

STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN  
AND FAMILY SERVICES

Compliance Examination

For the Year Ended June 30, 2008

Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2008**

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A separate financial audit report for the year ended June 30, 2008, has been issued under separate cover.

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Department Officials  
Year Ended June 30, 2008**

Director	Mr. Erwin McEwen, Acting (July 1, 2007 through December 5, 2007) Mr. Erwin McEwen (December 5, 2007 through current)
Chief of Staff	Mr. Roman Moore III (July 1, 2007 through October 17, 2007) Ms. Robbin Staggers (October 17, 2007 through current)
Deputy Director and Chief Financial Officer	Ms. Barbara Piwowarski (July 1, 2007 through January 8, 2008) Mr. Andy Brown, Acting (January 29, 2008 through April 21, 2008) Mr. Matthew A. Grady III (April 21, 2008 through current)
Chief Legal Counsel	Ms. Dixie Peterson, Acting (July 1, 2007 through February 29, 2008) Ms. Dixie Peterson (February 29, 2008 through current)

Department administrative offices are located at:

406 East Monroe  
Springfield, IL 62701

Pat Quinn  
Governor



Erwin McEwen  
Director

Illinois Department of Children & Family Services

May 22, 2009

Sleeper, Disbrow, Morrison, Tarro & Lively, LLC  
Suite 501, 250 N. Water St.  
Decatur, IL 62523

MANAGEMENT ASSERTION LETTER

Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the period ended June 30, 2008. Based on this evaluation, we assert that during the year ended June 30, 2008, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Division of Budget and Finance - Office of the Deputy Director  
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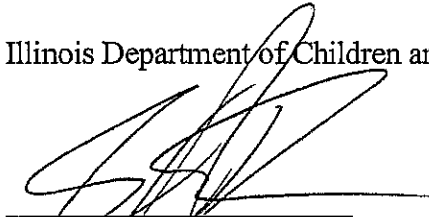


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E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

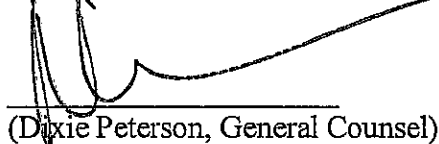
Illinois Department of Children and Family Services



(Erwin McEwen, Director)



(Matthew Grady III, Chief Fiscal Officer)



(Dixie Peterson, General Counsel)

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Compliance Report  
Summary  
For the Year Ended June 30, 2008**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**AUDITORS' REPORTS**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Repeated findings	15	9
Prior recommendations implemented	8	8
or not repeated	1	4

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
08-1	12	Financial Reporting Weaknesses	Significant Deficiency
FINDINGS (STATE COMPLIANCE)			
08-2	14	Incomplete Child Welfare Files	Significant Deficiency and Noncompliance
08-3	18	Child Abuse and Neglect Determinations	Significant Deficiency and Noncompliance
08-4	20	Initiation of Child Abuse and Neglect Investigations	Significant Deficiency and Noncompliance
08-5	22	Vouchers Lacked Proper and Timely Approval	Significant Deficiency and Noncompliance
08-6	23	Untimely Approval of Contracts	Significant Deficiency and Noncompliance

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) - Continued			
08-7	25	Noncompliance with Interstate Compact on Adoption Act	Noncompliance
08-8	26	Telecommunications Charges Review	Significant Deficiency and Noncompliance
08-9	27	Contract Monitoring	Significant Deficiency and Noncompliance
08-10	28	Noncompliance with Child Death Review Team Act	Significant Deficiency and Noncompliance
08-11	30	Child Abuse and Neglect Prevention Plan not Submitted	Significant Deficiency and Noncompliance
08-12	31	Failure to Adopt Rule for Specialized Care	Significant Deficiency and Noncompliance
08-13	32	Noncompliance with State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance
08-14	33	Inadequate Overtime Approval Documentation	Significant Deficiency and Noncompliance
08-15	34	Employee Performance Evaluations not Performed	Significant Deficiency and Noncompliance

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirement for State Compliance.

08-1	12	Financial Reporting Weaknesses	Significant Deficiency and Noncompliance
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#### PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	35	Overpayment of Telecommunication Billings

#### EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 11, 2009. Responses to the recommendations were provided by Matthew Grady, III, Deputy Director and Chief Financial Officer in correspondence dated May 18, 2009.

Attending the exit conference were:

#### Department of Children and Family Services

Matthew Grady III, Deputy Director – Budget and Finance  
Ray Piiparinen, Audit Liaison  
Carol Radwine, P.S.A. – Acting Manager, Financial Management  
Paul Larson – Supervisor, Audit Unit  
Diane Cottrel – Acting Associate Deputy Director, Cook County ACR

Department of Children and Family Services - continued

Gary Baker – Acting Deputy Director, Planning & Performance Management  
Dave Nika – Information Systems Analyst

Sleeper, Disbrow, Morrison, Tarro & Lively, LLC

Thomas Leach, Partner  
Stephen Payton, Partner  
Sara Moody, Staff Accountant  
Meredith Angel, Staff Accountant

Office of the Auditor General

Karen Appelbaum, Manager  
Joseph Gudgel, Information Systems Manager



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## INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

### Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Children and Family Services' compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2008. The management of the State of Illinois, Department of Children and Family Services is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Children and Family Services' compliance based on our examination.

- A. The State of Illinois, Department of Children and Family Services has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Children and Family Services has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Children and Family Services has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Department of Children and Family Services are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Children and Family Services on behalf of the State or held in trust by the State of Illinois, Department of Children and Family Services have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Children and Family Services' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Children and Family Services' compliance with specified requirements.

In our opinion, the State of Illinois, Department of Children and Family Services complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 08-1 through 08-15.

### **Internal Control**

The management of the State of Illinois, Department of Children and Family Services is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Children and Family Services' internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Children and Family Services' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Children and Family Services' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 08-1 through 08-6 and 08-8 through 08-15 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

Additionally, the results of our procedures disclosed other matters involving internal control over compliance, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as finding 08-7. As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The State of Illinois, Department of Children and Family Services' response to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Department of Children and Family Services' response and, accordingly, we express no opinion on it.

### **Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services as of and for the year ended June 30, 2008, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements, and have issued our report thereon dated May 22, 2009. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Department of Children and Family Services. The 2008 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2008 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the State of Illinois, Department of Children and Family Services' basic financial statements for the year ended June 30, 2007. In our report dated May 7, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. In our opinion, the 2007 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2007, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management and is not intended to be and should not be used by anyone other than these specified parties.

*Sleper, Disbrow, Morrison, Tarro & Lively, LLC*

May 22, 2009

# SLEEPER, DISBROW, MORRISON, TARRO & LIVELY, LLC

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services, as of and for the year ended June 30, 2008, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements and have issued our report thereon dated May 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the State of Illinois, Department of Children and Family Services' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Children and Family Services' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Children and Family Services' internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data

reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting (08-1).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency referenced above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Children and Family Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Illinois, Department of Children and Family Services' response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the State of Illinois, Department of Children and Family Services' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management and is not intended to be and should not be used by anyone other than these specified parties.

*Sleeper, Disbrow, Morrison, Tarro & Lively, LLC*

May 22, 2009

STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Schedule of Findings – Government Auditing Standards  
For the Year Ended June 30, 2008

08-1. **FINDING** (Financial Reporting Weaknesses)

The Department of Children and Family Services (Department) did not have adequate controls in place to ensure the Department's financial statements for the year ended June 30, 2008 were prepared in accordance with generally accepted accounting principles (GAAP). Our audit identified the following problems in the Department's initial financial statements, and adjustments to the financial statements were made to correct for these matters:

Interfund Classifications

- General Revenue Fund interfund receivables of \$311,000 due from other State funds were misclassified as due from other Department funds.
- General Revenue Fund interfund payables of \$14,235,000 due to other State funds were misclassified as due to other Department funds.
- DCFS Federal Projects Fund interfund payables of \$53,000 were misclassified.
- GAAP eliminations of inter-departmental receivables and payables were not made.

Restricted Net Assets

- Child Abuse Prevention Fund net assets of \$959,000 were reported as unrestricted net assets. The Child Abuse Prevention Fund receives contributions from taxpayer contributions made on their individual income tax returns and are therefore considered restricted under GAAP.

Note Disclosures

- Note disclosures concerning interfund balances did not agree with the information in the financial statements.
- Disclosure of a litigation matter required by GAAP was not updated for the current status of the matter.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, states that net assets should be reported as restricted when constraints on use of the net assets are imposed by contributors (GASB 34, ¶ 34). In addition, eliminations of interfund receivables and payables should be made in the statement of net assets to minimize the "grossing-up" effect on assets and liabilities within the Department (GASB34, ¶ 58).

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Good internal control procedures require adequate management oversight and review of accounting policies and procedures as well as an

overall review of financial reporting for accuracy and compliance with generally accepted accounting principles.

Department personnel stated that a change in fiscal office personnel responsible for preparation of the Department's GAAP package (SCO Forms) for submission to the State Comptroller's Office resulted in the misclassification and delays identified.

Failure to implement appropriate internal control procedures over financial reporting could lead to a material misstatement of the Department's financial statements. Because the information reported in the Department's financial statements is also reported in the comprehensive annual financial report (CAFR) of the State of Illinois, errors in the Department's financial information could also lead to a misstatement of the State's CAFR. (Finding Code No. 08-1)

### **RECOMMENDATION**

We recommend the Department implement additional internal control procedures to assess the risk of material misstatements of the Department's financial statements and to identify such misstatements during the financial statement preparation process.

### **AGENCY RESPONSE**

The Department agrees and has discussed these issues with and requested assistance and training from the State Comptroller's Office for preparation of future SCO Forms. The Department's financial statements are compiled by the Comptroller's Office from the SCO forms submitted by the Department after review for any discrepancies or errors. DCFS will continue to strive to provide the information to the Comptroller's office within the stringent timeframes established for it and DCFS agrees to support all efforts by the Office of the Comptroller to modernize the financial reporting infrastructure.

**SCHEDULE OF FINDINGS – STATE COMPLIANCE**

**08-2. FINDING (Incomplete Child Welfare Files)**

The Department’s Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.

During our review of case files, we noted the following required documentation was not maintained in the file or was not prepared timely. Our sample consisted of 30 child welfare case files and 30 family case files. The case files deficiency percentiles are based upon the respective sample sizes. For example, both child welfare files as well as family files are required to have Administrative Case Reviews performed and investigative services provided, therefore the percentage of deficiency pertaining to the Administrative Case Reviews is based upon the number of Administrative Case Reviews required during our examination period. Also applicable to both child welfare files and family files are Registration Case Opening Forms, Worker Activity Summaries, Client Contact Summaries, Family Assessment Factor Worksheets, and Safety Determination Forms and therefore percentiles disclosed below are based upon a sample of 60 cases reviewed. The child specific case files deficiencies only pertain to the child welfare case files and are therefore based on a sample of 30 files. These deficiencies include Medical & Dental Consent Forms, Initial Placement Checklists, Permanency Planning Checklists, Placement & Payment Authorization Forms, Pictures, and Fingerprints.

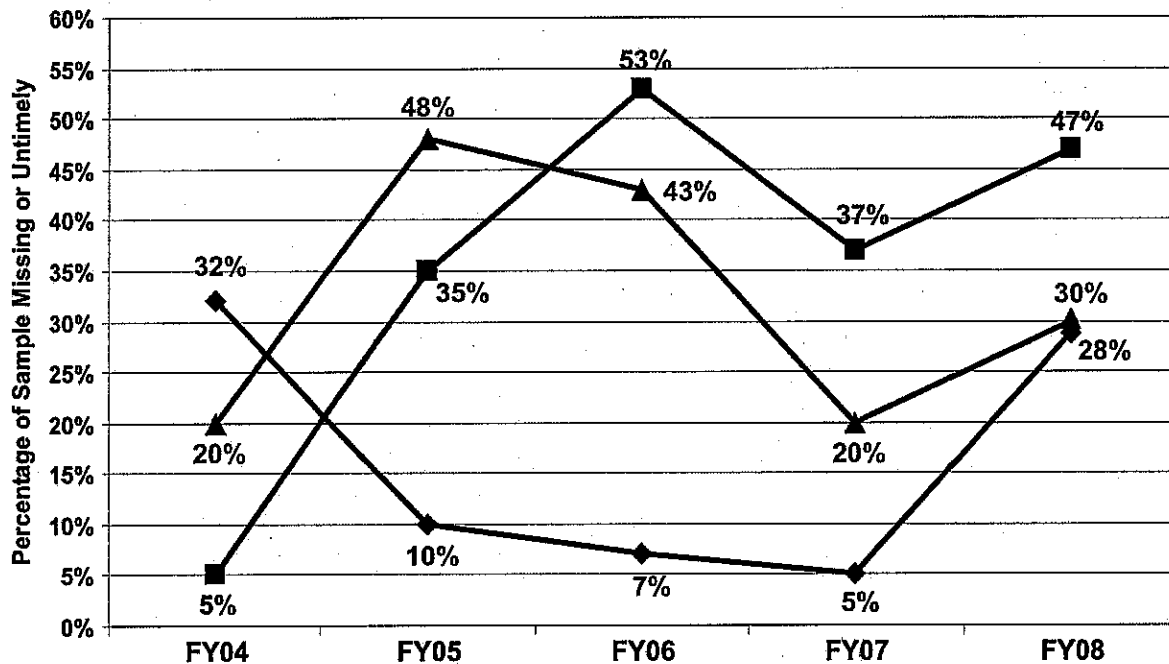
<u>Case File Deficiency</u>	<u>Case File Requirement</u>	<u>Authority</u>
Thirty-one (approximately 28%) required administrative case reviews (ACR’s) were not performed, or were not performed timely. Approximately 110 ACR’s were required.	ACR’s by a trained professional that is not involved in the case management or delivery of services to the child must be performed every 6 months or when a substantial change to the child’s service plan occurs.	89 IL Admin Code 316.40; DCFS Administrative Procedure #5, Child Welfare Case Record Organization and Uniform Recording Requirements.
For the approximately 110 required ACR’s noted above, two (2%) ACR notifications were sent 1-10 days in advance. Five (5%) ACR notifications were sent 11-20 days in advance. There was no documentation that sixty-five (59%) ACR notifications were sent at all.	Notification of ACR should be mailed to all parties involved, or interested, 21 days in advance.	89 IL Admin Code 316.60; DCFS Administrative Procedure #5
Twelve (20%) Registration & Case Opening Forms (CFS 1410) were not completed by investigators.	Investigative staff collects all investigation information on the CFS 1410 prior to the case being forwarded to child welfare staff.	DCFS Administrative Procedure #5
Six (10%) Worker Activity Summaries (CFS 1440a) were not maintained in the case file or the Department’s automated case information.	When child welfare staff are engaged in assessment activities the CFS 1440a is to be completed to indicate what actions have been taken in the investigation.	DCFS Administrative Procedure #5
Four (7%) Client Contact Summaries (CFS 1440b) were not maintained in the case file or the Department’s automated case information.	When child welfare staff are engaged in assessment activities the CFS 1440b is to be completed to indicate what contacts have been made during the investigation process.	DCFS Administrative Procedure #5



Eight (13%) Social History/Integrated Assessments were not completed.	Child welfare staff are to document a child's social history, including the reason for DCFS' involvement, family composition, family history, parent's history, history of children not in placement, history of child in placement, recommendation for further legal action, worker's assessment and recommendation for further intervention.	DCFS Administrative Procedure #5
Thirteen (22%) Safety Determination Forms (CFS 1441) were not completed.	When child welfare staff are engaged in assessment activities the CFS 1441 is required to be completed to determine what decisions have been made throughout the investigation as well as prior to each case review to determine what risk factors still remain.	DCFS Administrative Procedure #5
Fourteen (47%) Medical & Dental Consent Forms (CFS 415) were not completed and/or were outdated.	Form CFS 415 must be maintained in the case file to provide for consent of ordinary and routine medical and dental care. This form is required to be updated annually.	DCFS Administrative Procedure #5
Twenty (67%) Initial Placement Checklists (CFS 418-J) were not completed. Five (17%) were completed in September 08 after auditor request for documentation was sent to Regional Supervisors.	Form CFS 418-J must be maintained for all children placed in substitute care. The form documents any special needs of the child.	DCFS Policy Guide 2002.07
Twenty-two (73%) Permanency Planning Checklists (CFS 483) were not completed and maintained in the case files. Three (10%) were completed in September 08 after auditor request for documentation was sent to Regional Supervisors.	Form CFS 483 must be completed when determining the permanency goal for each child placed in substitute care for over one year.	DCFS Policy Guide 97.3
Six (20%) Placement & Payment Authorization Forms (CFS 906) were not maintained in the case files.	Form CFS 906 must be completed and maintained in the case file and should include information concerning the child's placement status and other information critical to payment and approval documentation.	DCFS Administrative Procedure #5
Nine (30%) children's pictures were not maintained in the case files.	Each case file must include a current photograph of the child for whom care is being provided.	DCFS Administrative Procedure #5
Eighteen (60%) children's fingerprints were not maintained in the case files.	Each case file must include the child's fingerprint.	DCFS Administrative Procedure #5

In addition to the deficiencies described above, **the Department was unable to locate two entire child welfare case files.** Although we were able to verify the existence of certain case documentation through the Department's automated case information system, not all case information is documented electronically. As such, the case file is still a vital part of the Department's system of ensuring children receive adequate care and their needs are met.

During FY08 the number of deficiencies noted has significantly increased from the prior year. The following graph depicts three of the case file deficiencies over the past five years, and the percentage of items missing or untimely from the sample tested.



**Case File Deficiency**

- ◆ Administrative case review not performed or not timely
- Medical and Dental consent forms not completed or outdated
- ▲ Children's pictures not in file

Department personnel stated that due to staff changes and scheduling there were times when administrative case reviews were not performed within the established timeframes. In addition, Department officials indicated that the Department was unable to fulfill case file reporting requirements because of the high volume of cases assigned to the case workers and because a contract for fingerprinting was recently put into place, and the process had not yet made it through all cases.

The failure to follow established Department procedures, regulations and State law concerning the welfare of children could result in inadequate care, unauthorized services or misuse of State funds. (Finding Code No. 08-2, 07-1, 06-1, 05-3, 04-2, 03-1, 02-2, 00-10, 99-5, and 98-6)

**RECOMMENDATION**

We recommend the Department continue in its efforts to develop ways to automate various recordkeeping functions and that the Department follow the procedures established concerning the welfare of children. The fulfillment of those procedures should be adequately documented.

## AGENCY RESPONSE

The Department agrees and will continue to stress the importance of adequate and timely documentation for those cases identified in the auditors' finding as well as for all child and family cases.

To remediate the ACR deficiencies, a corrective action plan was implemented immediately after field work in August, 2008 where the ACR Managers in Cook County reviewed their Office Administrator's log from January 2008 through August 2008 and provided a report of any case that was not completed and/or showed missing information. Efforts were put forth to locate all missing information which was then data entered into the system; and, a monthly report is now prepared identifying cases with missing information, why it is missing, and measures being taken to complete the work. Additionally, for any ACR that is missed, ACR staff work to reschedule the ACR within the cycle month or those originally scheduled during the last week of the month that are missed are re-scheduled within the first week of the following month where possible.

To address the deficiencies in the areas of Medical & Dental Consent forms, Initial Placement Checklists, Permanency Planning Checklists, and Placement & Payment Authorization Forms, the Department, in FY09, implemented regular monitoring systems in each region. Regional managers have been given the responsibility to implement a monitoring/review process that will ensure that the above referenced documents are current and in each case file. The status of this monitoring process will be discussed in weekly meetings with Regional Administrators and quarterly meetings with all supervisors/managers.

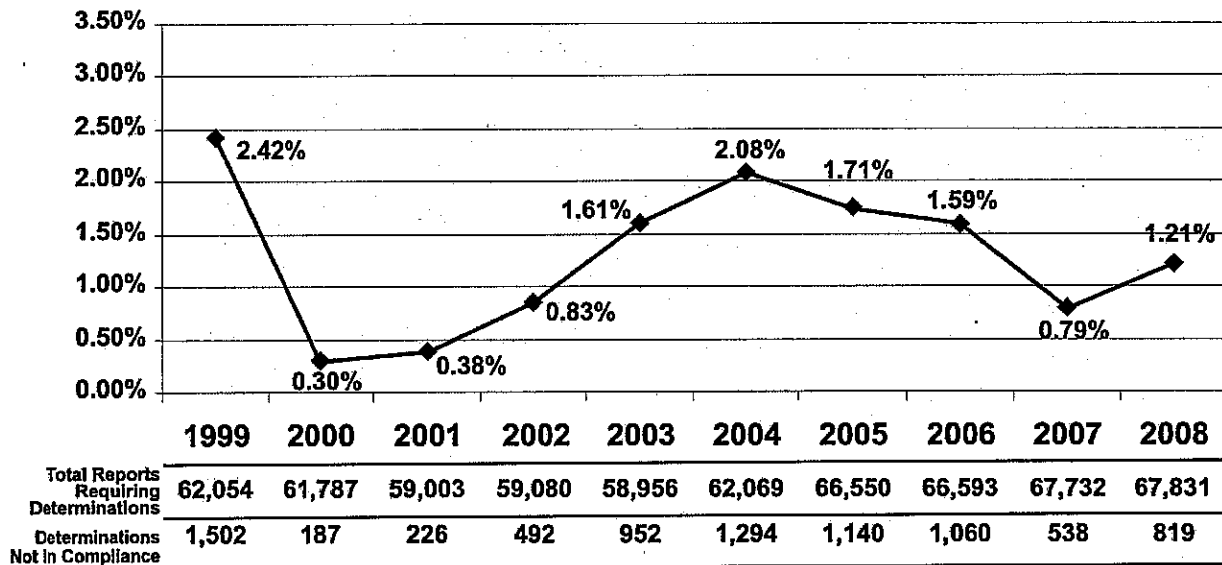
The Department contracted with a new vendor for fingerprinting, Accurate Biometrics, effective October 18, 2007. In July 2007, the fingerprints and photograph process was piloted in Cook County where 191 children were printed and photographed. On November 1, 2007, Accurate Biometrics began printing and fingerprinting throughout the state. Between November 1, 2007 and April 1, 2008 a total of 2,627 children have been printed and photographed. Since the initiation of the contract and Pilot additional children have been printed and photographed in order to bring case files current.

08-3. **FINDING** (Child Abuse and Neglect Determinations)

The Department did not make timely determinations, in 819 of the 67,831 (1.21%) reports of child abuse and neglect referred to the Department, of whether the reports were “indicated” or “unfounded” as required by the Abused and Neglected Child Reporting Act.

The Abused and Neglected Child Reporting Act (Act) (325 ILCS 5/7.12) states the Child Protective Service Unit shall determine, within 60 days, whether a report is “unfounded” or “indicated”. It further provides the Department may extend for up to an additional 30 days the period in which individual cases are determined. Reasons for which the determination period may be extended are limited to the following circumstances (89 Ill Admin. Code 300.110): a) State’s attorneys or law enforcement officials have requested that the Department delay making a determination due to a pending criminal investigation b) medical or autopsy reports needed to make a determination are still pending after the initial 60 day period c) the report involves an out-of-state investigation and the delay is beyond the Department’s control, or d) multiple alleged perpetrators or victims are involved necessitating more time in gathering evidence and conducting interviews.

The Department’s Monitoring/Quality Assurance Division compiles statistics to track reports that are not determined to be either “unfounded” or “indicated” in compliance with the Act (within 60 days of receipt of the report, or within 90 days if a 30 day extension is permitted.) Following is a summary of those statistics:



Department personnel stated that the inability to locate individuals critical to the investigation has prevented the timely completion of investigations. Also, in some instances the caseworkers failed to request an extension when permitted.

Failure to make timely determinations of reports of abuse and neglect could delay the implementation of a service plan and result in further endangerment of the child, and is a violation of the Act. (Finding Code No. 08-3, 07-2, 06-2, 05-4, 04-5, 03-2, 02-3, 00-8, 99-11 and 98-10)

## **RECOMMENDATION**

We recommend the Department determine reports of child abuse or neglect in compliance with the time frame mandated by the Abused and Neglected Child Reporting Act.

## **AGENCY RESPONSE**

The Department will continue to make diligent efforts to improve on the 98.8% and reach the 100% compliance timeframe set forth in the Abuse and Neglect Child Reporting Act (ANCRA) for making final determinations. The on going focus of the Department is to develop opportunities and strategies to maintain our compliance of timely completions of investigative reports per ANCRA. Child Protection Investigators are procedurally required to:

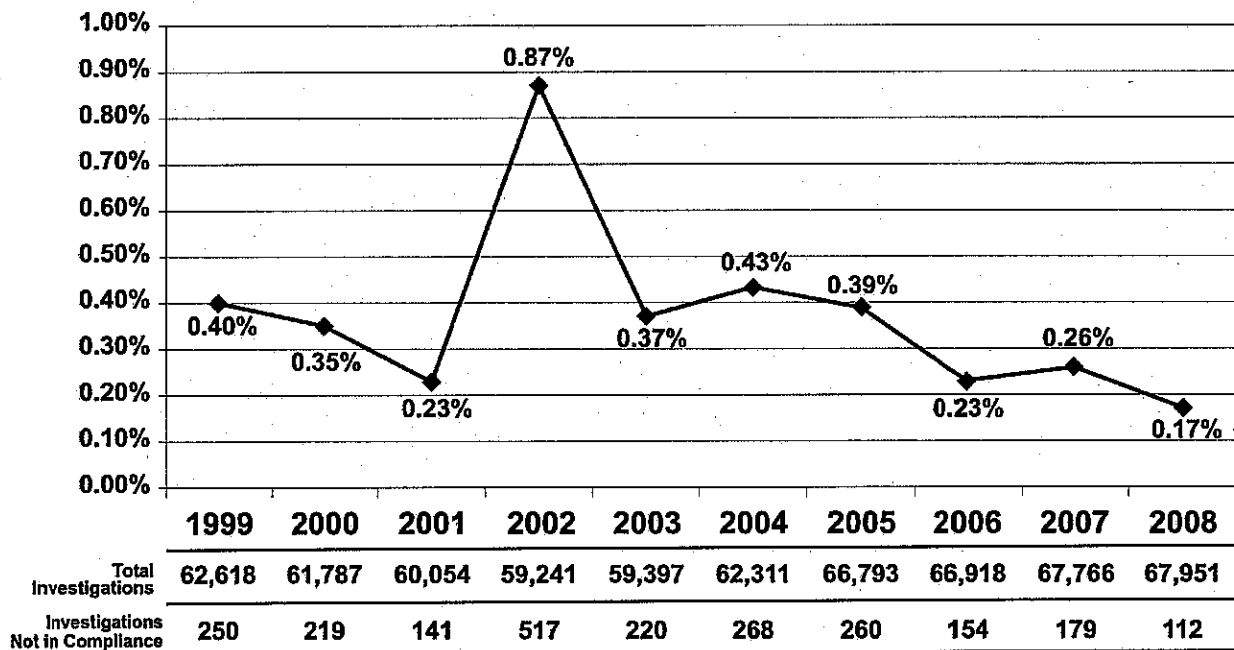
- Coordinate with law enforcement on serious cases.
- Obtain medical and or coroner results prior to closing a case.

Critical vacancies also play a sufficient role, when a team has vacancies there are delays in the disposing of the investigation in 60 days. The Division of Child Protection is currently monitoring these cases weekly and developing action plans to get them completed. We are utilizing on going recruitment and filling of vacancies.

**08-4. FINDING (Initiation of Child Abuse and Neglect Investigations)**

The Department did not timely initiate an investigation for 112 of the 67,951 (.17%) reports of child abuse and neglect in Fiscal Year 2008.

The Abused and Neglected Child Reporting Act (325 ILCS 5/7.4(b)(2)) (Act) requires child abuse and neglect investigations “be commenced within 24 hours of receipt of the report.” The Department’s Monitoring/Quality Assurance Division compiles statistics and reports on instances of noncompliance with the Act, based on data extracted from the Department’s data warehouse and the Department’s Statewide Automated Child Welfare Information System (SACWIS). These reports are a summary of activity entered into SACWIS by the field offices. Department supervisors conduct weekly manual reviews of the reports of child abuse and neglect to monitor whether all investigations are initiated timely and in compliance with the Act. The Monitoring/Quality Assurance Division has compiled the following statistics:



According to Department personnel, noncompliance occurs when staff records the wrong initiation time and date (a data entry error of the initiation date and time), there is a computer system malfunction, or through worker performance errors.

Failure to respond to a report of abuse or neglect within 24 hours could result in further endangerment to the child and is a violation of the Act. (Finding Code No. 08-4, 07-3, 06-3, 05-5, 04-6, 03-3, 02-4, 00-7, 99-10, 98-9).

**RECOMMENDATION**

We recommend the Department continue to strive to initiate investigations of all child abuse and neglect reports within 24 hours of receiving the report as mandated by the Abused and Neglected Child Reporting Act.

## AGENCY RESPONSE

The Department will continue to make efforts to reach 100% compliance with the statute. It is always the Department's focus to initiate reports in 24 hours.

The computer system malfunction is quickly identified through analysis of system design and work is initiated within SACWIS to correct the problem so it will not be repeated. The data error of the initiation date and time include situations where an AM was entered and it should have been PM and vice versa, and an after hours initiation of a good faith attempt by after hours worker who did not enter their information before the primary worker enters their in-person contact. Worker performance errors are situations in which the assigned worker has not made an attempt or in person contact with the alleged victim within the 24 hour timeframe. Corrective action is taken with the employee responsible for the non-compliance and is progressive.

08-5. FINDING (Vouchers Lacked Proper and Timely Approval)

The Department did not adequately and timely approve and process all vouchers.

We examined 282 vouchers and noted the following:

- 17 vouchers, 6.01%, were not approved or denied within 30 days of receiving the vendor invoice (approvals range from 2 to 63 days late).
- 8 vouchers, 2.83%, were not paid within sixty days of receipt of the vendor invoice. The Department did not pay interest as required for 6 of those vouchers.
- 14 vouchers, 5%, did not include all required approval signatures.
- 21 vouchers, 7.45%, were not supported with purchase requests that included all required approval signatures.

The Illinois Administrative Code (74 IL Adm. Code 900.70) states the Department shall review in a timely manner each bill after its receipt to determine if the bill is a proper bill. The Department shall approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt. If a vendor bill is approved, in whole or in part, after the required 30 day period to approve or deny bills, late payment interest shall be due for the approved portion of the bill if the date of payment is not within 60 days after receipt of the proper bill or part of the bill.

Department procedures and SAMS procedure 17.20.20 require vouchers contain certain approval signatures prior to payment for goods and services. In addition, Department procedures require the use of Form CFS-992, Request for Purchase of Goods and Services. Approval signatures of the Deputy Director, or designee, and the Budget Liaison are required on Form CFS-992.

Department officials indicated the failure to meet these requirements resulted from the high volume of vouchers received each day at the Department.

Failure to adequately and timely approve or process vouchers could result in the misappropriation of State funds and interest penalties. During fiscal year 2008, the Department paid \$5,633 in interest on late payments to vendors. (Finding Code No. 08-5, 07-4, 06-4, 05-6, 04-3)

**RECOMMENDATION**

We recommend the Department adequately and timely review, approve and process all vouchers.

**AGENCY RESPONSE**

The Department agrees that all vouchers received should be adequately reviewed, approved, and processed in a timely manner. We will continue to review our invoice processing procedures, by Unit, to ensure that invoices are approved in a timely manner and, where necessary, make changes in the procedures.



**08-6. FINDING (Untimely Approval of Contracts)**

The Department did not have an adequate system in place to ensure that contracts are reviewed and signed on a timely basis.

During our review of a sample of 38 contracts, totaling \$68,358,536, we noted that all contracts sampled were signed after the commencement of the contract period. These contracts were not timely approved, as follows:

<u>Number of Contracts</u>	<u>Number of Days Delayed</u>
26	1-30
10	31-60
1	61-90
1	Over 90

As noted in the Department of Children and Family Services Code of Regulations (89 Illinois Administrative Code 357.110), “purchase of service providers under contract to the Department must comply with Federal and State laws and regulations and Department rules. When the provider signs the purchase of service contract, this signature shall be the provider’s certification of compliance with the applicable laws, regulations, and rules.” Furthermore, it is prudent business practice to require contracts to be signed prior to the commencement of services or the procurement of goods.

Department personnel have reviewed procedures and contract language in order to develop processes that will allow compliance with applicable rules, and changes have been made to procedures for developing and processing contracts to enable timely service delivery dates. The Department continued to have difficulty in obtaining signed contracts from vendors prior to service delivery dates.

Failure to obtain signed contracts before the beginning of the contract period does not bind the contractor to comply with applicable laws, regulations, and rules and may result in improper and unauthorized payments. (Finding Code No. 08-6, 07-5, 06-05, 05-7, 04-7, 03-5, 02-7)

**RECOMMENDATION**

We recommend the Department continue in its efforts to ensure all contracts are approved and signed before the beginning of the contract period.

**AGENCY RESPONSE**

The Department agrees with the recommendation. DCFS has critical contracts with providers and emergency situations that, even during timeframes when budget negotiations delay appropriations, may not be completely processed to include all signatures prior to the service begin date in the agreement. The Department will continue to work on reaching the desired objective of getting all signatures prior to the beginning date in the agreement and has established a schedule to implement the process for the FY10 contract cycle.

We have implemented detailed procedures, target dates, and a schedule each year for contract processing as a part of the preparation and contract training to aid in meeting that objective. In addition, while services may be started prior to the date a contract is signed by all parties and complete, it is the policy of the Department to not make payment without a signed agreement in place.

At the beginning of the fiscal year we mailed a reminder to all of our contracted vendors indicating that existing State of Illinois rules required timely execution of contracts before payments could be authorized. We continue to remind our vendors of this requirement as well as inform and encourage management staff to adhere to this requirement before initiating contractual services before they are committed to writing and properly executed.

We will continue to remind our vendors of this requirement as well as inform and encourage our management staff to adhere to this requirement before initiating contractual services before they are committed to writing and properly executed. In addition, we conducted a detailed review of the contracts referenced in the finding to determine where changes, if any, might be made to our processing procedures. None of contracts identified were Professional or Artistic Contracts; they all fall under Purchase of Care or other services.

**08-7. FINDING (Noncompliance with Interstate Compact on Adoption Act)**

The Department does not annually verify that adoption assistance agreements for children who are subject to agreements with another state are still in force or have been renewed.

The Interstate Compact on Adoption Act (45 ILCS 17/5-35) provides that a child with special needs who resides in Illinois and who is the subject of an adoption assistance agreement with another state shall be eligible for medical assistance from this state upon the filing of agreed documentation with the Illinois Department of Healthcare and Family Services, formerly known as the Department of Public Aid. The Act requires DCFS to at least annually establish that the agreement is still in force or has been renewed.

According to DCFS management, the Department of Human Services (DHS) monitors the children's status, has a database established to monitor the day-to-day activities and annually verifies that the approximately 998 adoption assistance agreements are still in force for each child; however, the Interstate Compact office within DCFS does not. DCFS management also stated that they believe it would duplicative and costly to develop staff and mechanisms to achieve compliance and therefore intend to initiate legislation to remove the mandate.

The Department has not complied with the Interstate Compact on Adoption Act. (Finding Code No. 08-7, 07-6, 06-6, 05-8, 04-8 and 03-6)

**RECOMMENDATION**

We recommend the Department establish a tracking system and annually verify that adoption assistance agreements are still in force or have been renewed or seek a legislative change to the Act to allow DHS to perform this function.

**AGENCY RESPONSE**

The Department agrees that the DCFS Interstate Compact office is not currently tracking each of the agreements. However, we believe the State is in compliance with the spirit of the Interstate Compact on Adoption Act (45 ILCS 17/5-35). While DCFS is not currently tracking the agreements, and never has, the Department of Human Services (DHS) has been performing this function for the last several years. The Department agrees that the mandate appears to be out of date and is seeking to initiate legislation to modify the mandate.

#### 08-8. FINDING (Telecommunications Charges Review)

Department personnel did not properly review and approve all telephone charges on the telephone bills received and paid by the Department.

During our review of telecommunication expenditures, we tested a sample of 25 invoice vouchers. Although all invoice vouchers were signed by the division head, we noted that 11 of 25 invoices (44%) had no indication of being reviewed by the employee that incurred the charge. The total amount expended for telecommunications during fiscal year 2008 was \$3,554,469.

The Illinois Administrative Code (44 IL Adm. Code Subtitle D, Chapter 1, Part 5030) requires the Department to properly review all telephone bills to guard against telephone abuse. To ensure all phone charges are for official State business, the Department's internal procedures require all telephone charges be reviewed and approved, via the employee's signature on each page of the telephone bill. Each page of the telephone bill is stamped with a place for the employee's approval.

Department officials indicated their failure to properly review the telephone charges was due to a lack of enforcement of informal policies. The Department does not have a detailed written policy enforced in each division to ensure each employee reviews and approves his/her phone charges indicating the charges are in fact "Official State Business."

The failure to adequately review and approve the telephone bills could lead to abuse of State funds. (Finding Code No. 08-8, 07-7, 06-8, 05-10, 04-13)

#### RECOMMENDATION

We recommend the Department formalize their existing review process in which all telephone bills are to be reviewed and approved by both staff personnel and division heads and then enforce these policies.

#### AGENCY RESPONSE

The Department concurs that the existing review procedures, which are outdated, need to be updated and formalized so as to apply equally throughout the Department. Technological advancements by CMS have just become available and the Department is testing these processes for the most efficient system of automatically auditing telecommunications usage. Pending the completion of this process, our internal process will be amended.

The current process states that each employee must personally review each bill and sign it to indicate that all charges were related to the performance of his/her duties. Given the unique nature of an investigator's duties and their unpredictable work hours, it is not reasonable or possible to obtain all such signatures in a timely manner. To address this, this internal process will be changed to allow signoff of telecommunications invoices by the employee's supervisors or others in the employee's chain of command so long as the signer is sufficiently aware of the employee's duties that they are able to ascertain the appropriateness of the telecommunications charges.

#### 08-9. FINDING (Contract Monitoring)

The Department's contracts with residential and group home service providers did not all include measurable criteria necessary to ensure desired results are achieved.

The Department's Residential Performance Monitoring Unit (RPMU) conducts on-site monitoring of residential and group home facilities that provide treatment for children. Unannounced site visits of providers are conducted at least once each month. Any deficiencies identified in the site visits are communicated to the Department's Division of Placement and Permanency (DP&P). The DP&P either directs the RPMU to increase the monitoring of the deficient provider, or program consultants are utilized to support and improve the residential program. Although the Department made progress and has incorporated monitoring and participation requirements in many of the program plans associated with residential and group home service provider contracts, there still are older, existing contracts and program plans which do not have specific criteria with which to monitor the services provided. We reviewed a sample of 25 residential care contractual agreements and noted that 11, or 44%, of the sampled agreements did not include measurable criteria necessary to ensure desired results are achieved.

Department management stated that they are in the process of modifying residential care contracts to include monitoring and participation requirements that have been recommended by the RPMU. In addition, management stated that a residential performance based contracting guide has been developed for 2009, and the Department anticipates that all 2009 residential contracts will contain measurable criteria.

Good internal control procedures require specific, measurable criteria be established and documented in all contracts with service providers.

The absence or insufficiency of measurable criteria and participation requirements in contracts could lead to disputes with providers and impede the Department's ability to effectively monitor programs to ensure desired results are achieved and funds are spent appropriately. (Finding Code 08-9, 07-8, 06-10, 05-12, 04-14, and 03-10)

#### **RECOMMENDATION**

We recommend the Department continue in its efforts to develop and include measurable criteria and participation requirements in its contracts with all residential and group home service providers.

#### **AGENCY RESPONSE**

In FY 09, the Department completed its process to include measurable criteria and specific benchmarks in all contracts that each individual provider had to reach or face financial penalties. Two of the measurable criteria are Treatment Opportunity Days Rate (TODR), and Sustained Favorable Discharge Rate (SFDR). Failure to reach the benchmark could also result in reduction or loss of the contract.

08-10. **FINDING** (Noncompliance with Child Death Review Team Act)

The Department's child death review teams did not have adequate controls to demonstrate that all child deaths were reviewed timely and did not all meet at least once each calendar quarter as required by the Child Death Review Team Act (Act) (20 ILCS 515/20).

The Department's child death review teams are responsible to conduct reviews of every child death for the following deceased children:

- a ward of the Department
- the subject of an open service case maintained by the Department
- a child who was the subject of an abuse or neglect investigation at any time during the 12 months preceding the child's death, and
- any other child whose death is reported to the State central register as a result of alleged child abuse or neglect which report is subsequently indicated.

During our examination period, the Department's quality assurance division indicated that the child death review teams received death certificates for 100 such child deaths. In addition, the child death review teams received information (without a death certificate) on 15 other child deaths.

The purpose of the child death reviews are to: assist in determining the cause and manner of the child's death to evaluate means by which the death may have been prevented; report findings to the appropriate agencies and make recommendations that may help to reduce the number of child deaths caused by abuse or neglect; promote continuing education for professionals involved in investigating, treating, and preventing child abuse and neglect; and make specific recommendations to the Department's Director and Inspector General concerning the prevention of child deaths due to abuse or neglect and the establishment of protocols for investigating child deaths.

The Act requires that child death review teams perform reviews of child deaths not later than 90 days from the completion of the Department's investigation, or if no investigation within 90 days after obtaining information necessary to complete the review. During our examination period the child death review teams did not document when the Department's investigation of the child's death was completed or when information necessary to complete the review was received. However, we noted the following:

- 54 reviews were conducted from 91 to 291 days after the child's death certificate was received by the child death review team
- on average, the child death reviews were conducted 200 days after the date of death of the child, ranging from 56 days to 496 days

There were nine child death review teams located throughout the State. The Act requires that each review team meet at least once in each calendar quarter. We noted that:

- the Aurora child death review team did not meet during the first calendar quarter of 2008.

Department management stated that due to limited staffing there were times when reviews were not prepared within the established timeframes. In addition, timing was affected by delays in receiving death certificates and notification of the closing of death investigations.

Good internal controls require that adequate procedures exist to ensure compliance with the Act is adequately documented. The Department was unable to demonstrate that it complied with the Act's requirement to review child deaths within the time requirements set forth therein.

Failure to comply with the Child Death Review Team Act diminishes the effectiveness of the purposes for which the child death review teams serve and also is noncompliance with duties mandated by law. (Finding Code No. 08-10)

### **RECOMMENDATION**

We recommend the Department implement controls to ensure child death review teams adequately document its compliance with the Child Death Review Team Act. All child death reviews should be conducted within the time period established by the Act, and child death review teams should meet no less than once each calendar quarter.

### **AGENCY RESPONSE**

The Department agrees the reviews should be completed timely and has initiated a plan to correct the causes for delay:

- Full time Child Death Review Team (CDRT) staff now have access to appropriate computer systems and are able to complete internal system checks. This will help ensure that mandated cases are identified and reviewed within the required time frame.
- Contracts and staffing for the fiscal year are completed timely so there will be no time period during which staff will not be available to conduct CDRT work.
- Logging of CDRT work will start on the date the teams are given the cases rather than the date they actually review the case at the meetings.
- We have worked with IDPH and we should have access to online death certificates by July 2009, to assist with the timeliness of obtaining death certificates and remove those time periods when large numbers of death certificates are received at one time.
- We have requested notification from the Child Protection Division as to when death investigations are completed so we can start our process and have cases assigned within the 90 days.
- When any of the nine regional teams have identified a backlog of cases, we will request that the team meets more frequently to review the cases.
- A process has been established to track meetings of the nine regional teams to ensure a minimum of one meeting per quarter. If meetings get cancelled for any reason and teams are at risk of not meeting the mandate the meetings will be rescheduled for a different day in the same month.

08-11. **FINDING** (Child Abuse and Neglect Prevention Plan not Submitted)

The Department did not submit a comprehensive child abuse and neglect prevention plan (Plan) as required.

The Department is designated as the single State agency for planning and coordination of child abuse and neglect prevention programs. In connection therewith, the Department receives funds from the Illinois Department of Revenue contributed by individuals through their individual income tax returns. Funds are deposited into the Child Abuse Prevention Fund to administer child abuse prevention shelters and service programs for abused and neglected children and to provide for their administration by not-for-profit corporations, community-based organizations or units of local government.

The Children and Family Services Act (Act) (20 ILCS 505/4a) states that “on or before the first Friday in April of each year, the Department shall submit to the Governor and the General Assembly a State comprehensive child abuse and neglect prevention plan.” The Department did not submit a Plan during the fiscal year ended June 30, 2008.

Department management stated that the plan was filed after the April 1 date due to an oversight.

Failure to submit an annual Plan denies the Governor and General Assembly information with which to consider the Department’s priorities, goals and objectives as well as the resources necessary to implement the Plan. In addition, failure to submit an annual Plan represents noncompliance with the Act. (Finding Code No. 08-11)

**RECOMMENDATION**

We recommend the Department submit a State comprehensive child abuse and neglect prevention plan to the Governor and General Assembly prior to the first Friday of April each year as required by the Children and Family Services Act.

**AGENCY RESPONSE**

The 2008 State Child Abuse and Neglect Prevention Plan was filed in April 2009. The process to file the annual document was reviewed and updated.



**08-12. FINDING (Failure to Adopt Rule for Specialized Care)**

The Department of Children and Family Services (Department) did not adopt a rule regarding the provision of specialized care for children in the custody or guardianship of the Department, as required by the Children and Family Services Act (Act) (20 ILCS 505/5.30).

The Act required that no later than July 1, 2007, the Department shall adopt or amend a rule in effect to establish the criteria, standards, and procedures for the following:

- The determination that a child requires specialization.
- The determination of the level of care required to meet the child's special needs.
- The approval of a plan of care that will meet the child's special needs.
- The monitoring of the specialized care provided to the child and review of the plan to ensure quality of care and effectiveness in meeting the child's needs.
- The determination, approval, and implementation of amendments to the plan of care.
- The establishment and maintenance of the qualifications, including specialized training, of caretakers of children with special needs.

Although the Department had drafted changes to an existing rule to meet the requirements of the Act, the changes were not submitted for approval by the Joint Committee on Administrative Rules prior to July 1, 2007, nor had they been submitted during our examination period.

Department management stated that an internal workgroup began working on the Rule as soon as the mandate came out, however, there was a change in some internal staff working on the Rule and this resulted in delays.

Failure to adopt or amend a rule concerning the care of children with special needs represents noncompliance with the Act. (Finding Code No. 08-12)

**RECOMMENDATION**

We recommend the Department complete its efforts to adopt or amend a rule to establish criteria, standards, and procedures concerning the care of children with special needs as required by the Children and Family Services Act.

**AGENCY RESPONSE**

The Department agrees that rules should be developed timely and had established a work group consisting of personnel from clinical, permanency and placement, legal, and policy. A second proposed rule making was drafted. The Internal/External Review comment period for the Specialized Care draft closed on March 13<sup>th</sup>, 2009 and Policy submitted the draft rule to the Office of Budget and Finance in late March 2009 for a fiscal note. As soon as the fiscal note is received, it will be ready to file for First Notice with JCAR.

**08-13. FINDING (Noncompliance with State Officials and Employees Ethics Act)**

The Department's employees' statements of economic interest were not reviewed by its Ethics Officer prior to submission to the Secretary of State.

The Department's Chief of Staff instructed employees to mail their 2008 statements of economic interest directly to the Secretary of State and forward a copy of their statements to the Department's Office of the Inspector General. The Inspector General is the Department's Ethics Officer. Although the Inspector General reviewed the statements subsequent to submission to the Secretary of State, the State Officials and Employees Ethics Act (Act) (5 ILCS 430/20-23) requires that statements of economic interest and disclosure forms of officers, senior employees and contract monitors be reviewed by the Ethics Officer before they are filed with the Secretary of State.

The Department's Ethics Officer stated that in prior years the Department followed its internal procedures requiring the statements to be sent to her for review and submission to the Secretary of State, but the procedure was changed for 2008 without her approval.

Failure to follow the Act impedes the Department's Ethics Officer from timely identifying any potential conflicts of interest and represents noncompliance with the Act. (Finding Code No. 08-13)

**RECOMMENDATION**

We recommend the Department communicate changes in policies and procedures with all responsible personnel and that statements of economic interest be submitted to its Ethics Officer prior to filing with the Secretary of State as required by the State Officials and Employees Ethics Act.

**AGENCY RESPONSE**

Instructions were corrected for the FY09 filing of Economic Statements. However, fifteen percent of the individuals failed to follow the internal Department procedure and filed directly with the Secretary of State. Instruction for the correct procedure to be followed will be repeated for the FY10 and future filing periods.

#### 08-14. FINDING (Inadequate Overtime Approval Documentation)

The Department did not timely document approvals of all employee overtime.

While performing tests of attendance records, we selected a sample of 25 employees who received overtime compensation for time worked the first pay period of May 2008 to determine if overtime approval was adequately documented. For that time period, 255.4 overtime hours were reported. We noted the following:

- Overtime totaling 34.75 hours (13.6%) was not supported with overtime approval documentation
- Overtime totaling 163.35 hours (64%) was supported by approval documentation that was signed after the overtime was worked

Department policy requires supervisory approval of overtime before it is worked. The policy states that "overtime must be approved by the supervisor in advance before compensation will be authorized."

According to Department officials, unapproved overtime request forms exist due to occasional personnel failure to fully complete their duties.

Failure to obtain and document the proper approval required for overtime may cause an employee to be compensated for working overtime that was not actually performed or warranted. (Finding Code No. 08-14)

#### **RECOMMENDATION**

We recommend the Department enforce its policies and procedures and timely document the approval of overtime to be worked.

#### **AGENCY RESPONSE**

The Department agrees that overtime should be paid only when necessary and that overtime costs impact the Department's budget and availability to deliver services. It also believes no employee should be compensated for overtime unless it was worked and authorized. The Department will review the detailed procedures followed to prepare and maintain the completed forms and revise or re-issue the procedures and instructions for staff and supervisors as necessary. As the finding identifies, each of the employees worked overtime. The detail behind the finding identified that some forms (17) were approved after the overtime was worked or that some (4) were not approved by the employee's supervisor (even though regular time was approved). This demonstrates that procedures are in place but that all the documentation and retention practices may not be in place as intended.

While this finding, as written, appears to be directed toward the payroll unit, this day-to-day timekeeping/record-keeping is within each unit of the Department. Training for timekeepers includes descriptions of payroll and personnel rules and procedures issued by the Office of Employee Services/Labor Relations and the Budget Office. Since the timekeeping process is a manual transcription of data from manual time documents into the automated Payroll system, the process is prone to delays due to extra caseloads due to staffing shortages; lack of procedural training; and unawareness of the consequences of inaccurate timekeeping.

08-15. **FINDING** (Employee Performance Evaluations not Performed)

Annual performance evaluations were not completed on a timely basis.

Of the 30 employee personnel files examined, 7 (23%) employees did not receive an evaluation during the current year.

The Illinois Administrative Code (80 Ill. Adm. Code 420.350) states that performance evaluations should be considered when determining salary increases, promotions, layoffs, discipline, and other changes in an employee's status. The Department of Central Management Services Handbook for Individual Development and Performance Chapter 5, Section 5.4 recommends each employee be counseled with respect to individual development and furnished a copy of the completed performance evaluation form no less than once every twelve months or as otherwise required. The Department of Children & Family Services also has an internal policy requiring evaluations on at least an annual basis.

Department personnel stated that supervisors and employees do not complete evaluations timely due to other priorities.

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. They should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall and reinstatement decisions. (Finding Code No. 08-15)

**RECOMMENDATION**

We recommend the Department enforce its existing policies regarding timely completion of performance evaluations.

**AGENCY RESPONSE**

The Department, in 2009, has implemented a tickler system that notifies the appropriate supervisor/manager when an evaluation will soon be due and when it is overdue. In addition submitting timely evaluations will be added as a performance objective for all supervisors/managers and compliance with this objective will be tracked and monitored as failure to do so is an indication of poor management and should be reflected in that supervisors/managers performance evaluation.

STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Schedule of Findings - Prior Findings Not Repeated  
For the Year Ended June 30, 2008

A. **FINDING** (Overpayment of Telecommunication Billings)

The Department made duplicate payments to the Illinois Department of Central Management Services (CMS) Telecommunications Revolving Fund resulting in an overpayment for telecommunications services.

The Department had made duplicate payments to CMS during the fiscal year 2007 lapse period for fiscal year 2007 telecommunication services. In addition, DCFS failed to request that CMS apply overpayments from fiscal years 2005 and 2006 to fiscal year 2007 invoices.

During the current examination period, the Department's overpayments were applied by CMS, and the Department did not make duplicate payments of CMS telecommunications billings. (Finding Code No. 07-9)

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

• **Fiscal Schedules and Analysis:**

- Schedule of Expenditures of Federal Awards - Cash Basis
- Notes to the Schedule of Expenditures of Federal Awards - Cash Basis
- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Cash Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable
- Schedule of Indirect Cost Reimbursements

• **Analysis of Operations**

- Agency Functions and Planning Program
- Average Number of Employees (Unaudited)
- Funds Administered
- Service Efforts and Accomplishments (Unaudited)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in the auditors' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**State of Illinois**  
**Department of Children and Family Services**  
**Schedule of Expenditures of Federal Awards - Cash Basis**  
**For the Year Ended June 30, 2008**  
**(Amounts Expressed in Thousands)**

<u>Federal Grantor / Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services:</b>		
<b>Direct Programs</b>		
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	\$ 16,022
Temporary Assistance for Needy Families (TANF)	93.558	68,375
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	1,068
Children's Justice Grants to States	93.643	712
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	19,746
Foster Care Title IV-E	93.658	172,144
Adoption Assistance (Title IV-E)	93.659	87,313
Child Abuse and Neglect State Grants (Child Abuse and Neglect Prevention, Part I and II)	93.669	1,201
Chafee Foster Care Independence Program (Independent Living)	93.674	6,231
Chafee Education and Training Vouchers Program (ETV)	93.599	1,470
Substance Abuse and Mental Health Services Projects of Regional Significance (SO II Meth Program)	93.243	595
Child Abuse and Neglect Discretionary Activities (Child Abuse Block Grant)	93.670	168
HIV Care Formula Grants	93.917	<u>5</u>
	<b>Subtotal Direct Programs</b>	<u><b>375,050</b></u>
<b>Pass-through Programs</b>		
from Department of Public Health - HIV Care Formula Grants (Permanency Planning)	93.917	<u>69</u>
	<b>Subtotal Pass-through Programs</b>	<u><b>69</b></u>
<b>Total U.S. Department of Health and Human Services</b>		<u><b>375,119</b></u>
<b>Total Expenditures of Federal Awards</b>		<u><b>\$ 375,119</b></u>

See Notes to Schedule of Expenditures of Federal Awards.

**State of Illinois**  
**Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards – Cash Basis**  
**For the Year Ended June 30, 2008**

**Note 1 - Organization and Grant Administration**

The State of Illinois, Department of Children and Family Services (Department) is a part of the executive branch of government of the State of Illinois operating under the authority of, and review by the Illinois General Assembly. The Department operates under a budget approved by the General Assembly in which resources of the State's General Revenue Fund are appropriated for the use of the Department. The Department's General Fund represents a portion of the General Revenue Fund of the State of Illinois. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services and the State Comptroller's Office) as defined by the General Assembly.

The responsibility of the Department is to provide public social services to children and their families in order to assure a permanent and secure living situation. The Department's services are delivered through eight programs: child protection, family maintenance, substitute care, adoption service, youth development, services to unmarried mothers, child and family development and support services. A significant portion of the services are delivered by contractual service providers and vendors.

The Department receives federal awards in the capacity of a primary recipient and as a subrecipient.

Primary Recipient

The Department has been designated as the primary recipient for a majority of federal programs for which it receives federal awards. The major responsibilities of the Department as a primary recipient are to ensure that all planning, public participation, reporting and auditing requirements associated with the federal awards programs are met and that all available federal awards are received and expended in accordance with the requirements of the related grant or contract.

Subrecipient

The Department was a subrecipient of federal awards for which the Illinois Department of Public Health was the primary recipient in 2008.



**State of Illinois**  
**Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards – Cash Basis**  
**For the Year Ended June 30, 2008**

**Note 2 - Significant Accounting Policies**

a) Reporting Entity

The Schedule of Expenditures of Federal Awards – Cash Basis presents all programs in which expenditures were made and/or claimed by the Department as a primary recipient or as a subrecipient. The Department is an integral part of the State of Illinois, the reporting entity.

b) Basis of Accounting

The Schedule of Expenditures of Federal Awards – Cash Basis has been prepared using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Note 3 - Due from Other Governments – Federal**

The Department has filed retroactive and current cost reimbursement claims under Title IV-E of the Social Security Act with the U.S. Department of Health and Human Services (DHHS).

For financial statement purposes, the Department does not recognize revenue related to retroactive claims until the claims have been awarded.

Expenditures for Foster Care, Title IV-E and Adoption Assistance include the following (amounts in thousands):

Foster Care, Title IV-E	\$172,144
Adoption Assistance	<u>87,313</u>
Total Expenditures	<u>\$259,457</u>

**State of Illinois  
Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards -- Cash Basis  
For the Year Ended June 30, 2008**

**Note 4 - Federal CFDA Numbers**

Federal CFDA numbers are provided from the Catalog of Federal Domestic Assistance.

**Note 5 - Federal Awards Provided to Subrecipients**

Of the federal expenditures presented in the schedule, the Department provided federal awards to subrecipients as follows (amounts in thousands):

	Federal CFDA Number	Amount
U.S. Department of Health and Human Services:		
Direct Programs		
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	\$ 8,789
Temporary Assistance for Needy Families (TANF)	93.558	35,179
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	9,198
Foster Care, Title IV-E	93.658	77,622
Adoption Assistance (Title IV-E)	93.659	6,231
Chafee Foster Care Independence Program (Independent Living)	93.674	875
Chafee Education and Training Voucher (ETV)	93.599	113
<b>Total Expenditures of Federal Awards Provided to Subrecipients</b>		<b>\$ 138,007</b>

State of Illinois  
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances  
For the Fourteen Months Ended August 31, 2008

	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/08	LAPSE PERIOD		TOTAL EXPENDITURES	BALANCES LAPSED
			07/01/08 - 08/31/08			
<b>Public Act 95-348</b>						
<b>GENERAL REVENUE FUND - 0001</b>						
REGULAR POSITIONS	\$ 193,515,800	\$ 179,530,240	\$ 11,046,835	\$	\$ 190,577,075	\$ 2,938,725
STATE EMPLOYEE RETIREMENT	32,123,623	29,757,224	1,823,357		31,580,581	543,042
SOC SEC/MEDICARE CONTRIBUTIONS	14,803,971	13,355,283	824,481		14,179,764	624,207
CONTRACTUAL SERVICES	33,719,400	24,656,373	8,082,925		32,739,298	980,102
TRAVEL	6,374,600	5,494,770	819,758		6,314,528	60,072
COMMODITIES	490,600	383,193	65,060		448,253	42,347
PRINTING	500,000	392,039	50,826		442,865	57,135
EQUIPMENT	98,000	28,201	51,266		79,467	18,533
ELECTRONIC DATA PROCESSING	7,585,000	4,179,239	3,380,304		7,559,543	25,457
TELECOMMUNICATION	5,647,800	3,463,499	1,922,844		5,386,343	261,457
OPERATION OF AUTO EQUIPMENT	70,000	70,000	-		70,000	-
LUMP SUMS AND OTHER PURPOSES	14,074,000	6,393,295	5,611,158		12,004,453	2,069,547
LUMP SUM, OPERATIONS	574,100	483,698	71,711		555,409	18,691
AWARDS AND GRANTS	13,837,700	12,917,740	906,137		13,823,877	13,823
TORT CLAIMS	233,800	52,041	112,819		164,860	68,940
REIMBURSEMENTS TO GOVERNMENTAL UNITS	338,500	-	338,500		338,500	-
AWARDS AND GRANTS TO STUDENTS	842,500	785,800	50,837		836,637	5,863
AWARDS & GRANTS - LUMP SUM	571,987,200	559,511,382	10,403,012		569,914,394	2,072,806
REFUNDS, N.E.C.	5,800	4,918	882		5,800	-
<b>Subtotal Fund 0001</b>	<b>896,822,394</b>	<b>841,458,935</b>	<b>45,562,712</b>		<b>887,021,647</b>	<b>9,800,747</b>

State of Illinois  
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances  
For the Fourteen Months Ended August 31, 2008

Public Act 95-348	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/08	LAPSE PERIOD 07/01/08 - 08/31/08	TOTAL EXPENDITURES	BALANCES LAPSED
<b>DCFS CHILDREN'S SERVICES FUND - 0220</b>					
LUMP SUMS AND OTHER PURPOSES	\$ 36,312,500	\$ 22,301,116	\$ 4,539,313	\$ 26,840,429	\$ 9,472,071
AWARDS & GRANTS	394,826,764	277,452,059	73,887,342	351,339,401	43,487,363
Subtotal Fund 0220	431,139,264	299,753,175	78,426,655	378,179,830	52,959,434
<b>DCFS FEDERAL PROJECTS FUND - 0566</b>					
LUMP SUMS AND OTHER PURPOSES	8,811,260	4,156,501	326,045	4,482,546	4,328,714
Subtotal Fund 0566	8,811,260	4,156,501	326,045	4,482,546	4,328,714
<b>DCFS SPECIAL PURPOSE TRUST FUND - 0582</b>					
LUMP SUMS AND OTHER PURPOSES	360,000	14,000	2,000	16,000	344,000
Subtotal Fund 0582	360,000	14,000	2,000	16,000	344,000
<b>CHILD ABUSE PREVENTION FUND - 0934</b>					
AWARDS & GRANTS - LUMP SUM	600,000	268,750	50,000	318,750	281,250
Subtotal Fund 0934	600,000	268,750	50,000	318,750	281,250
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<b>\$ 1,337,732,918</b>	<b>\$ 1,145,651,361</b>	<b>\$ 124,367,412</b>	<b>\$ 1,270,018,773</b>	<b>\$ 67,714,145</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from Department records and have been reconciled to records of the State Comptroller.

**State of Illinois**  
**Department of Children and Family Services**

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
	<b>PUBLIC ACT</b>	<b>PUBLIC ACT</b>
	<b>95-348</b>	<b>94-798</b>
<b>GENERAL REVENUE FUND - 0001</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 896,822,394</b>	<b>\$ 775,892,500</b>
REGULAR POSITIONS	190,577,075	186,048,044
STATE EMPLOYEE RETIREMENT	31,580,581	21,461,624
SOC SEC/MEDICARE CONTRIBUTIONS	14,179,764	13,852,703
CONTRACTUAL SERVICES	32,739,298	32,422,591
TRAVEL	6,314,528	6,305,828
COMMODITIES	448,253	481,454
PRINTING	442,865	493,112
EQUIPMENT	79,467	77,613
ELECTRONIC DATA PROCESSING	7,559,543	8,204,840
TELECOMMUNICATION	5,386,343	6,262,432
OPERATION OF AUTO EQUIPMENT	70,000	70,000
TORT CLAIMS	164,860	44,352
REIMBURSEMENT TO GOVERNMENTAL UNITS	338,500	338,500
LUMP SUMS AND OTHER PURPOSES	12,559,862	9,145,737
AWARDS AND GRANTS	584,574,908	486,250,276
REFUNDS, N.E.C.	5,800	5,012
	887,021,647	771,464,118
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>887,021,647</b>	<b>771,464,118</b>
<b>LAPSED BALANCES</b>	<b>\$ 9,800,747</b>	<b>\$ 4,428,382</b>
 <b>DCFS CHILDREN'S SERVICES FUND - 0220</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 431,139,264</b>	<b>\$ 531,024,400</b>
LUMP SUMS AND OTHER PURPOSES	26,840,429	23,760,671
AWARDS AND GRANTS	351,339,401	456,727,037
	378,179,830	480,487,708
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>378,179,830</b>	<b>480,487,708</b>
<b>LAPSED BALANCES</b>	<b>\$ 52,959,434</b>	<b>\$ 50,536,692</b>

**State of Illinois  
Department of Children and Family Services**

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances  
For the Fiscal Years Ended June 30, 2008 and 2007**

	<b>2008 PUBLIC ACT 95-348</b>	<b>2007 PUBLIC ACT 94-798</b>
	<hr/>	<hr/>
<b>DCFS FEDERAL PROJECTS FUND - 0566</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 8,811,260</b>	<b>\$ 18,367,600</b>
<b>LUMP SUMS AND OTHER PURPOSES</b>	<b>4,482,546</b>	<b>12,436,789</b>
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>4,482,546</b>	<b>12,436,789</b>
<b>LAPSED BALANCES</b>	<b>\$ 4,328,714</b>	<b>\$ 5,930,811</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>DCFS SPECIAL PURPOSE TRUST FUND - 0582</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 360,000</b>	<b>\$ 360,000</b>
<b>LUMP SUMS AND OTHER PURPOSES</b>	<b>16,000</b>	<b>62,242</b>
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>16,000</b>	<b>62,242</b>
<b>LAPSED BALANCES</b>	<b>\$ 344,000</b>	<b>\$ 297,758</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>CHILD ABUSE PREVENTION FUND - 0934</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>
<b>AWARDS AND GRANTS - LUMP SUM</b>	<b>318,750</b>	<b>8,225</b>
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>318,750</b>	<b>8,225</b>
<b>LAPSED BALANCES</b>	<b>\$ 281,250</b>	<b>\$ 591,775</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>GRAND TOTAL - ALL APPROPRIATED FUNDS</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 1,337,732,918</b>	<b>\$ 1,326,244,500</b>
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>1,270,018,773</b>	<b>1,264,459,082</b>
<b>LAPSED BALANCES</b>	<b>\$ 67,714,145</b>	<b>\$ 61,785,418</b>
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**State of Illinois**  
**Department of Children and Family Services**

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances**  
**For the Fiscal Years Ended June 30, 2008 and 2007**

	<b>2008</b> <b>PUBLIC ACT</b> <b>95-348</b>	<b>2007</b> <b>PUBLIC ACT</b> <b>94-798</b>
<b>GENERAL REVENUE FUND (0001) - STATE</b> <b>COMPTROLLER OFFICER SALARIES</b>		
<b>DIRECTOR SALARY</b>	<b>\$ 83,070</b>	<b>\$ 53,370</b>

**State of Illinois**  
**Department of Children and Family Services**

**Schedule of Changes in State Property**  
**For the Year Ended June 30, 2008**  
**(Amounts Expressed in Thousands)**

Balance at beginning of year	\$ <u>30,226</u>
<b>Additions</b>	
Fiscal Year 2008 through June 30	1,265
Fiscal Year 2008 lapse period estimate	<u>5,436</u>
<b>Total Additions</b>	<u>6,701</u>
<b>Deletions</b>	
Fiscal Year 2008 through June 30	7,370
Fiscal Year 2008 lapse period estimate	<u>5,826</u>
<b>Total Deletions</b>	<u>13,196</u>
Balance at end of the year	\$ <u><u>23,731</u></u>

Note: This schedule was prepared from Department records and was reconciled to property reports submitted to the State Comptroller.

This summary schedule was prepared using State property records required by the Illinois Administrative Code. The capitalization policy in the Code is different than the capitalization policy established by the Office of the Comptroller for financial reporting in accordance with generally accepted accounting principles.



**State of Illinois**  
**Department of Children and Family Services**

**Comparative Schedule of Cash Receipts**  
**For the Fiscal Years Ended June 30, 2008 and 2007**  
**(Amounts Expressed in Dollars)**

	2008	2007
General Revenue Fund - 0001		
Child welfare	\$ 12,939,236	\$ 13,000,000
Miscellaneous	67,755	113,215
Parental contributions for care and maintenance of children	118,046	225,614
	13,125,037	13,338,829
DCFS Children's Services Fund - 0220		
Federal Government	370,940,065	371,121,286
Miscellaneous	7,863	17,988
Reimbursement from Children's Trust	2,095,429	3,171,752
	373,043,357	374,311,026
DCFS Federal Projects Fund - 0566		
Federal Government - DHHS	5,431,162	11,593,650
Private organizations or individuals	90,264	22,442
Federal monies via Illinois Department of Public Health	25,300	99,999
	5,546,726	11,716,091
DCFS Special Purpose Fund - 0582		
Private organizations or individuals	-	50,000
Putative Father Fees	56,720	24,440
	56,720	74,440
<b>TOTAL DEPARTMENT RECEIPTS</b>	<b>\$ 391,771,840</b>	<b>\$ 399,440,386</b>

**Note: This schedule was prepared from Department records and includes cash receipts in-transit at June 30, to the State Treasury.**

State of Illinois  
Department of Children and Family Services

**Reconciliation of Cash Receipts to Deposits Remitted to the Comptroller  
For the Fiscal Years Ended June 30, 2008 and 2007  
(Amounts Expressed in Dollars)**

		2008					
		220	566	582			
		DCFS Children's Services Fund	DCFS Federal Projects Fund	DCFS Special Purpose Fund	Total All Funds		
Cash Receipts and Transfers per DCFS	001	\$ 13,125,037	\$ 5,546,726	\$ 56,720	\$ 391,771,840		
Prior year and other adjustments		414,636	108,149	-	(66,820,102)		
Receipts in transit at June 30, 2007		-	-	-	-		
Receipts in transit at June 30, 2008		(1,083)	-	-	(1,083)		
<b>Cash Receipts and Transfers per Comptroller</b>		<b>\$ 13,538,590</b>	<b>\$ 5,654,875</b>	<b>\$ 56,720</b>	<b>\$ 324,950,655</b>		

		2007					
		220	566	582			
		DCFS Children's Services Fund	DCFS Federal Projects Fund	DCFS Special Purpose Fund	Total All Funds		
Cash Receipts and Transfers per DCFS	001	\$ 13,338,829	\$ 11,716,091	\$ 74,440	\$ 399,440,386		
Prior year and other adjustments		1,014,176	209,546	6,223	1,590,199		
Receipts in transit at June 30, 2006		-	-	-	-		
Receipts in transit at June 30, 2007		-	-	-	-		
<b>Cash Receipts and Transfers per Comptroller</b>		<b>\$ 14,353,005</b>	<b>\$ 11,925,637</b>	<b>\$ 80,663</b>	<b>\$ 401,030,585</b>		

**State of Illinois**  
**Department of Children and Family Services**

**Analysis of Significant Variations in Expenditures**  
**For the Fiscal Year Ended June 30, 2008**

The State of Illinois, Department of Children and Family Services' (Department) explanations of significant fluctuations in expenditures as presented in the "Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - Appropriated Funds" are detailed below:

	FY 2007 Public Act 94-798	FY 2008 Public Act 95-348	Difference	Percentage Difference
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**General Revenue Fund - 001**

STATE EMPLOYEE RETIREMENT	21,461,624	31,580,581	10,118,957	47.15%
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The state retirement rate for FY08 rate was 16.561% throughout the year, resulting in the increase. In FY07, the rate was 11.525%.

TORT CLAIMS	44,352	164,860	120,508	271.71%
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Settlement of one large claim which was received in June was paid during the lapse period.

LUMP SUMS AND OTHER PURPOSES	9,145,737	12,559,862	3,414,125	37.33%
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Lump sum costs charged to the DCFS Federal Projects Fund in FY07 were charged to General Revenue and Children's Services funds in FY08.

AWARDS & GRANTS	486,250,276	584,574,908	98,324,632	20.22%
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In FY08, more foster care and group home care costs were paid from the General Revenue Fund which resulted in a decrease to the awards and grants line of the DCFS Children's Services Fund.

**DCFS Children's Services Fund - 220**

AWARDS & GRANTS	456,727,037	351,339,401	(105,387,636)	-23.07%
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Foster care and group home care paid from the Children's Services Fund in FY07 were paid from the General Revenue Fund in FY08.

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Variations in Expenditures  
For the Fiscal Year Ended June 30, 2008**

	<u>FY 2007 Public Act 94-798</u>	<u>FY 2008 Public Act 95-348</u>	<u>Difference</u>	<u>Percentage Difference</u>
<b>DCFS Federal Projects Fund - 566</b>				
LUMP SUMS AND OTHER PURPOSES	12,436,789	4,482,546	(7,954,243)	-63.96%

The primary program paid from this fund was paid by the General Revenue and Children's Services funds for FY08 when funding ended.

**DCFS Special Purpose Trust Fund - 582**

LUMP SUMS AND OTHER PURPOSES	62,242	16,000	(46,242)	-74.29%
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In FY07, the final payment was made for the Annie E. Casey program, and in FY08, payments for another program were reduced.

**Child Abuse Prevention Fund - 934**

AWARDS & GRANTS - LUMP SUM	8,225	318,750	310,525	3775.38%
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New programs for specialized services to children were added in FY08.

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Variations in Cash Receipts  
For the Fiscal Year Ended June 30, 2008**

	2008	2007	Difference	Percent Difference
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**General Revenue Fund - 001**

<u>Miscellaneous</u>	67,755	113,215	(45,460)	-40.15%
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This includes fees collected for witness, jury duty, copy, etc. There were less fees collected in FY08.

<u>Parental Contributions for Care and Maintenance of Children</u>	118,046	225,614	(107,568)	-47.68%
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Less money was received to reimburse the State for the cost of children in care.

**DCFS Children's Services Fund - 220**

<u>Reimbursement from Children's Trust</u>	2,095,429	3,171,752	(1,076,323)	-33.93%
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Receipts into the Children's Trust Fund decreased in FY08, therefore there were less funds available for reimbursement into the 220 fund for expenditures paid on behalf of wards of the State.

**DCFS Federal Projects Fund - 566**

<u>Federal Government - DHHS</u>	5,431,162	11,593,650	(6,162,488)	-53.15%
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The Chafee ETV grants were moved to the DCFS Children's Services Fund starting in FY08.

<u>Private Organizations or Individuals</u>	90,264	22,442	67,822	302.21%
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This amount includes a new grant from the University of Kentucky.

<u>Federal Monies via Illinois Department of Public Health</u>	25,300	99,999	(74,699)	-74.70%
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IDPH started reimbursing DCFS for expenditures after they are paid instead of a lump sum payment. The reimbursement for the FY08 expenditures was not received until FY09, thus receipts decreased in FY08.

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Variations in Cash Receipts  
For the Fiscal Year Ended June 30, 2008**

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percent Difference</u>
<b>DCFS Special Purpose Fund - 582</b>				
<u>Private Organizations or Individuals</u>	-	50,000	(50,000)	-100.00%
DCFS no longer has a grant from the Annie E. Casey program.				
<u>Putative Father Fees</u>	56,720	24,440	32,280	132.08%

This is the second year for receiving Putative Father Registry fees. There were more fees collected in FY08.

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Lapse Period Spending  
For Fiscal Year Ended June 30, 2008**

The State of Illinois, Department of Children and Family Services' (Department) explanations of significant lapse period spending as presented in the "Schedule of Appropriations, Expenditures, and Lapsed Balances By Fund" for Fiscal Year 2008 are detailed below:

	<u>Total Expenditures</u>	<u>Lapse Period July 1 - August 31</u>	<u>Percent</u>
<b>General Revenue Fund - 001</b>			
CONTRACTUAL SERVICES	32,739,298	8,082,925	24.69%
A large portion of these payments are for services provided through the CMS facilities management services revolving fund which were received in the lapse period and therefore were paid during the lapse period.			
EQUIPMENT	79,467	51,266	64.51%
Part of the equipment purchased during the year was not received until June and the lapse period. These purchases were then paid during lapse.			
ELECTRONIC DATA PROCESSING	7,559,543	3,380,304	44.72%
A large portion of these payments are made for services provided through the CMS statistical services revolving fund and a BCCS vendor which were received late in the year and therefore many are paid during the lapse period.			
TELECOMMUNICATION	5,386,343	1,922,844	35.70%
Telecommunications bills, which CMS mails to various locations around the State, are received a month or more after the end of the month. The review and sign-off process by all employees and supervisory review is lengthy and leads to many payments being made during the lapse period.			
LUMPS SUMS AND OTHER PURPOSES	12,004,453	5,611,158	46.74%

The main lump sum line is a residual line in which a majority of expenditures are made only after other appropriations have been utilized. The bills that are paid out of this line are inherently delayed due to the nature of the timing of the billing (university contracts, travel reimbursements, and facilities management revolving fund).

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Lapse Period Spending  
For Fiscal Year Ended June 30, 2008**

	<u>Total Expenditures</u>	<u>Lapse Period July 1 - August 31</u>	<u>Percent</u>
TORT CLAIMS	164,860	112,819	68.43%

Settlement of one large claim which was received in June was paid during the lapse period.

REIMBURSEMENTS TO GOVERNMENTAL UNITS	338,500	338,500	100.00%
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The agency waits until the end of the year to gather all claims and then prorates out the percentage by county based on total billings during the lapse period.

**DCFS Children's Services Fund - 220**

AWARDS AND GRANTS	351,339,401	73,887,342	21.03%
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Education grants to primary and secondary schools are paid from the Children's Services Fund. Many of these grantees did not submit requests for payment until late in the fiscal year.



**State of Illinois**  
**Department of Children and Family Services**

**Analysis of Accounts Receivable**  
**June 30, 2008**  
**(Amounts Expressed in Thousands)**

The Department has two categories of accounts receivable. Parental accounts receivable are a result of fees assessed to parents of children who are receiving benefits on behalf of children from the Department through foster care or other services. Board accounts receivable are a result of overpayments by the Department to providers of care for the children.

(Per Department records)

**General Revenue Fund (0001)**

Parental accounts receivable	\$	367	
Less: allowance for uncollectibles		352	
		15	
Board accounts receivable		2,275	
Less: allowance for uncollectibles		1,687	
		588	
Accounts Receivable, Net	\$	603	

Aging of Receivables	0 - 60 Days	Over 60 Days	Total
Parental accounts receivable	\$ 2	\$ 365	\$ 367
Board accounts receivable	\$ 393	\$ 1,882	\$ 2,275

Note: The Department uses both the Comptroller's offset system and a private collection agency to attempt collection of accounts receivable. If the collection agency is unable to collect the account receivable and the amount owed is \$1,000 or more, the Department submits the account to the Attorney General for suit.

**State of Illinois  
Department of Children and Family Services**

**Schedule of Indirect Cost Reimbursements  
For the Years Ended June 30, 2008 and 2007**

The Department negotiates indirect cost reimbursement rates with the U.S. Department of Health and Human Services (DHHS). The indirect cost rates are used to support claims for indirect costs pertaining to grants and contracts with the federal government. The Department contracts the rate proposal and negotiation process to a professional consultant.

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. Initially, provisional rates are determined and used. Final rates are eventually determined, generating possible over/under recovery of indirect costs, which are considered as prior claims are adjusted.

Cost base: Direct salaries and wages excluding all fringe benefits.

	Rates		Actual Amounts Reimbursed for Indirect Costs	
	Final (a)	Provisional (b)	2008	2007
Costs applicable to:				
Division of Support Services: Central Payment, FFP, Case Assignment and Day Care Payment Units	24.4%	24.4%	\$ 176,094	\$ 191,549
Training	27.7%	27.7%	42,188	46,238
Child Protection and Child Welfare Services	22.6%	22.6%	2,995,092	4,107,971
Administrative Case Review	15.7%	15.7%	205,093	248,565
Service Intervention	20.4%	20.4%	443,414	617,988
Monitoring/Quality Assurance	17.7%	17.7%	433,604	478,748
AFCARS/SACWIS	60.4%	60.4%	273,611	292,198
Central Administration: Juvenile Court & Legal Permanency, and Child & Family Policy	18.6%	18.6%	139,381	201,906
Clinical Services, including Housing & Cash Assistance	18.1%	18.1%	98,269	139,456
Office of the Guardian	18.8%	18.8%	178,545	206,539
		Total	<u>\$ 4,985,291</u>	<u>\$ 6,531,158</u>

- (a) Fiscal Year 2007 Final is last approved rate agreement.  
(b) Provisional rate used until final rate is approved.

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Agency Functions and Planning Program  
For the Year Ended June 30, 2008**

Agency Functions Description

The Department of Children and Family Services (Department) is mandated to provide protective and preventive services to children and their families. The Department responds to this charge by protecting children who are at risk of harm, administering comprehensive community-based systems of youth services, remedying family problems that place children at risk of being removed from their homes, providing children with a safe, nurturing environment when out-of-home placement is needed, and when appropriate, placing children in suitable adoptive homes.

The Department's mission is based upon the conviction that children must have a consistent nurturing environment to achieve optimal growth and development. Permanency goals are established for each child in the Department's care that reflects the individual needs of each child and family. During service provision, a child's goal may be remaining at home, returning home, adoption, permanent family placement, independence or long-term care in a residential facility. Five Department service delivery programs are designed to achieve these client goals: Protective Services, Family Maintenance, Family Reunification and Substitute Care, Adoption and Guardianship and Support Services. The Department's director is Erwin McEwen. Mr. McEwen's office is located at 406 East Monroe Street, Springfield, Illinois.

Protective Services

Child Protective Services begin with a receipt of a report alleging abuse or neglect at the Department's 24-hour hotline at the State Central Register. An investigation of the report is initiated within 24 hours of its receipt. The investigation is conducted for the purpose of determining whether credible evidence of child abuse or neglect exists and whether the family can benefit from protective services. When such service needs are identified, Department staff arrange for those services to be initiated.

Publicly funded day care and related services in Illinois are funded by four state agencies: the Department of Children and Family Services, the Department of Healthcare and Family Services, the Department of Human Services and the Illinois State Board of Education. The four agencies work cooperatively to finance day care for children and their families for several reasons: to enable the parent(s) to participate in education and training programs; to provide alternate care for children in danger of neglect, abuse or exploitation; to reduce the need for the out-of-home placement of children; and to subsidize appropriate child care for working parents with low incomes. The Department licenses day care facilities and homes.

Family Maintenance

The Family Maintenance program is designed to prevent the need for out-of-home placement of children. Services provide support and training in order to promote the development of an improved home environment that ensures the child's well-being and safety. Both Department and private agency staff provide case management and social work to these children and families.

### Adoption and Guardianship

When it is inappropriate or not possible to return a child to the natural family, adoption is viewed as a desirable alternative. The child's need for a safe, nurturing and permanent home is the paramount factor when considering adoption. Adoption assistance is available to families who are considering adopting children with special needs for whom the Department is legally responsible and who cannot be adopted without a subsidy. Such assistance may include a one-time cash payment for legal fees, monthly subsidy payments and a Medicaid card. Payment for services to address physical, emotional and mental health needs for pre-existing conditions, not payable through other sources, may be provided in accordance with the subsidy.

### Family Reunification and Substitute Care

Family Reunification and Substitute Care services are critical components of the Department's family focused programs. Family Reunification addresses the problems of dysfunctional families through the provision of intensive in-home services. Substitute care is provided to the children in need of placement, with the goal of returning the children to a stabilized home environment. The effective provision of service to families and children includes the responsibility of licensing all childcare facilities and a review of open child cases every six months. Childcare facilities include all foster homes, institutional and group homes. Both Department and private agency staff provide case management and social work to these children and families.

### Support Services

Central administration, audits, legislative, communications, legal services, management and budget, and fiscal functions fall in this area.

### Agency Planning Program

The Department prepares and coordinates the Child and Family Services Plan (CFSP), a plan based on the requirements of Titles IV-B and IV-E of the Social Security Act and Illinois state laws. Implementation and administration of the CFSP are the responsibilities of the various organizational units of the Department that perform substantive program, support, and administrative functions.

The Department's most recent CFSP covers 2005-2009 and includes those objectives, action steps and activities that the Department plans to implement during the federal fiscal years 2005-2009. For those objectives identified, the Department develops the measures and baseline for annually reporting its progress in an Annual Progress and Services Report (APSR). Prior to developing the APSR every year, the Department considers the action steps to meet the objectives with needs assessment information.

The planning cycle is coordinated with the budgeting cycle so the Department's stated goals and priorities provide direction in the allocation of resources. The planning and budgeting process consists of four major phases as follows:

#### Evaluation of Needs Analysis

Each of the Department's operating units identifies emerging issues and analyzes trends; needs are assessed and analyzed to define service deficiencies.

### Planning

After review, analysis and discussion of the findings of the need analysis, together with consideration of negotiated consent decrees, legislative, economic and demographic developments, the Director determines the major priorities and goals for the Department.

### Budget Preparation

Guided by the Director's statement of priorities, projections of service needs and performance objectives, the fiscal planning committee coordinates the different operating units in preparing the Department's budget request for the coming year.

### Operational Planning

Operational planning is the process by which each unit of the Department determines the objectives it will achieve to fulfill the Director's priorities during the fiscal year within the budgetary constraints.

**State of Illinois**  
**Department of Children and Family Services**

**Average Number of Employees (Unaudited)**  
**For the Year Ended June 30, 2008**

The following information was developed through analysis of headcount schedules.

	<u>2008</u>	<u>2007</u>
Downstate region (Child Welfare and Child Protection)	1,180	1,232
Cook region (Child Welfare and Child Protection)	901	980
Purchase of service monitoring	314	302
Child protection administration	132	127
Central administration	104	115
Support services	58	96
Administrative case review	72	75
Office of the guardian	55	60
Operations and community services	64	39
SSI reimbursements	51	-
Clinical services	44	43
AFCAR/SACWIS	34	28
Targeted case management	26	29
Title IV-E reimbursements	26	27
Quality assurance	25	25
Inspector general	17	17
Foster care initiative	7	9
Foster care/adoption training	7	7
Attorney general CW litigation	7	7
Independent living initiative	0	6
Children's justice act	4	4
Health care network	1	1
MCO technical support	1	1
	<u>3,130</u>	<u>3,230</u>

**State of Illinois  
Department of Children and Family Services**

**Funds Administered**

**June 30, 2008**

The State of Illinois, Department of Children and Family Services was responsible for administering the following funds.

**General Revenue Fund (#001)** – This is the Department’s primary operating fund. It accounts for all financial resources of the Department, except those required to be accounted for in another fund. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Revenue Fund consistent with applicable legal requirements. The General Revenue Fund is a shared fund of the State of Illinois, and the information in the fiscal schedules and analysis of this report represents only the activity attributable to the Department of Children and Family Services.

**Fiduciary Funds:**

**Private Purpose Trust Funds**

Katherine Schaffner Bequest Fund (#1117) and Herrick House Fund (#1207) -

These funds account for resources legally held in trust for use by the Katherine Schaffner Bequest and the Herrick House. All resources of these funds, including any earnings on invested resources, may be used to support the Katherine Schaffner Bequest and the Herrick House. There is no requirement that any portion of these resources be preserved as capital.

**Agency Fund**

Children’s Trust Fund (#1122) - This fund accounts for deposits collected by the Department, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries on behalf of wards of the Department.

**Special Revenue Funds:** These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes, such as federal grant programs, fees for service, and other resources restricted as to purpose. All special revenue funds of the Department are non-shared funds.

**Treasury-Held Funds**

DCFS Children’s Services Fund (#220) - This fund is Federally financed through the non-training programs under Title IV-E of the Social Security Act, TANF and the Title IV-B programs. Protective services including a 24-hour hotline and investigative services, foster care initiative programs, specialized living arrangements and treatment for abused or neglected children with special needs, counseling and family preservation programs are some of the services provided with these monies.

**State of Illinois  
Department of Children and Family Services**

**Funds Administered**

**June 30, 2008**

DCFS Federal Projects Fund (#566) - The purpose of this fund is to administer a variety of formula and discretionary grants awarded by the Federal government. The focus of these grants is to support a number of family and child related programs including: child abuse and neglect prevention and treatment programs, independent living, family preservation and crisis intervention programs and day care enhancement and referral projects.

DCFS Special Purpose Fund (#582) - The purpose of this fund is to administer monies and special grants received from private organizations, corporations, donors, etc.

Child Abuse Prevention Fund (#934) - The purpose of this fund is to administer grants to private social service organizations to help prevent child abuse and neglect. The monies for this fund come from the State Income Tax check-off, private donations and interest revenue.

**Locally-Held Funds** - These funds administer various grants and bequests from private sources for the benefit of State wards. These special revenue funds consist of various bank accounts controlled by the Department. Expenditures of these funds must meet the restrictions placed on these funds by the grantor.

Bail Bond Fund (#1119)  
Children and Family Benefit Fund (#1121)  
General Purpose Fund (#1123)



**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

The following data was extracted from information reported by the Department for inclusion in the Illinois Office of the Comptroller's Public Accountability Report.

The mission of the Department is to: 1) Protect children who are reported to be abused and neglected and to increase their families' capacity to safely care for them, 2) Provide for the well-being of children in its care, 3) Provide appropriate, permanent families as quickly as possible for those children who cannot safely return home, 4) Support early intervention and child abuse prevention activities, 5) Work in partnership with communities to fulfill this mission.

To achieve this mission the Department utilizes its employees and a broad network of private service providers throughout the state. Private agencies are the primary service provider for more than three-fourths of the children in foster care and all children in residential placements.

The Department's major program areas are as follows:

Protective Services – Operates the Child Abuse Hotline, conducts child abuse/neglect investigations, licenses Day Care Centers, foster homes, child welfare agencies and institutions.

Family Maintenance – Delivers services to families to assure child safety so that children can remain in or return to the home.

Adoption and Guardianship – Recruits, supports and maintains adoptive/guardianship homes to which children who cannot return home are placed for permanent settings.

Family Reunification & Substitute Care – Assures permanency for children, prepares families for reunification, and ensures the well-being and safety of children who are placed outside their homes due to abuse, neglect or dependency.

Support Services – Establishes best practice standards, maintains department systems, reports on agency performance, provides administrative support and monitors many department accountability practices.

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Protective Services**

**Mission Statement:** Protect children, who are reported to be abused and neglected, by assuring their safety in making service provision, placement and permanency planning decisions; by licensing of foster homes, group homes, child care institutions and day care facilities; and by enhancing their families' capacity to safely care for them. Provide for the well-being of children in our care. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Reports of child abuse/neglect reports will be investigated promptly, safety insured, and subsequent abuse/neglect prevented.
- 2 Increase child safety after agency involvement.
- 3 Improve responsiveness of the child abuse and neglect hotline.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, Child Abuse Prevention Fund **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>	<u>Fiscal Year 2008 Target /Projected</u>	<u>Fiscal Year 2008 Actual</u>	<u>Fiscal Year 2009 Target /Projected</u>
<b>Input Indicators</b>					
● Total expenditures - all sources (in thousands)	\$ 110,617.3	\$ 117,959.8	\$ 135,670.3	\$ 130,493.3	\$ 129,976.5
● Total expenditures - state appropriated funds (in thousands)	\$ 110,617.3	\$ 117,959.8	\$ 135,670.3	\$ 130,493.3	\$ 129,976.5
● Average monthly full-time equivalents	1,145.0	1,152.0	1,218.0	1,147.0	924.0
<b>Output Indicators</b>					
● Family reports investigated	66,933	67,775	67,800	67,959	68,500
● Hotline calls	257,481	258,563	259,100	266,011	266,000
● Children investigated	110,225	111,746	112,000	111,869	112,000
<b>Outcome Indicators</b>					
● Number of indicated family reports	15,811	16,875	17,000	17,586	17,973
● Percentage of investigations indicated	23.6%	24.9%	25.1%	25.9%	25%
● Percentage of investigations initiated within 24 hours	99.8%	99.8%	99.8%	99.8%	99.8%
● Percentage of investigations completed within 60 days	92.7%	94.3%	95.2%	93.5%	93.9%

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Family Maintenance**

**Mission Statement:** Support and stabilize families so that children can safely return home or, if they have been removed, quickly return home.

**Program Goals:**

**Objectives:**

- 1 Provide effective in-home services to maintain stable family environments and prevent subsequent abuse.
- 2 Provide effective programs to minimize intake into substitute care.
- 3 Improve parenting skills and deter substance abuse.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>	<u>Fiscal Year 2008 Target /Projected</u>	<u>Fiscal Year 2008 Actual</u>	<u>Fiscal Year 2009 Target /Projected</u>
<b>Input Indicators</b>					
● Total expenditures - all sources (in thousands)	\$ 73,129.5	\$ 74,408.9	\$ 79,636.4	\$ 77,107.8	\$ 77,423.7
● Total expenditures - state appropriated funds (in thousands)	\$ 73,129.5	\$ 74,408.9	\$ 79,636.4	\$ 77,107.8	\$ 77,423.7
● Average monthly full-time equivalents	532.0	498.0	496.0	477.0	391.0
<b>Output Indicators</b>					
● Intact families served (end of year)	5,759	5,505	5,400	5,293	5,500
● Family cases closed	9,049	7,693	7,700	7,775	8,000
<b>Outcome Indicators</b>					
● Intact family cases open over 12 months	1,497	1,752	1,700	1,535	1,550

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Adoption and Guardianship**

**Mission Statement:** Provide new permanent homes for children in Department's care who cannot safely return to or remain with their biological families. To provide for the well-being of children in adoptive placement. To provide support to adoptive parents before and after adoption-consummation. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Support and maintain children in adoptive and guardianship homes.
- 2 Maintain children in adoptive and guardianship homes.
- 3 Stabilize placements in adoptive homes and subsidized guardianships.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund      **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>	<u>Fiscal Year 2008 Target /Projected</u>	<u>Fiscal Year 2008 Actual</u>	<u>Fiscal Year 2009 Target /Projected</u>
<b>Input Indicators</b>					
● Total expenditures - all sources (in thousands)	\$ 294,662.3	\$ 291,666.5	\$ 293,854.0	\$ 290,333.9	\$ 290,372.2
● Total expenditures - state appropriated funds (in thousands)	\$ 294,662.3	\$ 291,666.5	\$ 293,854.0	\$ 290,333.9	\$ 180,372.2
● Average monthly full-time equivalents	161.0	152.0	151.0	144.0	120.0
<b>Output Indicators</b>					
● Number of children receiving adoption payments (end of year)	33,812	33,367	33,003	31,996	31,450
● Number of children receiving guardianship payments (end of year)	6,107	5,833	5,549	5,407	5,275
<b>Outcome Indicators</b>					
● Number of children adopted	1,670	1,682	1,571	1,518	1,540
● Number of children to guardianship	565.0	563.0	524.0	461.0	466.0

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Family Reunification and Substitute Care**

**Mission Statement:** Ensure the well-being, safety and permanency of children who are placed outside their homes due to abuse, neglect or dependency. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Children placed outside of the home are protected from abuse and neglect.
- 2 When in care, children are placed close to home, in the least restrictive setting, and in a stable environment.
- 3 Return children home or move them into an alternative permanency quickly.
- 4 Have a process in place to allow children to achieve their highest educational outcomes, given their capabilities and desires.
- 5 When in care, children receive appropriate and necessary physical and mental health care services.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>	<u>Fiscal Year 2008 Target /Projected</u>	<u>Fiscal Year 2008 Actual</u>	<u>Fiscal Year 2009 Target /Projected</u>
<b>Input Indicators</b>					
● Total expenditures - all sources (in thousands)	\$ 699,357.0	\$ 715,362.0	\$ 761,610.5	\$ 707,450.9	\$ 740,178.4
● Total expenditures - state appropriated funds (in thousands)	\$ 699,238.3	\$ 715,362.0	\$ 761,610.5	\$ 707,450.9	\$ 740,178.4
● Average monthly full-time equivalents	1,056.0	1,039.0	1,056.0	1,006.0	991.0
<b>Output Indicators</b>					
● Children in independent living	929.0	946.0	1,010	850.0	876.0
● Children in regular foster care	5,471	4,825	5,200	4,481	4,421
● Children in relative care	6,189	5,867	5,950	6,193	6,570
● Children in residential placements	1,361	1,257	1,209	1,341	1,363
● Children in specialized foster care	3,494	3,219	3,174	3,200	3,295
● Children with "return home" goal	5,761	5,413	5,400	5,802	5,800
● Children placed outside home (end of year) - paid placements	17,444	16,114	16,543	16,065	16,525
<b>Outcome Indicators</b>					
● Child cases closed	5,908	5,981	5,900	5,888	6,060
● Percentage of children returned home	12.5%	13.3%	12.7%	14.2%	14.4%
● Percentage of children served within the year moved to permanency	26.5%	28.3%	27.5%	28.4%	28.9%
● Percentage of sibling groups placed all or partially together	81.7%	81%	81%	82.1%	82%
● Number of children returned home	1,989	1,985	1,799	1,978	2,001
● Median length of time open for children in substitute care (yrs)	2.4	2.4	2.4	2.3	2.3