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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

## **Supplemental Digest**

### **Department of Human Services**

### **June 2006**

Today we are releasing a total of 21 reports for the Department of Human Services. This includes the Central Office, 8 Developmental Centers, 7 Mental Health Centers, 2 combination Mental Health / Developmental Centers and 3 Centers for Rehabilitation & Education.

The Department of Human Services – Central Office engagement is a financial statement audit for the Department as a whole for the year ended June 30, 2005, and a state compliance examination for the two years ended June 30, 2005. The 20 Center engagements are limited scope compliance examinations for the two years ended June 30, 2005.

The compliance examinations of the Central Office and the Centers contained 88 findings, up from 67 findings for the engagements performed for the two years ending June 30, 2003. Reports on three Centers had no findings. These three Centers are to be commended for their record in maintaining good fiscal controls.

The more prevalent findings in the June 30, 2005, engagements were in the areas of payroll & personnel, commodities/inventory, statutory mandates, operations and revenue/receipts/accounts receivable. The attached schedule summarizes the findings disclosed in our reports of the Central Office and Centers.

We also have included summaries of certain operational and statistical data in the attached charts and schedules. For example, one chart shows the average number of residents by Center. The chart also groups the Centers by function and gives subtotals by function and for the Department as a whole. For FY 2005 there was an average of 4,643 residents at the Centers, compared to 4,727 for FY 2004 and 4,833 for FY 2003.

Another chart outlines the average cost per year per resident. This chart outlines the average cost per resident by Center and groups the Centers by function. This chart notes the average cost for FY 2004, FY 2003 and FY 2002. The FY 2005 data had not been calculated by the Department by the close of our engagement fieldwork. For FY 2004 the average cost per year per resident ranged from a high of \$254,447 at Madden Mental Health Center to a low of \$59,759 at the Illinois School for the Deaf.

The final chart shows the number of employees per resident by Center for FY 2005, FY 2004 and FY 2003 and groups the Centers by function. The chart also provides information on employee overtime and compensatory time for Fiscal years 2005 and 2004 for each Center. For FY 2005 the number of employees per resident ranged from 2.77 employees per resident at Madden Mental Health Center to .89 employees per resident at the Illinois School for the Deaf.

# MAJOR FINDINGS BY TOPIC

Overview of findings for the two years ended June 30, 2005

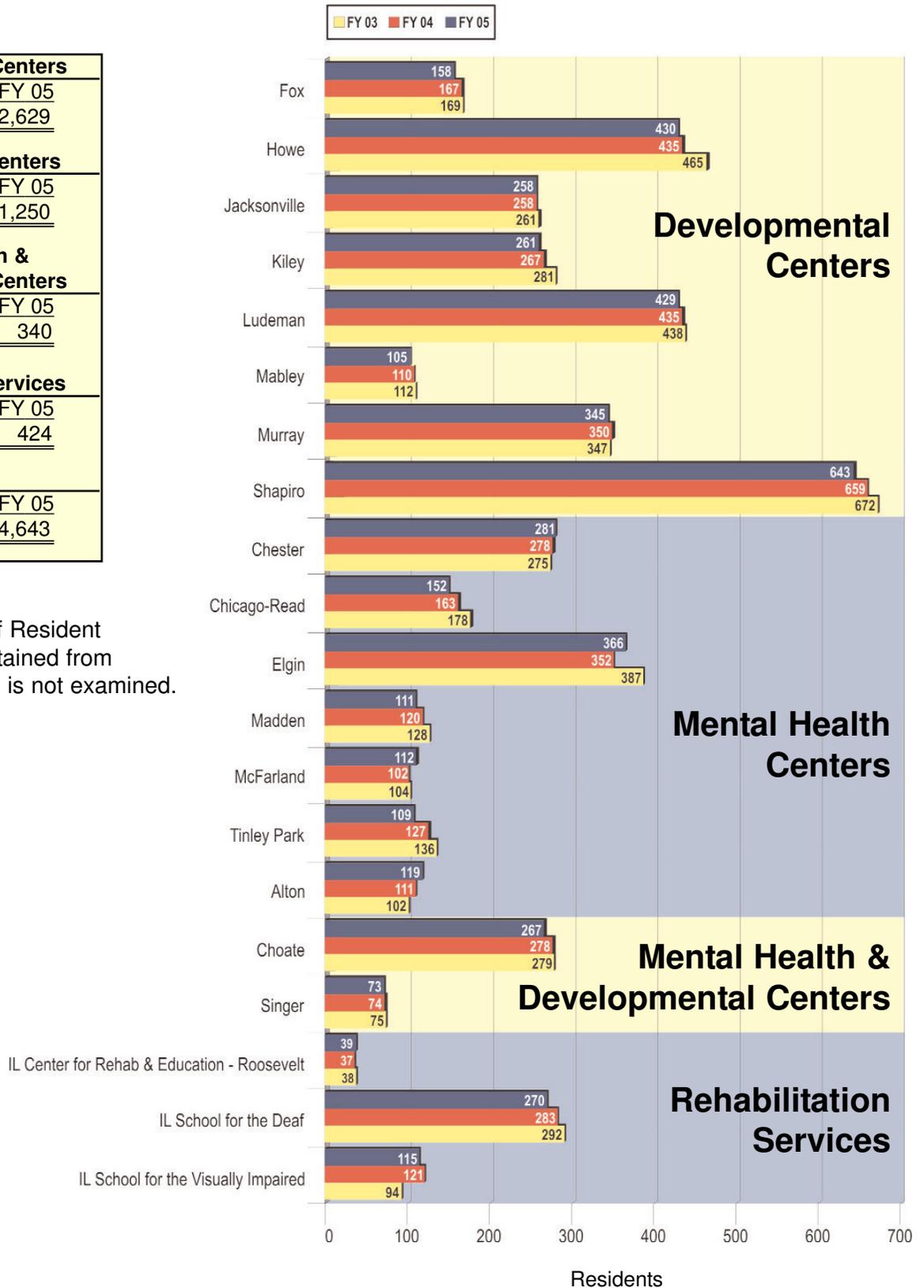
# of Findings		Topics
FY 03	FY05	
12	22	<b>PAYROLL AND PERSONNEL</b> Time sheets not maintained by Department employees; employee performance evaluations not performed timely; inadequate personnel development training, hiring and staffing at the TDF; staff resource allocation at the TDF; weaknesses over timekeeping at the TDF, incorrect termination pay; payroll voucher not reviewed by an independent person; leaves of absence were not properly documented; and inadequate support for payroll deductions.
12	14	<b>COMMODITIES / INVENTORY</b> Inadequate controls over commodities; commodity inventory system outdated and insufficient; weakness in control of commodities at the TDF; commodity inventory records were not accurately and timely maintained; inadequate segregation of duties during inventory count; commodity purchases circumvented bidding requirements; year-end inventory not completed; inventory system not updated timely; errors noted in pharmacy inventory counts at centers.
8	13	<b>OPERATIONS</b> Invoice vouchers not being processed properly; unexpended grant balance spent on unrelated programs; contract agreements were not signed or executed timely; indemnification clauses of contracts modified without approval; inadequate recovery capability for critical computer systems; inadequate procedures for disposal of confidential information; inadequate physical security of central office building; programmer access to computer systems not properly restricted; and inefficiencies in the business office at the TDF.
4	11	<b>STATUTORY MANDATES</b> Remittances and deposits not made or submitted timely; patient files missing required documentation; weaknesses in closing out grants; emergency purchase in violation of procurement code; competitive procurement requirement not followed; re-determinations of Kid Care not being completed; failure to fund the Illinois African-American Commission; Advisory council, committee, and board not meeting; members not appointed to advisory board.
12	10	<b>REVENUE / RECEIPTS / ACCOUNTS RECEIVABLE</b> Inadequate monitoring, processing and collection of accounts receivable at the centers; inadequate controls over cafeteria receipts at a center; failure to bill residents timely; receipts not deposited into proper fund; inadequate loans receivable reporting.
0	6	<b>INTERNAL CONTROL</b> Inadequate controls over locally held funds; lack of segregation of duties and internal control weaknesses in the Home Services Program.
5	4	<b>PROPERTY, PLANT &amp; EQUIPMENT</b> Non-compliance with property control procedures; real property inventory not prepared; procurement code requirements not followed when purchasing a new van; and lack of adequate physical control and recordkeeping for property.
3	3	<b>OPERATION OF AUTOMOBILES</b> Inadequate records for State vehicles; motor vehicle accidents not reported to DCMS in a timely manner; fuel purchases included exempt fuel taxes.
5	2	<b>REPORTS &amp; RECORDS</b> Errors in locally held fund reports and failure to properly adjust financial statements for Early Intervention Program grant.
2	2	<b>TRAVEL</b> TA-2 Headquarters reports not properly completed; inadequate controls over travel.
4	1	<b>TELECOMMUNICATION</b> Inadequate monitoring of phone calls at the TDF.
<b>67</b>	<b>88</b>	<b>TOTAL OF MAJOR FINDINGS BY TOPIC</b>

# AVERAGE NUMBER OF RESIDENTS

(By Center, not examined)

Developmental Centers		
FY 03	FY 04	FY 05
<u>2,745</u>	<u>2,681</u>	<u>2,629</u>
Mental Health Centers		
FY 03	FY 04	FY 05
<u>1,310</u>	<u>1,253</u>	<u>1,250</u>
Mental Health & Developmental Centers		
FY 03	FY 04	FY 05
<u>354</u>	<u>352</u>	<u>340</u>
Rehabilitation Services		
FY 03	FY 04	FY 05
<u>424</u>	<u>441</u>	<u>424</u>
TOTAL		
FY 03	FY 04	FY 05
<u>4,833</u>	<u>4,727</u>	<u>4,643</u>

Average Number of Resident information was obtained from Center records and is not examined.

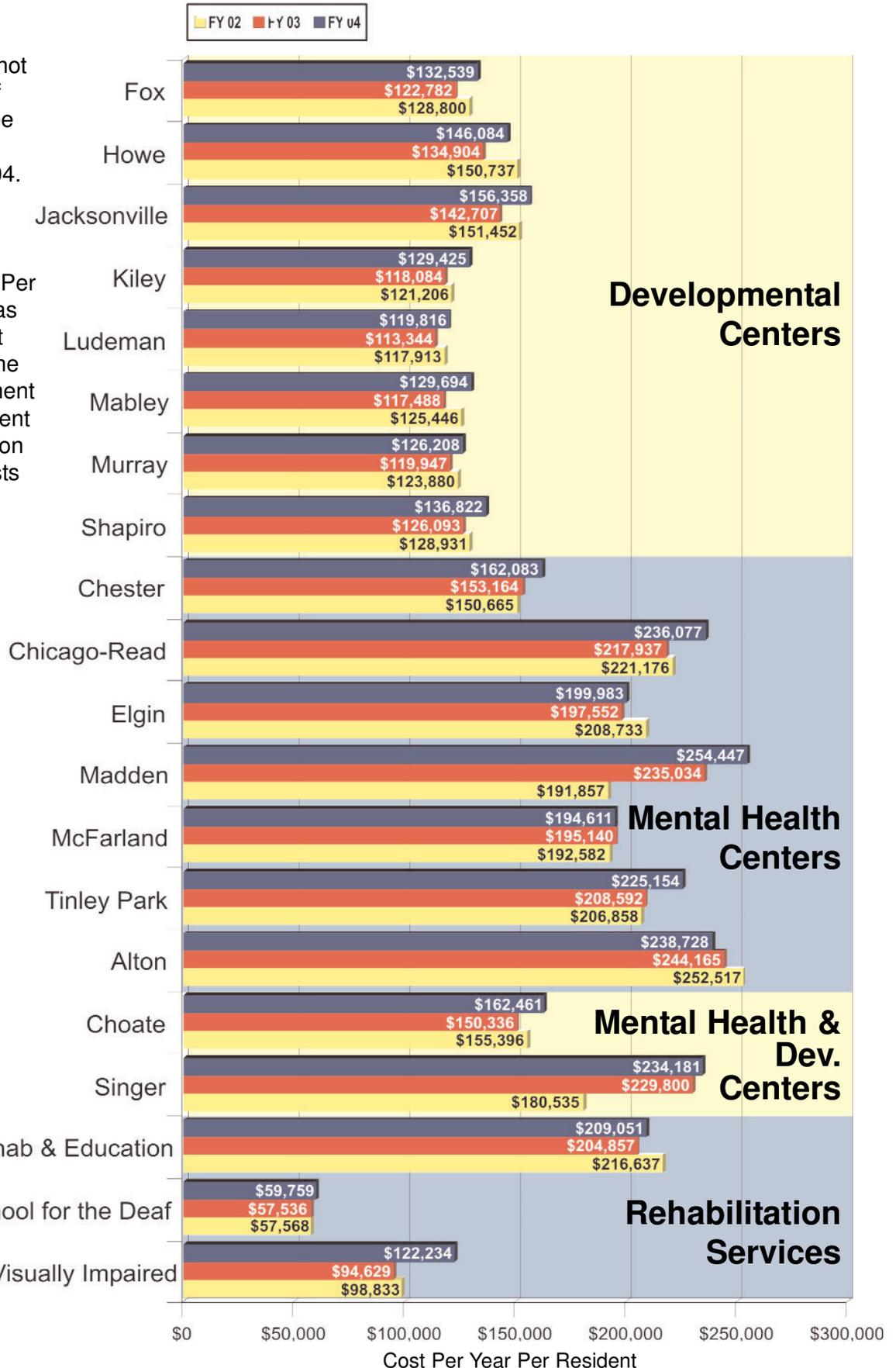


# AVERAGE COST PER YEAR PER RESIDENT

(By Center, not examined)

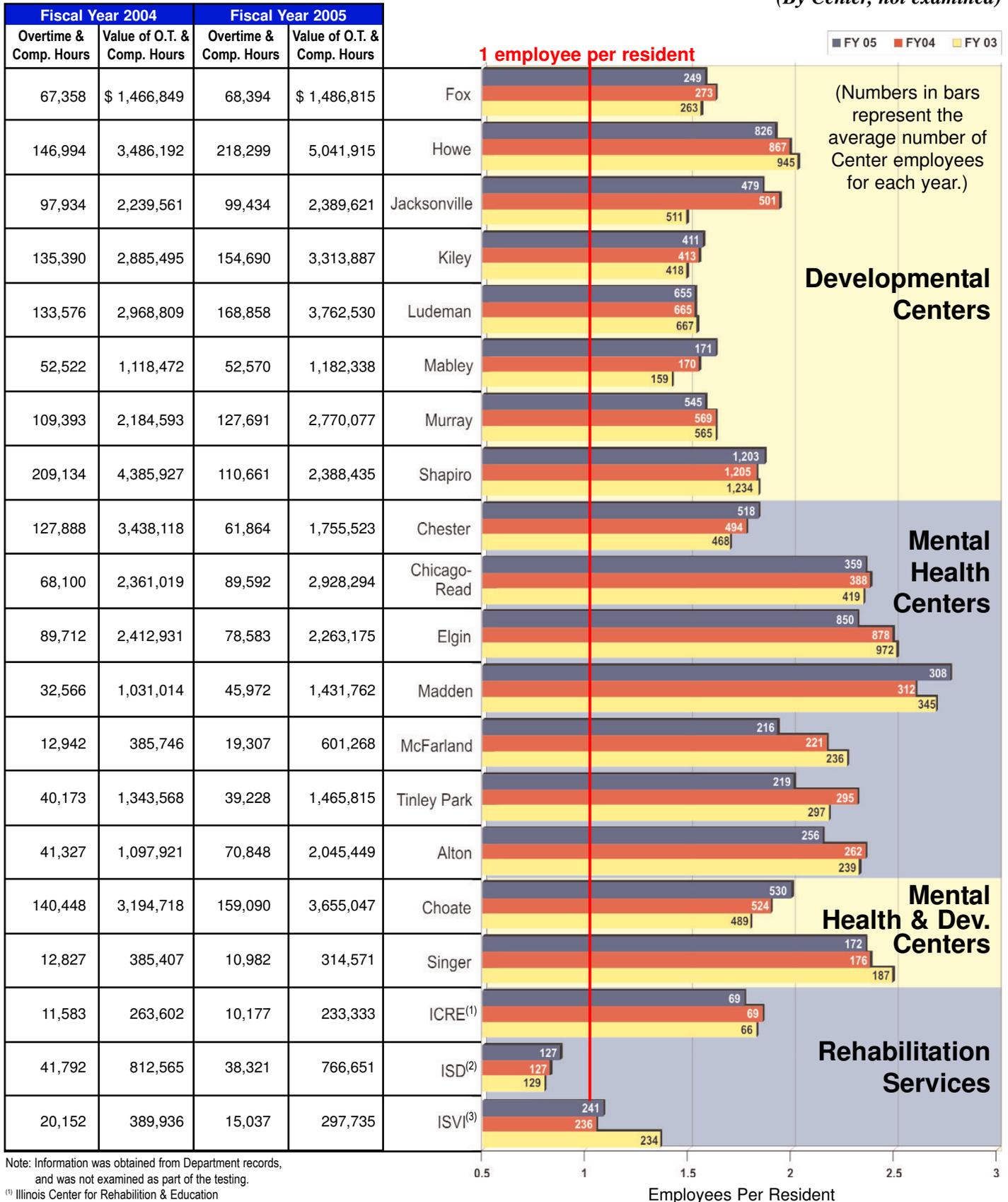
FY 05 information was not available at the close of fieldwork, therefore three year comparison is for FY 02, FY 03, and FY 04.

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



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

(By Center, not examined)



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

<sup>(1)</sup> Illinois Center for Rehabilitation & Education

<sup>(2)</sup> Illinois School for the Deaf

<sup>(3)</sup> Illinois School for the Visually Impaired