



**DEPARTMENT OF MENTAL HEALTH
WESTERN MISSOURI MENTAL HEALTH CENTER**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-44
June 13, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

June 2002

The following areas of concern were discovered as a result of an audit conducted by our office of the Department of Mental Health, Western Missouri Mental Health Center (WMMHC).

The WMMHC Auxiliary is a not-for-profit organization created to provide benefits to patients and employees at the facility. The auxiliary generates approximately \$75,000 in annual gross revenues. During our review, we noted the following deficiencies:

- Financial statements prepared by the facility for auxiliary activities were inaccurate and incomplete during the years ended June 30, 1999 and 2000 and were not prepared for the year ended June 30, 2001.
- Bank reconciliation were not completed on a timely basis and receipts were not transmitted intact for deposit on a timely basis. During August 2001, \$125 was received and appears to be missing.
- The former gift shop coordinator cashed numerous personal checks from gift shop receipts. The personal checks were usually not deposited until several weeks later and several of these were returned by the bank for non-sufficient funds.
- Overages/shortages in receipts were not investigated and a reconciliation of monies received and amounts transmitted was not performed by an independent person.
- Documentation was missing for several days' activity in the gift shop, instances were noted where cash sales in the gift shop were not entered into the cash register and receipts were not always obtained from the cashier's office for the transmittal of auxiliary funds to be deposited.
- Perpetual inventory records for gift shop assets were not maintained properly.
- The auxiliary had not filed all applicable tax returns in a timely manner, nor had it always followed its written by-laws or articles of incorporation.

Due to the seriousness of these deficiencies, we were unable to determine whether all funds received by the auxiliary were properly recorded.

(over)

YELLOW SHEET

The amount of monies held by the auxiliary appears excessive. At June 30, 2001, the balance of the checking and savings accounts totaled approximately \$60,000. An Attorney General's opinion concludes that not-for-profit corporations which operate on facility premises for the benefit of patients should deposit revenues to the Mental Health Trust Fund. Excess funds should be turned over to facility officials to be credited to the Mental Health Trust Fund and used for the benefit of all patients or clients.

At June 30, 2001, the facility maintained a fleet of 32 vehicles for use by both personnel of the hospital and the residential treatment facilities. Vehicles permanently assigned to individuals may not be getting used efficiently and effectively. The vehicle logs maintained by the superintendent and regional director did not always identify the specific business use for the assigned vehicles, nor was personal use always identified. In addition, travel logs for state-owned vehicles were not always complete.

Numerous vehicles were underutilized during the fiscal years ended June 30, 2001, 2000 and 1999. There were 11 vehicles in fiscal year 2001, 22 vehicles in fiscal year 2000, and 16 vehicles in fiscal year 1999 that were driven less than 5,000 miles annually. While the facility reduced the total fleet in fiscal year 2001, the number of underutilized vehicles is still approximately one-third of the entire vehicle fleet.

Procedures for monitoring credit card purchases are inadequate. During the years ended June 30, 2001 and 2000, credit card purchases totaled approximately \$29,000 and \$33,000 respectively. Credit card receipt slips are not reconciled to the credit card statement before payment is made. Facility personnel indicated some employees rarely turn in their charge slips for gas purchases. Additionally, all gas purchases are not recorded on the vehicle logs.

All credit cards are not adequately safeguarded. An incident in August 2001 was disclosed where one of the drivers had used a gas card to make unauthorized purchases in excess of \$1,500. The cards were kept in a locked desk drawer in the Transportation Department. Security personnel and transportation drivers had access to the office and the drawer, when the transportation clerk was not available. Credit cards are now stored in a locked safe and access is limited.

Also included in the audit are recommendations to improve policies and procedures regarding bidding, expenditures, and incident reports.

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DEPARTMENT OF MENTAL HEALTH
WESTERN MISSOURI MENTAL HEALTH CENTER

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Bob Holden, Governor
and
Mental Health Commission
and
Dorn Schuffman, Director
Department of Mental Health
and
Gloria Joseph, M.S.W., Superintendent
Western Missouri Mental Health Center
Kansas City, MO 64108

We have audited the Department of Mental Health, Western Missouri Mental Health Center. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2001, 2000, and 1999. The objectives of this audit were to:

1. Review certain management practices and financial information for compliance with applicable constitutional provisions, statutes, regulations, and administrative rules.
2. Review the efficiency and effectiveness of certain management practices.
3. Review certain revenues received and certain expenditures made by the facility.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the facility's revenues, expenditures, contracts, applicable legal provisions, rules and regulations, and other pertinent procedures and documents, and interviewed facility and other state personnel.

As part of our audit, we assessed the facility's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on these controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the facility's management and was not subjected to the procedures applied in the audit of the Department of Mental Health, Western Missouri Mental Health Center.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Mental Health, Western Missouri Mental Health Center.



Claire McCaskill
State Auditor

December 26, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

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MANAGEMENT ADVISORY REPORT –
STATE AUDITOR’S FINDINGS

DEPARTMENT OF MENTAL HEALTH
WESTERN MISSOURI MENTAL HEALTH CENTER
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Western Missouri Mental Health Center Auxiliary

The Western Missouri Mental Health Center (WMMHC) Auxiliary is a not-for-profit organization created to provide benefits to patients and employees at the facility. The auxiliary generates approximately \$75,000 in annual gross revenues from a gift shop, vending machines, and other activities. Accounting services and financial oversight were provided by the facility prior to April 2001. Currently, the Gift Shop Manager oversees the operations of the gift shop and vending machines, with guidance from the board president and the facility superintendent.

- A. We noted the following cash control deficiencies during our review of auxiliary accounting records:
- Financial statements prepared by the facility for auxiliary activities were inaccurate and incomplete during the years ended June 30, 1999 and 2000. Financial statements were not prepared for auxiliary activities for the year ended June 30, 2001.
 - Bank reconciliations for auxiliary accounts were not completed on a timely basis.
 - Receipts were not transmitted intact on a timely basis to the facility cashiers for deposit. In addition, receipts were not always adequately safeguarded prior to their transmittal. During August 2001, approximately \$125 was received during a two day period which was not transmitted to the cashiers and appears to be missing. This money was kept in an unlocked file drawer.
 - The former gift shop coordinator cashed numerous personal checks from the gift shop receipts. The personal checks were usually not deposited until several weeks later and several of these were returned by the bank for non-sufficient funds.
 - Numerous overages/shortages between recorded receipts and amounts transmitted to the cashiers were not investigated or resolved.
 - A reconciliation of monies received and amounts transmitted was not performed by an independent person.

- Documentation was missing for several days' activity in the gift shop. We were unable to determine whether the monies received on these dates were deposited to the auxiliary bank account.
- Instances were noted where cash sales in the gift shop were not entered into the cash register.
- Receipts were not always obtained from the cashier's office for the transmittal of auxiliary funds to be deposited.
- Perpetual inventory records for gift shop assets were not maintained properly. During the physical inventory done in December 2000, differences were noted between the perpetual inventory records and the physical counts for over half the items we reviewed. A physical inventory of gift shop assets was performed on December 28, 2001, which indicated significant differences when compared to the perpetual inventory records.

Due to the seriousness of these deficiencies, we were unable to determine whether all funds received by the auxiliary were properly recorded. Failure to adequately perform basic accounting procedures and reconciliations, and establish proper controls severely lessens the auxiliary's ability to adequately account for monies received and disbursed and hampers the office's ability to function efficiently. Timely action should be taken to correct these various deficiencies.

- B. The auxiliary had not filed all applicable tax returns in a timely manner and as a result, incurred numerous and unnecessary interest and penalty charges. The auxiliary failed to file federal and state payroll tax returns, state sales tax returns, and city returns of earnings tax withheld for the past two years and make the required payroll tax deposits timely. As a result, the auxiliary was assessed and paid penalties and interest on delinquent taxes totaling over \$1,000.
- C. The auxiliary does not always follow its by-laws or articles of incorporation. We noted:
- An annual financial statement was not prepared or presented to the auxiliary for the year ended June 30, 2001.
 - Personnel other than those specified by the by-laws are authorized signatures on the auxiliary's checking account. The by-laws state that checks will require signatures by any two of the President, Vice-President, Secretary, Treasurer, Superintendent, or Assistant Superintendent. We noted checks written on the auxiliary's checking account signed by facility employees who are not one of the above mentioned members.

- The articles of incorporation state that at no time will corporate assets exceed \$1,000, although at June 30, 2001, the cash balance of the auxiliary's checking and savings accounts exceeded \$60,000 (see part D).

By-laws and articles of incorporation provide the framework of an organization, and set forth the basic agreement as to its operations and its responsibilities. The auxiliary should abide by its by-laws and articles of incorporation or revise them to reflect the current wishes of the board.

- D. The amount of monies held by the auxiliary appears excessive. At June 30, 2001, the balance of the checking and savings accounts totaled approximately \$60,000. Total expenditures during the year ended June 30, 2001 from the auxiliary checking account were only approximately \$64,000, which includes operating costs as well as funding proposals to benefit the clients of the facility. In addition, as noted above, the articles of incorporation only allows a cash balance of \$1,000 to be maintained.

Attorney General's Opinion No. 91, 1978 to Keyes, concludes that not-for-profit corporations which operate on facility premises for the benefit of patients should deposit revenues to the Mental Health Trust Fund. Since the auxiliary was established to promote the welfare of the patients or clients of the facility, excess funds should be turned over to facility officials to be credited to the Mental Health Trust Fund and used for the benefit of all clients.

- E. During our review of expenditures from the auxiliary account we noted the following concerns:
- Adequate supporting documentation is not maintained for all expenditures. On four of six items tested, documentation was either not adequate or not available.
 - Indication of receipt of goods is not always shown on invoices to verify the items being paid for were actually received by the auxiliary.
 - Invoices are not always cancelled to prevent their reuse.

To ensure the validity and propriety of expenditures, adequate supporting documentation, including acknowledgment that the specific goods and/or services were in fact received, should be maintained for all payments by the auxiliary. In addition, all invoices should be marked as paid or otherwise cancelled to prevent their reuse.

WE RECOMMEND the facility, through the WMMHC auxiliary:

- A. Ensure adequate financial records are maintained and accounting controls are implemented to address the numerous cash control deficiencies noted.

- B. File all applicable tax returns related to the auxiliary on a timely basis and make the required payroll tax deposits timely.
- C. Review the accounting records, by-laws, and articles of incorporation and take steps to bring the current policies and procedures into compliance.
- D. Transfer excessive cash balances and investment balances to the Mental Health Trust Fund.
- E. Require adequate supporting documentation for all invoices and ensure an indication that goods were received is noted and all invoices are adequately cancelled.

AUDITEE'S RESPONSE

- A. *We concur. Friends of Western Missouri Mental Health Center (Friends) reports to WMMHC that they have engaged the services of a local accounting firm to prepare all financial reports and reconciliations required. In addition, effective April 1, 2002, the Friends gift shop has been closed with all remaining inventory to be liquidated by the Friends board of directors. Friends also reports that they have contracted with a local vending machine company to manage all of the vending machines currently under their control. The vending company will fill all machines and make all deposits reporting pertinent information to Friends and paying with a commission check which will be paid monthly. Friends will present their financial reports to the WMMHC executive committee on a semi-annual basis.*
- B. *We concur. Friends of Western Missouri Mental Health Center reports that all tax returns have been filed with all penalties paid. With the aid of their contracted accounting firm, taxes should be filed and paid in a timely manner.*
- C. *We concur. Friends of Western Missouri Mental Health Center, with the aid of the contracted accounting firm, will review all financial records, by-laws, and articles of incorporation and take steps to bring the current policies and procedures into compliance. To be completed by July 1, 2002.*
- D. *We concur. Friends of Western Missouri Mental Health Center will deposit all revenue in excess of operating costs to the Mental Health Trust Fund by July 1, 2002.*
- E. *We concur. Because Friends of Western Missouri Mental Health Center has closed the auxiliary gift shop and contracted all vending machines to a local company they will have no direct expenditures for goods.*

2.**Expenditures**

- A. Bids were not always obtained or documented for expenditures in excess of \$3,000. Our audit found that 20 of the 36 expenditures we reviewed either were not bid or did not include supporting documentation indicating bids or quotes were taken. Section 34.040, RSMo 2000, and the purchasing guidelines set forth in the Office of Administration's "Department Procurement Authority Delegation and Procedures" state that purchases in excess of \$3,000 will be based on competitive bids.

Bidding procedures for major purchases provide a framework for economical management of public resources and help ensure the facility receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given an opportunity to participate in the facility's business.

- B. Goods available from Missouri Vocational Enterprises (MVE) were purchased from other vendors in violation of state law. We noted purchases of various goods by the facility, including furniture, cleaning supplies, and paper goods, which were available from MVE. Section 217.575, RSMo 2000, states no goods shall be purchased from any other source for the state unless certification is obtained that the goods could not be provided by the vocational enterprises program within 90 days. No certifications were obtained to indicate these items were unavailable from MVE.
- C. We found instances where it appears purchase orders were changed upon receipt of an actual invoice to agree to the invoice. No documentation was presented to explain the rationale for the changes to the purchase orders. In addition, we found instances where purchases were made prior to a purchase order being issued. Facility procedures indicate that a request for purchase is to be approved and a purchase order issued for all purchases. After the goods are received, a receiving report is completed and submitted to the accounting department. The invoice, purchase order, receiving report and the request for purchase are matched, compared and processed for payment. Altering the purchase order without documentation of the reason, or not preparing a purchase order at all, circumvents the controls of the facility's purchase approval processes.

WE RECOMMEND the facility:

- A. Follow statutory requirement regarding the bidding goods and services.
- B. Follow statutory requirements regarding the purchase of available products from Missouri Vocational Enterprises.
- C. Ensure documentation exists for any circumstances which necessitate deviation from policy guidelines about purchase approval.

AUDITEE'S RESPONSE

- A. *We concur. Four of the twenty exceptions occurred through the office of Design and Construction acting on behalf of WMMHC. Effective immediately WMMHC will follow Section 34.040, RSMo 2000, and the "Department Procurement Authority Delegation and Procedures" as set forth by the Office of Administration.*
- B. *We concur.*
- C. *We concur.*

3. State-Owned Vehicles

At June 30, 2001, the facility maintained a fleet of 32 vehicles for use by both the hospital and the residential treatment facilities.

- A. The facility's vehicle policy does not contain provisions relating to maintenance and repair or vehicle replacement. These policies are necessary to provide guidance to users of the fleet and, ultimately, to aid in preventing fleet mismanagement.

Vehicle maintenance is a critical element for any vehicle management policy. Without a vehicle maintenance policy, the condition of the fleet is left in the hands of the vehicle operator and the cost of owning and operating the vehicles may increase.

A vehicle replacement policy is also important for maintaining efficiency in fleet costs. Without a vehicle replacement policy, the facility cannot assess the appropriate break-even point for deciding to maintain and repair the vehicle or to purchase a new one. Replacing vehicles at the appropriate time is also important to obtain a substantial return on the facility's investment and to prevent excessive maintenance and operating costs which may occur as vehicles age.

- B. Vehicles permanently assigned to individuals may not be getting used efficiently and effectively. Vehicles are permanently assigned to the facility superintendent and regional director. These individuals used their vehicles for daily commutes in addition to normal business purposes. Annual mileage on their vehicles ranged from approximately 6,000 to 19,000 during each of the three years ended June 30, 2001. The vehicle logs maintained by the superintendent and regional director did not always identify the specific business use of the assigned vehicles, nor was personal use always identified.

The permanent assignment of state vehicles needs to be justified for business purposes. Based on the mileage that was noted on some of these vehicles and the fact that these mileage totals included commuting, the business miles on these

vehicles may be very low. In an effort to reduce costs and to ensure the efficient use of state-owned vehicles, the permanently assigned vehicles need to be reviewed to determine if they are necessary and justified.

- C. Numerous vehicles were underutilized during the fiscal years ended June 30, 2001, 2000, and 1999. The following chart summarizes the mileage of all vehicles during the fiscal years. Low mileage on some maintenance vehicles may be justified because of the need for short trips or other specialized purposes. However, there still existed vehicles in all three years of the audit period that had less than 5,000 total annual miles. The following chart illustrates the range of annual mileage the facility experienced with its fleet during the audit period:

Annual Mileage of WMMHC Vehicles

Annual Miles	FY 2001	FY 2000	FY 1999
0 to 1,000	1	8	6
1,001 to 5,000	10	14	10
5,001 to 10,000	13	8	9
10,000 to 15,000	1	6	6
Over 15,000	7	4	9
Total in Fleet	32	40	40

Source: DMH WMMHC Hospital Operations Annual Report and auditors

There were 11 vehicles (34 percent of the fleet) in fiscal year 2001, 22 vehicles (55 percent) in fiscal year 2000, and 16 vehicles (40 percent) in fiscal year 1999 that were driven less than 5,000 miles annually. While the facility reduced the total fleet in fiscal year 2001, the number of underutilized vehicles is still approximately one-third of the entire vehicle fleet. Low mileage is an indicator that a fleet has too many vehicles or is not using them efficiently. Based on this underutilization, it appears that WMMHC should consider reducing the size of its vehicle fleet.

- D. Travel logs for state-owned vehicles were not always complete. Facility policy requires a log be maintained including the purpose, destination, date, mileage and odometer readings, and identity of the driver. This information is necessary to document appropriate use of the vehicles. In addition, these logs are not reviewed by a supervisor to ensure the logs are complete and vehicle usage is reasonable.

WE RECOMMEND the facility:

- A. Develop and maintain policies and procedures relating to vehicle maintenance and repair and vehicle replacement.
- B. Review its policy regarding permanent assignment of vehicles and ensure any permanently assigned vehicles are justified.

- C. Review current fleet utilization and determine the need for maintaining underutilized vehicles.
- D. Ensure that vehicle travel logs are completed for all state vehicles and reviewed by a supervisor periodically for completeness and reasonableness.

AUDITEE'S RESPONSES

- A. *We concur.*
- B. *We concur. Although all mileage is properly documented for tax purposes by staff with permanently assigned vehicles, the superintendent's vehicle did not reach the mileage threshold of 15,000 miles per year set by the Office of Administration. As of April 4, 2002, the superintendent's vehicle has been returned to general use in the motor pool.*
- C. *We concur.*
- D. *We concur.*

4. Incident Reports

- A. Initial Incident and Injury Reports and Serious Incident Reports are not always filed timely. Of the 33 incident reports reviewed, 11 were not filed within the time frame stated in the policy. Facility policy states that all incidents are to be reported immediately and requires an initial Incident and Injury Report to be completed in the same shift as the occurrence. The initial Incident and Injury Report is to be recorded in the facility's database and reviewed daily by the quality control management team. Without the initial report being filed timely, the quality control management team is unable to investigate incidents such as abuse/neglect or theft on timely basis.
- B. Not all initial Incident and Injury Reports were available for review. According to policy, two copies of these reports should be on file with the Quality Management Department and the Unit Manager or Department Supervisor. However, 3 of the 33 Incident and Injury Reports we selected were not available for review. By not maintaining a complete record of all incident reports, the facility has less assurance that all reports were adequately investigated.
- C. Regular follow-up on incidents is not always performed or documented as required by policy. Policy requires that managers/directors are to follow up on incidents. Although documentation was available to indicate how the incidents were resolved, it did not always indicate that the appropriate manager/director investigated them.

WE RECOMMEND the facility:

- A. Ensure compliance with facility policy by preparing reports timely.
- B. Ensure compliance with facility policy regarding the number of copies of incident reports on hand, and their location.
- C. Ensure compliance with facility policy by documenting follow-up reviews by the appropriate individuals.

AUDITEE'S RESPONSE

- A. *We concur. Prior to the audit, WMMHC policy number 60.111 required that all incident reports were due by the end of the shift. The policy has been revised since then and includes language that "all incident reports are to be completed within 24 hours in which the incident occurred or staff were notified of the occurrence."*
- B. *We concur.*
- C. *We concur.*

5. Credit Card Procedures

Procedures for monitoring credit card purchases are inadequate. A credit card is assigned to each facility vehicle for fuel purchases. During the years ended June 30, 2001 and 2000, credit card purchases totaled approximately \$29,000 and \$33,000, respectively. During our review of credit cards purchases, we noted the following concerns:

- A. Credit card receipt slips are not reconciled to the credit card statement before payment is made. When employees use the vehicles, they obtain a clipboard that contains the vehicle key, log, and credit card. Employees are to turn in all credit card receipts to the transportation department at the end of the day, or the end of the trip, along with the keys and log. Not all receipts are turned in to the transportation department. As a result, there is less assurance that credit cards are only used for reasonable and proper purchases. For example, we reviewed a credit card invoice for February 2002, totaling approximately \$1,512 and identified the following concerns:
 - 1) The credit card charge slips were missing for 19 of the 79 transactions (24%), totaling approximately \$358. Facility personnel indicated some employees rarely turn in their charge slips for gas purchases. Subsequent to our review, management provided three additional charge slips to

support charges on the February invoice. In addition, facility incident reports were not filed as required for the missing charge slips. Standard Operating Procedure 8.021 states that if a credit card or charge slip is not turned in or is lost, an incident report is to be completed.

- 2) All gas purchases are not recorded on the vehicle logs. Logs for four vehicles were reviewed for documentation of fuel purchases. The logs indicated that a fueling stop was made, but did not identify where the purchase was made, the number of gallons purchased, or the total amount charged. The logs for these four vehicles indicated that there were 24 fueling stops made, but the charge card monthly statement showed 28 charges for these vehicles.

In the instances noted above, accounting personnel processed these payments without questioning any of these issues.

- B. All credit cards are not adequately safeguarded. An incident in August 2001 was disclosed where one of the drivers had used a gas credit card to make unauthorized purchases in excess of \$1,500. The cards were kept in a locked desk drawer in the Transportation Department. Security personnel and transportation drivers had access to the office and the drawer, when the transportation clerk was not available. Credit cards should not be kept in a location that is easily accessible. Credit cards are now stored in a locked safe and access is limited.

WE RECOMMEND the facility:

- A. Ensure that credit card receipt slips are reconciled to the credit card invoice before payment is made. In addition, the facility should ensure that all gas purchases are recorded on the vehicle logs.
- B. Maintain all credit cards in a secure location. Consideration should be given to assigning the responsibility for securing credit cards to a specific employee.

AUDITEE'S RESPONSE

- A. *We concur.*
- B. *We concur. Credit cards assigned to motor pool vehicles are now locked in a safe with only the director of Hospital Operations, the locksmith, the Fire and Safety Marshal and the Electronics Tech having access. The credit cards are turned over to the transportation clerk each day for safe keeping and to issue /retrieve cards, and are returned to the safe at the end of each day.*

This report is intended for the information of the management of Western Missouri Mental Health Center and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

DEPARTMENT OF MENTAL HEALTH
WESTERN MISSOURI MENTAL HEALTH CENTER
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Western Missouri Mental Health Center is a community mental health center located in Kansas City under the direction of the Missouri Department of Mental Health. This facility has as its primary service area the center city and a secondary responsibility to the Greater Kansas City, Missouri Region. The center is responsible for a total of 110 inpatient beds and 67 outpatient or group-home/apartment beds. It is part of the Hospital Hill Complex which includes; UMKC Schools of Medicine, Dentistry & Nursing, Truman Medical Center, Children's Mercy Hospital, and Central Kansas City Mental Health Services.

The history of Western Missouri dates to 1954 when the Greater Kansas City Mental Health Foundation opened the 73-bed Psychiatric Receiving Center (PRC). The PRC was the first racially integrated psychiatric facility in Kansas City. Its purpose was to provide mental health services to indigent Kansas City residents in their community. Serving as the psychiatric section of the city's General Hospital system, the PRC was one of the pioneers in community mental health using the new psychotropic drugs and treatment therapies. It was the recipient of the Gold Medal Award of the American Psychiatric Association. Its two inpatient wards, an admission unit and a discharge unit, emphasized community oriented treatment and its outpatient program maintained patients while they continued to function in their community.

In May 1963, the Kansas City General Hospital and Medical Center took over the administration of the PRC with the Foundation remaining in an advisory role and moving into new areas of mental health research and programming.

In 1963, the Missouri legislature upgraded the state's psychiatric services by authorizing the division of mental diseases (now the Department of Mental Health) to develop three intensive treatment centers across the state. In addition to Western Missouri in Kansas City, Malcolm Bliss Mental Health Center in St. Louis and Mid-Missouri Mental Health Center in Columbia were set up to work with established programs in their respective areas.

General Hospital #2, formerly for black patients, was purchased by the state from the city for \$1, and remodeled and enlarged for \$1.2 million. Directly adjacent to the PRC, Western Missouri opened on March 11, 1966, and the two facilities worked together to continue and expand services to the indigent and extended these services to the residents of the 31 western counties of Missouri. A total assimilation of the Psychiatric Receiving Center by the Department of Mental Health was on March 1, 1970.

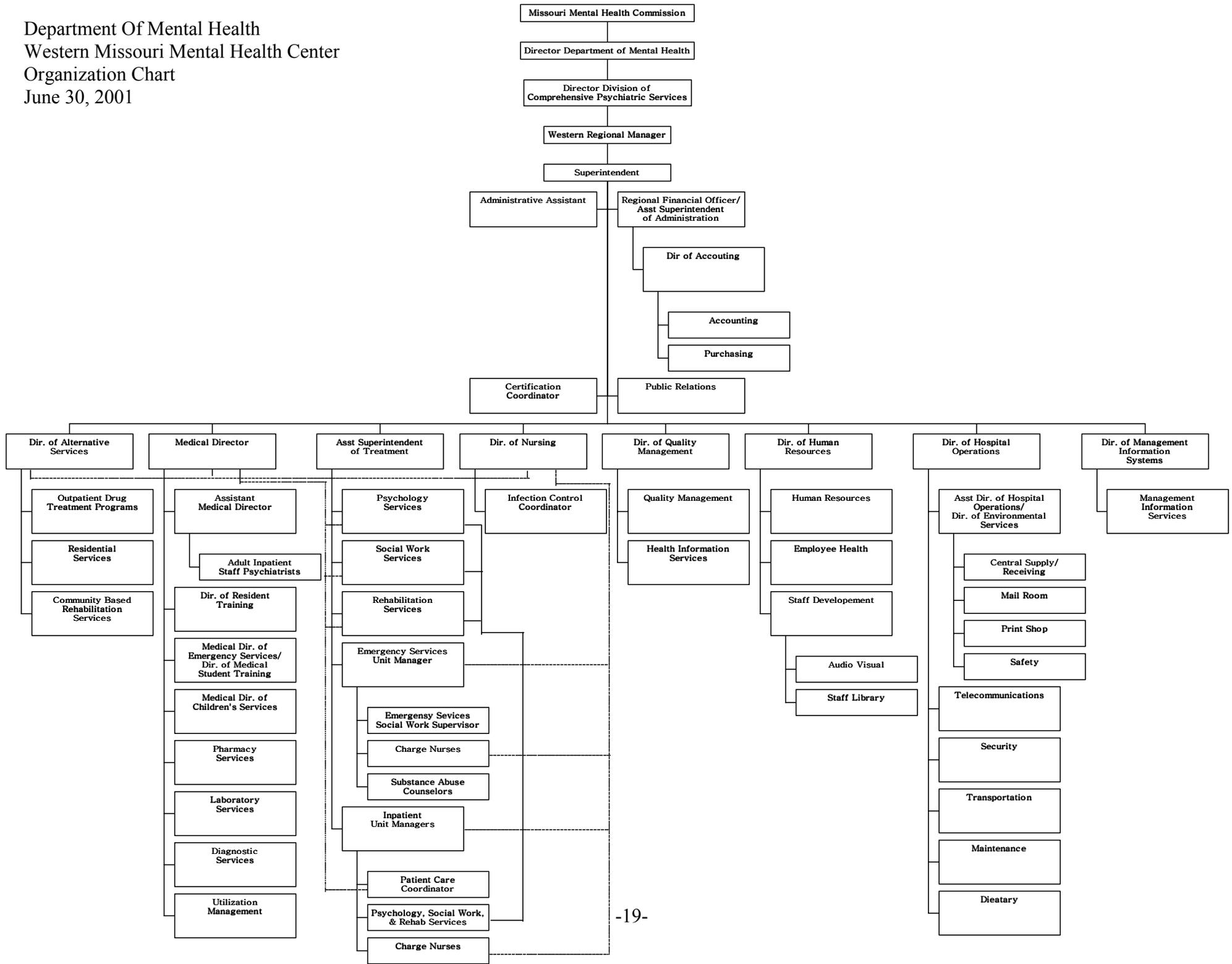
Western Missouri primarily serviced the residents of a special catchment area that geographically represents the central core of the urban area of Greater Kansas City. It also serves as the state's resource and back-up facility for the surrounding seven county area. Currently, there are four community mental health centers and one outpatient counseling center in the Kansas City Area. Each was originally developed through local mental health associations and concerned citizens with the aid of Western Missouri staff.

On July 1, 1993, the Outpatient and Community Programs of Western Missouri became a separate Administrative Agency, Central Kansas City Mental Health Services.

Western Missouri Mental Health Center is the Department of Psychiatry for the University of Missouri-Kansas City (UM-KC) School of Medicine. UM-KC operates the facility's Psychiatric Residency Program as well as the Psychopharmacology Residency Program. The Center, in conjunction with UM-KC, also has an American Psychological Association (APA) approved psychology Internship Program and is a training site for several Schools of Nursing, and Social Work and Activities Therapy Field Placement.

As of February, 2002, Western Missouri Mental Health Center had approximately 544 full-time employees performing various administrative, operational, and service functions. Gloria Joseph has served as the facility superintendent since 1993.

Department Of Mental Health
 Western Missouri Mental Health Center
 Organization Chart
 June 30, 2001



DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 STATISTICAL DATA

	Year Ended June 30,		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
YEARLY ADMISSIONS			
Inpatient - Hospital	2,807	2,353	2,019
Inpatient - Group Homes	157	109	216
Outpatient	7,636	7,557	6,535
Supported Community Living	472	402	606
Total	<u>11,072</u>	<u>10,421</u>	<u>9,376</u>
YEARLY PATIENT DAYS			
Inpatient - Hospital	31,458	31,928	34,286
Inpatient - Group Homes	22,073	20,200	19,547
Outpatient	318,000	240,559	160,131
Supported Community Living	413,472	425,105	409,116
Total	<u>785,003</u>	<u>717,792</u>	<u>623,080</u>
OCCUPANCY STATISTICS			
Number of beds	194	197	188
Average daily census	147	140	148
Bed occupancy percentage	76%	71%	79%

Appendix A-1

DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES (See Note)

	Year Ended June 30,					
	2001			2000		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE						
Personal Service	\$ 19,015,248	18,959,379	55,869			
Expense and Equipment	2,816,885	2,816,663	222			
Personal Service and/or Expense and Equipment				21,013,091	20,997,354	15,737
Total General Revenue Fund - State	\$ 21,832,133	21,776,042	56,091	21,013,091	20,997,354	15,737

Note: The appropriations presented above are used to account for and control the facility's expenditures from amounts appropriated to the facility by the General Assembly. The facility administers transactions from the appropriations presented above. However, the state treasurer as fund custodian and the Office of Administration provide administrative control over the fund resources within the authority prescribed by the General Assembly. This does not represent all expenditures of the facility. Some expenditures relating to state facilities are charged to department-wide appropriations and not identified by facility. Expenditures charged to department-wide appropriations that are identified to Western Missouri Mental Health Center (WMMHC) are noted in Appendix B.

Appendix A-2

DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES (See Note)

	Year Ended June 30,		
	1999		
	Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE			
Personal Service	\$ 16,693,374	16,693,142	232
Expense and Equipment	2,262,733	2,262,733	0
Personal Service and/or			
Expense and Equipment	1,434,543	1,434,543	0
Total General Revenue - State	\$ 20,390,650	20,390,418	232

See Note on Appendix A-1.

Appendix B-1

DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,			
	2001		2000	
	Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For WMMHC	Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For WMMHC
Personal Service	\$ 18,959,379			
Expense and Equipment	2,816,663			
Personal Service and/or Expense and Equipment		2,775,003	20,997,354	3,144,089
Design & Construction - New Facility		2,669,426		
Total Expenditures	\$ 21,776,042	5,444,429	20,997,354	3,144,089

Note: Not included in this schedule are expenditures paid from department-wide appropriations that do not specify amounts by facility.

Appendix B-2

DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	<u>Year Ended June 30,</u>	
	<u>1999</u>	
	<u>Expenditures From</u>	<u>Expenditures From</u>
	<u>From Facility</u>	<u>Department-Wide</u>
	<u>Appropriations</u>	<u>Appropriations</u>
	<u>For WMMHC</u>	<u>For WMMHC</u>
Personal Service	\$ 16,693,142	291,170
Expense and Equipment	2,262,733	0
Personal Service and/or Expense and Equipment	1,434,543	2,610,215
Total Expenditures	<u>\$ 20,390,418</u>	<u>2,901,385</u>

See Note on Appendix B-1.

Appendix C

DEPARTMENT OF MENTAL HEALTH
 WESTERN MISSOURI MENTAL HEALTH CENTER
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH BALANCES (FROM NON-APPROPRIATED FUNDS)

	Year Ended June 30,		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
Cash Balance, July 1	\$ 95,554	198,994	177,809
Receipts	583,672	682,106	637,975
Disbursements	(599,265)	(785,546)	(616,790)
Cash Balance, June 30	\$ <u>79,961</u>	<u>95,554</u>	<u>198,994</u>

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