties. The vacant Accountant Supervisor position has been filled and will oversee maintenance of the locally-held funds.

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-4. **FINDING** (Controls Over Accounts Receivable Need Improvement)

The Center did not consistently monitor and pursue the collection of accounts receivable for recipient accounts.

During our testing of residents' files, we noted 21 of 50 (42%) accounts receivable balances totaling \$95,738, tested were not turned over to the Central Office for collection procedures or written off as uncollectible balances.

According to the Department of Human Services Policy and Procedure Manual No. 01.04.02.03, Form DMHDD-681, "Notice to DMHDD Central Office of Account Collection Problem" should be completed and used to notify Central Office of an account collection problem and to request assistance in collection when the accounts are over nine months old. When accounts are deemed uncollectible the Center is to report these accounts to the Central Office by completing the Form DMHDD-682, "DMHDD Criteria Used to Determine That This Account is Uncollectible."

Center management stated they did not consistently adhere to receivable monitoring and collection procedures due to a lack of personnel to continuously monitor and maintain the resident accounts.

Failure to turn over delinquent accounts to the Central Office for collection may result in the delay or loss of revenue and an overstatement of accounts receivable asset balances. (Finding Code No. 07-4, 05-5)

RECOMMENDATION

We recommend the Center develop and implement procedures to ensure that accounts with collection problems and uncollectible accounts are reported to the Central Office according to the Department's established policy.

CENTER RESPONSE

Agree. The Center instituted a tickler system in 2006 to verify the status of patient files. The Resource Unit will forward accounts with outstanding balances over 180 days to the Central Office Bureau of Collections according to the Department's established policy.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-5. **FINDING** (Locally Held Fund Reporting Errors)

Reporting errors were noted when testing the Center's "Report of Receipts and Disbursements for Locally Held Funds" (Form C-17).

During our review of Form C-17's, we noted 30 of 40 (75%) reports that did not agree to the Center's fund reconciliations. Of the exceptions, 21 (70%) did not agree because the related fund reconciliations were completed incorrectly and nine exceptions' cause could not be determined. The average variance in the fund cash balance was \$724.

The State Comptroller Act (15 ILCS 405/16) requires that each State agency file quarterly fiscal reports with the Comptroller. In addition, SAMS Procedure 33.13.20 requires that the Center use the "Report of Receipts and Disbursement for Locally Held Funds" (Form C-17) to report locally held fund activity. The Form C-17 reflects fiscal year-to-date receipts and disbursements per the agency's records.

Center management stated three of the five locally held funds which required C-17s are tracked manually at this time due to the actions of a preceding Accountant Supervisor. This position was vacant for most of the examination period. Adjustments to the computer balances have not been undertaken.

Failure to properly reconcile and report the Center's locally held fund information reduces the reliability of the comprehensive fiscal database for the State of Illinois and increases the likelihood that error or theft will not be detected in a timely manner. (Finding Code No. 07-5, 05-6)

RECOMMENDATION

We recommend the Center develop and implement procedures to ensure proper management review of the Center's fund reconciliation and Form C-17 reports to verify they are mathematically correct, include the appropriate components, and that they agree to ensure accurate data is reported to the Illinois Office of the Comptroller.

CENTER RESPONSE

Agree. The vacant Accountant Supervisor position has been filled to ensure proper management review of the Center's fund reconciliation and Form C-17 reports.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
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Current Findings (continued)

07-6. **FINDING** (Voucher Processing Procedures)

The Center was not in compliance with voucher processing procedures. During testing, we noted the following deficiencies in internal control:

- Twenty-eight of 150 (19%) vouchers tested, totaling \$27,223, were not approved within 30 days after physical receipt of the bill.
- Two of 150 (1%) vouchers tested, totaling \$935, did not agree with the Center's expenditure records. The vouchers should have been recorded in the lapse period of FY07. However, when they were entered into the system, they were recorded as FY08 expenditures. Also, one of these vouchers was recorded at an incorrect amount in the Center's records.
- Ten of 150 (7%) vouchers tested, totaling \$9,353, did not have supporting documentation.
- Nineteen of 150 (13%) vouchers tested, totaling \$10,057, were not stamped with the date they were received.

The Illinois Administrative Code (74 IL Adm. Code 900.70) requires state agencies to review vendor invoices and approve or deny payment within 30 days of physical receipt of a proper bill. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve the records containing adequate and proper documentation of the essential transactions of the agency. The Code (74 IL Adm. Code 900.30) also states that all State agencies must maintain written or electronic records reflecting the date or dates on which the Proper Bill was received by the State agency.

Center management stated that delays in the processing of medical bills were due to budgetary issues, and concerns over the propriety of certain bills. During most of the examination period, a single individual held three different positions of responsibility simultaneously.

Delays in processing vouchers could result in the assessment of interest and late charges to the State. Failure to establish internal controls and maintain supporting documentation for expenditures increases the likelihood that theft, misappropriation of funds and financial reporting errors could occur and not be detected in the normal course of business. Failure to utilize the date stamp to indicate receipt of an invoice prohibits the Center from being able to track the invoice and ensure they are in compliance with the state statute. (Finding Code No. 07-6, 05-7)

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Current Findings (continued)

07-6. **FINDING** (Voucher Processing Procedures) (continued)

RECOMMENDATION

We recommend the Center develop and implement internal controls over expenditures to ensure that all disbursements have adequate supporting documentation, are properly approved, and are recorded in the correct period. In addition, we recommend the Center stamp all vouchers when they are received and when they are paid to ensure compliance with the provisions of the Illinois Administrative Code.

CENTER RESPONSE

Agree. The Center will document invalid bills to ensure the proper date is being used to meet the 30 day approval requirement. The Center is date stamping all incoming bills when they are received and will strengthen controls over expenditures to ensure they have adequate supporting documentation and are recorded in the proper period.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-7. **FINDING** (Inadequate Controls Over Receipts)

The Center did not did not timely deposit or adequately support receipt and refund transactions. We noted the following weaknesses:

- During our testing of refunds received we noted that six of ten (60%) refunds tested, totaling \$4,403, were not deposited on a timely basis (within 30 days).
- During our testing of miscellaneous cash receipts, we were unable to determine the date of receipt on five of ten (50%) miscellaneous cash receipts tested, totaling \$779.
- During our testing of refunds we were unable to determine the date of receipt on seven of ten (70%) refunds tested, totaling \$6,853.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) states that every agency shall keep in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt. The Act also states that the agency shall pay into the state treasury the gross amount of money received within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000. If the amount of money does not exceed \$500, such money may be retained until the total amount received exceeds \$500, or until the next succeeding 1st or 15th day of each month, whichever is earlier.

Center management stated the oversight with the receipts is due to the lack of staff. During the examination period there was a single individual performing the job duties of three positions simultaneously.

Untimely deposit of receipts delays the State access and usage of funds and increases the risk of loss or theft of receipts. Recording cash receipt dates is required by State statute. (Finding Code No. 07-7)

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-7. **FINDING** (Inadequate Controls Over Receipts) (continued)

RECOMMENDATION

The Center should develop and implement procedures to ensure that receipts and refunds are documented when they are received and that they are remitted to the State according to the State Officers and Employees Money Disposition Act.

CENTER RESPONSE

Agree. The Center will date stamp all receipts and refunds when they are received and deposit them according to the State Officers and Employees Money Disposition Act.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Prior Findings Not Repeated

07-8. **FINDING** (Inadequate Controls Over Personal Services)

During the prior examination, the Center failed to document review of payroll vouchers, did not perform employee evaluations timely, and erroneously calculated an employee's accrued vacation.

During the current examination, payroll vouchers were reviewed by the Business Administrator and this review was documented. All of the evaluations tested during the current examination were performed in a timely manner. Procedures are in place to ensure that employees' accrued vacation is calculated properly. (Finding Code No. 05-3)

07-9. **FINDING** (Lack of Adequate Segregation of Duties)

During the prior examination, the Center failed to maintain adequate segregation of duties in automotive operations and in the rehabilitation fund.

During the current examination, the Center has segregated the responsibilities of maintaining and reconciling fuel inventory in the automotive operations. In the Rehabilitation Fund duties have been segregated so that separate individuals prepare cash disbursements and reconcile the account. (Finding Code No. 05-8)

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For the Two Years Ended June 30, 2007

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 (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 Schedule of Changes in Inventories, 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
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
PUBLIC ACTS 94-0798					
GENERAL REVENUE FUND - 001					
Personal Services	\$ 27,052,600	\$ 25,760,926	\$ 1,265,436	\$ 27,026,362	\$ 26,238
Employee retirement contributions paid by employer	-	-	-	-	-
State contributions to state employees' retirement system	3,107,400	2,959,058	145,489	3,104,547	2,853
State contributions to Social Security	1,968,900	1,874,725	94,061	1,968,786	114
Contractual Services	2,563,100	2,013,734	531,501	2,545,235	17,865
Travel	24,900	19,907	4,851	24,758	142
Commodities	1,424,400	1,328,738	71,527	1,400,265	24,135
Printing	16,300	14,066	1,892	15,958	342
Equipment	119,600	70,900	47,442	118,342	1,258
Telecommunications services	181,800	118,710	59,028	177,738	4,062
Operation of auto equipment	83,300	71,506	9,902	81,408	1,892
Expenses related to living skills program	37,400	37,400	-	37,400	-
Costs associated with behavioral health services	42,500	42,500	-	42,500	-
Total	\$ 36,622,200	\$ 34,312,170	\$ 2,231,129	\$ 36,543,299	\$ 78,901
DHS Private Resources - 690					
Choate recycling project		39,902	2,771	42,673	
Federally assisted program		4,887	-	4,887	
Grand Total - All Funds		\$ 34,356,959	\$ 2,233,900	\$ 36,590,859	

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
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006		BALANCES LAPSED AUGUST 31, 2006
PUBLIC ACT 94-0015 & 94-0798						
<u>GENERAL REVENUE FUND - 001</u>						
Personal Services	\$ 26,256,400	\$ 25,041,195	\$ 1,210,728	\$ 26,251,923	\$	4,477
Employee retirement contributions paid by employer	236,200	236,150	-	236,150		50
State contributions to state employees' retirement system	2,038,400	1,941,195	94,006	2,035,201		3,199
State contributions to Social Security	1,915,000	1,822,238	89,486	1,911,724		3,276
Contractual Services	2,076,900	1,485,956	528,680	2,014,636		62,264
Travel	23,900	16,542	6,494	23,036		864
Commodities	1,443,900	1,303,333	103,667	1,407,000		36,900
Printing	14,300	13,270	935	14,205		95
Equipment	44,900	25,517	17,908	43,425		1,475
Telecommunications services	155,200	80,355	74,643	154,998		202
Operation of auto equipment	83,200	67,388	15,809	83,197		3
Expenses related to living skills program	37,400	37,400	-	37,400		-
Costs associated with behavioral health services	42,500	42,500	-	42,500		-
Total	\$ 34,368,200	\$ 32,113,039	\$ 2,142,356	\$ 34,255,395	\$	112,805
DHS Private Resources - 690						
Choate recycling project		37,412	5,127	42,539		
Grand Total - All Funds		\$ 32,150,451	\$ 2,147,483	\$ 34,297,934	\$	

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
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
	P.A. 94-0798	P.A. 94-0015 & 94-0798	P.A. 93-0842 & 93-0681
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 36,622,200</u>	<u>\$ 34,368,200</u>	<u>\$36,455,764</u>
EXPENDITURES			
Personal services	27,026,362	26,251,923	26,583,554
Employee retirement contributions paid by employer		236,150	38,064
State contributions to state employees' retirement system	3,104,547	2,035,201	4,138,441
State contributions to Social Security	1,968,786	1,911,724	1,877,025
Contractual services	2,545,235	2,014,636	1,867,849
Travel	24,758	23,036	19,880
Commodities	1,400,265	1,407,000	1,331,468
Printing	15,958	14,205	13,100
Equipment	118,342	43,425	70,323
Telecommunications services	177,738	154,998	148,057
Operations of auto equipment	81,408	83,197	53,348
Expenses related to living skills program	37,400	37,400	37,400
Costs associated with behavioral health services	42,500	42,500	41,300
Total Expenditures	<u>36,543,299</u>	<u>34,255,395</u>	<u>36,219,809</u>
LAPSED BALANCES	<u>\$ 78,901</u>	<u>\$ 112,805</u>	<u>\$ 235,955</u>
<u>Non-Appropriated Funds</u>			
DHS PRIVATE RESOURCES FUND - 690			
EXPENDITURES			
Choate recycling project	\$ 42,673	\$ 42,539	\$ 45,234
Federally assisted program	4,887	-	-
Total Expenditures	<u>47,560</u>	<u>42,539</u>	<u>45,234</u>
Grand Total - All Funds:			
Total Expenditures	<u>\$ 36,590,859</u>	<u>\$ 34,297,934</u>	<u>\$36,265,043</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

The locally held funds of the Center are grouped into two fund categories and are non-appropriated funds with the exception of the Living Skills Fund and Patient Travel Trust Fund, which are appropriated funds. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Funds

The General Funds consist of the Living Skills Fund, Patient Travel Trust Fund and Petty Cash account. These funds and account are used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

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

The Patient Travel Trust Fund (SAMS fund number 1247) was established to provide for transportation of residents without funds. The source of revenue is 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 and the DHS Rehabilitation Fund. These funds are used to account for the proceeds of a specific revenue source that are legally restricted to expenditures for specific purposes.

The DHS Other Special Trusts 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 residents' needs in these areas.

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DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

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

2. Fiduciary Fund Type

Agency Fund

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

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2007

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2006	\$8,067	\$30,958	\$ 63,411	\$ 1,947	\$ 1,915	\$ 66
Receipts						
Income from Sales	57,899					
Investment Income		365				
Resident deposits			752,600			
Donations		18,311				
Appropriations				37,400	4,200	930
Vending machine commissions						
Unclaimed funds						
Reimbursements						
Other						
Total Receipts	<u>\$57,899</u>	<u>\$18,676</u>	<u>\$752,600</u>	<u>\$37,400</u>	<u>\$4,200</u>	<u>\$930</u>
Disbursements						
Cost of sales	53,480					
Operating expenses						
Contractual services		20,220				
Commodities		1,446				
Travel					3,094	
Resident activities						
Equipment						
Resident withdrawals			745,220			
Appropriations returned				400	1,805	
Living skills program				33,403		
Other					110	930
Total Disbursements	<u>\$53,480</u>	<u>\$21,666</u>	<u>\$745,220</u>	<u>\$33,803</u>	<u>\$5,009</u>	<u>\$930</u>
Balance - June 30, 2007	<u>\$12,486</u>	<u>\$27,968</u>	<u>\$70,791</u>	<u>\$5,544</u>	<u>\$1,106</u>	<u>\$66</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2006

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	Petty Cash Account
Balance - July 1, 2005	\$3,132	\$14,126	\$ 70,129	\$ 3,442	\$ 184	\$ 66
Receipts						
Income from Sales	80,724					
Investment Income		122				
Resident deposits			729,795			
Donations		29,252				
Appropriations				37,400	4,200	912
Vending machine commissions						
Unclaimed funds						
Reimbursements						
Other						
Total Receipts	<u>\$80,724</u>	<u>\$29,374</u>	<u>\$729,795</u>	<u>\$37,400</u>	<u>\$4,200</u>	<u>\$912</u>
Disbursements						
Cost of sales	75,789					
Operating expenses						
Contractual services		10,713				
Commodities		1,829				
Travel					2,285	
Resident activities						
Equipment						
Resident withdrawals			736,513			
Appropriations returned				1,895	184	
Living skills program				37,000		
Other						912
Total Disbursements	<u>\$75,789</u>	<u>\$12,542</u>	<u>\$736,513</u>	<u>\$38,895</u>	<u>\$2,469</u>	<u>\$912</u>
Balance - June 30, 2006	<u>\$8,067</u>	<u>\$30,958</u>	<u>\$63,411</u>	<u>\$1,947</u>	<u>\$1,915</u>	<u>\$66</u>

Note: The balance for Fund 1143 was incorrectly stated at 6/30/05 in the prior examination report. Funds 1144 and 1214 have adjusted beginning balances due to errors in the computer reporting during the prior examination period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2007

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
<u>Balance June 30, 2005</u>	<u>\$ 37,381</u>	<u>\$ 40,220,679</u>	<u>\$ 5,718,184</u>	<u>\$ 3,805,689</u>	<u>\$ 49,781,933</u>
Additions:					
Purchases				68,761	68,761
Transfers-in:					
Intra-agency				453,280	453,280
Inter-agency				88,902	88,902
Capital Development Board		21,599	64,249		85,848
Surplus Property					0
DAVTE Fund					0
Donations					0
Adjustments				\$12,203	12,203
Total Additions	<u>\$ -</u>	<u>\$ 21,599</u>	<u>\$ 64,249</u>	<u>\$ 623,146</u>	<u>\$ 708,994</u>
Deductions:					
Transfers-out:					
Intra-agency				411,618	411,618
Inter-agency				49,486	49,486
Surplus property				5,229	5,229
Scrap property				204,142	204,142
Condemned and lost property					0
Other				69,941	69,941
Retirements					0
Adjustment				1,004	1,004
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741,420</u>	<u>\$ 741,420</u>
<u>Balance June 30, 2006</u>	<u>\$ 37,381</u>	<u>\$ 40,242,278</u>	<u>\$ 5,782,433</u>	<u>\$ 3,687,415</u>	<u>\$ 49,749,507</u>
Additions:					
Purchases				110,136	110,136
Transfers-in:					
Intra-agency				685,734	685,734
Inter-agency				67,803	67,803
Capital Development Board		224,774			224,774
Surplus Property					0
DAVTE Fund					0
Donations					0
Adjustments				71,470	71,470
Total Additions	<u>\$ -</u>	<u>\$ 224,774</u>	<u>\$ -</u>	<u>\$ 935,143</u>	<u>\$ 1,159,917</u>
Deductions:					
Transfers-out:					
Intra-agency				\$621,625	621,625
Inter-agency				\$134,503	134,503
Surplus property					0
Scrap property				204,147	204,147
Condemned and lost property					0
Other				207,688	207,688
Retirements					0
Adjustment				3,331	3,331
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,171,294</u>	<u>\$ 1,171,294</u>
<u>Balance June 30, 2007</u>	<u>\$ 37,381</u>	<u>\$ 40,467,052</u>	<u>\$ 5,782,433</u>	<u>\$ 3,451,264</u>	<u>\$ 49,738,130</u>

Note: The property balances at June 30, 2006 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
Years Ended June 30,

<u>General Revenue Fund</u>	FISCAL YEARS		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>RECEIPTS</u>			
Rental of real property	\$ 21,518	\$ -	\$ -
Vendor credit memo	-	364	-
Jury duty, witness fees, military duty	240	416	302
Employee Pay	81	100	-
Copy charges	290	2,437	751
Fees	22	-	-
Survey fees	-	-	-
Postage reimbursements	-	-	-
Sale of goods	2,128	607	-
Insurance reimbursements	-	-	2,550
Cafeteria	602	-	-
Miscellaneous other	<u>95</u>	<u>92</u>	<u>176</u>
TOTAL RECEIPTS	<u>24,976</u>	<u>4,016</u>	<u>3,779</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	24,976	4,016	3,779
Add: Deposits in transit - Beginning of year	245	310	39
Deduct: Deposits in transit - End of year	<u>(211)</u>	<u>(245)</u>	<u>(310)</u>
DEPOSITS RECORDED BY COMPTROLLER	<u>25,010</u>	<u>4,081</u>	<u>3,508</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2007

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
<u>General Revenue Fund</u>	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$0	\$236,150	(\$236,150)	(100)%
State contributions to State employees' retirement system	\$3,104,547	\$2,035,201	\$1,069,346	52.5%
Contractual Services	\$2,545,235	\$2,014,636	\$530,599	26.3%
Equipment	\$118,342	\$43,425	\$74,917	172.5%
<u>DHS Private Resources Fund</u>				
Federally Assisted Program	\$4,887	\$0	\$4,887	100%

Employee retirement contributions paid by employer

The decrease in employee retirement contributions paid by employer expenditures in FY07 was due to the State eliminating their portion of the retirement contributions. Employees are now required to contribute the 4% of the retirement contributions from their paychecks.

State contributions to State employees' retirement system

The increase in State contributions to State employees' retirement system expenditures in FY07 was due to the contribution percentage increasing from 7.792% in FY06 to 11.525% in FY07.

Contractual Services

The increase in contractual services expenditures in FY07 was due to a significant increase in medical contracts during FY07. The medical contracts accounted for 34% of the increase in the expenditures due to high inflation on medical bills.

Equipment

During FY07, the Department of Justice evaluated the amount that should be given to the Center to purchase new equipment to replace old. As a result of this evaluation, there was an increase in the equipment appropriation. The Center used this money to replace old equipment.

Federally Assisted Program

During FY07, the Center obtained a federal Substance Abuse and Mental Health Services Administration grant to contract Recovery Specialists.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

	FISCAL YEAR ENDED JUNE 30		INCREASE (DECREASE)	
	2006	2005	AMOUNT	%
Employee retirement contributions paid by employer	\$236,150	\$38,064	\$198,086	520.4%
State contributions to State employees' retirement system	\$2,035,201	\$4,138,441	(\$2,103,240)	(50.8%)
Equipment	\$43,425	\$70,323	\$26,898	(38.2%)
Operation of Auto	\$83,197	\$53,348	\$29,849	56%

Employee retirement contributions paid by employer

The increase in employee retirement contributions paid by employee expenditures in FY06 was due to the amount reported for FY05 being incorrect. For the almost all of 2005, employee retirement contributions paid by employer were coded to the personal services appropriation. Only one pay period was coded correctly. The correct amount for FY05 is \$698,508. Thus, there was actually a decrease which was due to the employee retirement contributions paid by employer being phased out.

State contributions to State employees' retirement system

The decrease in State contributions to State employees' retirement system expenditures in FY06 was due to the contribution percentage decreasing from 16.107% in FY05 to 7.792% in FY06.

Equipment

The decrease in equipment expenditures in FY06 was due to the Center having more pressing priorities in other areas. As a result, less money was appropriated for equipment.

Operation of Auto

The increase in operation of auto expenditures in FY06 was mainly due to the increasing gas prices. Also, as the vehicles in the fleet get older more money has to be spent on maintenance.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

We have reviewed lapse period spending for fiscal years ended June 30, 2007 and 2006 and have identified significant lapse period spending (15% or more). A schedule of significant lapse period spending for fiscal year 2007 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>TOTAL</u> <u>EXPENDITURES</u>	<u>LAPSE PERIOD</u> <u>EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$2,545,235	\$ 531,501	20.9%
Travel	\$24,758	\$ 4,851	19.6%
Equipment	\$118,342	\$47,442	40.1%
Telecommunications	\$177,738	\$59,028	33.2%

Contractual Services

Several medical bills for services performed prior to June 30 were received and paid during the lapse period.

Travel

The Center received and paid travel vouchers during the lapse period for travel incurred by a Center employee providing assistance at another facility in the State in which he was traveling to on a regular basis and had a large amount of hotel and travel bills.

Equipment

Near the end of FY07, the Center had appropriations remaining and purchased some need furniture and equipment items including computer equipment, an exam table, an emergency cart, and a food cutter.

Telecommunications

The Center received and paid invoices during the lapse period for telecommunications services received prior to June 30. In addition, the State reviewed bills outstanding and found additional telecommunications bills that needed to be paid, including a \$10,000 repair, which were paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

A schedule of significant lapse period spending for the fiscal year ended June 30, 2006 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2006</u>		
	<u>TOTAL</u> <u>EXPENDITURES</u>	<u>LAPSE PERIOD</u> <u>EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$2,014,636	\$528,680	26.2%
Travel	\$23,036	\$ 6,494	28.2%
Equipment	\$43,425	\$17,908	41.2%
Telecommunications	\$154,998	\$74,643	48.2%
Operation of Auto	\$83,197	\$15,809	19.0%

Contractual Services

Several medical bills for services performed prior to June 30 were received and paid during the lapse period.

Travel

The Center received and paid travel vouchers during the lapse period for travel incurred by Center employees who did not request reimbursement for travel until late in the fiscal year.

Equipment

Near the end of FY06, the Center had appropriations money remaining and purchased some needed equipment to replace old equipment. These items were ordered late in the fiscal year and paid for during the lapse period.

Telecommunications

The Center spent additional time reviewing the telecom bills and, as a result, these were processed during the lapse period. In addition, the Center was waiting on additional funding in order to voucher some bills. The October, December, and February through June bills were processed during the lapse period.

Operation of Automotive Equipment

The Center received and paid the June State garage bill and invoices for fuel and oil during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN INVENTORIES (NOT EXAMINED)
For the Two Years Ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
General Stores:				
Medical lab	\$18,052	\$48,619	\$52,472	\$ 14,199
Food supplies	157,654	503,288	551,923	109,019
Household and laundry	24,797	223,057	217,762	30,092
Other general stores	24,939	109,091	111,556	22,474
Mechanical Stores:				
Repair and Maintenance	27,539	133,316	130,258	30,597
Coal and coke	2,363	579,874	509,898	72,339
Other mechanical stores	691	62,547	62,814	424
Pharmacy	110,156	951,805	959,609	102,352
	<u>\$ 366,191</u>	<u>\$ 2,611,597</u>	<u>\$2,596,292</u>	<u>\$ 381,496</u>

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
General Stores:				
Medical lab	\$38,138	\$80,117	\$100,203	\$ 18,052
Food supplies	93,116	619,593	555,055	157,654
Household and laundry	80,276	197,558	253,037	24,797
Other general stores	24,705	115,300	115,066	24,939
Mechanical Stores:				
Repair and Maintenance	29,742	79,705	81,908	27,539
Coal and coke	219,012	91,236	307,885	2,363
Other mechanical stores	1,174	64,758	65,241	691
Pharmacy	127,855	1,010,561	1,028,260	110,156
	<u>\$ 614,018</u> *	<u>\$ 2,258,828</u>	<u>\$2,506,655</u>	<u>\$ 366,191</u>

Notes:

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

We were unable to examine the Schedule of Changes in Inventories because of internal control weaknesses and noncompliance in inventory procedures. See finding 07-1

* In the prior audit report the 2005 balances were \$46,376 less than the totals reported in the general ledger. For the beginning balance at July 1, 2005, this difference has been corrected.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2007

The Department has accounts receivable of \$1,101,423, arising from operations of Clyde L. Choate Mental Health and Developmental Center at June 30, 2007. This total represents amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at Clyde L. Choate Mental Health and 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, 2007, 2006 and 2005 prepared by the Department of Human Services Central Office and forwarded to the Center is as follows:

	<u>June 30,</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current (0-3 months)	\$431,371	\$335,066	\$ 230,612
Past due (4-6 months)	46,322	74,264	47,002
Past due (7-12 months)	15,937	70,268	64,481
Past due (over 12 months)	<u>607,793</u>	<u>574,678</u>	<u>658,708</u>
Subtotal	\$1,101,423	\$1,054,276	\$1,000,803
Court Cases	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,101,423</u>	<u>\$1,054,276</u>	<u>\$1,000,803</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

CENTER FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Clyde L. Choate Mental Health and Developmental Center is a residential facility providing treatment, habilitation, training, and residential services for mentally ill and developmentally disabled persons in the 28 southern counties of Illinois. The Center opened in 1869 as the Illinois Southern Hospital for the Insane, was renamed Anna State Hospital in 1968, and became known as Clyde L. Choate Mental Health and Developmental Center in 1988. The Center is accredited for both its mentally ill and developmentally disabled programs by the Joint Commission of Accreditation of Healthcare Organizations. The Center is also certified by the Illinois Department of Public Health.

The Clyde L. Choate Mental Health and Developmental Center operates a 488 bed facility for adolescents and adults and maintains an approximate residential population of 275. Each individual resident provides the focus for the services provided. Keeping in mind the personal choices, values and goals of individuals being served, supports and services are made available according to needs indicated through comprehensive assessments. Numerous treatment and training programs are designed to offer developmental, educational, vocational, and social training to the recipients. The Center provides lodging, medical and nursing care for all persons in addition to the treatment and training programs.

The Center is located at 1000 North Main Street, Anna, Illinois and operates under the jurisdiction of the Illinois Department of Human Services, Office of Mental Health (Department). The Department is located at 401 William Stratton Building, Springfield, Illinois. The Department's mission is to assist Illinois residents achieve self-sufficiency, independence, and health to the maximum extent possible by providing integrated, family-oriented services, promoting prevention, and establishing measurable outcomes in partnership with communities. Values have been shaped by legislative mandates, resources, and society's norms.

PLANNING PROGRAM

Clyde L. Choate Mental Health and Developmental Center has developed a formal management system to address the standards of the Department of Human Services. This system encompasses formal written long and short-term goals as part of the Center's strategic planning process. This process is completed every two years to discuss the future of the organization and identify strategic measures, in which to meet the needs of patients. A review of the strategic plan occurs on an annual basis, in order to focus on those goals and objectives that are in need of revision, as well as identify those which have been met.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

CENTER FUNCTIONS AND PLANNING PROGRAM (CONCLUDED)

AUDITOR'S ASSESSMENT OF PLANNING PROGRAM

The Center's system ensures that plans adopted are geared to authorizing legislation and the needs of the citizens of Illinois. Center officials feel that their goals are coordinated with those of other facilities providing similar services and that considerable progress has been made at implementing programs pursuant to plans. The Center has established adequate operating programs to meet its defined goals and objectives.

AGENCY HEAD AND LOCATION

Janice Farmer, Facility Director
Clyde L. Choate Mental Health and Developmental Center
1000 North Main Street
Anna, Illinois 62906

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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.

	Fiscal Year		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Mental health technicians and supervisors	214	210	227
Support service workers and supervisors	80	84	84
Medical, dental and pharmacy	59	66	79
Office and clerical	32	30	37
Resident treatment	78	80	68
Administrative	37	37	25
Education	5	5	5
Security	6	5	5
	<u>511</u>	<u>517</u>	<u>530</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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 the last three fiscal years.

	<u>2007</u>	<u>June 30, 2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>131,455</u>	<u>138,322</u>	<u>145,509</u>
Value of overtime hours worked during fiscal year	<u>\$3,376,803</u>	<u>\$3,349,787</u>	<u>\$3,292,361</u>
Compensatory hours earned during fiscal year	<u>12,274</u>	<u>14,902</u>	<u>13,581</u>
Value of compensatory hours earned during fiscal year	<u>\$325,909</u>	<u>\$387,791</u>	<u>\$362,686</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>143,729</u>	<u>153,224</u>	<u>159,090</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$3,702,712</u>	<u>\$3,737,578</u>	<u>\$3,655,047</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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 Psychology support, hairdressers, dental services, speech/language therapists, and audiology.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2007, 2006 and 2005.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractual payroll employees paid during the fiscal year	<u>4</u>	<u>6</u>	<u>4</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$21,288</u>	<u>\$75,706</u>	<u>\$40,391</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

CENTER UTILIZATION (not examined)

Clyde L. Choate Mental Health and Developmental Center (Center) is situated on 300 of acres just outside Anna, Illinois. The Center has forty 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>Type/Use</u>	<u>Square Feet</u>	<u>Status</u>	<u>%</u>
Main	Personnel, Business, Security Offices	42,294	Occupied	100%
Cedar	Recipient Housing/Care	45,116	Occupied	100%
Cypress	Recipient Housing/Care	28,383	Occupied	100%
Sycamore	Recipient Housing/Care	55,716	Occupied	100%
Redbud	Recipient Housing/Care	44,465	Occupied	50%
Dogwood	Recipient Housing/Care	28,333	Occupied	100%
Magnolia	Recipient Housing/Care	39,143	Occupied	100%
Goodner Hall	Gym - Commissary	25,663	Occupied	100%
Clinical Services	Credit Union, Apartments, Union and Offices Guardianship and Advocacy Shawnee Development	22,347	Occupied1	90%
Administration	Facility Director and Other	21,663	Occupied	100%
Dewey Cottage	Tri-County Educational School	18,556	Occupied2	66%
Rehabilitation	Recreation/Health Services	52,012	Occupied3	50%
Kitchen Stores	Food Storage	19,900	Occupied	100%
Kitchen	Kitchen, Training Center, Pharmacy and Lounge	34,229	Occupied Occupied	100% 100%
General Store	Mechanical Store and Commodities	21,100	Occupied	100%
Life Skills	Training Classes	21,215	Occupied	100%
Manual Skills #1	Classes - Glass and Furniture Refinishing	2,363	Occupied	100%
Manual Skills #2	Recreational Storage	1,680	Occupied	100%
Greenhouse	Plants/Flowers	7,900	Occupied	100%
Athons Cottage	Storage	18,077	N/Storage*	N/A
Lence Cottage	Storage	18,097	N/Storage*	N/A
Oak Hall	Shawnee Community College	27,687	Occupied4	100%
Barnes Hall	Daycare and Regional Office of Education	27,025	Occupied5	100%
Lawn Shed	Lawn Crew	9,810	Occupied	100%
Paint Shop	Painting		Occupied	100%
Repair Garage	Truck Storage Building	3,816	Occupied	100%
Lumber Storage	Lumber Storage	7,336	Occupied	100%
Industrial Shop	Carpenter, Plumber and Electrician Shop	16,031	Occupied	100%
Engineer	Chief Engineer Office	3,200	Occupied	100%
Cottage #6	Recipient Housing/Care	3,627	Occupied	100%
Cottage #7	Recipient Housing/Care	3,627	Occupied	100%
Fire House	Recipient Care Wash	2,000	Occupied	100%
Storage Bldg - Butler	Trucks and Heavy Equip Storage	5,100	N/Storage	100%
Power Plant	Generate Electricity and Heat	21,032	Occupied	100%
Cottage #1	Recipient Housing/Care	2,023	N/Occupied	0%
Cottage #2	Recipient Housing/Care	2,023	N/Occupied	0%

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

CENTER UTILIZATION (not examined - continued)

<u>Building</u>	<u>Type/Use</u>	<u>Square Feet</u>	<u>Status</u>	<u>%</u>
Cottage #3	Recipient Housing/Care	2,023	N/Occupied	0%
Cottage #4	Recipient Housing/Care	5,682	Occupied	100%
Cottage #5	Recipient Housing/Care	2,023	N/Occupied	0%
Therapy Pool	Swimming Pool	1,827	Occupied**	100%
Chapel	Religious Services	1,827	Occupied	100%

¹ - Clinical Services Building is leased to:

Shawnee Development Council (basement level) for office space/Food Pantry.
ASH Employee Credit Union (mail floor-2 offices) for office space.

² - Dewey Cottage (2 story) is leased to:

Tri-County Education Dist. which provides Special Education Classes for residents 21 years and under.
Adult education through the Regional Office of Education.

³ - Rehabilitation Services Building is leased to:

The Homeless, Inc. which is a non-profit program that provides clothing for the homeless.
Office of Inspector General (OIG) for office space.
Department of Rehabilitation Services/Office of Rehabilitation Services.

⁴ - Oak Hall is leased to Shawnee Community College which is a Community College. This lease will terminate in 2008.

⁵ - Barnes Hall is leased to:

Sunrise Preschool (top floor) which provides preschool/daycare services.
Southern Seven Health Department (bottom floor) which provides Head Start Program.
Regional Supt of Schools (bottom floor)-Adult Education Program & Safe School.

* - Athons Cottage and Lence Cottage are in poor condition, contain asbestos, and are not occupied, but used solely for storage.

** - Swimming Pool is occupied 100% *when in season*.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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>2007</u>	<u>2006</u>	<u>2005</u>
Cost per year per resident	*	<u>\$177,723</u>	<u>\$181,186</u>
Cost per day per resident	*	<u>\$487</u>	<u>\$496</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>2007</u>	<u>2006</u>	<u>2005</u>
Certified Capacity of Center	<u>398</u>	<u>398</u>	<u>488</u>
Average number of residents	<u>248</u>	<u>251</u>	<u>267</u>
Average number of employees	<u>511</u>	<u>517</u>	<u>530</u>
Ratio of employees to residents	<u>2.1 to 1</u>	<u>2.1 to 1</u>	<u>2.0 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>2007</u>	<u>2006</u>	<u>2005</u>
Number of reported employee injuries	<u>193</u>	<u>201</u>	<u>227</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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>2007</u>	<u>2006</u>	<u>2005</u>
Meals served	<u>438,000</u>	<u>394,200</u>	<u>375,000</u>
Total food costs	\$491,818	\$557,906	\$504,568
Total labor costs	<u>1,103,472</u>	<u>1,143,180</u>	<u>1,133,042</u>
Total costs	<u>\$1,595,290</u>	<u>\$1,701,086</u>	<u>\$1,637,610</u>
Average food costs / meal	\$1.12	\$1.42	\$1.35
Average labor costs / meal	<u>2.52</u>	<u>2.90</u>	<u>3.02</u>
Total average cost / meal	<u>\$3.64</u>	<u>\$4.32</u>	<u>\$4.37</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2007
(not examined)

SERVICE EFFORTS AND ACCOMPLISHMENTS

The Choate Mental Health and Developmental Center is the only state operated facility in Illinois providing psychiatric treatment for children and adults and habilitation services for adults with developmental disabilities. In addition, the Center is the only state operated facility providing forensic services for adults with developmental disabilities.

The Center's administrative and clinical structure has been organized to address the unique needs for the patients and residents at the Center. A shared service model is utilized to provide the support services needed to run the Center. The Human Resource, Business, Housekeeping/Dietary, Security, Medical Records, and Physical Plant/Engineering departments are shared by the Mental Health and Developmental Center.

CHOATE MENTAL HEALTH CENTER

The vision of the psychiatric program at Choate Mental Health Center emphasizes patient care and safety. Accomplishments over the past several years are consistent with that vision. The following are some of the service efforts and accomplishments of the Center over the past two fiscal years:

- Rehab Services Department (RSD) organized, purchased, and distributed Christmas gifts to the entire facility through a Giving Tree program.
- RSD organized and assisted with ABATE Easter Run for the entire facility.
- RSD was fully involved in the planning, development, and implementation of the Pumpkin Town event.
- All Social Workers are licensed and have maintained CEU's as required by the Department of Professional Regulation.
- The Center established competencies for Social Work.
- The Clinical department initiated the Family Support/Psycho-education Group.
- The Social Work and Psychology staff has provided continued guidance and supervision for under and post graduate interns in the Social Work and Psychology fields.
- The Social Work and Psychology staff has presented clinical forums at the facility for Choate staff and community.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
CLYDE L. CHOATE MENTAL HEALTH AND DEVELOPMENTAL CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2007
(not examined)

SERVICE EFFORTS AND ACCOMPLISHMENTS (CONCLUDED)

- In December 2006 the Center received full accreditation and acceptance of their plan of correction by the Joint Commission Survey.
- The Center has incorporated National Patient Safety Goals into their annual training.
- The Center has incorporated Principles of Trauma Informed Care into its annual CPI training for direct care staff.
- Culture change through Understanding TIC was conducted in June 2007 for 73 staff.
- The Center incorporated consumer survey comments related to training needs of staff into the SGD review process.

CHOATE DEVELOPMENT CENTER

Choate Development Center's vision is to provide individualized supports to maximize opportunities for people to participate with increased independence in the natural rhythm of life through meaningful work, community involvement, and the development of personal relationships. The Center has addressed this vision by focusing on indicators that enhance the quality of life for the persons living at Choate.

- The Center has continued to expand work opportunities for individuals – recycling, food services, and the operation of Side Street Café provide successful day programming.
- The Developmental facility is involved in a thorough examination and review by the United States Department of Justice.
- The Center has contracted with expert consultants to assure that the facility continues to make substantial progress in the same vein as the improvements inspired by the 2005 Department of Public Health survey.
- Because of the desire of the Department of Human Services to maintain a cutting edge, progressive environment that supports, educates, and nurtures the development of the individuals served in the Choate Developmental Center, resources and support are being directed to the Choate facility.
- The Center has demonstrated a systematic reduction in the use and time spent by residents in physical restraint.