



**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**

Report 00-9

August 2000

WISCONSIN MENTAL HEALTH INSTITUTES

We have completed a financial audit of the Mendota and Winnebago Mental Health Institutes for the period July 1, 1998 through June 30, 1999. This audit was requested by the Department of Health and Family Services to comply with requirements of the Joint Commission on Accreditation of Hospitals.

We express an unqualified opinion on the Institutes' financial statements, which show that, on an accrual basis, Mendota Mental Health Institute had net income of \$787,000 and Winnebago Mental Health Institute had net income of \$2.6 million.

For several years, the Department has not maintained an adequate system to accumulate accurate and reliable information on patient revenues and outstanding patient accounts receivable and to summarize that information for financial reporting purposes. In January 1999, the Department began implementing a new billing and receivable system, but the system is not yet able to produce receivable balances that we can rely upon for financial statement purposes. Therefore, complex additional procedures were required to determine the Institutes' patient revenues and receivables. We anticipate that as the Department completes an analysis of receivable balances and works with its software vendor to address system issues, the new system will be more reliable and will allow for more accurate financial reporting in the future.

[full report, PDF file \(109 KB\)](#)