

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Agency Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	3
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings - State Compliance	9
Prior Findings Not Repeated - State Compliance	37
Supplementary Information for State Compliance Purposes	
Summary	39
Fiscal Schedules and Analysis	
Schedule of Expenditures of Federal Awards	40
Notes to the Schedule of Expenditures of Federal Awards	42
Schedule of Appropriations, Expenditures and Lapsed Balances	44
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	54
Schedule of Changes in State Property	57
Comparative Schedule of Cash Receipts	58
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	58
Analysis of Significant Variations in Expenditures	59
Analysis of Significant Variations in Cash Receipts	66
Analysis of Significant Lapse Period Spending	68
Analysis of Accounts Receivable	71
Schedule of Indirect Cost Reimbursements	72
Analysis of Operations	
Agency Functions and Planning Program	73
Average Number of Employees	75
Annual Cost Statistics (Not Examined)	76
Service Efforts and Accomplishments (Not Examined)	77

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

AGENCY OFFICIALS

Director	Mr. Charles D. Johnson
Deputy Director - as of July 1, 2009	Vacant
Deputy Director - until June 30, 2009	Mr. Michael Gelder
Chief Fiscal Officer - as of August 1, 2009	Mr. Dennis Miner
Chief Fiscal Officer - April 8, 2009 through July 31, 2009	Vacant
Chief Fiscal Officer - until April 7, 2009	Ms. Patricia Carter
Legal Counsel - as of February 22, 2010	Ms. Gale Thetford
Legal Counsel - January 25, 2010 through February 21, 2010	Vacant
Legal Counsel - until January 24, 2010	Mr. George Sisk
Chief, Bureau of Business Services - as of February 1, 2010	Ms. Theresa McKeon
Chief, Bureau of Business Services - January 1, 2009 through January 31, 2010	Vacant
Chief, Bureau of Business Services - until December 31, 2008	Ms. Rachel Washington

Agency offices are located at:

One Natural Resources Way
Suite 100
Springfield, IL 62702

160 N. LaSalle
Suite N-700
Chicago, IL 60601



May 12, 2011

Doehring, Winders & Co. LLP.
1601 Lafayette Avenue
Mattoon, IL 61938

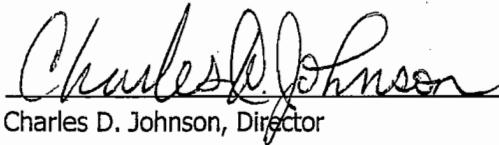
Ladies and Gentlemen:

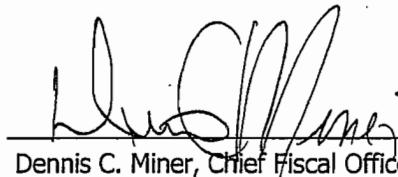
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department on Aging (Agency). We are responsible for and we have established and maintained 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 two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2010, 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.
- 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,

State of Illinois, Department on Aging


Charles D. Johnson, Director


Dennis C. Miner, Chief Fiscal Officer


Gale Thetford, Chief Legal Counsel

Respect for yesterday. Support for today. Hope for tomorrow.

The Illinois Department on Aging does not discriminate in admission to programs or treatment of employment in programs or activities in compliance with appropriate State and Federal statutes. If you feel you have been discriminated against, call the Senior HelpLine at 1-800-252-8966; 1-888-206-1327 (TTY).

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

COMPLIANCE REPORT - SUMMARY

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

ACCOUNTANTS' REPORT

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 nonstandard language.

SUMMARY OF FINDINGS

Number of	This Report	Prior Report
Findings	12	13
Repeated findings	5	12
Prior recommendations implemented or not repeated	8	3

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

SCHEDULE OF FINDINGS

Item No.	Page	Description	Finding Type
FINDINGS (STATE COMPLIANCE)			
10-01	9	Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers	Material Weakness and Material Noncompliance
10-02	14	Inadequate Controls Over Preparation of GAAP Reporting Package	Significant Deficiency and Noncompliance
10-03	16	Inadequate Monitoring of Service Providers	Material Weakness and Material Noncompliance
10-04	19	Improper Reconciliation of Receipts, Appropriations and Expenditures to the Records of the Comptroller	Significant Deficiency and Noncompliance
10-05	21	Deficiencies in Membership of Various Committees	Significant Deficiency and Noncompliance
10-06	23	Failure to Implement the Community Senior Services and Resources Act	Significant Deficiency and Noncompliance
10-07	25	Inadequate Controls over Contracting Procedures	Significant Deficiency and Noncompliance
10-08	27	Inadequate Controls over Employee Timesheets	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

COMPLIANCE REPORT - SUMMARY (Continued)

Item No.	Page	Description	Finding Type
FINDINGS (STATE COMPLIANCE) - Continued			
10-09	30	Failure to Timely File Reports	Significant Deficiency and Noncompliance
10-10	32	Inadequate Disaster Contingency Planning	Significant Deficiency and Noncompliance
10-11	34	Inadequate Internal Controls over Accounts Receivable Reporting Process	Significant Deficiency and Noncompliance
10-12	36	Failure to Present Direct Care Worker Awards	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)			
A	37	Failure to Establish Required Committees	
B	37	Failure to Adopt Policies, Priorities and Guidelines for Alzheimer's Day Care Resource Centers	
C	37	Inadequate Segregation of Duties over Payroll	
D	37	Failure to Establish a Family Caregiver Training and Support Demonstration Project	
E	37	Failure to Submit Copies of Enhanced Transition Grant Awards with Illinois Health Facilities Planning Board	
F	38	Voucher Processing Weaknesses	
G	38	Insufficient Internal Controls over Automobile Records	
H	38	Failure to Hold Required Meetings	

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

COMPLIANCE REPORT - SUMMARY (Continued)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on May 3, 2011. Attending were:

Department on Aging

Charles D. Johnson, Director
Gale Thetford, Chief Legal Counsel
Jane Cullen, Chief Internal Auditor
Dennis Miner, Chief Fiscal Officer
Bernie Clancy, Chief Information Officer
Theresa McKeon, Chief, Bureau of Business Services
Rance Carpenter, Chief, Bureau of Community Operation
Sandra Alexander, Division Manager, Planning Research and Development
Jennifer Rief, Division Manager, Circuit Breaker

Office of the Auditor General

Lisa K. Warden, CPA, Audit Manager

Doehring, Winders & Co. LLP

Robert E. Arnholt, CPA, Partner
Matthew B. Clarkson, CPA, Supervisor

Responses to the recommendations were provided as of May 12, 2011, in emails from Jane Cullen, Chief Internal Auditor.

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
& Business Advisers
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

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 on **Aging's** (the Department) 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 two years ended June 30, 2010. The management of the Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

- A. The Department 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 Department 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 Department 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 Department 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 Department on behalf of the State or held in trust by the Department 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 Department's 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 Department's compliance with specified requirements.

As described in findings 10-1 and 10-3 in the accompanying schedule of findings, the Department did not comply with requirements regarding compliance requirements A, B, and C for finding 10-1 and compliance requirement C for finding 10-3. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance noted in the preceding paragraph, the Department complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2010. However, the results of our procedures disclosed instances of noncompliance with those requirements, 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 10-2 and 10-4 through 10-12.

Internal Control

The management of the Department 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 Department's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 10-1 and 10-3 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 10-2 and 10-4 through 10-12 to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. 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. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2010 and the 2009 Supplementary Information for State Compliance Purposes, except for information on the Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2008 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

Doebbing, Winders & Co. LLP

May 12, 2011

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE

Two Years Ended June 30, 2010

10-01 INADEQUATE CONTROLS AND MONITORING OVER ENHANCED RATE PAYMENTS MADE TO COMMUNITY CARE PROGRAM SERVICE PROVIDERS

The Illinois Department on Aging (Department) lacked adequate controls and monitoring over eligibility determinations and payments made to service provider agencies (providers) that applied for and received a special hourly rate under the Community Care Program. The Department overpaid \$333,799 to two providers, paid two other providers \$7,095,895 without ensuring eligibility, and failed to monitor four providers for excess payments.

Public Act 95-713, effective July 1, 2008, appropriated \$64,000,000 in State funds for the Department to pay vendors providing homemaker, chore, and housekeeping services an additional \$1.33 per hour (enhanced rate) for the purpose of providing health insurance coverage to their employees and to those employees' dependents.

According to administrative rules, to be determined eligible, providers had to supply an initial application within 120 days prior to fiscal year end and a certification showing that they offer, or will offer, health insurance coverage to all direct service workers who have worked a specified amount of time and that at least one quarter of those workers accept the offer of health insurance. The rules provide that after eligibility is determined, the Department can calculate enhanced rate payments.

The enhanced rate is available for eligible providers with private insurance (Type 1 plans), as well as eligible employer-provided health plans as part of a collective bargaining agreement with unionized workers (Type 2 plans). As part of required annual insurance reviews, both Type 1 and Type 2 providers are required to substantiate their continued eligibility to receive the enhanced rate by submitting supporting documentation of the enrollment rate to the Department within six months after the end of the fiscal year. Providers are also required to submit verification from an independent certified public accounting firm of the actual, documented expense for health insurance during the provider's fiscal year. Any excess payments received over the amount spent for health insurance must be returned to the Department. (89 Ill. Admin. Code 240.1970e, g)

We reviewed the Department's internal controls over eligibility determinations and monitoring of enhanced rate payments and noted the following:

- The Department did not obtain documentation from all providers of the date 25% enrollment was achieved and therefore, eligibility began to receive payments.
- The Department paid Type 2 plans the enhanced rate retroactive to July 1, 2008, to allow the Type-2 plans to build up a balance from which claims could be paid once the health benefits were made available to direct care workers. Neither the Department's rules nor the forms it developed to implement the rules clearly accommodated "pre-funding" of the rate enhancement to providers prior to the actual provision of health benefits to direct care workers. The Department did not obtain documentation showing whether these plans ever met the 25% enrollment threshold, until it was requested by the auditors.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-01 INADEQUATE CONTROLS AND MONITORING OVER ENHANCED RATE PAYMENTS MADE TO COMMUNITY CARE PROGRAM SERVICE PROVIDERS (CONTINUED)

- The Department did not determine when insurance benefits were first available to workers in order to determine whether expenses reported by Type 2 providers were limited to actual claims experience, or also included pre-funding of health plans.

During our testing we selected and tested a sample of six initial applications out of the sixteen that applied for the rate during fiscal years 2009 and 2010. The providers included in our sample received a total of \$8,792,244 for their initial application year. Total amounts expended by the Department for the enhanced rate were \$21,458,210 and \$26,369,593 in fiscal years 2009 and 2010, respectively. Based on the results of this testing of initial applications, we noted the following compliance deficiencies:

- For 2 of 6 of the providers tested, an incorrect determination of eligibility was made by the Department. One of the applications tested was for a Type 1 provider and indicated **that no employees were enrolled in the provider's health plan**. However, the Department improperly approved the application and overpaid this provider an estimated \$332,502 for the enhanced rate prior to meeting the required enrollment in fiscal year 2009. Subsequent to our testing, the Department determined and notified this provider of the amounts that needed to be repaid to the Department. However, as of the conclusion of our testing, the Department had still not received documentation for the provider's statement of when the one quarter enrollment was met and eligibility began. Another provider tested in our sample never submitted an enhanced rate application, but was incorrectly **coded in the Department's payment system as being eligible**. As a result, this provider was overpaid by \$1,297 in fiscal year 2010.
- For another 2 of 6 providers tested, the Department approved applications that contained incorrect plan designations. These applications indicated that the provider had a Type 2 health plan, when the provider actually had a Type 1 health plan. The Department did not identify these errors during their application review and approval.
- The Department did not maintain or receive required documentation from providers in order to monitor the continued eligibility of providers receiving the enhanced rate. For 4 of the 6 providers tested, we noted that the Department had to request copies of the Direct Service Worker Health Insurance Certification (DSWHIC) form from the providers when requested by the auditors. These year-end reporting forms were required from providers for the Department's annual insurance review to ensure providers were still eligible for the enhanced rate and revenues did not exceed health insurance costs.
- Two of the providers whose DSWHIC forms were not monitored by the Department had Type 2 health insurance plans. Since the Department did not previously consider enrollment levels, these providers needed to prove with their DSWHIC forms that 25% of their employees were enrolled in their health insurance plan. By not reviewing the DSWHIC forms, the Department could not determine eligibility for enhanced rate payments made to these providers. These providers received enhanced rate payments of \$7,095,895 during fiscal year 2009.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-01 INADEQUATE CONTROLS AND MONITORING OVER ENHANCED RATE PAYMENTS MADE TO COMMUNITY CARE PROGRAM SERVICE PROVIDERS (CONTINUED)

- Also, since the DSWHIC forms were not timely obtained, the Department could not properly monitor the amount of enhanced rate payments that exceeded actual health insurance costs. Subsequently submitted forms reported that one of the six providers was required to return excess funds totaling \$1,190. However, Department personnel stated the form was incorrectly filled out using cash basis accounting principles which would underreport the amount of enhanced rate payment revenue.

Department officials stated that inadvertent oversight and lack of staffing led to the above errors and lack of monitoring. Also, Department officials stated that they are in the process of recouping funds from providers who improperly received payments.

Failure to ensure accuracy and completeness of applications, eligibility determinations, and the payment system can lead to provider overpayments. Failure to obtain, maintain, and review DSWHIC forms increases the risk that incorrect or excessive enhanced payments will not be prevented or detected. (Finding Code No. 10-01)

RECOMMENDATION

We recommend the Department strengthen controls to ensure that initial and ongoing reviews of applications, eligibility, and annual reporting for the enhanced reimbursement rate are conducted properly, in a timely manner, and in accordance with administrative rules. We also recommend the Department ensure required information is obtained from providers and maintained to support agency determinations. In addition, we recommend the Department obtain missing documentation and pursue reimbursement from providers for excessive or unsupported payments.

AGENCY RESPONSE

Partially Agree. Effective July 1, 2008, Public Act 95-713 authorized the Department to pay an enhanced rate to in-home service provider agencies under the Community Care Program that provide health insurance at their own expense to their direct service worker employees. The Department implemented the Act through emergency rulemaking by amending the CCP program rules to include 89 Illinois Administrative Code 240.1970, Enhanced Rate for Health Insurance Costs. In addition to including rules for eligibility, the rules defined how payments would be made to service providers and required service providers to substantiate their continued eligibility by submitting documentation for the annual insurance review. As part of this review, the provider is required to submit their annual financial report, prepared by an independent certified public accountant, which includes verification of the actual documented expenses for health insurance for the reporting period and the percentage of direct service worker employees covered by the plan or policy.

A potential provider overpayment of \$332,502 was identified during the fieldwork phase of this audit. The application for the enhanced payments was submitted by this provider on October 17, 2008. The application stated that the effective date of the insurance plan or policy was November 1, 2008, and that the number of direct service worker employees enrolled as of the date of application was none. **Based on the Department's initial review of this application, the**

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-01 INADEQUATE CONTROLS AND MONITORING OVER ENHANCED RATE PAYMENTS MADE TO COMMUNITY CARE PROGRAM SERVICE PROVIDERS (CONTINUED)

provider was eligible for the enhanced rate for health insurance benefits effective November 1, 2008, provided that 25% of the direct service worker employees were enrolled in the plan or policy during the month of November. Enrollment numbers as of December 31, 2008, should have been substantiated during the annual insurance review. However, due to inadequate staff and critical vacancies, the annual insurance review was not performed. Discussions with the provider led to a determination that insurance benefits were not made available to direct service worker employees until January 1, 2009, resulting in an overpayment of \$332,502. The overpayment of \$332,502 has been recouped, and additional information has been requested from the provider to determine if further recoupment is necessary.

The overpayment of \$1,297 occurred due to a clerical error when the provider's Community Care Program Service Provider application was entered into the Department's contracting system. This overpayment was immediately recouped from pending payments in the electronic Community Care Provider Information System (eCCPIS).

In order to expedite payments to service providers who were or would be providing health insurance benefits to their direct service worker employees, the Department made errors in the review and approval of some applications for the enhanced payments for health insurance costs. However, we believe that adequate controls were built into the application process and administrative rules to protect the interests of the state. The rules and application require each applicant for the enhanced rate to certify, under penalty of perjury, that the in-home service provider agency agrees to repay the State of Illinois if the total revenue of the enhanced rate for health insurance costs exceeds the actual, documented expenses for its health insurance costs for the reporting period or an error is subsequently determined in the eligibility of the in-home service provider agency. The rules also allow the Department to recoup any overpayments from future service billings.

As a result of this audit, the Department has initiated a review of all payments for the Enhanced Rate for Health Insurance. As part of this review, all providers are being required to submit copies of paid invoices for health insurance benefits provided to their direct service worker employees. If the Department makes a determination that revenues received are in excess of actual costs of providing health insurance benefits or if the provider is no longer eligible to receive the enhanced payments, the Department will recoup all excess payments.

AUDITOR'S COMMENT

Agency management is responsible for complying with all aspects of laws and regulations that could have a direct and material effect on the operations of the Agency in the event of noncompliance. Management is also responsible for establishing and maintaining effective internal control over compliance with appropriations, laws, rules, and regulations. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a requirement will not be prevented, or detected and corrected on a timely basis.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-01 INADEQUATE CONTROLS AND MONITORING OVER ENHANCED RATE PAYMENTS MADE TO COMMUNITY CARE PROGRAM SERVICE PROVIDERS (CONTINUED)

As reported in Finding 10-1, the Department's internal controls were not sufficiently designed and placed into operation in order to prevent and timely detect and correct significant instances of noncompliance with laws and regulations. The Department did not consistently obtain documentation that 25% of employees accepted the offer of health insurance, as required, prior to payment of the enhanced rate for health insurance. Further, the Department did not obtain documentation required by their own administrative rules to monitor whether enhanced rate payments exceeded actual, documented expenses for health insurance costs. We noted overpayments of \$333,799 and questioned costs of \$7,095,895 during our examination. The Department did not identify overpayments made, nor take measures to recoup funds, until these exceptions were identified by the auditors. In our professional opinion, the instances of noncompliance and internal control weaknesses identified during our examination are material to the Department's operations.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-02 INADEQUATE CONTROLS OVER PREPARATION OF GAAP REPORTING PACKAGE

The Illinois Department on Aging (Department) did not submit a GAAP reporting package to the Office of the Comptroller (Comptroller) by the due date, did not respond to questions from the Comptroller regarding the submission in a timely manner, and did not exercise proper control over the preparation of the GAAP package and backup documentation thereto. In addition, we noted that the Department misreported one federal grant on financial reporting (GAAP) package form SCO-563.

We noted the following:

- The Department submitted its fiscal year 2010 GAAP package information 28 days late for the Services for Older Americans Fund (Fund 618) and did not respond to and clear up questions and comments from the Comptroller regarding Fund 618 until 49 days after they were initially sent to the Department. In addition, the Department did not provide the fiscal year 2010 GAAP package, including backup schedules and award letters in its entirety, until 70 days after it was requested by the examiners for compliance examination purposes.
- The Department improperly combined the reporting of two federal grants under the United States Department of Agriculture Child Nutrition Program. For fiscal years 2009 and 2010, the Department expended \$2,602,000 in grants for the National School Lunch Program, but reported the entire amount under the Child and Adult Care Food Program.

The Fiscal Control and Internal Auditing Act requires State agencies to establish and maintain a system of internal fiscal and administrative controls to ensure financial activity is properly recorded and accounted for to permit the preparation of reliable financial reports (30 ILCS 10/3001). The Statewide Accounting Management System Manual (SAMS) (Procedure 27.10.10) requires a State agency to submit annual GAAP reporting packages for any funds in which they expend from or deposit receipts to, and establishes specific due dates. Procedures for preparing form SCO-563 in SAMS (Procedure 27.20.63) specify that federal grants are to be reported by their Catalog of Federal Domestic Assistance (grant) number. Also, the Illinois State Auditing Act requires State agencies to make available to the Auditor General or his designated representative any record of information requested without delay (30 ILCS 5/3-12).

According to Department officials, the Department was unable to submit the GAAP package to **the Comptroller's Office by the stated deadline and unable to provide information to the examiners because the employee who prepared the 2009 GAAP package was no longer with the Department, and, as a result, additional time was needed to learn the Department's** system and to locate and recreate supporting documentation. In addition, during this time, the Department was preparing to move their main office to another location in Springfield, which contributed to the delays in providing information to the examiners. Department personnel stated they did not respond to questions from the Comptroller because staff were unaware of the questions from the Comptroller until further attempts to send them were made by the **Comptroller's staff. Department staff stated the federal grants were combined on the GAAP** package for consistency with past practice.

Failure to submit an accurate GAAP reporting package timely and failure to timely respond to questions and comments from the Comptroller timely is detrimental to the State's ability to

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-02 INADEQUATE CONTROLS OVER PREPARATION OF GAAP REPORTING PACKAGE (CONTINUED)

timely complete accurate statewide financial statements and schedule of expenditures of federal awards. Failure to submit the GAAP reporting package and its supporting documentation to the examiners timely can delay the examination completion. (Finding Code No. 10-02)

RECOMMENDATION

We recommend Department personnel review and revise as necessary its current system of gathering, compiling and retaining accounting data for the purpose of preparing its GAAP reporting packages in order to prepare them timely, ensure accuracy, and maintain documentation supporting the amounts reported. Also, Department personnel should anticipate **Comptroller's Office approval or follow** up questions regarding financial reporting submissions.

AGENCY RESPONSE

Agree. The Department will review and revise, as necessary, its current process for preparation of the GAAP package to ensure that packages are timely and accurately prepared and that supporting documentation is maintained.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-03 INADEQUATE MONITORING OF SERVICE PROVIDERS

The Illinois Department on Aging (Department) did not adequately monitor its service providers.

Out of \$1,373,383,282 in State appropriations made to the Department during the two years ended June 30, 2010, \$1,305,341,383 or 95.0% was expended on awards and grants, and fee-for-service contracts. **The Department's largest program, the Community Care Program, had** approximately \$755,405,987 in expenditures during the years under examination. During our testing of 60 expenditures made to grantees and service providers, which consisted of 37 different vendors who received \$664,223,021 from the Department during the examination period, we noted that the Department had not received annual audit reports for 11 (30%) of the service providers, and they had not followed up with the service providers to determine why the reports had not been submitted. Total expenditures for these service providers that had not submitted reports were \$2,747,629 in 2009 and \$29,839,927 in 2010. We also noted that **the Department's audit** report review checklist had not been completed for 8 (31%) of the 26 reports that the Department had received from service providers. Therefore, these audit reports had been received but had not been reviewed by Department staff at the time of our testing. Total expenditures for these service providers whose audit reports had not been reviewed by the agency were \$99,798,941 in 2009 and \$122,301,826 in 2010.

Audit reports are required to be filed with the Department by service providers under 89 Illinois Administrative Code 240.1520(n) for the Community Care Program. Grantees are also required to file audit reports under 89 Illinois Administrative Code 230.365(b) for programs under the Older Americans Act within six months of their fiscal year end.

The **Fiscal Control and Internal Auditing Act (30 ILCS 10/3001)** states that **"All State agencies** shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable **laws...**". Accordingly, the Department must receive and review the audit reports of its service providers and grantees in a timely manner to determine whether the funds were utilized in accordance with the purpose of the program. The Department uses an internally developed checklist to aid in reviewing the audit reports for required content.

Department officials stated vacancies in their fiscal area contributed to the audit reports not being reviewed by Department staff in a timely manner and contributed to service providers not being contacted when their reports were not submitted to the Department in accordance with administrative rules. They also stated that due to limited staffing, priority was placed on completing reviews of single audits since they are required by federal rules and regulations.

Failure to properly monitor service providers through timely receipt and review of audit reports of service providers **decreases the Department's accountability over** these expenditures and increases the risk of noncompliance with the provisions of the contracts with service providers. (Finding Code No. 10-03)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-03 INADEQUATE MONITORING OF SERVICE PROVIDERS (CONTINUED)

RECOMMENDATION

We recommend the Department strengthen their controls for monitoring of service provider activities by performing and consistently documenting follow-up on delinquent audit reports. The Department should also ensure that audit reports are reviewed by staff in a timely manner after they are received.

AGENCY RESPONSE

Partially agree. The review of audited financial statements of service providers performed by certified public accountants is one of many processes performed to monitor fiscal operations related to the Community Care Program. The Community Care Program is a Medicaid Home and Community-Based Services (HCBS) waiver program authorized under Section 1915(c) of the Social Security Act. As part of the waiver application process, the Department was required to describe the methods by which payments would be made and the methods used to ensure the integrity of those payments. These methods include the requirement of independent audits of all provider agencies, fiscal oversight provided by the Illinois Department of Healthcare and Family Services (HFS), and the financial audits of service providers conducted by the Illinois **Office of the Auditor General in conjunction with HFS' portion** of the Statewide Single Audit. (30 ILCS 5/3)

HFS has implemented oversight procedures that provide increased assurance that claims are coded and paid in accordance with the reimbursement methodology specified in the waiver. These processes enable Department staff to monitor the financial aspects of the waiver for persons who are elderly from a global perspective, rather than review a sample of paid claims. In addition to the HFS post-review, **the Department's electronic billing system (eCCPIS) for the Community Care Program** includes several programmatic and fiscal edits that prevent duplicate billings, billings prior to eligibility determinations, and billings in excess of service cost maximums established for CCP clients.

A major control within the CCP program includes limiting the Case Coordination Units (CCU) to eligibility and developing **the client's plan of care; whereas the actual delivery of direct care** services are provided by separate and distinct provider agencies. Additionally, Department staff reviews hours of service calendars for a sample of participants during on-site reviews to ensure the accuracy of completion and reconciles the calendars to billings submitted by the provider agency for that month. Furthermore, program managers receive a bi-weekly update of fiscal activity related to the CCP program. These bi-weekly updates alert the Department of any anomalies in program activity, billings and payments. Other edits ensure that appropriate billings are submitted by the provider agencies.

All Community Care Program service providers were required to submit a copy of their most recent audited financial statements for review by the Department as part of the All Willing and Qualified application process during the audit period. At this time, the Department performed **a comprehensive review of each applicant's financial statements** to ensure that the potential provider was financially stable.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-03 INADEQUATE MONITORING OF SERVICE PROVIDERS (CONTINUED)

The Department is in the process of strengthening our many processes and controls over monitoring of vendor and grantee activities by also ensuring that financial audits are submitted to the Department within six months of the end of the provider's fiscal year and reviewed timely by Department staff. We have recently filled critical vacancies in the fiscal division which will help ensure financial audits are received and reviewed timely. We have followed up on the exceptions noted during field work by contacting the providers included in the sample who had not submitted their annual financial audit. We have received and reviewed these audit reports and did not identify any questioned costs or material weakness associated with the Community Care Program.

AUDITORS' COMMENT

As noted in the finding, annual audit reports had not been received and follow up had not been conducted for 11 (30%) service providers tested, representing expenditures of \$32,587,556. Further, 8 (31%) audit reports in our sample which had been received had not been reviewed by Department staff. These unreviewed reports accounted for \$222,100,767 of expenditures.

As of the end of fieldwork, the Department had not provided the missing audit reports or report review checklists and management agreed the audit reports in question were not received and/or reviewed timely. The audit reports received as part of the All Willing and Qualified application process were not the most recent reports due in Fiscal Year 2010 which we tested.

The Office of the Auditor General's Statewide Single audit does not include financial audits of service providers. Furthermore, Department management is responsible for ensuring adequate internal controls are effectively designed and implemented to ensure compliance for their expenditures. The internal control system, compliance, and monitoring over Department functions are not the responsibility of external parties.

The Department's receipt and review of audited financial reports required by administrative rules is an important control to ensure the Department's accountability over expenditures from awards and grants appropriations, including the Community Care Program. This program accounted for 55% of the Department's expenditures in Fiscal Years 2009 and 2010.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-04 IMPROPER RECONCILIATION OF RECEIPTS, APPROPRIATIONS AND EXPENDITURES TO THE RECORDS OF THE COMPTROLLER

The Illinois Department on Aging (Department) did not exercise adequate control over the preparation and review of the reconciliation of the Department's balances of receipts, appropriations and expenditures with those reported by the Illinois Office of Comptroller (Comptroller). We noted the following:

- During September 2009, an expenditure discrepancy in the amount of \$50,251 was noted as a difference between the Department's expenditures and the Comptroller's expenditures. This discrepancy was still outstanding on the Department's fiscal year 2010 reconciliation for the month ended August 31, 2010.
- Various refunds to the Department totaling \$90,804 were noted on the reconciliation prepared at June 30, 2010 as not being posted to the Department's expenditures. These refunds were also included on the reconciliation prepared at August 31, 2010.
- Payroll vouchers totaling \$94,143 for the pay period ending June 30, 2010 were not posted to the Department's expenditure records as of August 31, 2010. The vouchers were noted as being in error status.
- An appropriation reconciling item in the amount of \$500,000 for Operational Expenses, Awards, and Grants was noted on all fiscal year 2010 reconciliations due to an incorrect appropriation amount being input into the Department's accounting system.
- Reconciliations of receipts, appropriations and expenditures prepared by staff in the fiscal area were not being subjected to supervisory review.

In order for the Department to comply with the Statewide Accounting Management System (SAMS) (Procedure 11.40.20), they should follow up on discrepancies on a monthly basis in order to properly reconcile their appropriation and expenditure records with those of the Comptroller. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to maintain proper controls to provide assurance that receipts and expenditures are properly accounted for, which would include the preparation and review of reconciliations. Also, good internal controls would necessitate that the Department have a policy in place to require supervisory review of the reconciliations as part of the reconciliation process.

According to Department officials, the discrepancies were not corrected in a timely manner due to lack of an immediate supervisor in place to perform the review function on the reconciliations.

Not properly reconciling the Department's receipts, appropriations and expenditures with those reported by the Comptroller creates an increased risk of not having accurate financial data needed to make spending decisions and could lead to inaccurate financial reporting. Further, it increases the risk that a theft or loss could occur which would not be detected in a timely manner. (Finding Code No. 10-04)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-04 IMPROPER RECONCILIATION OF RECEIPTS, APPROPRIATIONS AND EXPENDITURES TO THE RECORDS OF THE COMPTROLLER (CONTINUED)

RECOMMENDATION

We recommend that the Department implement procedures to ensure that the reconciliations are reviewed and that discrepancies noted on them are corrected in a timely manner.

AGENCY RESPONSE

Agree. The Department has implemented procedures to ensure that agency books of account are reconciled monthly with records from the Illinois Office of the Comptroller. Procedures require that discrepancies are fully investigated and resolved and supervisory review is documented on the monthly reconciliations.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-05 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES

The Illinois Department on Aging (Department) did not make appointments to or appointed members did not serve on various bodies created by the General Assembly.

During our testing, we noted that the Department did not make the required appointments to the Social Security Number Protection Task Force and the Health Data Task Force. We also noted **that the Department's designee** on the Senior Pharmaceutical Assistance Review Committee did not attend quarterly meetings during fiscal year 2009 and 2010.

The Social Security Number Protection Task Force Act (20 ILCS 4040/10) requires the Director of the Department to appoint a representative to serve on the Social Security Number Protection Task Force. The Department had not had a representative serving on the task force since April of 2009.

The Civil Administrative Code of Illinois (20 ILCS 2310/2310-367) requires the Director of the Department or his designee to serve on the Health Data Task Force which was required to be convened by September 23, 2007. **Additionally, the Department's** representative on this task force is required to appoint 3 members to **the task force's public advisory group**. As of June 30, 2010, the Department did not have a representative serving on the Health Data Task Force or its advisory group.

The Senior Pharmaceutical Assistance Act (320 ILCS 50/15) requires the Director of Aging or his designee to serve on the Senior Pharmaceutical Assistance Review Committee, which is required to hold meetings at least quarterly.

Department officials stated that there were no meetings held by the Senior Pharmaceutical Assistance Review Committee during fiscal year 2009 and 2010 due to the committee being duplicative of the Older Service Worker Advisory Committee, and that the Department is seeking legislative repeal of any references to the Senior Pharmaceutical Assistance Review Committee. They also stated that the Department did not have a designee serving on the Social Security Number Protection Task Force due to oversight in appointing another member after the previous designee ceased employment with the Department in April of 2009. Department officials stated that the Department did not have a member serving on or make the required appointments to the Health Data Task Force since the Department is awaiting contact from the committee and no meetings had been held. Department officials also stated that the Department of Public Health has primary responsibility for the Task Force.

Failure to make appointments to or perform required duties for these committees results in noncompliance with the Illinois Compiled Statutes **and reduces the Department's input in the** proposals, findings or recommendations made by these committees. (Finding Code No. 10-05, 08-2, 08-13, 06-3)

RECOMMENDATION

We recommend that the Department seek the timely appointment of additional members to committees as necessary and attend meetings of the Social Security Number Protection Task Force, the Health Data Task Force, and the Senior Pharmaceutical Assistance Review Committee or seek legislative remedy from these committee requirements.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-05 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES (CONTINUED)

AGENCY RESPONSE

Agree. The Department is establishing a system to track mandatory memberships on various committees. Additionally, the Department is seeking legislative remedy where appropriate.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-06 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT

The Illinois Department on Aging (Department) failed to implement the provisions of the Community Senior Services and Resources Act (Act).

The Community Senior Services and Resources Act (320 ILCS 60/20) requires the Department to perform the following duties:

- Promulgate any rules, regulations, guidelines, and directives necessary to implement the Act.
- Make grants to non-profit agencies and units of local government to the extent of the availability and level of appropriations made for this purpose by the General Assembly.
- Facilitate access to government-issued bonds for the purpose of capital improvement.
- Provide technical assistance to community senior service and resource centers.
- Develop a comprehensive list of centers and the senior services they offer for publication **on the Department's website and for distribution through other promotional opportunities.**
- Develop a survey for annual distribution through the centers to gather information concerning the lack or inadequacy of senior services and to identify service demand trends and the unique needs of older Illinoisans and their families.
- Conduct an annual survey of centers to assess their facility, program and operational needs.
- Report annually to the Governor and the General Assembly.
- Pursue alternative funding opportunities.

During our testing we noted that the Department had not promulgated any rules, regulations, guidelines or directives necessary to implement the Act. According to Department management, their efforts to obtain a General Assembly appropriation and to pursue alternative funding from those sources outlined in the legislation to administer the provisions of the Act have been unsuccessful. The Department has not facilitated access to government-issued bonds, and technical assistance has not been provided to centers. The Department had not conducted a survey to gather information from the centers concerning the lack or inadequacy of senior services and to identify service demand trends and the unique needs of older Illinoisans and their families since 2006. In addition, no report regarding the program has been made to the Governor or the General Assembly.

Department officials stated that they have been unable to obtain funding to implement the Act, and the Department is currently seeking repeal of the Act. According to Department officials, the Department has not felt that it was necessary to promulgate rules due to the lack of funding. Department management is not aware of any options that are currently available for facilitating access to government-issued bonds.

Failure to implement provisions of the Act results in noncompliance with the Act and limitations on the comprehensive senior resources envisioned by the Act. (Finding Code No. 10-06, 08-3, 06-4, 04-7)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-06 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT (CONTINUED)

RECOMMENDATION

We recommend that the Department implement the Community Senior Services and Resources Act requirements to administer the provisions of the Act, including promulgating rules, regulations, guidelines, and directives necessary to implement the Act, facilitating access to government-issued bonds as called for under the Act, providing technical assistance to centers, conducting annual surveys, and pursuing alternative funding sources. Further, the Department should report annually to the Governor and the General Assembly as called for under the Act. If the aforementioned recommendations are found to be unattainable by the Department or if the duties under this Act are being substantially met by other duties performed by the Department, we recommend the Department seek legislative remedy to these requirements. Subject to the availability of and level of appropriations for grants for community senior service and resource centers, the Department should also comply with statutory requirements for such grants.

AGENCY RESPONSE

Agree. The Department has not received an appropriation or identified other funding sources to implement the requirements of the Act. The Department sought legislative remedy from the requirements of the Act during the 2010 legislative session but the relief provided was ineffective in resolving prior findings related to this Act. The Department is currently seeking legislative repeal of the Act through House Bill 2019.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-07 INADEQUATE CONTROLS OVER CONTRACTING PROCEDURES

Illinois Department on Aging (Department) contracts did not contain all ethical certifications and signatures required by the Illinois Compiled Statutes. Also, contracts were signed by the Department after the effective date had passed.

During our compliance testing of contracts, we noted that 9 out of 62 (14.5%) contracts tested were missing certain ethical certifications required to be in the contract. We noted the following certifications that were omitted:

- Equal Employment Opportunity and Non-Discrimination, Illinois Humans Rights Act (775 ILCS 5/2-105)
- Discriminatory Club Act (775 ILCS 25/0.01 et. seq.)
- Non compliance with Environmental Protection Act, Illinois Procurement Code (30 ILCS 500/50-14)
- Collection and Remittance of Illinois Use Tax, Illinois Procurement Code (30 ILCS 500/50-12)
- Debt Delinquency, Illinois Procurement Code (30 ILCS 500/50-11)
- No conviction of a felony under Sarbanes-Oxley Act of 2002, Illinois Procurement Code (30 ILCS 500/50-10.5)
- State Prohibition of Goods from Forced Labor Act (30 ILCS 583/10)
- Procurement of Domestic Products Act (30 ILCS 517/15)
- State Prohibition of Goods from Child Labor Act (30 ILCS 584/10)
- Certification of registration with the State Board of Elections, Illinois Procurement Code (30 ILCS 500/20-160(b))

The above Illinois Compiled Statutes as well as SAMS (Statewide Accounting Management System) procedure 15.20.50 require contracts to include these aforementioned certifications, among others, to be written into each contract established by the Department.

We also noted during our testing of the above mentioned 62 contracts that one contract for \$294,390 for computer consulting services did not contain all of the required signatures. The contract for computer consulting services contained the signatures of the Director and Chief Fiscal Officer, but was not signed by the Chief Legal Counsel.

The signature of the current Chief Legal Counsel on contracts for \$250,000 or more is required by the Illinois Finance Act (30 ILCS 105/9.02). Prudent business practices would necessitate having all parties to a contract formally execute the contract prior to the beginning of the contract period.

We also noted during our testing of 62 contracts that 8 contracts were signed subsequent to the effective date of the agreement. One late signed contract was for an internship program and was signed 36 days after the effective date of the agreement. The remaining 7 contracts were for grants or agreements with service providers that were signed 9 to 125 days subsequent to the effective date of the agreement.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-07 INADEQUATE CONTROLS OVER CONTRACTING PROCEDURES (CONTINUED)

Department officials stated that contracts were missing required ethical certifications due to staff not consistently preparing the contracts using the most recent contract template, which contains all of the required ethical certifications. They stated that the signature of the Chief Legal Counsel was missing due to inadvertent oversight. Department officials stated that payment for services on the internship contract signed subsequent to the effective date was not made until one month after the signature date. They also stated that contracts were signed after the effective date due to delays with both parties to the contracts which made it unfeasible to obtain signatures by the effective date.

Failure to adhere to mandated contracting procedures may cause the Department to make payments that are not authorized and results in noncompliance with the Illinois Compiled Statutes and SAMS procedures. (Finding Code No. 10-07)

RECOMMENDATION

We recommend that the Department establish internal controls to ensure compliance with the Illinois Compiled Statutes and the SAMS manual to ensure that contracts are properly executed prior to commencement and that templates used to prepare contracts are kept up to date.

AGENCY RESPONSE

Agree. The Department will work to update current agreements and develop standard formatting for contracts governed by the Procurement Code and for state and federal grants issued by the Department. The Department will ensure that these formats include all necessary certifications. The Department also will implement a process for updating these agreements to ensure timely incorporation of any added or revised certifications or other contract requirements.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-08 INADEQUATE CONTROLS OVER EMPLOYEE TIMESHEETS

The **Illinois Department on Aging's** (Department) policies over supervisory review of employee timesheets is inadequate and timesheets for some did not document the amount of time spent on official State business.

During our testing of 40 employee timesheets we noted the following exceptions:

- Twenty-two (55.0%) timesheets did not contain documentation of supervisory review.
- Twenty-one (52.5%) timesheets (timesheets of bargaining unit employees) did not report the amount of time spent on official State business.
- One (2.5%) timesheet was not signed by the employee.
- One timesheet (2.5%) was reviewed by a supervisor 2 months after it was signed by the employee.

The State Officials and Employees Ethics Act (Ethics Act) (5 ILCS 430/5-5(c)) requires each State agency to develop a written policy that includes work time requirements and documentation of time worked. Additionally, the Act requires State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour. **Also, the Department's Employee Handbook requires that employees sign a Daily Time Record at the commencement and conclusion of each day.** The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish and maintain systems of internal administrative controls to ensure resources are safeguarded against waste and loss. Good internal controls require timely supervisory reviews in order to minimize the opportunity for employee time and attendance abuse.

Department management thought that controls over employee timesheets were sufficient to meet requirements of the Act. Other exceptions noted were due to oversight.

Approval of employee timesheets is a systematic and uniform approach to ensuring no employee is abusing their time spent on official State business. Timesheet approvals should be used to monitor each employee and their time spent in the office. By not periodically submitting timesheets that document the time spent each day on official State business, the Department is not in compliance with the Illinois Compiled Statutes. (Finding Code No. 10-08)

RECOMMENDATION

We recommend that the Department require employees to sign and submit their timesheets on a periodic basis. Supervisors should regularly document their review of employee timesheets. We also recommend that the Department comply with the Ethics Act by amending the template used by bargaining unit employees to include documentation of the time spent on official State business.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-08 INADEQUATE CONTROLS OVER EMPLOYEE TIMESHEETS (CONTINUED)

AGENCY RESPONSE

Do not agree. **The State Officials and Employees Ethics Act (5 ILCS 430(c)) requires, "State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees may satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for a means of compliance with this requirement."** Section Three, Attendance, of the Department's Employee Handbook **states, "Employees are expected to be on-site performing required duties during the hours established for their job."** Additionally, **"all employees, except those exempted by the Director, must record their attendance by signing the actual time of work commencement and conclusion" on the daily time record.**

All department employees are required to sign and submit their timesheets on a daily or bi-monthly basis. **Union employees' daily timesheets are located outside the immediate supervisor's work area and used by the supervisor as a management tool to monitor daily attendance in addition to documenting time spent each day at work, i.e. on official state business.** The employees initial the timesheets and enter the actual time of arrival and departure each work day. Merit compensation employees complete a bi-monthly timesheet which is signed by both the employee and his/her immediate supervisor. Both timesheets are used to record the amount of time an employee spends on official state business during the reporting period.

Although the daily timesheets completed by union employees do not require employees to **certify that the time recorded is spent on "official state business", the Department believes that the timesheet templates currently in use are in compliance with the State Officials and Employees Ethics Act.** Several of the daily timesheets used by department managers include a statement that falsification of any attendance or leave record shall be cause for disciplinary action up to and including termination. Additionally, all department employees are required to complete mandatory ethics training annually, which specifically addresses activities that may not be performed by an employee during working hours.

The Department has modified its existing daily timesheet to require documentation of supervisory review of all daily timesheets in response to the exceptions noted during fieldwork. The Department will review our current timekeeping policies and procedures to determine whether additional changes are required to more clearly reflect compliance with the Act.

AUDITOR'S COMMENT

As noted in the finding, the State Officials and Employees Ethics Act requires "State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour..." (5 ILCS 430/5-5(c)). The daily time record used by the Department for certain employees requires employees to sign in and out each day, and to report time away from State business, not the time spent each day on official State business. Further, the CMS timekeeping system records time away from State business, but does not document the time spent each day on official State business and is not submitted by the

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-08 INADEQUATE CONTROLS OVER EMPLOYEE TIMESHEETS (CONTINUED)

employee as required by the Act. The auditors continue to believe that the current procedures followed by the Department need to be strengthened to meet the timesheet requirements of the Act.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-09 FAILURE TO TIMELY FILE REPORTS

The Illinois Department on Aging (Department) failed to timely file reports required by various Illinois Compiled Statutes. We noted:

- The Illinois Act on Aging (20 ILCS 105/4.06) requires the Department to cooperate with the Department of Public Health, the Department of Healthcare and Family Services and the Department of Human Services in the development and submission of an annual report on programs and services provided under the Minority Senior Citizen Program. This report is to be filed with the Governor and the General Assembly on or before September 30 of each year.

For the report due September 30, 2008, we noted the Department, in coordination with the other aforementioned State Departments, developed an annual report on the programs and services provided under the Minority Senior Citizen Program. However, this report was filed 10 months late with the Governor and the General Assembly. In addition, the report due September 30, 2009, had not been submitted as of June 30, 2010.

- The Older Adult Services Act (320 ILCS 42/15) designates the Department as the lead agency for carrying out provisions of the Act, as well as requiring the Department to submit a report on January 1 each **year highlighting the Department's** progress made, impediments encountered, and recommendations developed as part of carrying out the responsibilities of the Act.

During our testing we noted that the Department submitted the report due January 1, 2009, to the General Assembly two months late.

- The Illinois Act on Aging (20 ILCS 105/4.02) requires the Department along with the Older Adult Services Committee to institute a study of the relationship between the Determination of Need scores, level of need, service cost maximums, and the development and utilization of service plans. Findings and recommendations of the study were to be presented to the Governor and the General Assembly no later than January 1, 2009.

During our testing we noted that the study was not completed until November of 2009 and was not presented to the Governor and General Assembly until January of 2010, twelve months late.

- The Illinois Welfare and Rehabilitation Services Planning Act (20 ILCS 10/3, 4) requires the Department to prepare a comprehensive plan of the best possible use of available resources for the development of the **State's human resources and** provision of social services. A report of the plan is to be filed with the General Assembly on or before the first Friday in April of each odd-numbered year.

During our testing we noted that the report to be submitted on or before April 3, 2009, was never submitted to the General Assembly.

- The Respite Program Act (320 ILCS 10/12) requires the Department to submit a report on an annual basis to the Governor and General Assembly that details the progress of the respite care services under the Respite Program Act.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-09 FAILURE TO TIMELY FILE REPORTS (CONTINUED)

During our testing we noted that no reports have been filed in relation to the Respite Program Act during fiscal year 2009 or 2010.

Department officials stated that the above reports, except the Respite Program Act report, were not filed or were filed late with the Governor and General Assembly due to staffing constraints and other priorities of the Department. For the Respite Program Act report, Department officials stated that the report was not filed due to the Department not receiving any State appropriations in order to implement the program.

Failure to file annual reports and make required submissions to the Governor and/or General Assembly results in noncompliance with the Illinois Compiled Statutes and reduces available information to those parties that they may use in making budget and policy decisions. (Finding Code No. 10-09, 08-9, 06-11)

RECOMMENDATION

We recommend that the Department comply with reporting requirements contained in the above named sections of the Illinois Act on Aging, the Older Adult Services Act, the Welfare and Rehabilitation Services Planning Act, and the Respite Program Act or seek legislative remedy from these requirements.

AGENCY RESPONSE

Agree. Some reports were not filed timely due to competing Department priorities and lack of qualified staffing. The Department is currently in the process of developing a database to track mandatory reporting to help ensure that required reports are assigned to and completed by designated staff in a timely manner.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-10 INADEQUATE DISASTER CONTINGENCY PLANNING

The Illinois Department on Aging (Department) did not formally adopt their disaster contingency plan for ensuring recovery of its critical computer systems, and the disaster contingency plan did not provide for an alternate recovery location.

The Department relies on several critical applications. One of the primary systems, eCCPIS (Electronic Community Care Program Information System), an online system used to process payments under the Community Care Program and to provide a secure portal to other department information and systems, was used to administer over \$800 million in State funds in fiscal years 2009 and 2010.

During our examination, we noted that **the Department's** disaster contingency plan (Plan) had not been finalized and was awaiting further modifications and approval. Also, we noted that the plan did not provide for a legitimate alternate recovery location. The Plan in its current form does mention an alternate recovery location at another building that was occupied by the **Department, but the Department's lease on the building was terminated in December 2009,** and no other alternate recovery locations have been secured.

Disasters may range from a particular system outage to a complete destruction of the computer facility. Therefore, an adequate disaster contingency plan must provide for an alternate recovery location and should be finalized so that all personnel can be made aware of their responsibilities in the event of a disaster.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster contingency plans. Tests of disaster contingency plans and documentation of the test results verify that the plan, procedures, and resources (including personnel) provide the capability to recover critical systems within the required timeframes.

Department officials stated the Department is awaiting finalization and approval of the draft contingency plan that has been developed by the Disaster Recovery / Business Continuity Plan Work Team. Also, the Department is considering migrating its computer programs so that they will be hosted by the Department of Central Management Services (DCMS), and if this is done, then **the Department will use DCMS's** recovery services to supplement its disaster contingency plan. (Finding Code No. 10-10, 08-1, 06-2, 04-2)

RECOMMENDATION

The Department should finalize its disaster contingency plan and the final plan should provide for an alternate recovery location. As new developments and/or modifications to their information technology resources occur, the plan should be updated to ensure it remains current and can be relied upon during a disaster situation. A copy of the Plan should be stored at a secured, offsite location and made available to appropriate personnel.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-10 INADEQUATE DISASTER CONTINGENCY PLANNING (CONTINUED)

AGENCY RESPONSE

Agree. The Department will work on finalizing its disaster contingency plan with any recommendations to include CMS and/or CMS Real Estate in order to enact. CMS will have to determine any alternate recovery location because all of our servers are now located in the CMS Central Computer Facility. The plan is for the team to meet quarterly upon acceptance of the Final Comprehensive Plan so that elements of the plan can be tested quarterly. The Project Management Office (PMO) will also be included so that any impacts to the applications of the Department will be acted upon as soon as the decision to implement a new system or change is made. There will be several copies of the plan distributed and stored off-site once the plan is finalized.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-11 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING PROCESS

The Illinois Department on Aging (Department) did not have adequate controls over accounts receivable reporting and collection. As a result, the Department inaccurately reported the estimated allowance for doubtful accounts and failed to follow procedures regarding the **Comptroller's Offset System** for past due accounts.

- We noted that three of eight (38%) accounts receivable reports prepared for quarters ended in fiscal years 2009 and 2010 included mathematical errors for the amount reported as current receivables of \$20,000, \$5,000, and \$64,000, respectively.

The Statewide Accounting Management System (SAMS) (Chapter 26) establishes guidelines for State agencies to follow in the development and implementation of a system for accounting for and managing their receivables. According to the SAMS Manual, it is the responsibility of each agency to develop its internal procedures for implementing an accounts receivables system. Good internal controls require accurate reporting of accounts receivable.

Department personnel stated that the errors were a result of errors in the spreadsheet used to track the receivables.

- At June 30, 2010, the Department had \$592,000 of gross accounts receivable made up of 1,615 individual accounts. Of that amount, \$487,000 was past-due by 90 days or more.

The Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.20) recommends placement of accounts for offset early in the collection process and requires placement of accounts **greater than 90 days past due and over \$1,000 in the Comptroller's Offset System** unless an agency can demonstrate to the **Comptroller's satisfaction** that referral of accounts to the system is not cost effective, the debtor has entered into a deferred payment plan, or the claim is against another State Agency.

During our testing, we noted that 134 of the accounts included in the detail of accounts receivable were over \$1,000 and 90 days past due, and that none of these amounts had been placed with the **Comptroller's Offset System**. In addition, the Department had not taken measures to demonstrate to the Comptroller that collection would not be cost effective.

According to Department personnel, the receivables have not been referred to the **Comptroller's Offset System** because it would not be a cost effective use of State resources. These receivables were created by overpayments made to low income senior citizen participants of the Circuit Breaker program.

Failure to establish and maintain adequate internal controls over the accounts receivable **reporting process increases the risk that the Department's receivable** balances could be inaccurate and not properly valued. Failure to submit accounts receivable over \$1,000 to the **Comptroller's Offset System is a violation of SAMS Procedure 26.40.20 and could result in the State not being able to recover amounts it is owed.** (Finding Code No. 10-11, 08-12, 06-15)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-11 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING PROCESS (CONTINUED)

RECOMMENDATION

We recommend the Department implement the necessary internal controls to consistently report accounts receivable. Also, the Department should write-off the accounts that it believes are not collectible. Further, the Department should meet with the Office of the State Comptroller regarding their concern about the cost effectiveness of using the Comptroller's Offset System to collect accounts receivable greater than 90 days past due and over \$1,000.

AGENCY RESPONSE

Agree. The Department is in the process of reviewing all outstanding accounts receivable to identify accounts that should be written off in accordance with procedures established by the Illinois Attorney General's office. Other past due accounts greater than \$1,000 will be referred to the Comptroller's Offset System. The Department will implement internal controls to regularly review accounts receivable and document collection efforts.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2010

10-12 FAILURE TO PRESENT DIRECT CARE WORKER AWARDS

The Illinois Department on Aging (Department) did not present awards to older direct care workers in accordance with the Illinois Compiled Statutes.

During our testing we noted that the Department did not present awards in 2 of the 5 required categories as required by statute.

The Act on Aging (20 ILCS 105/8.08) requires the Department to present one award annually **at the Governor's Conference on Aging** or a similar venue to older direct care workers in each of the following categories:

- Older American Act Services
- Home Health Services
- Community Care Program Services
- Nursing Homes
- Programs that provide housing with services licensed or certified by the State

Department personnel stated that the Department was in the process of identifying a strategy for soliciting nominations for the two categories for which awards were not presented during the engagement period.

Failure to submit awards in all of the required categories causes the Department to not be in compliance with the Illinois Compiled Statutes. (Finding Code No. 10-12)

RECOMMENDATION

We recommend that the Department continue to work on developing a strategy for soliciting nominations so that they can receive information timely in order to select award recipients and to present awards annually in all of the required categories.

AGENCY RESPONSE

Agree. The Department will develop criteria for recipients of awards for nursing homes and programs that provide housing with services licensed or certified by the State. **These awards will be presented at the Governor's Conference on Aging or a similar venue.**

STATE OF ILLINOIS
DEPARTMENT ON AGING

PRIOR FINDINGS NOT REPEATED - STATE

Two Years Ended June 30, 2010

- A** In the prior examination, the Department on Aging (Department) failed to establish an Advisory Committee for the Prevention of Unnecessary Institutionalization Program and a Coordinating Committee of State Agencies Serving Older Persons as required by the Prevention of Unnecessary Institutionalization Act and the Act on Aging, respectively.

During the current examination, we noted that the provisions in the mandates requiring the establishment of the Advisory Committee for the Prevention of Unnecessary Institutionalization Program and the Coordinating Committee of State Agencies Serving Older Persons were repealed; therefore, this finding is not repeated. (Finding Code No. 08-4, 06-5)

- B** In the prior examination, the Department failed to adopt policies, priorities and guidelines to carry out the purposes of the Illinois Act on Aging in regards to the establishment of specialized **Alzheimer's Day Care Resource Centers**.

During the current examination, we noted that this mandate was amended so that it was no longer required that the Department establish policies, priorities and guidelines for carrying out this provision of the Illinois Act on Aging; therefore, this finding is not repeated. (Finding Code No. 08-5, 06-6, 04-8)

- C** In the prior examination, we noted that the Department had inadequate segregation of duties over payroll which led to an increased risk that a loss from errors or irregularities could occur and would not be detected in a timely manner in the normal course of employees carrying out their assigned duties.

During the current examination, we noted that the controls were updated so that the payroll clerk who inputs payroll data and changes is not the same person that reviews and approves the input and changes; therefore, this finding is not repeated. (Finding Code No. 08-6, 06-7, 04-9)

- D** In the prior examination, the Department failed to establish a Family Caregiver Training and Support Demonstration Project as required by the Family Caregiver Act. Failure to establish this project as well as failure to establish rules that govern participation and oversight of the program resulted in noncompliance with the Family Caregiver Act.

During the current examination, we noted that the mandate that established a Family Caregiver Training and Support Demonstration Project was repealed; therefore, this finding is not repeated. (Finding Code No. 08-7, 06-9)

- E** In the prior examination, the Department failed to submit copies of the six grant awards made to the area agencies on aging under the Enhanced Transition Demonstration Project to the Illinois Health Facilities Planning Board, which resulted in an incomplete statewide inventory as required by the Illinois Health Facilities Planning Act and noncompliance with the Older Adult Services Act.

During the current examination, the results of our testing indicated that no grants were awarded under this mandate due to no designated appropriation during the two fiscal years ending June 30, 2010; therefore, this finding is not repeated. (Finding Code No. 08-8, 06-10)

STATE OF ILLINOIS
DEPARTMENT ON AGING

PRIOR FINDINGS NOT REPEATED – STATE (Continued)

Two Years Ended June 30, 2010

- F** In the prior examination, we noted internal control weaknesses at the Department over invoice-voucher processing. 11 of 265 (4.2%) of the invoice-vouchers tested were not approved by management within 30 days and three invoice-vouchers were approved and paid in an incorrect fiscal year. The latter payments were Internal Service Fund telephone billings totaling over \$11,000, which were paid 434-703 days after the invoice date. By not approving invoice-vouchers in timely manner, the Department did not comply with provisions of the Illinois Administrative Code (74 Ill. Adm. Code 1000.50).

During the current examination, we did not note any excessive delays in paying Internal Service Fund charges; therefore, this finding is not repeated in this report. (Finding Code No. 08-10, 06-12, 04-11)

- G** In the prior examination, the Department did not have sufficient internal controls over automobile records. 14 of 20 (70%) of the invoice-vouchers tested revealed the original charge tickets were missing. As a result, these charges could not be traced to the vehicle or the employee who incurred the charge. 5 of 143 (3.5%) of the charges for gasoline tested were for purchases made on a weekend and the Department did not have any documentation of approval for weekend use of the vehicle on three of these charges. Without proper automobile records, the automobile expenditure and use policies were more susceptible to abuse which may go undetected by the Department.

During the current examination, the results of our testing indicated that all of the charges tickets tested were accounted for and no weekend purchases of gasoline were noted; therefore, this finding is not repeated. (Finding Code No. 08-11, 06-13)

- H** In the prior examination, we noted that the Department's **Senior Pharmaceutical Assistance Review Committee** did not hold quarterly meetings as required by the Senior Pharmaceutical Assistance Act (320 ILCS 50/15).

During the current examination, we noted that this issue has still not been resolved and is being reported under Finding Code No. 10-5 elsewhere in this report. (Finding Code No. 08-13)

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards

- Notes to the Schedule of Expenditures of Federal Awards

- 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

- Annual Cost Statistics (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the auditor has applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Schedule of Expenditures of Federal Awards
For the Years Ended June 30, 2010 and 2009

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>(Amounts in Thousands) Federal Expenditures</u>	
		<u>FY10</u>	<u>FY09</u>
<i>Aging Cluster:</i>			
U.S. Department of Health and Human Services:			
Title III, Part B—Grants for Supportive Services and Senior Centers	93.044	\$ 18,182	\$ 18,238
Title III, Part C—Nutrition Services	93.045	22,913	22,955
Nutrition Services Incentive Program	93.053	7,662	6,675
Title III, Part C—Nutrition Services ARRA Congregate Meals	93.707	2,150	-
Title III, Part C—Nutrition Services ARRA Home Delivered Meals	93.705	<u>1,176</u>	<u>-</u>
<i>Total Aging Cluster</i>		<u>52,083</u>	<u>47,868</u>
<i>Other Programs:</i>			
U.S. Department of Health and Human Services:			
Title VII, Part G—Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	188	207
Title VII, Part E—Long-Term Care Ombudsman Services for Older Individuals	93.042	1,714	586
Title III, Part D—Disease Prevention and Health Promotion Services	93.043	816	903
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	346	-
Title III, Part E—National Family Caregiver Support Program	93.052	5,744	6,106
Medicare Enrollment Assistance Program	93.071	391	-
Lifespan Respite Care	93.072	30	-
Grants under Section 1110 of the Social Security Act (MIIPPA SHIP)	93.779	<u>135</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>\$ 9,364</u>	<u>\$ 7,802</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Schedule of Expenditures of Federal Awards (Continued)
For the Years Ended June 30, 2010 and 2009

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	(Amounts in Thousands) <u>Federal Expenditures</u>	
		<u>FY10</u>	<u>FY09</u>
<i>Other Programs (Continued):</i>			
U.S. Department of Labor:			
Title V–Senior Community Service Employment Program	17.235	\$ 3,737	\$ 3,732
Title V–Senior Community Service Employment Program ARRA	17.235	<u>846</u>	<u>-</u>
Total U.S. Department of Labor		<u>4,583</u>	<u>3,732</u>
U.S. Department of Agriculture:			
National School Lunch Program	10.555	1,352	1,250
USDA Meal Reimbursement Cash in Lieu of Commodities	10.558	67	80
State Administrative Expenses for Child Nutrition	10.560	45	36
Senior Farmers' Market Nutrition Program	10.576	<u>11</u>	<u>11</u>
Total U.S. Department of Agriculture		<u>1,475</u>	<u>1,377</u>
<i>Total Other Programs</i>		<u>15,422</u>	<u>12,911</u>
Total Expenditures of Federal Awards		<u><u>\$ 67,505</u></u>	<u><u>\$ 60,779</u></u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Notes to the Schedule of Expenditures of Federal Awards
For the Years Ended June 30, 2010 and 2009

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of Illinois, Department on Aging (Department), and is presented on the cash basis of accounting.

NOTE 2 - SIGNIFICANT FEDERAL PROGRAMS

The Department has the following significant federal programs for fiscal years 2010 and 2009:

Title III, Part B - Grants for Supportive Services and Senior Centers (CFDA No. 93.044), provides for assistance for many types of services that are necessary for the general welfare of older individuals. These services include, but are not limited to, support of local senior centers, health, education, training and counseling services, transportation services, legal assistance, services to assist in obtaining adequate housing, abuse prevention, and services designed to avoid institutionalization.

Title III, Part C - Nutrition Services (CFDA No. 93.045), provides reimbursements for both congregate meals and home delivered meals for senior citizens. The objective of these programs is to provide senior citizens at least one nutritious meal per day. The reimbursements are passed through to the area agencies on aging, which reimburse the meal providers.

Title III, Part E - National Family Caregiver Support Program (CFDA No. 93.052), provides multifaceted systems of support services for family caregivers, and for grandparents or older individuals who are relative caregivers.

Title V, Senior Community Service Employment Program (CFDA No. 17.235), seeks to promote useful part-time employment opportunities for low-income persons age fifty-five years or older. The Department distributes monies to the area agencies on aging, which in turn provides funds to not-for-profit or governmental agencies to subsidize part-time employment in community service jobs for senior citizens.

Nutrition Services Incentive Program (CFDA No. 93.053) provides area agencies on aging and providers with funds for the effective delivery of nutritious meals to older adults.

NOTE 3 - FEDERAL FINANCIAL ASSISTANCE

The Department did not receive Federal Financial Assistance in the form of noncash assistance, insurance or loans.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Years Ended June 30, 2010 and 2009

NOTE 4 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, State of Illinois Department on Aging provided federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	(Amounts in Thousands)	
		Amount Provided to Subrecipients	
		FY10	FY09
National School Lunch Program	10.555	\$ 1,352	\$ 1,250
USDA Meal Reimbursement Cash in Lieu of Commodities	10.558	66	68
Title V–Senior Community Service Employment Program	17.235	3,737	3,560
Title V–Senior Community Service Employment Program ARRA	17.235	846	-
Title VII, Part G–Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	188	199
Title VII, Part E–Long Term Care Ombudsman Services for Older Individuals	93.042	675	559
Title III, Part D–Disease Prevention and Health Promotion Services	93.043	816	867
Title III, Part B–Grants for Supportive Services and Senior Centers	93.044	17,245	17,436
Title III, Part C–Nutrition Services	93.045	22,913	21,850
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	271	-
Title III, Part E–National Family Caregiver Support Program	93.052	5,744	5,850
Nutrition Services Incentive Program	93.053	7,662	6,675
Medicare Enrollment Assistance Program	93.071	391	-
Lifespan Respite Care	93.072	30	-
Title III, Part C–Nutrition Services ARRA Congregate Meals	93.707	2,150	-
Title III, Part C–Nutrition Services ARRA Home Delivered Meals	93.705	1,176	-
Grants under Section 1110 of the Social Security Act	93.779	135	-
Total Amounts Provided to Subrecipients		\$ 65,397	\$ 58,314

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

Public Act 96-0042, 96-0046	Appropriations (Net After Transfers)	Expenditures Through 6/30/10	Approximate		
			Lapse Period Expenditures 7/01 - 8/31/10	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Operations					
Personal Services for Non-Bargaining Unit Employees	\$ 2,800,000	\$ 1,734,161	\$ 5,017	\$ 1,739,178	\$ 1,060,822
Personal Services for Bargaining Unit Employees	2,438,500	2,284,161	84,057	2,368,218	70,282
State Contributions to Social Security for Non-Bargaining	214,200	127,985	384	128,369	85,831
State Contributions to Social Security for Bargaining	186,500	170,424	3,927	174,351	12,149
Operational Expenses, Awards, Grants, and Permanent Improvements	306,473,400	284,468,792	20,517,282	304,986,074	1,487,326
Operational Expenses	2,100,900	546,367	164,347	710,714	1,390,186
Awards and Grants					
Purchase of IL Community Care Program					
Homemaker and Senior Companion Services	342,000,000	341,999,995	-	341,999,995	5
TOTAL GENERAL REVENUE FUND - 001	656,213,500	631,331,885	20,775,014	652,106,899	4,106,601
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	6,490,900	4,770,367	1,368,195	6,138,562	352,338
Senior Health Assistance	1,600,000	1,431,876	168,124	1,600,000	-
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	\$ 8,090,900	\$ 6,202,243	\$ 1,536,319	\$ 7,738,562	\$ 352,338

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010 (Continued)

	Appropriations (Net After Transfers)	Expenditures Through 6/30/10	Lapse Period Expenditures 7/01 - 8/31/10	Approximate	
				Total Expenditures	Balances Lapsed
Public Act 96-0042, 96-0046					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Training Services	\$ 150,000	\$ 25,867	\$ 4,606	\$ 30,473	\$ 119,527
Discretionary Government Projects	5,000,000	1,349,150	217,708	1,566,858	3,433,142
Expenses of Senior Meal Program	40,000	39,717	-	39,717	283
Training and Conference Planning	150,000	55,856	12,332	68,188	81,812
Awards and Grants					
Grants for USDA Cash in Lieu	200,000	67,327	14,018	81,345	118,655
Grants for Employment Services	4,500,000	3,468,957	453,147	3,922,104	577,896
Grants for Nutrition Services	24,475,800	18,253,927	3,886,281	22,140,208	2,335,592
Grants for Social Services	17,000,000	13,703,899	2,568,067	16,271,966	728,034
USDA Commodities	1,500,000	1,118,584	228,280	1,346,864	153,136
National Family Caregiver Support	7,500,000	4,669,660	1,140,679	5,810,339	1,689,661
Elder Abuse Prevention	500,000	161,313	32,888	194,201	305,799
Ombudsman	1,000,000	534,542	78,634	613,176	386,824
Preventive Health	1,000,000	649,113	170,883	819,996	180,004
Nutrition Service Incentive Program	8,500,000	6,983,847	1,516,153	8,500,000	-
Total Distributive Items	<u>71,515,800</u>	<u>51,081,759</u>	<u>10,323,676</u>	<u>61,405,435</u>	<u>10,110,365</u>
Division of Home and Community Services					
Personal Services	1,088,900	871,082	1,815	872,897	216,003
State Contribution to State Employee Retirement	308,997	248,752	515	249,267	59,730
State Contribution to Social Security and Medicare	83,300	65,413	139	65,552	17,748
State Contribution to Group Insurance	227,900	143,862	4,292	148,154	79,746
Contractual Services	31,000	14,704	1,533	16,237	14,763
Travel	65,000	21,807	4,155	25,962	39,038
Printing	5,000	-	5,000	5,000	-
Telecommunications	6,000	5,956	-	5,956	44
Total Division of Home and Community Services	<u>\$ 1,816,097</u>	<u>\$ 1,371,576</u>	<u>\$ 17,449</u>	<u>\$ 1,389,025</u>	<u>\$ 427,072</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010 (Continued)

	Appropriations (Net After Transfers)	Expenditures Through 6/30/10	Lapse Period Expenditures 7/01 - 8/31/10	Approximate Total Expenditures	Balances Lapsed
Public Act 96-0042, 96-0046					
SERVICES FOR OLDER AMERICANS FUND - 618 (continued)					
Division of Finance and Administration					
Personal Services	\$ 676,200	\$ 228,829	\$ -	\$ 228,829	\$ 447,371
State Contribution to State Employee Retirement	191,885	64,982	-	64,982	126,903
State Contribution to Social Security and Medicare	51,700	16,952	-	16,952	34,748
State Contribution to Group Insurance	196,900	45,460	7,220	52,680	144,220
Contractual Services	76,300	15,042	38,761	53,803	22,497
Travel	10,000	1,650	-	1,650	8,350
Commodities	6,500	138	-	138	6,362
Printing	12,800	5,507	-	5,507	7,293
Equipment	1,100	1,083	-	1,083	17
Telecommunications	14,000	3,361	4,408	7,769	6,231
Operation of Automotive Equipment	2,400	317	-	317	2,083
Total Division of Finance and Administration	<u>1,239,785</u>	<u>383,321</u>	<u>50,389</u>	<u>433,710</u>	<u>806,075</u>
Federal Recovery - ARRA					
Title III Nutrition Services	950,000	749,998	78,062	828,060	121,940
Title V Employment Services	5,000,000	2,982,034	443,444	3,425,478	1,574,522
Total Federal Recovery - ARRA	<u>5,950,000</u>	<u>3,732,032</u>	<u>521,506</u>	<u>4,253,538</u>	<u>1,696,462</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>80,521,682</u>	<u>56,568,688</u>	<u>10,913,020</u>	<u>67,481,708</u>	<u>13,039,974</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
Private Partnership Projects Expense	345,000	11,000	-	11,000	334,000
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>345,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>334,000</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 745,171,082</u>	<u>\$ 694,113,816</u>	<u>\$ 33,224,353</u>	<u>\$ 727,338,169</u>	<u>\$ 17,832,913</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010 (Continued)

	Appropriations (Net After Transfers)	Expenditures Through 6/30/10	Lapse Period Expenditures 7/01 - 8/31/10	Approximate Total Expenditures	Balances Lapsed
Public Act 96-0042, 96-0046					
NONAPPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items					
Refund Subgrantee Interest		\$ -	\$ 17,103	\$ 17,103	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		<u>-</u>	<u>17,103</u>	<u>17,103</u>	
TOTAL - ALL NONAPPROPRIATED FUNDS		<u>\$ -</u>	<u>\$ 17,103</u>	<u>\$ 17,103</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 694,113,816</u>	<u>\$ 33,241,456</u>	<u>\$ 727,355,272</u>	

Note 1: The information contained in this schedule was taken from Department records and has been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Elder Abuse and Neglect Act	\$ 10,041,400	\$ 9,480,682	\$ 560,192	\$ 10,040,874	\$ 526
Circuit Breaker and Prescription Drug Assistance	44,196,000	43,622,993	460,318	44,083,311	112,689
Senior Employment Specialist Program	264,300	239,380	14,274	253,654	10,646
Intergenerational Program	60,900	38,671	5,672	44,343	16,557
Grandparent Raising Grandchildren Program	336,500	321,331	-	321,331	15,169
Home Delivered Meals	2,000,000	1,625,101	374,899	2,000,000	-
Alzheimer's Initiative	104,700	72,307	11,231	83,538	21,162
Monitoring and Support Services	296,900	132,323	52,345	184,668	112,232
Illinois Council on Aging	12,200	12,096	-	12,096	104
Senior Meal Program	34,500	33,391	-	33,391	1,109
Alzheimer's Task Force	12,400	4,501	2,413	6,914	5,486
Senior Helpline	1,650,000	1,227,825	154,205	1,382,030	267,970
Red Tape Cutter Program	9,800	-	-	-	9,800
Awards and Grants					
Purchase of IL Community Care Program					
Homemaker and Senior Companion Services	349,213,000	348,855,497	350,501	349,205,998	7,002
IL Community Care Program					
Wage and Insurance Coverage	64,200,000	61,895,187	2,304,807	64,199,994	6
Retired Senior Volunteer Program	782,000	764,971	17,029	782,000	-
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,064,655	177,045	2,241,700	-
Case Management	43,428,600	42,907,608	349,544	43,257,152	171,448
Foster Grandparent Program	342,100	342,100	-	342,100	-
Expenses to Area Agencies on Aging for					
Long-Term Care Systems Development	276,000	207,000	69,000	276,000	-
Grants for the Suburban Area on Aging for the					
Red Tape Cutter Program	251,700	251,700	-	251,700	-
Ombudsman Program	391,000	340,555	50,445	391,000	-
Delivered Meals and Mobile Food Equipment	7,969,600	6,662,480	1,307,120	7,969,600	-
Grants for the Chicago Department on Aging for the Red					
Tape Cutter Program	603,600	513,060	90,540	603,600	-
Community Based Services, Including Information and					
Referral, Transportation, and Delivered Meals	3,062,300	1,780,004	1,282,296	3,062,300	-
Community Based Service Grants	1,955,000	1,601,337	353,663	1,955,000	-
Total Distributive Items	\$ 533,736,200	\$ 524,996,755	\$ 7,987,539	\$ 532,984,294	\$ 751,906

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009 (Continued)

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
GENERAL REVENUE FUND - 001 (Continued)					
Division of Finance & Administration					
Personal Services	\$ 745,700	\$ 648,633	\$ 34,129	\$ 682,762	\$ 62,938
State Contribution to State Employee Retirement	146,550	136,679	7,192	143,871	2,679
State Contribution to Social Security and Medicare	57,100	48,514	2,554	51,068	6,032
Contractual Services	321,900	196,764	21,952	218,716	103,184
Travel	10,000	3,896	739	4,635	5,365
Commodities	20,400	20,168	105	20,273	127
Equipment	15,200	716	11,890	12,606	2,594
Electronic Data Processing	120,400	64,714	43,760	108,474	11,926
Telecommunications	66,200	65,768	185	65,953	247
Operation of Automotive Equipment	3,400	3,272	-	3,272	128
Total Division of Finance & Administration	<u>1,506,850</u>	<u>1,189,124</u>	<u>122,506</u>	<u>1,311,630</u>	<u>195,220</u>
Division of Home & Community Services					
Personal Services	705,000	626,079	28,881	654,960	50,040
State Contribution to State Employee Retirement	139,000	131,918	6,091	138,009	991
State Contribution to Social Security and Medicare	54,000	46,080	2,117	48,197	5,803
Travel	20,000	19,969	-	19,969	31
Commodities	500	75	404	479	21
Total Division of Home & Community Services	<u>918,500</u>	<u>824,121</u>	<u>37,493</u>	<u>861,614</u>	<u>56,886</u>
Division of Planning & Research Development					
Personal Services	284,600	231,394	13,875	245,269	39,331
State Contribution to State Employee Retirement	52,700	48,723	2,922	51,645	1,055
State Contribution to Social Security and Medicare	21,800	17,151	1,034	18,185	3,615
Travel	20,000	17,115	1,941	19,056	944
Commodities	500	347	144	491	9
Total Division of Planning & Research Development	<u>\$ 379,600</u>	<u>\$ 314,730</u>	<u>\$ 19,916</u>	<u>\$ 334,646</u>	<u>\$ 44,954</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009 (Continued)

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
Division of Communications & Outreach					
Personal Services	\$ 348,000	\$ 322,520	\$ 19,181	\$ 341,701	\$ 6,299
State Contribution to State Employee Retirement	74,500	67,915	4,039	71,954	2,546
State Contribution to Social Security and Medicare	26,700	23,640	1,419	25,059	1,641
Contractual Services	60,000	59,755	105	59,860	140
Travel	24,700	13,483	1,784	15,267	9,433
Commodities	500	494	-	494	6
Printing	23,500	22,220	989	23,209	291
Total Division of Communications & Outreach	557,900	510,027	27,517	537,544	20,356
Division of Executive Office					
Personal Services	528,700	490,727	19,904	510,631	18,069
State Contribution to State Employee Retirement	111,400	103,423	4,201	107,624	3,776
State Contribution to Social Security and Medicare	40,500	37,045	1,481	38,526	1,974
Contractual Services	40,400	34,054	1	34,055	6,345
Travel	33,600	30,156	2,106	32,262	1,338
Commodities	200	148	44	192	8
Total Division of Executive Office	754,800	695,553	27,737	723,290	31,510
Division of Shared Services					
Division of Executive Office	131,400	96,985	15,844	112,829	18,571
Division of Finance and Administration	610,000	509,504	70,692	580,196	29,804
Total Division of Executive Office	741,400	606,489	86,536	693,025	48,375
TOTAL GENERAL REVENUE FUND - 001	\$ 538,595,250	\$ 529,136,799	\$ 8,309,244	\$ 537,446,043	\$ 1,149,207

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009 (Continued)

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	\$ 6,490,900	\$ 6,484,585	\$ (622)	\$ 6,483,963	\$ 6,937
Senior Health Assistance	1,600,000	1,558,307	-	1,558,307	41,693
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	8,090,900	8,042,892	(622)	8,042,270	48,630
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Training Services	148,300	58,495	66,840	125,335	22,965
Discretionary Government Projects	6,405,000	701,633	194,250	895,883	5,509,117
Expenses of Senior Meal Program	52,100	45,391	5,732	51,123	977
Awards and Grants					
Grants for USDA Adult Day Care	1,700,000	1,110,310	233,327	1,343,637	356,363
Grants for Employment Services	4,100,000	3,301,526	268,192	3,569,718	530,282
Grants for Nutrition Services	24,475,800	16,871,835	4,719,473	21,591,308	2,884,492
Grants for Social Services	27,164,000	18,322,481	4,888,828	23,211,309	3,952,691
USDA Elderly Feeding Program	6,500,000	5,821,366	678,634	6,500,000	-
Total Distributive Items	70,545,200	46,233,037	11,055,276	57,288,313	13,256,887
Division of Finance & Administration					
Personal Services	388,300	284,328	13,053	297,381	90,919
State Contribution to State Employee Retirement	69,200	59,858	2,748	62,606	6,594
State Contribution to Social Security and Medicare	29,750	21,102	967	22,069	7,681
State Contribution to Group Insurance	60,800	53,955	2,406	56,361	4,439
Contractual Services	76,300	51,907	11,172	63,079	13,221
Travel	10,000	1,078	-	1,078	8,922
Commodities	6,500	666	35	701	5,799
Printing	12,800	5,372	5,506	10,878	1,922
Equipment	1,100	-	-	-	1,100
Telecommunications	14,000	9,628	4,199	13,827	173
Operation of Automotive Equipment	2,400	2,369	-	2,369	31
Total Division of Finance & Administration	\$ 671,150	\$ 490,263	\$ 40,086	\$ 530,349	\$ 140,801

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009 (Continued)

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)					
Division of Home & Community Services					
Personal Services	\$ 1,171,300	\$ 832,034	\$ 42,381	\$ 874,415	\$ 296,885
State Contribution to State Employee Retirement	208,500	176,200	8,982	185,182	23,318
State Contribution to Social Security and Medicare	89,100	62,691	3,197	65,888	23,212
State Contribution to Group Insurance	258,400	148,987	8,974	157,961	100,439
Contractual Services	15,000	1,075	-	1,075	13,925
Travel	52,100	47,306	1,165	48,471	3,629
Total Division of Home & Community Services	<u>1,794,400</u>	<u>1,268,293</u>	<u>64,699</u>	<u>1,332,992</u>	<u>461,408</u>
Division of Planning & Research Development					
Personal Services	322,800	54,313	-	54,313	268,487
State Contribution to State Employee Retirement	57,500	11,434	-	11,434	46,066
State Contribution to Social Security and Medicare	24,700	4,029	-	4,029	20,671
State Contribution to Group Insurance	81,000	10,741	-	10,741	70,259
Contractual Services	15,000	-	-	-	15,000
Travel	10,000	958	-	958	9,042
Total Division of Planning & Research Development	<u>511,000</u>	<u>81,475</u>	<u>-</u>	<u>81,475</u>	<u>429,525</u>
Division of Communications & Outreach					
Personal Services	202,200	25,864	-	25,864	176,336
State Contribution to State Employee Retirement	36,000	5,446	-	5,446	30,554
State Contribution to Social Security and Medicare	15,500	1,898	-	1,898	13,602
State Contribution to Group Insurance	64,800	7,042	-	7,042	57,758
Travel	10,000	-	-	-	10,000
Total Division of Communication & Outreach	<u>328,500</u>	<u>40,250</u>	<u>-</u>	<u>40,250</u>	<u>288,250</u>
ARRA Awards & Grants					
ARRA for Nutrition Services	5,000,000	-	345,048	345,048	4,654,952
ARRA for Employment Services	950,000	-	95,567	95,567	854,433
Total ARRA Awards & Grants	<u>5,950,000</u>	<u>-</u>	<u>440,615</u>	<u>440,615</u>	<u>5,509,385</u>
Division of Shared Services					
Division of Finance and Administration	680,800	254,429	12,483	266,912	413,888
Total Division of Shared Services	<u>680,800</u>	<u>254,429</u>	<u>12,483</u>	<u>266,912</u>	<u>413,888</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>\$ 80,481,050</u>	<u>\$ 48,367,747</u>	<u>\$ 11,613,159</u>	<u>\$ 59,980,906</u>	<u>\$ 20,500,144</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009 (Continued)

Public Act 95-0734, 95-0713, 95-1001, 96-0004	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01 - 8/31/09	Total Expenditures	Balances Lapsed
FY09 BUDGET RELIEF FUND - 678					
Provisions of the Elder Abuse and Neglect Act	\$ 1,000,000	\$ 19,214	\$ 980,786	\$ 1,000,000	\$ -
TOTAL FY09 BUDGET RELIEF FUND - 678	<u>1,000,000</u>	<u>19,214</u>	<u>980,786</u>	<u>1,000,000</u>	<u>-</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
Private Partnership Projects Expense	45,000	11,000	-	11,000	34,000
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>45,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>34,000</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 628,212,200</u>	<u>\$ 585,577,652</u>	<u>\$ 20,902,567</u>	<u>\$ 606,480,219</u>	<u>\$ 21,731,981</u>
NONAPPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items					
Refund Subgrantee Interest		\$ 98,703	\$ -	\$ 98,703	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		<u>98,703</u>	<u>-</u>	<u>98,703</u>	
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
IHDA/IDOR Interagency Agreement		71,853	-	71,853	
Ombudsman Grant		6,236	-	6,236	
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830		<u>78,089</u>	<u>-</u>	<u>78,089</u>	
TOTAL - ALL NONAPPROPRIATED FUNDS		<u>\$ 176,792</u>	<u>\$ -</u>	<u>\$ 176,792</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 585,754,444</u>	<u>\$ 20,902,567</u>	<u>\$ 606,657,011</u>	

Note 1: The information contained in this schedule was taken from Department records and has been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2010 PA 96-0042, 96-0046	2009 PA 95-0734, 95-0713 95-1001, 96-0004	2008 PA 95-0348
GENERAL REVENUE FUND - 001			
Appropriations (Net After Transfers)	\$ 656,213,500	\$ 538,595,250	\$ 459,741,185
Expenditures			
Operating Expenditures			
Personal Services	4,107,396	2,435,323	2,163,690
State Contribution to State Employees Retirement	-	513,103	358,460
State Contribution to Social Security and Medicare	302,720	181,035	161,492
Contractual Services	-	312,631	405,237
Travel	-	91,189	87,899
Commodities	-	21,929	21,900
Printing	-	23,209	16,810
Equipment	-	12,606	12,622
Electronic Data Processing	-	108,474	105,333
Telecommunications Services	-	65,953	65,851
Operation of Automotive Equipment	-	3,272	3,263
Shared Services Division of the Executive Office	-	112,829	128,295
Shared Services Division of Finance & Administration	-	580,196	466,122
Operational Expenses, Awards, Grants, etc.	304,986,074	-	-
Operational Expenses	710,714	-	-
Operation Grants:			
Elder Abuse and Neglect Act	-	10,040,874	10,341,375
Circuit Breaker and Prescription Drug Assistance	-	44,083,311	44,094,781
Senior Employment Specialist Program	-	253,654	259,300
Intergenerational Program Expenses	-	44,343	58,097
Grandparent Raising Grandchildren Program	-	321,331	324,593
Home Delivered Meals	-	2,000,000	2,000,000
Alzheimer's Initiative	-	83,538	52,566
Monitoring and Support Services	-	184,668	221,219
Illinois Council on Aging	-	12,096	12,017
Senior Meal Program	-	33,391	34,416
Alzheimer's Disease Task Force	-	6,914	8,397
Senior Helpline	-	1,382,030	1,288,500
Red Tape Cutter Program	-	-	4,985
Total Operating Expenditures	<u>310,106,904</u>	<u>62,907,899</u>	<u>62,697,220</u>
Grants-in-Aid			
Purchase of IL Community Care Program			
Homemaker and Senior Companion Services	341,999,995	349,205,998	330,642,211
IL Community Care Program			
Wage and Insurance Coverage	-	64,199,994	-
Grants for Retired Senior Volunteer Program	-	782,000	782,000
Planning and Service Grants to Area Agencies on Aging	-	2,241,700	2,241,700
Grants for Adult Day Care Services	-	-	1,598,322
Foster Grandparents Program	-	342,100	342,100
Expenses to Area Agencies on Aging for Long-Term			
Care Systems Development	-	276,000	276,000
Grants for the Suburban Area on Aging for the Red			
Tape Cutter Program	-	251,700	251,700
Ombudsman Program	-	391,000	391,000
Delivered Meals and Mobile Food Equipment	-	7,969,600	7,969,600
Grants for the Chicago Department on Aging for			
the Red Tape Cutter Program	-	603,600	603,600
Grants for Local Senior Centers	-	-	1,323,500
Community Based Services, Including Information and			
Referral, Transportation, and Delivered Meals	-	3,062,300	3,062,300
Grants for Community Based Services	-	1,955,000	1,955,000
Case Management	-	43,257,152	43,384,597
Alternative Senior Services	-	-	292,962
Total Grants-in-Aid	<u>\$ 341,999,995</u>	<u>\$ 474,538,144</u>	<u>\$ 395,116,592</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2010 PA 96-0042, 96-0046	2009 PA 95-0734, 95-0713 95-1001, 96-0004	2008 PA 95-0348
GENERAL REVENUE FUND - 001 (Continued)			
Total Expenditures	\$ 652,106,899	\$ 537,446,043	\$ 457,813,812
Lapsed Balances	\$ 4,106,601	\$ 1,149,207	\$ 1,927,373
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Appropriations (Net After Transfers)	\$ 8,090,900	\$ 8,090,900	\$ 8,090,900
Expenditures			
Circuit Breaker and Prescription Drug Assistance	6,138,562	6,483,963	6,452,508
Senior Health Assistance	1,600,000	1,558,307	1,593,960
Total Expenditures	<u>7,738,562</u>	<u>8,042,270</u>	<u>8,046,468</u>
Lapsed Balances	\$ 352,338	\$ 48,630	\$ 44,432
SERVICES FOR OLDER AMERICANS FUND - 618			
Appropriations (Net After Transfers)	\$ 80,521,682	\$ 80,481,050	\$ 73,140,550
Expenditures			
Operating Expenditures			
Personal Services	1,101,726	1,251,973	1,824,050
State Contribution to State Employee Retirement	314,249	264,668	302,957
State Contribution to Social Security and Medicare	82,504	93,884	135,031
State Contribution to Group Insurance	200,834	232,105	399,383
Contractual Services	70,040	64,154	86,612
Travel	27,612	50,507	72,255
Commodities	138	701	6,469
Printing	10,507	10,878	10,514
Equipment	1,083	-	1,074
Telecommunications Services	13,725	13,827	13,605
Operation of Automotive Equipment	317	2,369	2,387
Training Services	30,473	125,335	124,186
Discretionary Government Projects	1,566,858	895,883	262,033
Expenses of Senior Meal Program	39,717	51,123	24,180
Training and Conference Planning	68,188	-	-
Shared Services Division of Finance & Administration	-	266,912	291,543
Total Operating Expenditures	<u>3,527,971</u>	<u>3,324,319</u>	<u>3,556,279</u>
Grants-in-Aid			
Grants for USDA Adult Day Care	-	1,343,637	1,232,759
Grants for USDA Cash in Lieu	81,345	-	-
Grants for Employment Services	3,922,104	3,569,718	3,045,504
Grants for Nutrition Services	22,140,208	21,591,308	21,267,180
Grants for Social Services	16,271,966	23,211,309	23,818,606
USDA Commodities	1,346,864	-	-
National Family Caregiver Support	5,810,339	-	-
Elder Abuse Prevention	194,201	-	-
Ombudsman	613,176	-	-
Preventive Health	819,996	-	-
Nutrition Service Incentive Program	8,500,000	-	-
USDA Elderly Feeding Program	-	6,500,000	6,500,000
ARRA for Nutrition Services	828,060	345,048	-
ARRA for Employment Services	3,425,478	95,567	-
Total Grants	<u>63,953,737</u>	<u>56,656,587</u>	<u>55,864,049</u>
Total Expenditures	<u>67,481,708</u>	<u>59,980,906</u>	<u>59,420,328</u>
Lapsed Balances	\$ 13,039,974	\$ 20,500,144	\$ 13,720,222

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2010 PA 96-0042, 96-0046	2009 PA 95-0734, 95-0713 95-1001, 96-0004	2008 PA 95-0348
FY 09 BUDGET RELIEF FUND - 678			
Appropriations (Net after Transfers)	\$ -	\$ 1,000,000	\$ -
Expenditures			
Provisions of the Elder Abuse and Neglect Act	-	1,000,000	-
Total Expenditures	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Appropriations (Net after Transfers)	\$ 345,000	\$ 45,000	\$ 45,000
Expenditures			
Private Partnership Projects Expense	11,000	11,000	11,000
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>
Lapsed Balances	<u>\$ 334,000</u>	<u>\$ 34,000</u>	<u>\$ 34,000</u>
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	\$ 745,171,082	\$ 628,212,200	\$ 541,017,635
Expenditures	<u>727,338,169</u>	<u>606,480,219</u>	<u>525,291,608</u>
Lapsed Balances	<u>\$ 17,832,913</u>	<u>\$ 21,731,981</u>	<u>\$ 15,726,027</u>
NONAPPROPRIATED FUNDS			
SERVICES FOR OLDER AMERICANS FUND - 618			
Distributive Items			
Refund Sub-grantee Interest Income	\$ 17,103	\$ 98,703	\$ 217,219
Total Distributive Items	<u>\$ 17,103</u>	<u>\$ 98,703</u>	<u>\$ 217,219</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Expenditures			
Ombudsman Grant	\$ -	\$ 6,236	\$ 741,098
IHDA/IDOR Interagency Agreement	-	71,853	960,576
Total Expenditures	<u>\$ -</u>	<u>\$ 78,089</u>	<u>\$ 1,701,674</u>
GENERAL REVENUE FUND - 001 State Comptroller			
Appropriations (Net After Transfers)	\$ 115,700	\$ 115,700	\$ 111,400
Expenditures			
Director's Salary	115,613	115,613	111,381
Total Expenditures	<u>115,613</u>	<u>115,613</u>	<u>111,381</u>
Lapsed Balances	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 19</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS	<u>\$ 727,470,885</u>	<u>\$ 606,772,624</u>	<u>\$ 527,321,882</u>

Note: Approximate lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2010 and 2009

	2010	2009
Balance, beginning of period	\$ 2,130,593	\$ 1,905,772
Additions:		
Transferred In	-	-
Agency Adjustments	152	14,543
Equipment Purchased	64,035	225,930
Total Additions	64,187	240,473
Deductions:		
Transferred Out	149,132	15,205
Deletions	62,796	447
Total Deductions	211,928	15,652
Balance, end of period	\$ 1,982,852	\$ 2,130,593

Note: This information was obtained from Agency records which have been reconciled to property reports submitted to the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30:

	2010	2009	2008
GENERAL REVENUE FUND - 001			
Freedom of Information Act Copying Fees	\$ 158	\$ 340	\$ 111
Jury Duty	243	97	-
Miscellaneous Reimbursements	394	6,909	944
Circuit Breaker Refunds	10,209	10,450	12,719
Prior Year Refunds Deposited in Current Year	146,617	73,564	237,822
Total Receipts - Fund - 001	<u>157,621</u>	<u>91,360</u>	<u>251,596</u>
SERVICES FOR OLDER AMERICANS FUND - 618			
U.S. Department of Health and Human Services	58,026,520	55,751,225	51,844,803
U.S. Department of Agriculture	1,454,239	1,333,830	1,270,407
U.S. Department of Labor	3,940,618	3,608,206	3,175,694
Grantee Interest Income	17,103	98,703	217,219
U.S. Public Health Service Fund	550,000	750,000	-
Federal Stimulus Package	4,172,646	-	-
Prior Year Refunds Deposited in Current Year	6,312	147	9,667
Total Receipts - Fund - 618	<u>68,167,438</u>	<u>61,542,111</u>	<u>56,517,790</u>
FY 09 BUDGET RELIEF - 678			
Prior Year Refunds Deposited in Current Year	3,236	-	-
Total Receipts - Fund - 733	<u>3,236</u>	<u>-</u>	<u>-</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Prior Year Refunds Deposited in Current Year	-	-	271,209
Total Receipts - Fund - 733	<u>-</u>	<u>-</u>	<u>271,209</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
U.S. Public Health Service Fund	-	-	750,000
U.S.D.A. Food Nutrition Services	11,000	11,000	11,000
Prior Year Refunds Deposited in Current Year	394,987	-	-
Total Receipts - Fund - 830	<u>405,987</u>	<u>11,000</u>	<u>761,000</u>
TOTAL RECEIPTS - ALL FUNDS	<u>\$ 68,734,282</u>	<u>\$ 61,644,471</u>	<u>\$ 57,801,595</u>

RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER

	2010	2009	2008
Cash Receipts per Department	\$ 68,183,130	\$ 61,570,760	\$ 57,282,897
Prior Year Refunds Deposited in Current Year	551,152	73,711	518,698
	<u>\$ 68,734,282</u>	<u>\$ 61,644,471</u>	<u>\$ 57,801,595</u>
 Total Deposits Remitted to the State Comptroller	 <u>\$ 68,734,282</u>	 <u>\$ 61,644,471</u>	 <u>\$ 57,801,595</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

Explanations were obtained for expenditures with a variance of at least 15% and \$30,000 between fiscal years 2010 and 2009.

	2010	2009
GENERAL REVENUE FUND - 001		
Personal Services	\$ 4,107,396	\$ 2,435,323
<p>The Fiscal Year 2010 increase in personal services was mainly caused by more titles going into the union during Fiscal Year 2009 and 2010 and is a product of retroactive salary adjustments for pay raises decided in the union contracts six to eight months after the title shift into the union. In addition, the last year of the contract was back loaded at the highest level of pay rate increases. Also, approximately ten employees were shifted from Federal payrolls to General Revenue Fund to ensure proper allocation of Federal Operations dollars. Also, five of the staff that formerly reported to the Circuit Breaker manager were moved to the Division of Finance and Administration under the Information Technology manager. These changes accounted for approximately \$890,000 for Information Technology staff and the Federal shift, as well as \$485,000 for cost of living salary adjustments and pay step increases. The remaining is a combination of filling vacant positions and a couple of retirement payouts of approximately \$100,000.</p>		
State Contribution to State Employees Retirement	\$ -	\$ 513,103
<p>Retirement payments were not required to be made by the Department for employees paid from the General Revenue Fund as per Public Act 96-0045.</p>		
State Contribution to Social Security and Medicare	\$ 302,720	\$ 181,035
<p>This change is directly linked to increased payroll costs as outlined above concerning shifting of federal employees, Information Technology staff, and raises.</p>		
<u>Lump Sum for Operational Expenses</u>		
Operational Expenses, Awards, Grants, and Permanent Improvements	\$ 304,986,074	\$ -
Operational Expenses	\$ 710,714	\$ -
Contractual Services	\$ -	\$ 312,631
Travel	\$ -	\$ 91,189
Electronic Data Processing	\$ -	\$ 108,474
Telecommunications Services	\$ -	\$ 65,953
Elder Abuse and Neglect Act	\$ -	\$ 10,040,874
Circuit Breaker and Prescription Drug Assistance	\$ -	\$ 44,083,311

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2010

GENERAL REVENUE FUND - 001 (Continued)	2010	2009
<u>Lump Sum for Operational Expenses (continued)</u>		
Senior Employment Specialist Program	\$ -	\$ 253,654
Intergenerational Program Expenses	\$ -	\$ 44,343
Grandparent Raising Grandchildren Program	\$ -	\$ 321,331
Home Delivered Meals	\$ -	\$ 2,000,000
Alzheimer's Initiative	\$ -	\$ 83,538
Monitoring and Support Services	\$ -	\$ 184,668
Senior Meal Program	\$ -	\$ 33,391
Senior Helpline	\$ -	\$ 1,382,030
IL Community Care Program Wage & Insurance Coverage	\$ -	\$ 64,199,994
Grants for Retired Senior Volunteer Program	\$ -	\$ 782,000
Planning and Service Grants to Area Agencies on Aging	\$ -	\$ 2,241,700
Foster Grandparents Program	\$ -	\$ 342,100
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	\$ -	\$ 276,000
Grants for the Suburban Area on Aging for the Red Tape	\$ -	\$ 251,700
Ombudsman Program	\$ -	\$ 391,000
Delivered Meals and Mobile Food Equipment	\$ -	\$ 7,969,600
Grants for the Chicago Department on Aging for the Red Tape Cutter Program	\$ -	\$ 603,600
Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	\$ -	\$ 3,062,300
Grants for Community Based Services	\$ -	\$ 1,955,000
Case Management	\$ -	\$ 43,257,152

For Fiscal Year 2010, the General Assembly changed the appropriation process for operating expenses and grants that were paid from the General Revenue Fund. The Department received a lump sum appropriation for operational expenses and grants, not including personal service expenditures, rather than individual appropriations designated for specific purposes.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2010

	2010	2009
GENERAL REVENUE FUND - 001 (Continued)		
Shared Services Division of Executive Office	\$ -	\$ 112,829
Shared Services Division of Finance and Administration	\$ -	\$ 580,196

These lump sum expenditures were for the shared services project required by the Department of Central Management Services and the Office of the Governor in Fiscal Year 2008. The project was dismantled for Fiscal Year 2010 and the money was redistributed throughout the Department.

SERVICES FOR OLDER AMERICANS FUND - 618

State Contribution to State Employee Retirement	\$ 314,249	\$ 264,668
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This increase is due to the retirement rate increasing. The Fiscal Year 2009 rate was 21.049% while the Fiscal Year 2010 rate was 28.3877%.

Training Services	\$ 30,473	\$ 125,335
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Training and Conference Planning	\$ 68,188	\$ -
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Training was split into two appropriation lines in Fiscal Year 2010 which split the expenditures.

Discretionary Government Projects	\$ 1,566,858	\$ 895,883
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The Department received additional Federal grants that were paid from this appropriation line during Fiscal Year 2010.

ARRA for Nutrition Services	\$ 828,060	\$ 345,048
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ARRA for Employment Services	\$ 3,425,478	\$ 95,567
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Because the American Recovery and Reinvestment Act awards were not awarded until the 4th quarter of Fiscal Year 2009, the Department was unable to facilitate grant payments until the lapse period of Fiscal Year 2009. Fiscal Year 2010 was the first full year for these grants to be operational.

Grants for USDA Adult Day Care	\$ -	\$ 1,343,637
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Grants for USDA Cash in Lieu	\$ 81,345	\$ -
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USDA Commodities	\$ 1,346,864	\$ -
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The USDA Adult Day Care appropriation line item was split and renamed to allow for tracking by Catalog of Federal Domestic Assistance number in the Department's accounting system for Fiscal Year 2010.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2010

SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)	<u>2010</u>	<u>2009</u>
Grants for Social Services	\$ 16,271,966	\$ 23,211,309
National Family Caregiver Support	\$ 5,810,339	\$ -
Elder Abuse Prevention	\$ 194,201	\$ -
Ombudsman	\$ 613,176	\$ -
Preventive Health	\$ 819,996	\$ -

The Social Services grant was also broken off into additional appropriation lines by Catalog of Federal Domestic Assistance numbers in Fiscal Year 2010. National Family Caregiver Support, Elder Abuse Prevention, Ombudsman, and Preventive Health were all formerly part of the Grants for Social Services appropriation line item.

Nutrition Service Incentive Program	\$ 8,500,000	\$ -
USDA Elderly Feeding Program	\$ -	\$ 6,500,000

The Nutrition Incentives Program is a name change from USDA Elder Feeding Program. Additional funding was received from the Federal Government for Fiscal Year 2010.

Shared Services Division of Finance and Administration	\$ -	\$ 266,912
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This division was a lump sum project required by the Department of Central Management Services and the Office of the Governor in Fiscal Year 2008. The project was dismantled for Fiscal Year 2010 and the money was redistributed throughout the Department.

FY 09 BUDGET RELIEF FUND - 678

Provisions of Elderly Abuse	\$ -	\$ 1,000,000
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One time funding was received by the Department in Fiscal Year 2009.

SERVICES FOR OLDER AMERICANS FUND - 618

Refund Grantee Interest Income	\$ 17,103	\$ 98,703
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Less interest was accrued by the subrecipients during Fiscal Year 2010 because of less cash balances on hand at the Area Agencies on Aging due to the ongoing economic difficulties.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

IHDA/IDOR Interagency Agreement	\$ -	\$ 71,853
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IHDA Agreement was terminated after Fiscal Year 2009.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2010

Explanations were obtained for expenditures with a variance of at least 15% and \$30,000 between fiscal years 2009 and 2008.

	2009	2008
GENERAL REVENUE FUND - 001		

State Contribution to State Employees Retirement	\$ 513,103	\$ 358,460
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The variance is due to an increase in the retirement rate from 13.950% in Fiscal Year 2008 to 16.561% in Fiscal Year 2009. Also, there was a 12.6% increase from Fiscal Year 2008 to 2009 in the amount of personal services expenditures paid from General Revenue Fund appropriations.

Contractual Services	\$ 312,631	\$ 405,237
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In Fiscal Year 2008 there was a one-time consulting contract totaling \$144,000 to map out technology changes for the future concerning not only daily operation but programmatic needs as well. This contract did not extend to Fiscal Year 2009.

Shared Services Division of Finance & Administration	\$ 580,196	\$ 466,122
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The expenditure increases were attributed to cost of living salary adjustments and pay steps in the Union contract and the corresponding increases with fringe benefits paid from the shared services lump sum appropriations and the first full year for a position filled late in Fiscal Year 2008. The increase was also due to the retroactive adjustment of salary for several titles which became unionized during Fiscal Year 2010.

Alzheimer's Initiative	\$ 83,538	\$ 52,566
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This program utilized more outside trainers during Fiscal Year 2009 as a resource; such as the Illinois Homemaker Association, Illinois Council of Case Coordination and Units Illinois Health Association.

Monitoring & Support Services	\$ 184,668	\$ 221,219
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The Department did not renew graduate interns for the Budget Office and Home and Community Based Services during Fiscal Year 2009. The cost per intern is approximately \$18,000.

IL Community Care Program Wage & Insurance Coverage	\$ 64,199,994	\$ -
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This was a new funding line added to pay for an enhanced rate for health insurance reimbursement for homemakers.

Grants for Local Senior Centers	\$ -	\$ 1,323,500
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One time grants for Fiscal Year 2008 did not recur in Fiscal Year 2009.

Alternative Senior Services	\$ -	\$ 292,962
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During Fiscal Year 2009, this appropriation line was combined into the Community Care Program funding line.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2010

GENERAL REVENUE FUND - 001 (Continued)	2009	2008
Grants for Adult Day Care Services	\$ -	\$ 1,598,322

The spending in Fiscal Year 2008 represents spending during the Temporary 30 day budget passed by the General Assembly and signed by the Governor at the beginning of Fiscal Year 2008. The final budget for Fiscal Years 2008 and 2009 included this spending in the Purchase of Illinois Community Care Program line item.

SERVICES FOR OLDER AMERICANS FUND - 618

Personal Services	\$ 1,251,973	\$ 1,824,050
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As Federal administrative awards amounts remained relatively static, the costs for employees continued to rise. In Fiscal Year 2009 the Department began to shift employees to General Revenue Fund payrolls in order for the Department to retain the ability to meet payroll obligations.

State Contribution to Social Security and Medicare	\$ 93,884	\$ 135,031
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This variance is directly related to the impact of employee payroll shifting to the General Revenue Fund.

State Contribution to Group Insurance	\$ 232,105	\$ 399,383
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This variance is directly related to the impact of employee payroll shifting to the General Revenue Fund.

Discretionary Government Projects	\$ 895,883	\$ 262,033
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The Department received increased grant awards from the Federal Government during Fiscal Year 2009.

Grants for Employment Services	\$ 3,569,718	\$ 3,045,504
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The Department received an increase in the Title V grant award from the Department of Labor for Fiscal Year 2009.

ARRA for Nutrition Services	\$ 345,048	\$ -
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ARRA for Employment Services	\$ 95,567	\$ -
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The American Reinvestment and Recover Act grants were not awarded to the Department until the fourth quarter of Fiscal Year 2009.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2010

	2009	2008
FY 09 BUDGET RELIEF FUND - 678		
Provisions for Elder Abuse	\$ 1,000,000	\$ -

One time funding was received by the Department in Fiscal Year 2009.

NONAPPROPRIATED FUNDS

SERVICES FOR OLDER AMERICANS FUND - 618

Refund Grantee Interest Income	\$ 98,703	\$ 217,219
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Less interest was accrued by the subrecipients during Fiscal Year 2009 because of less cash balances on hand at the Area Agencies on Aging due to the ongoing economic difficulties.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Ombudsman Grant	\$ 6,236	\$ 741,098
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The Ombudsman's funding was deposited into the 618 fund in Fiscal Year 2009 rather than 830.

IHDA/IDOR Interagency Agreement	\$ 71,853	\$ 960,576
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The Fiscal Year 2009 expenditure was remaining Civil Monetary Penalties (CMP) funding from Fiscal Year 2008 in which the Department is allowed to spend by terms of the interagency agreement which is based on the Federal fiscal year. In Fiscal Year 2009, the appropriation for the Civil Monetary Penalties funding was moved to Fund 618.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS
For the Two Years Ended June 30, 2010

Explanations were obtained for cash receipts with a variance of at least 15% and \$20,000 between fiscal years 2010 and 2009.

	2010	2009
GENERAL REVENUE FUND - 001		
Prior Year Refunds Deposited in Current Year	\$ 146,617	\$ 73,564

Individuals who received property tax rebates can sometimes owe the Department if subsequent information obtained by Department reduces the individuals' allowable rebate. During Fiscal Year 2010 the rebates were reduced by 50% which caused a computer glitch that issued a number considerably higher at the incorrect amount. This glitch was identified by Department staff and has been corrected.

SERVICES FOR OLDER AMERICANS FUND - 618

Grantee Interest Income	\$ 17,103	\$ 98,703
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Less interest was accrued by the subrecipients during Fiscal Year 2010 because of less cash balances on hand at the Area Agencies on Aging due to the ongoing economic difficulties.

U.S. Public Health Service Fund	\$ 550,000	\$ 750,000
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The Illinois Department of Public Health had less funding available to grant to the Department.

Federal Stimulus Package	\$ 4,172,646	\$ -
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Because the American Recovery and Reinvestment Act awards were not awarded until the 4th quarter of Fiscal Year 2009, the Department was unable to receive drawdowns until Fiscal Year 2010.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Prior Year Refunds Deposited in Current Year	\$ 394,987	\$ -
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The Illinois Housing Development Authority started the Home Again Enhanced Transition Program during Fiscal Year 2007 and extended the grant funds to Fiscal Year 2009. Once the program ended, any funds not used by the subgrantees were to be returned to the Department within 45 days, which occurred during Fiscal Year 2010. The money will be returned to the Illinois Housing Development Authority trustee fund during Fiscal Year 2011.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS
For the Two Years Ended June 30, 2010

Explanations were obtained for cash receipts with a variance of at least 15% and \$20,000 between fiscal years 2009 and 2008.

	2009	2008
GENERAL REVENUE FUND - 001		
Prior Year Refunds Deposited in Current Year	\$ 73,564	\$ 237,822

Online applications and significant assistance in the communities reduced the number of applications with errors, which assisted in preventing incorrect rebate amounts from being paid.

SERVICES FOR OLDER AMERICANS FUND - 618

Grantee Interest Income	\$ 98,703	\$ 217,219
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Less interest was accrued by the subrecipients during Fiscal Year 2009 because of less cash balances on hand at the Area Agencies on Aging due to the ongoing economic difficulties.

U.S. Public Health Service Fund	\$ 750,000	\$ -
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The Civil Monetary Penalties (CMP) funding was originally deposited and expended from the Department on Aging State Projects Fund (830) in Fiscal Year 2008.

TOBACCO SETTLEMENT RECOVERY FUND - 733

Prior Year Refunds Deposited in Current Year	\$ -	\$ 271,209
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The Fiscal Year 2008 balance consisted of refunds from Area Agencies on Aging (City of Chicago and Lincoln Land) for \$241,647. The remaining balance was a refund from the Department of Human Services for unspent funds pertaining to the Welcoming Centers. No such refunds occurred during Fiscal Year 2009.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

U.S. Public Health Service Fund	\$ -	\$ 750,000
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The Civil Monetary Penalties (CMP) funding was deposited and expended from the Older American Fund (618) in Fiscal Year 2009.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

Explanations were obtained for lapse period expenditures that made up 15% or greater of the total expenditures for the line item and at least \$20,000 was spent during the lapse period.

Fiscal Year 2010	Lapse Period	Total Expenditures
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GENERAL REVENUE FUND - 001
Operations:

Operational Expenses	\$ 164,347	\$ 710,714
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Vendor invoices were received late in the fiscal year causing delays in processing which pushed more vouchering into the lapse period.

TOBACCO SETTLEMENT RECOVERY FUND - 733
Distributive Items:

Circuit Breaker and Prescription Drug Assistance	\$ 1,368,195	\$ 6,138,562
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The payment to the State for the tobacco lawsuit settlement did not arrive until April. Due to cash flow issues in Fiscal Year 2010, the Department did not begin vouchering from fund 733 until May, causing many expenditures to occur during lapse period.

SERVICES FOR OLDER AMERICANS FUND - 618
Awards and Grants:

Grants for Nutrition Services	\$ 3,886,281	\$ 22,140,208
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Grants for Social Services	\$ 2,568,067	\$ 16,271,966
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USDA Commodities	\$ 228,280	\$ 1,346,864
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National Family Caregiver Support	\$ 1,140,679	\$ 5,810,339
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Elder Abuse Prevention	\$ 32,888	\$ 194,201
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Preventive Health	\$ 170,883	\$ 819,996
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The City of Chicago requests their share of grant funding twice per year; once in March then again in June. During Fiscal Year 2010 this request was made late in June, which did not allow for vouchering to occur until lapse period.

Nutrition Service Incentive Program	\$ 1,516,153	\$ 8,500,000
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The Area Agency on Aging payment for the Nutrition Services Incentive Program was made in July 2010 for services performed during February through June 2010, with the City of Chicago receiving approximately \$1.2 million.

Division of Finance and Administration:

Contractual Services	\$ 38,761	\$ 53,803
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The payment of National Association of State Units on Aging dues was not made as planned during the regular fiscal year. After the bill was processed, the payment was not vouchered until lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

Explanations were obtained for lapse period expenditures that made up 15% or greater of the total expenditures for the line item and at least \$20,000 was spent during the lapse period.

Fiscal Year 2009	Lapse Period	Total Expenditures
GENERAL REVENUE FUND - 001		
Operations:		
Home Delivered Meals	\$ 374,899	\$ 2,000,000
Monitoring and Support Services	\$ 52,345	\$ 184,668
Awards and Grants:		
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	\$ 69,000	\$ 276,000
Delivered Meals and Mobile Food Equipment	\$ 1,307,120	\$ 7,969,600
Grants for the Chicago Department on Aging for the Red Tape Cutter Program	\$ 90,540	\$ 603,600
Community Based Services, Including Information and Referral, Transportation and Delivered Meals	\$ 1,282,296	\$ 3,062,300
Community Based Service Grants	\$ 353,663	\$ 1,955,000

Submission of backup for grant reimbursements were not received by the Department from the City of Chicago until late June, so vouchering of the requests could not occur until lapse period.

Division of Finance & Administration:

Electronic Data Processing	\$ 43,760	\$ 108,474
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Bills were received during the lapse period for software and hardware ordered for repairs and additional licensing previous to June 30, 2010.

SERVICES FOR OLDER AMERICANS FUND - 618

Operations:

Training Services	\$ 66,840	\$ 125,335
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The Elder Rights Conference occurred in the first week of July, and therefore, the costs for training materials and rental of a facility and media equipment for the conference which were procured before June 30 were paid during lapse period. There were difficulties with staff turnover in the training division which caused more of a delay than in normal years.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)
For the Two Years Ended June 30, 2010

Fiscal Year 2009 (Continued)	Lapse Period	Total Expenditures
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)		
Discretionary Government Projects	\$ 194,250	\$ 895,883

Fiscal year end funds for the Nursing Home Diversion grant are normally released late in the last quarter, which causes the processing time for discretionary government projects to push into the lapse period.

Awards and Grants:

Grants for USDA Adult Day Care	\$ 233,327	\$ 1,343,637
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Payments for the May and June USDA reimbursements occurred in lapse period 2009.

Grants for Nutrition Services	\$ 4,719,473	\$ 21,591,308
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Grants for Social Services	\$ 4,888,828	\$ 23,211,309
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Backup for grant reimbursements were not received by the Department from the City of Chicago until late June, so vouchering of the request could not occur until lapse period.

ARRA Awards and Grants

ARRA for Nutrition Services	\$ 345,048	\$ 345,048
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ARRA for Employment Services	\$ 95,567	\$ 95,567
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Because the American Recovery and Reinvestment Act awards were not awarded until the 4th quarter of Fiscal Year 2009, the Department was unable to facilitate grant payments until the lapse period of Fiscal Year 2009.

BUDGET RELIEF FUND - 678

Provisions of the Elder Abuse and Neglect Act	\$ 980,786	\$ 1,000,000
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Submission and verification of June bills submitted by Elder Abuse and Neglect providers were processed during the lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2010 and 2009

The Department had approximately \$11,135,000 and \$11,608,000 due from federal agencies at June 30, 2010 and 2009, respectively. The receivables from federal agencies, which were comprised of the U.S. Department of Labor, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services, all passed through in the Service for Older Americans Fund 618. The Department considers these receivables to be current and collectible.

The Department had approximately \$592,000 and \$443,000 of gross receivables due from grantees of the Circuit Breaker and Prescription Drug Assistance program at June 30, 2010 and 2009, respectively. At June 30, 2010 and 2009, the estimated uncollectible balance of these receivables was approximately \$570,000 and \$429,000. See Finding 10-11 in this report regarding the Department's lack of controls over the process of evaluating these receivables for write-off or referral to the Comptroller's offset system.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
For the Two Years Ended June 30, 2010

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

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. The indirect cost rates are based on direct salaries and wages including retirement and social security. The latest rate agreement, dated January 8, 2010, approved the following rates:

<u>COSTS APPLICABLE TO</u>	<u>RATE TYPE</u>	<u>EFFECTIVE PERIOD</u>	<u>RATE</u>
Circuit Breaker / Pharmaceutical Assistance	Final	07/01/08 - 6/30/09	85.9%
	Provisional	07/01/09 - 06/30/10	117.0%
	Provisional	07/01/10 - 06/30/11	85.9%
	Provisional	07/01/11 - Until Amended	85.9%
Home and Community Care / Planning, Research and Development	Final	07/01/08 - 06/30/09	98.5%
	Provisional	07/01/09 - 06/30/10	114.0%
	Provisional	07/01/10 - 06/30/11	98.5%
	Provisional	07/01/11 - Until Amended	98.5%
Finance and Administration	Final	07/01/08 - 06/30/09	49.3%
	Provisional	07/01/09 - 06/30/10	54.8%
	Provisional	07/01/10 - 06/30/11	49.3%
	Provisional	07/01/11 - Until Amended	49.3%
Communication and Outreach	Final	07/01/08 - 06/30/09	87.1%
	Provisional	07/01/09 - 06/30/10	88.8%
	Provisional	07/01/10 - 06/30/11	87.1%
	Provisional	07/01/11 - Until Amended	87.1%

STATE OF ILLINOIS
DEPARTMENT ON AGING
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2010

AGENCY FUNCTIONS

The State of Illinois, Department on Aging (Department) was created by the State Legislature in 1973 for the purpose of improving the quality of life for **Illinois'** senior citizens by coordinating programs and services enabling older persons to preserve their independence as long as possible. It is the single State agency in Illinois authorized to receive and dispense Federal Older Americans Act funds, as well as specific State funds, through area agencies on aging and community based service providers.

The mission of the Department is to provide a comprehensive and coordinated service system for the **State's** approximately two million aging population, giving high priority to those older persons in greatest need; to conduct studies and research into the needs and problems of the elderly; and to ensure participation by older persons in the planning and operation of all phases of the system. In fulfilling its mission, the Department responds to the dynamic needs of **society's** aging population through a variety of activities including planning, implementing, and monitoring integrated service systems; coordinating and assisting the efforts of local community agencies; advocating for the needs of the **State's** elderly population; and cooperating with federal, state, local, and other agencies of government in developing programs and initiatives.

The **Department's** main office is located at One Natural Resources Way, Suite 100, Springfield, Illinois. The Department also has an office at 160 N. LaSalle, Suite No. 700 in Chicago, Illinois. The Director, Charles D. Johnson, was appointed Director of the Department in February 2003.

The Department is organized into the following divisions:

- *The Executive Office* provides leadership in administering Department programs, ensuring effective management and acting as a visible advocate for **Illinois'** older persons. The functions include establishing policy, analyzing management operations, and providing legal counsel.
- *The Division of Finance and Administration* is responsible for the efficient and effective management of accounting, budgeting, grant administration, human resources, data processing, and office support services.
- *The Division of Home and Community Services* plans, develops, and manages various programs that serve and advocate for older Illinoisans and their caregivers by administering programs and promoting partnerships that encourage independence, dignity, and quality of life. These programs include Community Care Services, Older American Services, Elder Rights, State Ombudsman, and Training and Development.
- *The Division of Planning, Research and Development* is responsible for planning and establishing priorities and identifying initiatives in fulfilling the **Department's** overall mission to serve older Illinoisans and their caregivers.
- *The Division of Communications and Outreach* is responsible for media and community relations; public information, publications, graphics, and printing; advocacy initiatives that promote and respond to the special needs of older people and their families; state-wide training for the aging network, special projects, **and staff development. The Division is also responsible for the Department's Senior Helpline.**
- *The Division of Circuit Breaker and Pharmaceutical Assistance* is responsible for providing grants to senior citizens and persons with disabilities to help them reduce the impact of taxes and prescription medication costs.

STATE OF ILLINOIS
DEPARTMENT ON AGING
AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)
For the Two Years Ended June 30, 2010

PLANNING PROGRAM

The Department engages in both long-term and short-term planning on a continual basis. Long-term planning is accomplished through ongoing discussions and developments on policies and programs within the Department and through interaction with other State and federal agencies and organizations, as well as discussions with area agencies on aging and other provider agencies. Short-term planning is principally manifested in the annual budgetary process and intra-departmental discussions.

The budgetary process identifies various programs and issues to be addressed during the next fiscal year, in addition to more routine considerations of the Department's operations. The result of this process is a formal program of objectives to be accomplished, which is subject to monitoring and revision throughout the fiscal year.

STATE OF ILLINOIS
DEPARTMENT ON AGING
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2010

The following table, prepared from Department records, presents the average number of employees, by division, for the fiscal years ended June 30:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Executive Office	10.0	10.0	10.0
Division of Home and Community Services	36.0	37.0	34.5
Division of Planning, Research and Development	9.0	10.0	8.0
Division of Finance and Administration	32.0	32.0	31.0
Division of Communications and Outreach	31.0	30.0	29.5
Division of Circuit Breaker and Pharmaceutical Assistance	<u>43.0</u>	<u>43.0</u>	<u>42.0</u>
Total average number of employees	<u><u>161.0</u></u>	<u><u>162.0</u></u>	<u><u>155.0</u></u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2010
(Not Examined)

Statistical Information on State Community Care Program

The following comparative data was prepared from Department records for the fiscal years ended June 30:

	2010	2009	2008
Average Monthly Caseload (1)	<u>60,400</u>	<u>55,919</u>	<u>50,183</u>
Percentage of Males	26%	25%	25%
Percentage of Females	74%	75%	75%
Percentage of Clients over 75 Living Alone	64%	60%	60%
Percentage of Ethnic/Minority	48%	47%	46%
Average Cost per Client per Month	\$ 776	\$ 723	\$ 621
Average Unit Cost			
Homemaker (per hour)	\$ 15.97	\$ 15.10	\$ 13.62
Adult Day Care (per hour)	\$ 8.81	\$ 7.85	\$ 7.02
Adult Day Service Transportation (one-way trip)	\$ 8.30	\$ 8.30	\$ 8.30
Prospective Nursing Home Cases (2)			
Number of Cases Prescreened	97,562	94,037	92,925
Number of Face-to-Face Screens	97,056	93,768	92,726
Number of Non-Face-to-Face Screens	506	269	199

- (1) Average monthly caseload refers to Community Care Program (CCP) clients who received a paid service for that month. This count is adjusted to include clients who receive service through the Managed Care and Community Based Residential Facility demonstration projects.
- (2) Subsection G.12., DIVERSIONS FROM INSTITUTIONAL CARE, of the approved Home and Community-Based Services Waiver for the Elderly Population, which is currently in effect, states in part: **"The present caseload represents persons deflected from nursing home placement during the current waiver."** Accordingly, all clients of the Community Care Program are considered to be prospective nursing home cases who have been diverted from institutional care.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2010
(Not Examined)

The following are key indicators of the Department's performance by fiscal year. The Department provided this information to the Comptroller's Public Accountability Project Office for Fiscal Year 2010 and Fiscal Year 2009.

Performance Indicators	Fiscal Year		
	2010	2009	2008
Input Indicators			
Community Care Program (CCP) Budget Appropriation	\$ 595,627,200	\$ 458,255,400	\$ 377,479,400
Number of CCP Personnel	22	22	22
Output Indicators			
Total Assessments Conducted	217,510	198,294	197,218
Number of Deinstitutionalizations Conducted	331	230	267
Units of Service Conducted			
Homemaker Service	26,650,343	24,755,171	22,575,794
Adult Day Service	2,479,608	2,374,288	2,282,142
Outcome Indicators			
Percent of CCP Screens			
Face-to-Face	99.70%	99.70%	99.79%
Non-Face-to-Face	0.30%	0.29%	0.21%
CCP Caseload Cost vs. Nursing Home Caseload Costs	25.3%	26.0%	17.6%
Efficiency/Cost-Effective Indicators			
CCP Average Monthly Caseload	60,400	55,919	50,183
CCP Average Monthly Cost of Care	\$ 776	\$ 723	\$ 621
Average Monthly Cost of Medicaid Nursing Home	\$ 2,886	\$ 2,749	\$ 3,369
Individuals in CCP vs. Nursing Home			
Monthly Savings (Federal/State)	\$ 127,444,000	\$ 113,291,894	\$ 137,902,884
Yearly Savings (Federal/State)	\$ 1,529,328,000	\$ 1,359,502,728	\$ 1,654,834,608