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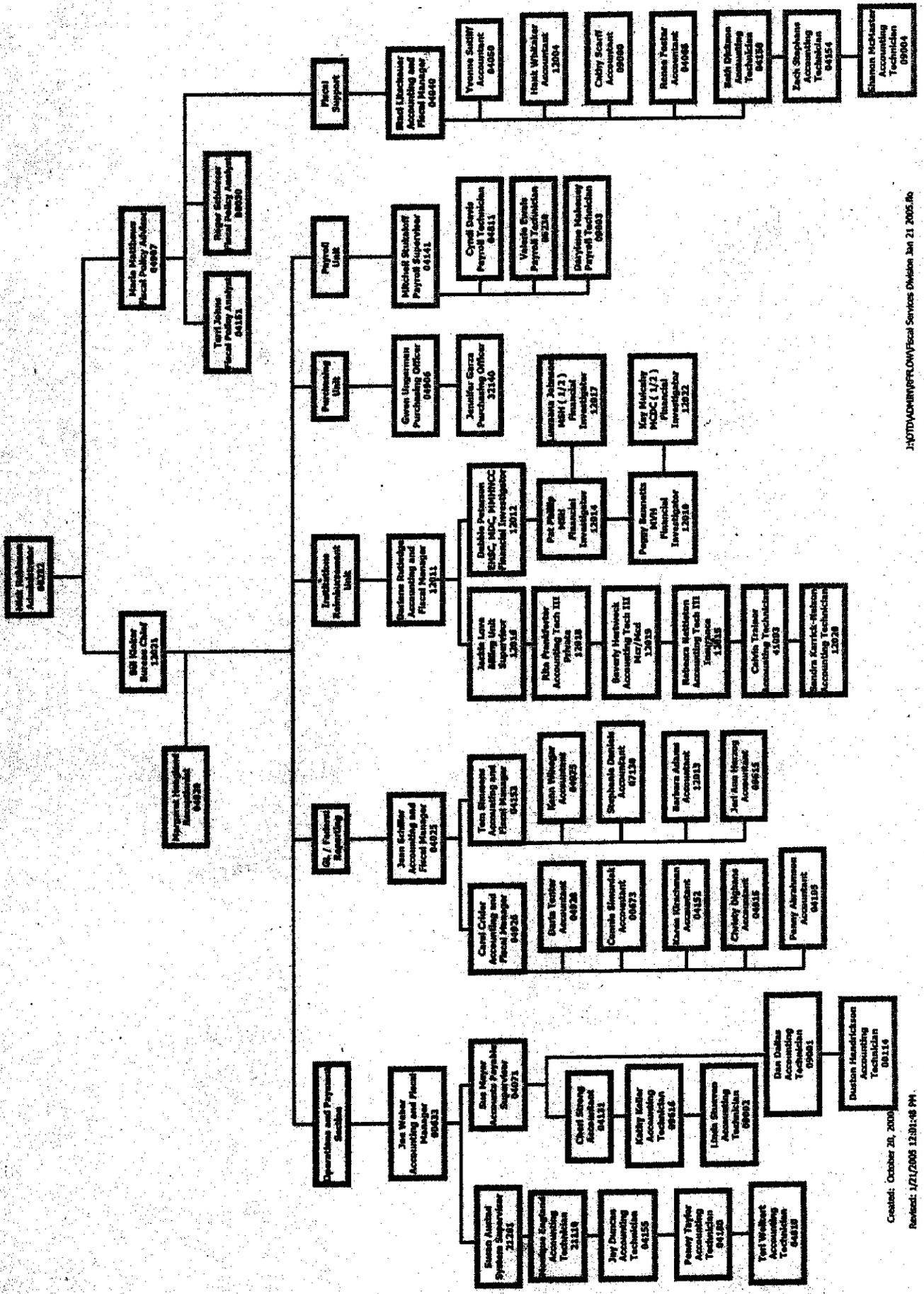
EXHIBIT 7
DATE MON Feb 7 2005
HB _____

Fiscal Services Division

Legislative Overview 2005

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Department of Public Health and Human Services Fiscal Services Division



Fiscal Services Division - Operating Sections

- DIVISION ADMINISTRATION
- FISCAL POLICY
- FINANCIAL SUPPORT
- OPERATIONS & PAYMENT SECTION
- GENERAL LEDGER/FINANCIAL REPORTING
- INSTITUTIONAL REIMBURSEMENT UNIT
- PURCHASING
- PAYROLL MANAGEMENT

Division Administration

- ADMINISTRATOR
- BUREAU CHIEF
- RECEPTIONIST

Fiscal Policy

- FISCAL POLICY DEVELOPMENT AND IMPLEMENTATION
- COST ALLOCATION PLAN
- FEDERAL AND STATE AUDIT COORDINATION
- SPECIAL PROJECTS
- 3 FTE

Financial Support

- DISTRIBUTION OF \$75 MILLION IN COST ALLOCATED EXPENDITURES
- AGENCY ACCOUNTS RECEIVABLE
- AGENCY ACCOUNTING STRUCTURE
- LONG-TERM ASSET AND LONG-TERM LIABILITY ACCOUNTING
- 8 FTE

Operations & Payment Section

- RESPONSIBLE FOR PROCESSING PAYMENTS TO PROVIDERS, CONTRACTORS, ETC
- IN EXCESS OF 650,000 PAYMENTS PROCESSED PER YEAR
- 12 FTE

General Ledger/Financial Reporting

- 170+ ACCOUNTABLE GRANTS/FUNDS
- FEDERAL CASH DRAWS EXCEEDING \$810 MILLION PER YEAR
- PREPARATION OF QUARTERLY AND ANNUAL GRANT REPORTS
- 12 FTE

Institutional Reimbursement Unit

- RESPONSIBLE FOR MEDICAL BILLING/COLLECTIONS FOR FIVE DPHHS INSTITUTIONS
- APPROX. 13000 CLAIMS PER YEAR
- COLLECT APPROX. \$20 MILLION/YR
- 11 FTE

Purchasing Unit

- PROVIDES PURCHASING EXPERTISE AND SERVICE FOR ALL NON-INSTITUTIONAL EMPLOYEES
- OVERSEES ALL DEPARTMENT PURCHASES
- 6500+ AUTOMATED PURCHASE ORDERS
- 2 FTE

Payroll Management

- PROCESS NEW HIRES, RETIREMENTS, RESIGNATIONS (2,800 EMPLOYEES)
- MANAGE BI-WEEKLY PAYROLL
- 4 FTE

Accomplishments

- UNQUALIFIED AGENCY AUDIT
- REDUCED GENERAL FUND LOANS FROM \$38 MILLION TO \$10 MILLION
- INVOICES PAID WITHIN 3 WORKING DAYS
- AUTOMATED PURCHASING AND TRAVEL REIMBURSEMENT SYSTEMS
- EXPANDED ELECTRONIC BUSINESS

PHHS management made significant progress toward improving the department's financial control structure. Control enhancements included streamlining the cost allocation process, implementing more frequent cash draws for federally funded administrative and program costs, reducing the use of inter-entity loans, performing reconciliations of financial subsystems to the state's accounting records, and initiating an active internal audit function.

Page 5, DPHHS Financial-Compliance Audit
November 2003

	Recommendations	Implemented
1997 Adverse Opinion	24	12 Fully 7 Partially 5 Not
1999 Qualified Opinion	23	9 Fully 7 Partially 7 Not
2001 Qualified Opinion	24	21 Fully 2 Partially 1 Not
2003 Unqualified Opinion	16	14 Fully 1 Waiting 1 Not