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Details: Legislative Audit Bureau Report 05-13: An Audit: Wisconsin Mental Health Institutes,
Department of Health and Family Services

(FORM UPDATED: 08/11/2010)

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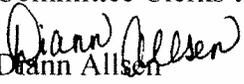
Legislative Audit Bureau

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Janice Mueller
State Auditor

DATE: September 20, 2005

TO: Karen Asbjornson and Pamela Matthews
Committee Clerks to the Joint Legislative Audit Committee

FROM: 
Danni Allsen
Financial Audit Director

SUBJECT: Audit Report 05-13: An Audit of the Wisconsin Mental Health Institutes

Enclosed is our audit of the financial statements of the Mendota and Winnebago Mental Health Institutes for fiscal year (FY) 2003-04. We perform annual financial audits of the Institutes at the request of the Department of Health and Family Services. We express unqualified opinions on each Institute's financial statements. Each Institute reported a small financial gain during FY 2003-04. Mendota reported a gain of almost \$90,000 in net assets and Winnebago reported a gain of over \$54,000.

In the Report on Internal Control and Compliance at the end of the audit report, we discuss a control issue pertaining to the billing and collection reports the Department of Health and Family Services uses to estimate patient revenues for the Institutes. Based on a detailed analysis of these reports, we recommended adjustments to the financial statements. The Department made the recommended adjustments and is taking steps to address concerns we noted with the reports. We will monitor the Department's progress during next year's financial audit of the Institutes.

The report will be released on Wednesday, September 21st, at 9:00 a.m. Please contact us if you have any questions regarding this report.

DA/km

Enclosures

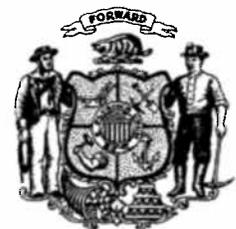


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**Report 05-13
September 2005**

An Audit

Wisconsin Mental Health Institutes

Department of Health and Family Services

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State Auditor - Janice Mueller

Audit Prepared by

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Janice Mueller
State Auditor

September 21, 2005

Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

We have completed financial audits of Mendota and Winnebago Mental Health Institutes for the period July 1, 2003, through June 30, 2004. The audits were requested by the Department of Health and Family Services to comply with requirements of the Joint Commission on Accreditation of Healthcare Organizations. We were able to express an unqualified opinion on each Institute's financial statements.

Mendota and Winnebago Mental Health Institutes are licensed and accredited hospitals that provide specialized diagnostic, evaluation, and treatment services for mentally ill children and adults. The Institutes also provide services to forensic patients referred to them through the criminal justice system. The Institutes are funded through a mix of general purpose revenue and program revenue. Each has experienced a decline in average daily population from fiscal year (FY) 2001-02 through FY 2003-04.

Each Institute reported a small financial gain for FY 2003-04. Mendota reported a gain of almost \$90,000 in net assets, and Winnebago reported a gain of more than \$54,000. Further, each Institute reported a positive accounting balance, which is reflected in its financial statements as unrestricted net assets.

We appreciate the courtesy and cooperation extended to us by Department of Health and Family Services staff during our audit.

Respectfully submitted,

Janice Mueller
State Auditor

JM/DA/ss