

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

Compliance Examination

For the Year Ended June 30, 2006

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

**STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2006**

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A separate financial audit report for the year ended June 30, 2006, has been issued under separate cover.

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

**Department Officials
Year Ended June 30, 2006**

Director	Mr. Bryan Samuels (through November 17, 2006)
Acting Director	Mr. Erwin McEwen (November 17, 2006 through current)
Chief of Staff	Mr. Tom Berkshire
Deputy Director and Chief Financial Officer	Ms. Barbara Piwowarski
Chief Legal Counsel	Ms. Elizabeth Yore (through November 15, 2006)
Acting Chief Legal Counsel	Ms. Dixie Peterson (December 19, 2006 through current)

Department administrative offices are located at:

406 East Monroe
Springfield, IL 62701

Rod R. Blagojevich
Governor



Erwin McEwen
Acting Director

Illinois Department of Children & Family Services

December 15, 2006

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

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 Department. 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 Department's compliance with the following assertions during the period ended June 30, 2006. Based on this evaluation, we assert that during the year ended June 30, 2006, the Department has materially complied with the assertions below.

- 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. The 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. The money or negotiable securities or similar assets handled by the Department 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.

**100 West Randolph, 6-200 • Chicago, Illinois 60601-3249
312-814-4650 • 312-814-8783 / TTY**

Yours very truly,

Illinois Department of Children and Family Services

A handwritten signature in black ink, appearing to be 'Erwin McEwen', written over a horizontal line.

(Erwin McEwen, Acting Director)

A handwritten signature in black ink, appearing to be 'Barbara Piwowarski', written over a horizontal line.

(Barbara Piwowarski, Chief Fiscal Officer)

A handwritten signature in black ink, appearing to be 'Dixie Peterson', written over a horizontal line.

(Dixie Peterson, Acting General Counsel)

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

**Compliance Report
Summary
For the Year Ended June 30, 2006**

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

AUDITORS' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	12	14
Repeated findings	10	9
Prior recommendations implemented or not repeated	4	6

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

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-1	11	Child Welfare Files
06-2	15	Child Abuse and Neglect Determinations
06-3	17	Initiation of Child Abuse and Neglect Investigations
06-4	18	Untimely Approval of Vouchers
06-5	19	Untimely Approval of Contracts
06-6	20	Interstate Adoption Agreements
06-7	21	Approval of Overtime
06-8	23	Telecommunication Charges Review
06-9	24	Employee Performance Evaluations
06-10	25	Contract Monitoring
06-11	27	Noncompliance and Inadequate Internal Controls – Children's Trust Fund
06-12	29	Federal Reimbursements not Requested Timely

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

06-13 30 Inadequate Reconciliation of Children's Accounts

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

06-14 31 Inadequate Oversight over Child Care Expenditures
06-15 31 Inadequate Documentation for Commission Payment
06-16 31 Inadequate Time Reporting

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on March 13, 2007. Responses to the recommendations were provided by Barbara Piwowarski, Chief Financial Officer, in correspondence dated March 16 and 22, 2007.

Attending the exit conference were:

Department of Children and Family Services

Barbara Piwowarski, Chief Financial Officer
Tom Berkshire, Chief of Staff (by telephone)
Ray Piiparinen, Financial Analyst
Marvin Becker, Manager

Sleeper, Disbrow, Morrison, Tarro & Lively, LLC

Thomas K. Leach, Partner
Stephen M. Payton, Partner
Wayne K. Lively, Partner

Office of the Auditor General

Karen Appelbaum, Manager
Jeremy Mehochko, Manager

SLEEPER, DISBROW, MORRISON, TARRO & LIVELY, LLC

ROBERT A. DISBROW, C.P.A.
THOMAS K. LEACH, C.P.A.
WAYNE K. LIVELY, C.P.A.
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MEMBERS
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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Children and Family Services' compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2006. The management of the State of Illinois, Department of Children and Family Services is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Children and Family Services' compliance based on our examination.

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

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

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

In our opinion, the State of Illinois, Department of Children and Family Services complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2006. 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 State findings as findings 06-1 through 06-12. As required by the Audit Guide, immaterial findings relating to instances of noncompliance have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois, Department of Children and Family Services is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Department of Children and Family Services' internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 06-1 through 06-12. As required by the Audit Guide, immaterial findings relating to internal control deficiencies that have been excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services as of and for the year ended June 30, 2006, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements, and have issued our report thereon dated December 15, 2006. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Department of Children and Family Services. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Department of Children and Family Services' basic financial statements for the year ended June 30, 2005. In our report dated November 21, 2005, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. In our opinion, the 2005 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

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

Stupper, Disbrow, Moccione, Tarro & Lively, LLC

December 15, 2006

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services, as of and for the year ended June 30, 2006, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements and have issued our report thereon dated December 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Illinois, Department of Children and Family Services' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain deficiencies in the design or operation of internal control over financial reporting which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings. We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the State of Illinois, Department of Children and Family Services in a separate letter dated December 15, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Children and Family Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings. We also noted certain other matters which we have reported to management of the State of Illinois, Department of Children and Family Services in a separate letter dated December 15, 2006.

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

Steele, Disbrow, Morrison, Tarró & Lively, LLC

December 15, 2006

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

**CURRENT FINDINGS - STATE COMPLIANCE
For the Year Ended June 30, 2006**

Child Welfare Files:

06-1. Finding: The Department's Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.

During our review of case files, we noted the following required documentation was not maintained in the file or was not prepared timely. Our sample consisted of 60 case files.

<u>Case File Deficiency</u>	<u>Case File Requirement</u>	<u>Authority</u>
<ul style="list-style-type: none"> • Four (7%) required administrative case reviews (ACR's) were not performed. 	ACR's by a trained professional that is not involved in the case management or delivery of services to the child must be performed every 6 months.	89 IL Admin Code 316.40; DCFS Administrative Procedure #5, Child Welfare Case Record Organization and Uniform Recording Requirements.
<ul style="list-style-type: none"> • Sixteen (27%) ACR notifications were not sent. 	Notification of ACR should be mailed to all parties involved, or interested, 21 days in advance.	89 IL Admin Code 316.60; DCFS Administrative Procedure #5
<ul style="list-style-type: none"> • Three (5%) health summaries were not maintained in the case files. 	A summary of medical information relevant to service delivery must be maintained in the case file.	DCFS Administrative Procedure #5
<ul style="list-style-type: none"> • Seven (11%) education and development summaries were not maintained in the case files. 	A summary of educational and developmental information relevant to service delivery must be maintained in the case file.	DCFS Administrative Procedure #5
<ul style="list-style-type: none"> • Thirty-two (53%) medical and dental consent forms (CFS 415) were either not maintained in the case file or were outdated. 	Form CFS 415 must be maintained in the case file to provide for consent of ordinary and routine medical and dental care.	DCFS Administrative Procedure #5

- Nine (15%) placement and payment authorization forms (CFS 906) either did not contain all required documentation, or were not maintained in the case files. Form CFS 906 must be completed and maintained in the case file and should include information concerning the child's placement status and other information critical to payment and approval documentation. DCFS Administrative Procedure #5
- Twenty-six (43%) of the case files did not contain current photographs of the child. Each case file must include a current photograph of the child for whom care is being provided. DCFS Administrative Procedure #5
- Thirty-four (57%) of the case files did not contain fingerprints of the child. Each case file must include the child's fingerprint. DCFS Administrative Procedure #5
- Twenty-one (35%) of the case files did not include required permanency hearing information. DCFS or its provider agency must participate in permanency hearings 12 months following the temporary custody hearing and every 6 months thereafter to select the permanency goal and review the appropriateness and progress of the service plan. 89 IL Admin Code 316.120; DCFS Administrative Procedure #5
- Forty (67%) permanency planning checklists (CFS 483) were not completed and maintained in the case files. Form CFS 483 must be completed when determining the permanency goal for each child placed in substitute care for over one year. DCFS Policy Guide 97.3
- Four (6%) case entry forms (CFS 492) were not maintained in the case files. Form CFS 492 must be completed and maintained in the case file. This form documents all communication between the caseworker and the child. DCFS Administrative Procedure #5

- Seven (11%) child summary forms (CFS 497) were not maintained in the case files. Form CFS 497 must be completed and maintained in the case file. This form is completed with the service plan and includes information about the child that is necessary to determine what living environment is appropriate. DCFS Administrative Procedure #5
- Two children absent from placement forms (CFS 1014) were not maintained in the case files. The form was required in 3 of the 60 cases sampled. Form CFS 1014 is required to be completed and maintained in the case file when a child has run away from placement or been abducted. DCFS Administrative Procedure #5
- Fifteen (25%) case review forms (CFS 1420) were not maintained in the case files. Form CFS 1420 is required to be maintained in the case file to report the results of all client service planning and non-administrative case review activity. DCFS Administrative Procedure #5
- Twenty-seven (45%) initial placement checklist forms (CFS 418-J) were not completed and maintained in the case files. Form CFS 418-J must be maintained for all children placed in substitute care. The form documents any special needs of the child. DCFS Policy Guide 2002.07

Department officials indicated that the Department was unable to fulfill case file reporting requirements because of the high volume of cases assigned to the case workers.

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

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

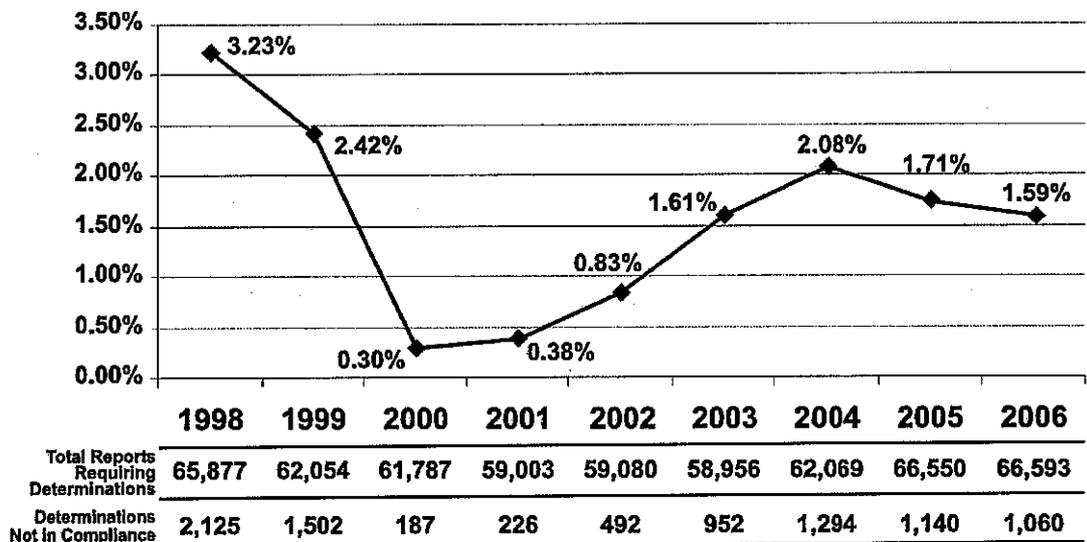
Department Response: The Department agrees and will continue to stress the importance of adequate and timely documentation for those cases identified by the auditors' finding as well as for all child and family cases. The Department will continue its review of its administrative and internal procedures (AP#5) and policy guides, as systems are upgraded, to better define the contents of system files and paper files and which should be relied upon as the file of record.

Child Abuse and Neglect Determinations:

06-2. Finding: The Department did not make timely determinations, in 1,060 of the 66,593 (1.59%) reports of child abuse and neglect referred to the Department, of whether the reports were "indicated" or "unfounded" as required by the Abused and Neglected Child Reporting Act.

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

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



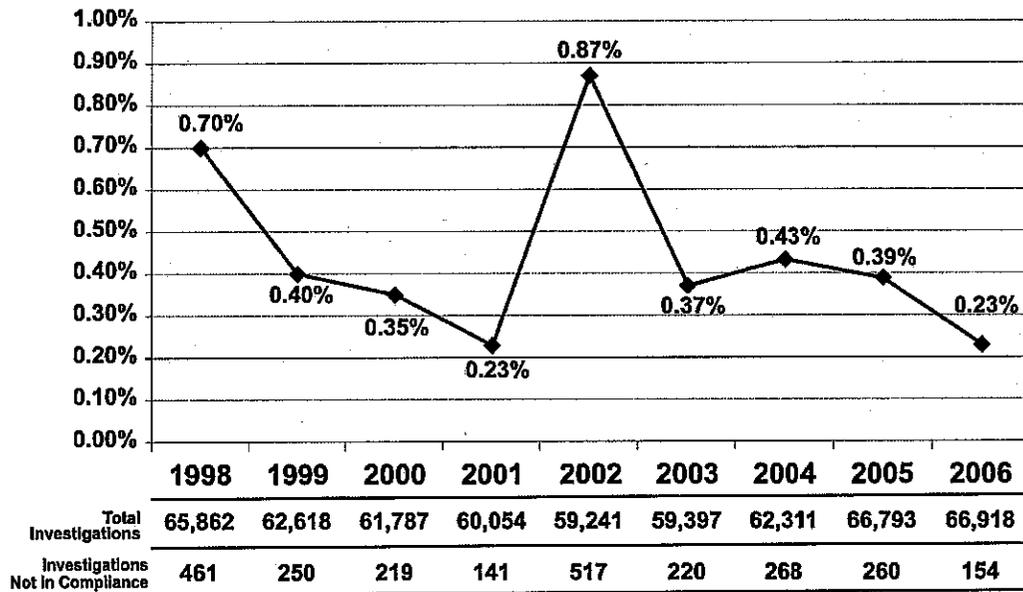
Department personnel stated that the inability to locate individuals critical to the investigation has prevented the timely completion of investigations. Also, in some instances the caseworkers failed to request an extension when permitted.

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

Initiation of Child Abuse and Neglect Investigations:

06-3. **Finding:** The Department did not timely initiate an investigation for 154 of the 66,918 (.23%) reports of child abuse and neglect in Fiscal Year 2006.

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



According to Department personnel, noncompliance occurs for the following reasons:

- Staff recording the wrong initiation date (A.M. instead of P.M.); and
- Law enforcement requests due to criminal investigations.

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

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

Department Response: The Department agrees with the recommendation and will continue to make efforts to be within 100% compliance of the timeframes established. Investigations not meeting the 24-hour requirement are analyzed and the Department plans to explore corrective action for employees who fail to initiate investigations within the 24-hour timeframe.

Untimely Approval of Vouchers:

06-4. Finding: The Department did not adequately approve and process vouchers in a timely manner.

We examined 258 vouchers and noted the following:

- 24 vouchers, 9.30%, were not approved or denied within 30 days of receiving the vendor invoice (approvals range from 35 to 275 days after receipt of the invoice) and
- 21 vouchers, 8.14%, were not paid within sixty days of receipt of the vendor invoice.

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

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

Failure to adequately approve or process vouchers in a timely manner could result in the misappropriation of State funds and interest penalties. During fiscal year 2006, the Department paid \$10,417 of interest on late payments to vendors. (Finding Code No. 06-4, 05-6, 04-3)

Recommendation: We recommend the Department adequately review, approve and process all vouchers in a timely manner.

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

Untimely Approval of Contracts:

- 06-5. Finding: The Department did not have an adequate system in place to ensure that contracts are reviewed and signed on a timely basis.

During our review of 20 contracts, totaling \$62,649,227, we noted that 16 contracts, totaling \$40,967,627, were signed after the commencement of the contract period. These contracts were not timely approved, as follows:

<u>Number of Contracts</u>	<u>Number of Days Delayed</u>
6	1-30
2	31-60
4	61-90
4	Over 90

SAMS procedure 15.20.30 requires the contract to be "reduced to writing before the services are performed. Reduced to writing is defined as signed by the contractor and an authorized representative of the State".

Department personnel stated that they have subsequently reviewed procedures and contract language in order to develop processes that will allow compliance with applicable rules and that changes have been made to procedures for developing and processing contracts to enable timely service delivery dates. However, although improvement was made in delivering contracts to vendors in a timely manner, the Department continued to have difficulty in obtaining signed contracts from vendors prior to service delivery dates.

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

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

Department Response: The Department agrees and will continue to improve processes that ensure that all contracts are approved and signed before the beginning of the contract period. Our procedures, which included completion of the required Procurement Business Cases, resulted in 970 contracts being mailed to providers prior to July 1. Comparison of the number of contracts returned reflect our efforts to process contracts as soon as they are returned from our vendors:

Contracts Processed	FY06	FY05
Prior to July 1	196	0
Within 30 days of July 1	879	577
Within 60 days of July 1	421	642
Within 90 days of July 1	189	398

Interstate Adoption Agreements:

- 06-6. Finding: The Department does not annually verify that adoption assistance agreements for children who are subject to agreements with another state are still in force or have been renewed.

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

According to DCFS management, the Department of Human Services (DHS) monitors the children's status, has a database established to monitor the day-to-day activities and annually verifies that the approximately 1,200 adoption assistance agreements are still in force for each child; however, the Interstate Compact office within DCFS does not.

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

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

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

Approval of Overtime:

06-7. Finding: Department employees worked overtime without proper approval.

All bargaining units and merit compensation employees, grades 1 through 6, are eligible for overtime, as provided for in union agreements and the Fair Labor Standards Act. During fiscal year 2006, 1,884 employees received overtime payments totaling \$3,354,286.

While performing tests of attendance records, we selected a sample of 32 employees. From those 32 employees, we selected the month of May 2006 to determine if overtime approval was adequately documented. During the month of May, seven of the sampled employees reported overtime on a total of 28 days. We noted the following:

- “Normal” overtime on 2 days (7%) lacked any documentation of approval.
- Overtime approval forms used for normal and compensatory time for 8 days (29%) were signed from 1 to 65 days after the time was worked.
- An approval form for 1 day (4%) was not dated.
- There was inadequate approval documentation for 10 days (36%) of time worked on a “call-back” basis. The Department provided only a supervisor’s calendar for the month of May 2006, as evidence that the time worked was approved for 9 of those days. The calendar did not reflect actual call-backs; it only indicated which employees were on call for the month. The 10th day in which overtime was incurred on a call-back basis was documented only with an overtime approval form which was signed by the employee’s supervisor 46 days after the time was worked. Similar call-back time for other employees that were tested was supported with an approval form entitled “Daily Standby Log” which provided details necessary for the supervisor to monitor and approve call-back time worked and were signed by the supervisor on the next business day.
- Three days (11%) of time worked on a call-back basis were documented with both a completed Daily Standby Log and an Overtime or Compensatory Time Request Form. The Overtime and Compensatory Time Request Forms were approved by the supervisor from 47 to 49 days after the time was worked.

Department policy requires supervisory approval of overtime before it is worked. The policy states that “overtime must be approved by the supervisor in advance before compensation will be authorized.” The Department utilizes an Overtime or Compensatory Time Request Form as its procedure for ensuring overtime is approved and documented. As described above, we also noted the use of the “Daily Standby Log” to document approval of time worked by on-call employees who address immediate needs during hours other than their normal shift.

According to Department officials, inadequate documentation of approval of overtime requests occurs due to occasional failure of supervisory personnel to fully complete their duties. Department officials also stated that their current policies need to be reviewed to determine if modifications are necessary.

Failure to obtain and document the proper approval required for overtime may cause an employee to be compensated for working overtime that was not actually performed or warranted. (Finding Code No. 06-7, 05-9, 04-12, 03-8, 02-9)

Recommendation: We recommend the Department begin to strictly enforce its policies and procedures in regards to timekeeping and overtime. It is essential that employees work in the most cost effective manner to prevent misuse of tax payers' monies.

Department Response: The Department agrees that no employee should be compensated for overtime unless it was worked and authorized, that overtime should be paid only when necessary, and that overtime costs impact the Department's budget and availability to deliver services. As the finding identifies, approval forms for time worked by a few employees were not approved, not dated, or approved after the overtime was worked. The DCFS's Office of Child and Family Policy, Payroll and Labor Relations unit believes the use of the Overtime or Compensatory Time Request Form (CFS 734) is not required for Call-Back hours worked because that form is for planned overtime and employees are Called-Back to work in emergency situations, i.e., not planned overtime and thus prior approval is not an issue. However, while procedures are in place, the procedures do not appear to be consistently followed by all timekeeping units as intended.

We will continue to remind supervisors to review, approve, and date requests for overtime timely in accordance with Department procedure and/or supplemental labor agreements. We will review the detailed procedures followed to prepare and maintain the completed forms and revise or re-issue any procedures and instructions for staff and supervisors as necessary. And, where exceptions are identified, we will explore corrective action for those not adhering to policy.

Telecommunications Charges Review:

- 06-8. Finding: Department personnel did not properly review and approve all telephone charges on the telephone bills received and paid by the Department.

During our review of telecommunication expenditures, we tested a sample of 25 invoice vouchers. Although all invoice vouchers were signed by the division head, we noted that 4 of 25 invoices (16%) had no indication of being reviewed by the employee that incurred the charge. The total amount expended for telecommunications during fiscal year 2006 was \$4,048,165.

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

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

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

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

Department Response: The Department concurs that the existing review procedures need to be updated and formalized so as to apply equally to all staff and applied consistently throughout the Department. We will review and modify procedures, as necessary, to have staff complete the review of telephone charges timely.

Employee Performance Evaluations:

06-9. Finding: Annual performance evaluations were not completed on a timely basis.

Of the 32 employee personnel files examined, 15 (47%) performance evaluations performed during FY06 were from 11 to 198 days late, and 12 (38%) employees did not receive an evaluation during the current year.

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

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

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. They should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall and reinstatement decisions. Delays in completing performance evaluations cause the payroll department to manually calculate lump sum salary adjustments. Manual calculations are not only time consuming but are also more prone to errors. (Finding Code No. 06-9, 05-11)

Recommendation: We recommend the Department strictly enforce the existing policies regarding timely completion of performance evaluations.

Department Response: The Department agrees that performance evaluations should be completed timely. A new performance objective is being developed and will be added to all supervisory positions regarding timely evaluations. In addition, a report is being developed by the DCFS Office of Employee Services (OES) that will identify the completion dates of the evaluations.

OES is also doing a study of the flow of the evaluations to determine time lags. Many of the evaluations had been completed by the supervisors, but had not been received in OES by the date the auditors were reviewing the files. Steps will be taken to streamline the process depending on the outcome of the process study.

Contract Monitoring:

- 06-10. Finding: The Department's contracts with residential and group home service providers did not all include measurable criteria necessary to ensure desired results are achieved.

The Department's Residential Performance Monitoring Unit (RPMU) conducts on-site monitoring of residential and group home facilities that provide treatment for children. Unannounced site visits of providers are conducted at least once each month. Any deficiencies identified in the site visits are communicated to the Department's Division of Placement and Permanency (DP&P). The DP&P either directs the RPMU to increase the monitoring of the deficient provider, or program consultants are utilized to support and improve the residential program. However, in a sample of 12 contracts with residential and group home providers, we noted that 4 (1/3) of such contracts did not include specific, measurable criteria within the contract.

Department personnel stated that they are in the process of modifying residential care contracts to include monitoring and participation requirements that have been recommended by the RPMU. Also, the Department has partnered with Northwestern University to assist in establishing measurable criteria for performance and process outcomes and to develop a "Child and Adolescent Needs and Strengths Assessment" (assessment) for each youth in residential care. This is a standardized instrument that must be completed quarterly and used to measure a youth's performance in the residential environment. Department personnel stated that the modification of all residential and group home service contracts has not yet been accomplished because of the time required to develop an assessment specific to each child.

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

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

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

Department Response: The Department agrees and plans to continue its efforts to include measurable criteria and participation requirements in the remaining contracts with residential and group homes service providers.

In addition, the Department, the Child Care Association of Illinois, and the Child Welfare Institute have formed a public-private partnership that was awarded funding from the National Quality Improvement Center on the Privatization of Child Welfare Services. The partnership will design, implement and evaluate extension of the Department's existing performance based contracting and quality assurance system to residential, independent living and transitional living programs in order to improve outcomes for this population of out-of-home care youth. The project will work closely with our university partners at Northwestern, University of Illinois Chicago, and Chapin Hall regarding the data elements that are currently tracked. The project will capitalize on the existing Child Welfare Advisory Committee structure to build on recent work regarding performance measures and to also allow frequent communication

opportunities for the provider community. Model protocols are planned by August 2007 with a demonstration period planned for October 2007 through June 2008. It is anticipated that full implementation could occur for contracts beginning in July 2008 with forums held in April 2009 and 2010 to assess results and practices.

Noncompliance and Inadequate Internal Controls - Children's Trust Fund:

- 06-11. Finding: The Department did not have adequate internal control over children's accounts maintained in the Children's Trust Fund and did not make monthly transfers of all available monies therein, as required by the Children and Family Services Act.

The Children and Family Services Act (Act) states that "the Department may receive and use, in their entirety, for the benefit of children any gift, donation or bequest of money or other property which is received on behalf of such children, or any financial benefits to which such children are or may become entitled while under the jurisdiction or care of the Department" (20 ILCS 505/5(q)). To account for the receipt and use of money received by the Department on behalf of children under its care or jurisdiction, the Department has established the Children's Trust Fund. The Children's Trust Fund consists of individual accounts for all such children, and the Department maintains a trust ledger to account for the activity and accumulated balance in each child's account.

The children's accounts accumulate Social Security benefits, child support payments and other amounts received on behalf of children for which the Department has legal responsibility. The Act requires monthly reimbursements from the accounts to the General Revenue Fund and the Children's Services Fund for payments made for room and board. If there is a remaining balance in the child's account after the room and board reimbursement, the Act requires reimbursement from the account for medical care costs not reimbursed through Medicaid. Any balance remaining in the child's account after such reimbursements may be expended for other allowable services provided directly to the child.

We identified a single trust ledger account in the Children's Trust Fund entitled "Lump Sum Child Support". At June 30, 2006, the balance in this account was \$205,951. Department management stated that the accumulated balance in this account primarily includes lump sum child support payments that were received and temporarily posted to this account until such time they are processed and reclassified to the respective individual children's accounts, and also includes child support received by the Department after the children are no longer wards of the Department. Periodically, the Department will reimburse the appropriate State fund out of this trust ledger account for services provided to the children. At no time during our examination period was this trust ledger account reduced to a zero balance.

Good internal control procedures require that sources of funds be timely identified and allocated, as appropriate. Also, the Children and Family Services Act and Departmental regulations (89 Ill. Adm. Code 353) require monthly reimbursements to appropriate Department funds.

The accumulation of children's child support payments without timely distribution, thereof and the failure to make monthly reimbursement of State expenditures represents noncompliance with the Act and related Departmental regulations. Furthermore, inadequate internal controls which do not require timely reconciliation of such funds could lead to misuse or expenditure of funds that are not allowed under such requirements. (Finding Code No. 06-11)

Recommendation: We recommend that the Department determine, on a timely basis, the proper disposition of all monies received and deposited in the Children's Trust Fund and reimburse the appropriate State funds related thereto in order to comply with the Children and Family Services Act and maintain adequate internal control over such monies.

Department Response: The Department agrees that those child support collections forwarded from the Department of Healthcare & Family Services should be investigated and posted in a timely manner. The Department will conduct an in-depth review of its procedures covering the depositing, posting, investigation, and distribution of those receipts. The Department believes controls over the sub-account are adequate but that the investigation and clearing process should be completed in a more timely manner.

Federal Reimbursements not Requested Timely:

- 06-12. Finding: The Department did not request reimbursement of expenditures of two federally supported programs in a timely manner.

The Department participates in the Chafee Education and Training Voucher program (Voucher program) (CFDA No. 93.599) and the Chafee Foster Care Independent Living program (Independent Living program) (CFDA No. 93.674) which are eligible for federal reimbursement of qualified expenditures. Total reimburseable costs incurred during FY06 were \$4,579,000 for the Voucher program and \$4,651,000 for the Independent Living program. At June 30, 2006, the Department had accumulated \$2,368,000 (approximately six months of earned reimbursements) for the Voucher program and \$5,174,000 for the Independent Living program (more than a year's earned reimbursements) of costs for which they had not yet requested reimbursement from the Federal government.

Good business and cash management practices require that monies owed the State be requested in a timely manner. The Illinois State Collection Act of 1986 states that it is the responsibility of each State agency to timely collect amounts owed to that agency (30 ILCS 210/3).

Department personnel stated that requests for reimbursement were delayed until the end of the fiscal period in order to ensure that the Department had met the maintenance-of-effort requirements of the programs.

Delays in collecting monies owed to the Department deprives the State of available cash resources with which to administer operations and programs. It also could potentially result in lost investment income on deposits as well as interest expense on monies borrowed to finance operations and programs when available cash is not adequate to meet current needs. (Finding Code No. 06-12)

Recommendation: We recommend the Department request earned federal reimbursements in a timely manner.

Department Response: The Department agrees that reimbursement requests should be made timely. We plan to begin requesting reimbursement for the programs each quarter. A final request can be made with the fourth quarter's claims.

PRIOR FINDINGS NOT REPEATED – GOVERNMENT AUDITING STANDARDS

- 06-13. Finding: The Department did not reconcile all trust accounts maintained in the Children's Trust Fund (Fund No. 1122).

At June 30, 2005, the Department was in the process of consolidating children's trust accounts (totaling approximately \$4.2 million), previously maintained in individual savings accounts, into a single checking and investment bank account (consolidated account). Although the Department was reconciling the trust accounts held in individual savings accounts at June 30, 2005 to balances reported by the bank, a reconciliation of the remaining trust account balances to the consolidated bank account was not performed.

We recommended that the Department reconcile all of the trust accounts maintained in the Children's Trust Fund monthly to the applicable balances as reported by the bank.

During the year ended June 30, 2006, the Department completed the consolidation process and began reconciling all children's trust account ledger balances to the balance reported by the bank.

Status: Not repeated. (Finding Code No. 05-1)

PRIOR FINDINGS NOT REPEATED – STATE COMPLIANCE

- 06-14. Finding: The Department did not have adequate oversight of expenditures made for children's personal and physical maintenance.

We recommended the Department review existing policies and apply procedures on a consistent basis at all regional offices. We recommended that procedures include: denial of requests for questionable purchases; submission of adequate supporting documentation for the purchase; and that purchases not be made until proper authorization has been obtained, where possible.

During the current examination period, we noted no questionable or undocumented purchases during our testing. However, we noted that the current written procedures were not always followed with regard to required forms used to document authorizations of purchases. We have noted these exceptions in the letter of immaterial findings.

Status: Not repeated. (Finding Code No. 05-2)

- 06-15. Finding: The Department did not determine whether applicable travel paid to a Vendor would have resulted in an offset to a commission paid and seek reimbursement if appropriate.

We recommended the Department continue to work with the Department of Central Management Services (CMS), the agency that originally entered into the statewide contract with the Vendor, to determine whether applicable travel paid to the Vendor would have resulted in an offset to the commission paid and seek reimbursement if appropriate. The amount of the commission paid to the Vendor by the Department was \$3,000.

During the current examination period, the Department contacted CMS to determine whether a reimbursement from the Vendor is appropriate. The Department also contacted the Vendor to notify them that no further commissions will be paid by the Department until the determination and, if appropriate, reimbursement is made. We have noted the need to complete the resolution of this matter in the letter of immaterial findings.

Status: Not repeated. (Finding Code No. 05-13)

- 06-16. Finding: The Department did not adequately document employees' time spent on official State business as required by the State Officials and Employees Ethics Act.

We recommended that the Department require all employees to submit documentation of time spent each day on official State business.

The Department has subsequently modified its timekeeping forms and requires employees to document the time spent each day on official State business. We requested and obtained timekeeping forms submitted from seven DCFS locations and noted that the new timekeeping forms were being utilized.

Status: Not repeated. (Finding Code No. 05-14)

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

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

. Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards
- 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 Efficiency Initiative Payments
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Cash Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable
- Schedule of Indirect Cost Reimbursements

. Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees (Unaudited)
- Emergency Purchases
- Memoranda of Understanding Between the State of Illinois, Acting Through the Department of Children and Family Services, and Third Parties Relative to the FY 06 Budget (Unaudited)
- Funds Administered
- Service Efforts and Accomplishments (Unaudited)

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

State of Illinois
Department of Children and Family Services
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006
(Amounts Expressed in Thousands)

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services:		
Direct Programs		
Abandoned Infants (Family Options Project)	93.551	\$ (87)
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	14,401
Temporary Assistance for Needy Families (TANF)	93.558	68,800
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	234
Children's Justice Grants to States	93.643	467
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	11,439
Adoption Opportunities (Children's Justice)	93.652	(784)
Foster Care Title IV-E	93.658	231,716
Adoption Assistance (Title IV-E)	93.659	88,344
Child Abuse and Neglect State Grants (Child Abuse and Neglect Prevention, Part I and II)	93.669	435
Chafee Foster Care Independence Program (Independent Living)	93.674	4,651
Vista Transportation	93.013	20
Chafee Education and Training Voucher (ETV)	93.599	4,579
		424,215
Subtotal Direct Programs		
Pass-through Programs		
from Department of Public Health - HIV Care Formula (Permanency Planning)	93.917	97
from Hektoen Institute for Medical Research- HIV Care Formula (Chicago HIV Adolescent)	93.917	(5)
		92
Subtotal Pass-through Programs		
		424,307
Total U.S. Department of Health and Human Services		
		424,307
Total Expenditures of Federal Awards		\$ 424,307

See Notes to Schedule of Expenditures of Federal Awards.

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

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006**

Note 1 - Organization and Grant Administration

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

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

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

Primary Recipient

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

Subrecipient

The Department is a subrecipient of federal awards for which the Illinois Department of Public Health and the Hektoen Institute for Medical Research were the primary recipients in 2006.

State of Illinois
Department of Children and Family Services

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Note 2 - Significant Accounting Policies

a) Reporting Entity

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

b) Basis of Accounting

The Schedule of Expenditures of Federal Awards has been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to State and local governmental units. The accounts of the Department are maintained and reported using the modified accrual basis of accounting.

Under the modified accrual basis of accounting, grant awards are recognized when measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year; expenditures are recognized when obligations are incurred as a result of receipt of goods and services.

Note 3 - Due from Other Governments – Federal

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

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

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

Foster Care, Title IV-E	\$231,716
Adoption Assistance	<u>88,344</u>
Total Expenditures	<u>\$320,060</u>

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

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006**

Note 4 - Federal CFDA Numbers

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

Note 5 - Federal Awards Provided to Subrecipients

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

	Federal CFDA Number	Amount
U.S. Department of Health and Human Services:		
Direct Programs		
Abandoned Infants (Family Options Project)	93.551	\$ -
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	10,118
Temporary Assistance for Needy Families (TANF)	93.558	19,224
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	234
Children's Justice Grants to States	93.643	467
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	11,236
Adoption Opportunities (Children's Justice)	93.652	-
Foster Care, Title IV-E	93.658	74,082
Adoption Assistance (Title IV-E)	93.659	7,270
Child Abuse and Neglect State Grants (Child Abuse and Neglect Prevention, Part I and II)	93.669	435
Chafee Foster Care Independence Program (Independent Living)	93.674	4,651
Chafee Education and Training Voucher (ETV)	93.599	366
Subtotal Direct Programs		128,083
Pass-through Programs		
from Department of Public Health - (Permanency Planning)	93.917	17
Total U.S. Department of Health and Human Services		128,100
Total Expenditures of Federal Awards Provided to Subrecipients		\$ 128,100

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
For the Fourteen Months Ended August 31, 2006

Public Act 94-0015	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/06	LAPSE PERIOD		TOTAL EXPENDITURES	BALANCES LAPSED
			07/01/06 - 08/31/06			
APPROPRIATED FUNDS						
GENERAL REVENUE FUND - 0001						
REGULAR POSITIONS	\$ 182,937,600	\$ 168,607,095	\$ 9,457,244	\$	178,064,339	\$ 4,873,261
STATE PAID RETIREMENT CONTRIB	1,326,200	1,259,821	(54)		1,259,767	66,433
STATE EMPLOYEE RETIREMENT	14,252,700	13,150,625	737,838		13,888,463	364,237
SOC SEC/MEDICARE CONTRIBUTIONS	13,360,493	12,627,789	709,755		13,337,544	22,949
CONTRACTUAL SERVICES	35,031,907	28,935,589	4,804,649		33,740,238	1,291,669
TRAVEL	5,802,000	4,774,462	869,828		5,644,290	157,710
COMMODITIES	520,400	355,135	129,879		485,014	35,386
PRINTING	542,600	491,690	33,907		525,597	17,003
EQUIPMENT	59,000	47,112	4,502		51,614	7,386
ELECTRONIC DATA PROCESSING	7,585,000	4,578,410	2,879,793		7,458,203	126,797
TELECOMMUNICATION	5,767,300	4,048,165	1,677,734		5,725,899	41,401
OPERATION OF AUTO EQUIPMENT	74,000	62,657	9,975		72,632	1,368
LUMP SUMS AND OTHER PURPOSES	8,746,100	5,271,664	3,206,124		8,477,788	268,312
LUMP SUM, OPERATIONS	587,100	427,467	31,759		459,226	127,874
AWARDS AND GRANTS	13,202,500	11,780,383	1,359,631		13,140,014	62,486
TORT CLAIMS	233,800	98,057	8,175		106,232	127,568
REIMBURSEMENTS TO GOVERNMENTAL UNITS	338,500	-	329,931		329,931	8,569
AWARDS AND GRANTS TO STUDENTS	842,500	786,316	53,790		840,106	2,394
AWARDS AND GRANTS - LUMP SUM REFUNDS	519,400,900	493,007,273	26,157,507		519,164,780	236,120
	5,800	4,614	1		4,615	1,185
Subtotal Fund 0001	810,616,400	750,314,324	52,461,968		802,776,292	7,840,108
DCFS TRAINING FUND - 0094						
AWARDS AND GRANTS - LUMP SUM	97,981	97,981	-		97,981	-
Subtotal Fund 0094	97,981	97,981	-		97,981	-

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
For the Fourteen Months Ended August 31, 2006

Public Act 94-0015	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/06	LAPSE PERIOD		TOTAL EXPENDITURES	BALANCES LAPSED
			07/01/06 -	08/31/06		
DCFS CHILDREN'S SERVICES FUND - 0220						
	LUMP SUMS AND OTHER PURPOSES	27,422,500	23,340,964	1,593,569	24,934,533	2,487,967
	LUMP SUM, OPERATIONS	1,564,000	1,016,039	240,475	1,256,514	307,486
	AWARDS AND GRANTS	20,460,600	14,924,452	2,448,419	17,372,871	3,087,729
	AWARDS AND GRANTS - LUMP SUM	410,719,519	351,896,582	30,952,444	382,849,026	27,870,493
	Subtotal Fund 0220	460,166,619	391,178,037	35,234,907	426,412,944	33,753,675
DCFS FEDERAL PROJECTS FUND - 0566						
	LUMP SUM AND OTHER PURPOSES	18,367,600	10,821,889	1,142,409	11,964,298	6,403,302
	Subtotal Fund 0566	18,367,600	10,821,889	1,142,409	11,964,298	6,403,302
DCFS SPECIAL PURPOSE TRUST FUND - 0582						
	LUMP SUM AND OTHER PURPOSES	360,000	-	-	-	360,000
	Subtotal Fund 0582	360,000	-	-	-	360,000
CHILD ABUSE PREVENTION FUND - 0934						
	AWARDS AND GRANTS, LUMP SUM	600,000	-	-	-	600,000
	Subtotal Fund 0934	600,000	-	-	-	600,000
	TOTAL - ALL APPROPRIATED FUNDS	1,290,208,600	1,152,412,231	88,839,284	1,241,251,515	48,957,085

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
For the Fourteen Months Ended August 31, 2006

NONAPPROPRIATED FUNDS	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/06	LAPSE PERIOD 07/01/06 - 08/31/06	TOTAL EXPENDITURES	BALANCES LAPSED
DCFS SPECIAL PURPOSE TRUST FUND - 0582					
LUMP SUMS AND OTHER PURPOSES	-	116,590	2,131	118,721	-
TOTAL - NONAPPROPRIATED FUNDS	-	116,590	2,131	118,721	-
GRAND TOTAL ALL FUNDS	\$ 1,290,208,600	\$ 1,152,528,821	\$ 88,841,415	\$ 1,241,370,236	\$ 48,957,085

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

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

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
For the Fiscal Years Ended June 30, 2006 and 2005**

	2006 PUBLIC ACT 94-0015	2005 PUBLIC ACT 93-0842
GENERAL REVENUE FUND - 0001		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 810,616,400	\$ 758,957,002
REGULAR POSITIONS	178,064,339	177,684,580
STATE PAID RETIREMENT CONTRIB	1,259,767	-
STATE EMPLOYEE RETIREMENT	13,888,463	28,221,226
SOC SEC/MEDICARE CONTRIBUTIONS	13,337,544	13,065,810
CONTRACTUAL SERVICES	33,740,238	11,221,029
TRAVEL	5,644,290	5,288,511
COMMODITIES	485,014	322,825
PRINTING	525,597	494,561
EQUIPMENT	51,614	18,408
ELECTRONIC DATA PROCESSING	7,458,203	8,302,499
TELECOMMUNICATION	5,725,899	4,578,049
OPERATION OF AUTO EQUIPMENT	72,632	62,532
LUMP SUMS AND OTHER PURPOSES	8,937,014	7,808,685
AWARDS AND GRANTS	533,581,063	496,687,076
REFUNDS	4,615	2,509
TOTAL APPROPRIATED EXPENDITURES	802,776,292	753,758,300
LAPSED BALANCES	\$ 7,840,108	\$ 5,198,702
DCFS TRAINING FUND - 0094		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 97,981	\$ 16,052,000
AWARDS AND GRANTS	97,981	12,083,372
TOTAL APPROPRIATED EXPENDITURES	97,981	12,083,372
LAPSED BALANCES	\$ -	\$ 3,968,628

State of Illinois
Department of Children and Family Services

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
For the Fiscal Years Ended June 30, 2006 and 2005

	2006 PUBLIC ACT 94-0015	2005 PUBLIC ACT 93-0842
DCFS CHILDREN'S SERVICES FUND - 0220		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 460,166,619	\$ 473,910,500
LUMP SUMS AND OTHER PURPOSES	26,191,047	29,385,994
AWARDS AND GRANTS	400,221,897	427,275,123
TOTAL APPROPRIATED EXPENDITURES	426,412,944	456,661,117
LAPSED BALANCES	\$ 33,753,675	\$ 17,249,383
DCFS FEDERAL PROJECTS FUND - 0566		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 18,367,600	\$ 18,367,600
LUMP SUMS AND OTHER PURPOSES	11,964,298	14,574,113
TOTAL APPROPRIATED EXPENDITURES	11,964,298	14,574,113
LAPSED BALANCES	\$ 6,403,302	\$ 3,793,487
DCFS SPECIAL PURPOSE TRUST FUND - 0582		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 360,000	\$ 360,000
LUMP SUMS AND OTHER PURPOSES	-	217,622
TOTAL APPROPRIATED EXPENDITURES	-	217,622
LAPSED BALANCES	\$ 360,000	\$ 142,378

State of Illinois
Department of Children and Family Services

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
For the Fiscal Years Ended June 30, 2006 and 2005

	2006	2005
	PUBLIC ACT 94-0015	PUBLIC ACT 93-0842
	<hr/>	<hr/>
CHILD ABUSE PREVENTION FUND - 0934		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 600,000	\$ 600,000
AWARDS AND GRANTS	-	253,546
TOTAL APPROPRIATED EXPENDITURES	-	253,546
LAPSED BALANCES	\$ 600,000	\$ 346,454
GRAND TOTAL - ALL APPROPRIATED FUNDS		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 1,290,208,600	\$ 1,268,247,102
TOTAL APPROPRIATED EXPENDITURES	1,241,251,515	1,237,548,070
LAPSED BALANCES	\$ 48,957,085	\$ 30,699,032
NONAPPROPRIATED FUND		
DCFS SPECIAL PURPOSE TRUST FUND - 0582		
LUMP SUMS AND OTHER PURPOSES	\$ 118,721	-
TOTAL NONAPPROPRIATED FUNDS	\$ 118,721	-
TOTAL EXPENDITURES - ALL FUNDS	\$ 1,241,370,236	\$ 1,237,548,070
GENERAL REVENUE FUND (0001) - STATE COMPTROLLER OFFICER SALARIES		
DIRECTOR SALARY	\$ 127,773	\$ 127,600

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

**Schedule of Efficiency Initiative Payments
For the Fiscal Years ended June 30, 2006 and 2005**

For the years ended June 30, 2006 and 2005, the Department of Children and Family Services did not make any efficiency initiative payments.

State of Illinois
Department of Children and Family Services

Schedule of Changes in State Property
For the Year Ended June 30, 2006
(Amounts Expressed in Thousands)

Balance at beginning of year	\$ <u>33,722</u>
Additions	
Fiscal Year 2006 through June 30	358
Fiscal Year 2006 lapse period estimate	<u>83</u>
Total Additions	<u>441</u>
Deletions	
Fiscal Year 2006 through June 30	1,097
Fiscal Year 2006 lapse period estimate	<u>2,069</u>
Total Deletions	<u>3,166</u>
Balance at end of the year	\$ <u><u>30,997</u></u>

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

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

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

**Comparative Schedule of Cash Receipts
For the Fiscal Years Ended June 30, 2006 and 2005
(Amounts Expressed in Dollars)**

	<u>2006</u>	<u>2005</u>
General Revenue Fund - 0001		
Child welfare	\$ 13,000,000	\$ 12,976,699
Miscellaneous	70,465	156,500
Parental contributions for care and maintenance of children	280,057	331,042
	<u>13,350,522</u>	<u>13,464,241</u>
DCFS Training Fund - 0094		
Federal Government	5,144,039	7,344,857
Training fees	-	361
	<u>5,144,039</u>	<u>7,345,218</u>
DCFS Children's Services Fund - 0220		
Federal Government	359,717,199	394,773,886
Reimbursement from Children's Trust	2,723,013	2,121,641
	<u>362,440,212</u>	<u>396,895,527</u>
DCFS Federal Projects Fund - 0566		
Federal Government - DHHS	11,615,403	14,287,737
Private organizations or individuals	21,250	21,250
Federal monies via		
Illinois State Board of Education	-	1,000,000
Illinois Department of Public Health	99,935	100,000
	<u>11,736,588</u>	<u>15,408,987</u>
DCFS Special Purpose Fund - 0582		
Private organizations or individuals	240,000	95,000
	<u>240,000</u>	<u>95,000</u>
TOTAL DEPARTMENT RECEIPTS	<u><u>\$ 392,911,361</u></u>	<u><u>\$ 433,208,973</u></u>

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

State of Illinois
Department of Children and Family Services

**Reconciliation of Cash Receipts to Deposits Remitted to the Comptroller
For the Fiscal Years Ended June 30, 2006 and 2005
(Amounts Expressed in Dollars)**

		2006					
001	094	220	566	582	DCFS	DCFS	Total
General	DCFS	DCFS	DCFS	DCFS	Special	Special	All
Revenue	Training	Children's	Federal	Federal	Purpose	Purpose	Funds
Fund	Fund	Services	Projects	Projects	Fund	Fund	Funds

Cash Receipts and Transfers per DCFS \$ 13,350,522 \$ 5,144,039 \$ 362,440,212 \$ 11,736,588 \$ 240,000 \$ 392,911,361

Receipts in transit at June 30, 2005 - - - - -
Receipts in transit at June 30, 2006 - - - - -

Cash Receipts and Transfers per
Comptroller

\$ 13,350,522 \$ 5,144,039 \$ 362,440,212 \$ 11,736,588 \$ 240,000 \$ 392,911,361

		2005					
001	094	220	566	582	DCFS	DCFS	Total
General	DCFS	DCFS	DCFS	DCFS	Special	Special	All
Revenue	Training	Children's	Federal	Federal	Purpose	Purpose	Funds
Fund	Fund	Services	Projects	Projects	Fund	Fund	Funds

Cash Receipts and Transfers per DCFS \$ 13,464,241 \$ 7,345,218 \$ 396,895,527 \$ 15,408,987 \$ 95,000 \$ 433,208,973

Receipts in transit at June 30, 2004 - - - - -
Receipts in transit at June 30, 2005 - - - - -

Cash Receipts and Transfers per
Comptroller

\$ 13,464,241 \$ 7,345,218 \$ 396,895,527 \$ 15,408,987 \$ 95,000 \$ 433,208,973

State Of Illinois
Department of Children and Family Services

Analysis of Significant Variations In Expenditures
For the Fiscal Year Ended June 30, 2006

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

	FY 2006 Public Act 94-0015	FY 2005 Public Act 93-0842	Difference	Percent Difference
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General Revenue Fund 0001

<u>State Paid Retirement Contribution</u>	1,259,767	-	1,259,767	N/A
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The Department did not receive an appropriation for this purpose in FY05. However, the Department was contractually required to continue retirement contributions for union employees, and those expenditures were made from the Personal Services appropriation (1120) in FY05. The FY06 retirement contributions were paid through December 31, 2005. The terms of the union contract changed effective January 1, 2006, and no State contributions were required thereafter.

<u>State Employee Retirement</u>	13,888,463	28,221,226	(14,332,763)	-50.79%
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The retirement rate that the Department paid decreased from 16.106% to 7.79%.

<u>Contractual Services</u>	33,740,238	11,221,029	22,519,209	200.69%
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In FY05, all facility management appropriations were transferred to the Department of Central Management Services (CMS). In FY06, these costs were appropriated back to the Department to pay for the expenditures made by CMS.

<u>Commodities</u>	485,014	322,825	162,189	50.24%
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Commodities spending was reduced in FY05 due to budget constraints. In FY06, commodities spending increased to replenish needed supplies.

State Of Illinois
Department of Children and Family Services

Analysis of Significant Variations In Expenditures
For the Fiscal Year Ended June 30, 2006

	FY 2006 Public Act 94-0015	FY 2005 Public Act 93-0842	Difference	Percent Difference
<u>Telecommunication</u>	5,725,899	4,578,049	1,147,850	25.07%

In FY05, the Department utilized telecommunication credits (\$1.3m) that were not available in FY06.

DCFS Training Fund - 0094

<u>Awards and Grants</u>	97,981	12,083,372	(11,985,391)	-99.19%
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The DCFS Training Fund (094) was consolidated into the Children's Services Fund (220) in FY06. Only minimal spending occurred from this fund at the beginning of FY06 until the statutorily required consolidation occurred.

DCFS Special Purpose Trust Fund - 0582

<u>Lump Sum and Other Purposes</u>	118,721	217,622	(98,901)	-45.45%
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The primary source of revenue for the DCFS Special Purpose Trust Fund has been a grant from a private trust. Spending from this fund decreased in FY06 as this was the last year grant funds will be received from the private trust.

Child Abuse Prevention Fund - 0934

<u>Awards and Grants</u>	-	253,546	(253,546)	-100.00%
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Due to the reprogramming on the grants associated with this fund, the grants were delayed until FY07.

State of Illinois
Department of Children and Family Services

Analysis of Significant Variations in Cash Receipts
For the Fiscal Year Ended June 30, 2006

The State of Illinois, Department of Children and Family Services' (Department) explanations for significant fluctuations in receipts as presented in the "Comparative Schedule of Cash Receipts" are detailed below:

	<u>2006</u>	<u>2005</u>	<u>Difference</u>	<u>Percent Difference</u>
General Revenue Fund - 0001				
<u>Miscellaneous</u>	\$ 70,465	\$ 156,500	\$ (86,035)	-54.97%

The General Revenue Fund paid for direct services of over \$50,000 in FY05 and then was reimbursed by the locally-held General Purpose Fund. In FY06 that program was abolished accounting for the majority of the decrease in receipts.

DCFS Training Fund - 0094

<u>Federal Government</u>	\$ 5,144,039	\$ 7,344,857	\$ (2,200,818)	-29.96%
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The Training Fund was dissolved as of September 1, 2005, and the fund balance was transferred to the DCFS Children's Services Fund. Therefore, no deposits were made after that date.

DCFS Children's Services Fund - 0220

<u>Reimbursement from Children's Trust</u>	\$ 2,723,013	\$ 2,121,641	\$ 601,372	28.34%
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The reimbursement from this account is affected by many variables. The majority of the increase was attributable to the number of children's accounts held in the Children's Trust Fund increasing from approximately 3,700 to 4,200 accounts in FY06. Also, the timing of child support receipts affects the amount available in the Children's Trust Fund with which to reimburse the Children's Services Fund.

DCFS Federal Projects Fund - 0566

<u>Illinois State Board of Education</u>	\$ -	\$ 1,000,000	\$ (1,000,000)	-100.00%
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FY05 was the last year of the grant.

DCFS Special Purpose Fund - 0582

<u>Private Organizations or Individuals</u>	\$ 240,000	\$ 95,000	\$ 145,000	152.63%
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The main funding for this fund is a multi-year grant for \$640,000 from a single private trust. During FY05 only \$75,000 was received as the final allocation was not available until FY06 when \$240,000 was received.

State of Illinois
Department of Children and Family Services

Analysis of Significant Lapse Period Spending
For the Fiscal Year Ended June 30, 2006

The State of Illinois, Department of Children and Family Services' (Department) explanations of significant lapse period spending as presented in the "Schedule of Appropriations, Expenditures and Lapsed Balances" for fiscal year 2006 are detailed below.

	<u>Total Expenditures</u>	<u>Lapse Period 7/1/06 - 8/31/06</u>	<u>Percent</u>
General Revenue Fund 0001			
<u>Commodities</u>	485,014	129,879	26.78%
Due to a general holding back of commodities spending until the Department could determine that enough funds were available for other purposes, a greater portion of commodities were ordered later in the year and paid for in the lapse period.			
<u>Electronic Data Processing</u>	7,458,203	2,879,793	38.61%
A large portion of EDP expenditures are CMS - related charges which are delayed in nature in the billing, reconciliation, and payment thereof. EDP expenditures also cross between this line and a lump sum appropriation from the Children's Services Fund. A greater proportion of the lapse period expenditures came from the EDP line than the lump sum appropriation.			
<u>Telecommunication</u>	5,725,899	1,677,734	29.30%
Telecommunication bills are billed after the fact and the reconciliation, and sign-off process by all employees is lengthy which leads to a disproportionate amount paid during the lapse period.			
<u>Lump Sums And Other Purposes</u>	8,477,788	3,206,124	37.82%
The main lump sum line is a residual line in which a majority of expenditures are made only after other appropriations have been utilized. The bills that are paid out of this line are inherently delayed due to the nature of the timing of the billing (travel reimbursement and university contracts).			
<u>Reimbursements To Governmental Units</u>	329,931	329,931	100.00%

The Agency waits until the end of the fiscal year to gather all claims made and then apportion out to the counties a percentage of said claims made.

State of Illinois
Department of Children and Family Services

Analysis of Accounts Receivable
June 30, 2006
(Amounts Expressed in Thousands)

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

(Per Department records)

General Revenue Fund (0001)

Parental accounts receivable	\$	2,428
Less: allowance for uncollectibles		(2,407)
		21
Board accounts receivable		2,338
Less: allowance for uncollectibles		(1,953)
		385
Accounts Receivable, Net	\$	406

Aging of Receivables	0 - 60 Days	Over 60 Days	Total
Parental accounts receivable	\$ 103	\$ 2,325	\$ 2,428
Board accounts receivable	\$ 235	\$ 2,103	\$ 2,338

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

State of Illinois
Department of Children and Family Services
Schedule of Indirect Cost Reimbursements
For the Years Ended June 30, 2006 and 2005

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

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

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

	<u>Rates</u>		<u>Actual Amounts Reimbursed for Indirect Costs</u>	
	<u>Final (a)</u>	<u>Provisional (b)</u>	<u>2005</u>	<u>2006</u>
Costs applicable to:				
Division of Support Services: Central Payment, FFP, Case Assignment and Day Care Payment Units	24.4%	24.4%	\$ 221,869	\$ 208,404
Training	27.7%	27.7%	42,666	58,630
Child Protection and Child Welfare Services	22.6%	22.6%	6,167,755	4,016,095
Administrative Case Review	15.7%	15.7%	355,543	288,425
Service Intervention	20.4%	20.4%	450,974	593,050
Monitoring/Quality Assurance	17.7%	17.7%	639,334	536,716
AFCARS/SACWIS	60.4%	60.4%	230,958	208,515
Central Administration: Juvenile Court & Legal Permanency, and Child & Family Policy	18.6%	18.6%	260,602	219,963
Clinical Services, including Housing & Cash Assistance	18.1%	18.1%	160,264	135,062
Office of the Guardian	18.8%	18.8%	<u>219,495</u>	<u>211,150</u>
		Total	<u>\$ 8,749,460</u>	<u>\$ 6,476,010</u>

(a) Fiscal Year 2005 Final is last approved rate agreement.

(b) Provisional rate used until final rate is approved.

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

**AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Year Ended June 30, 2006**

Agency Functions Description

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

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

Protective Services

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

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

Family Maintenance

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

Family Reunification and Substitute Care

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

Adoption and Guardianship

When it is inappropriate or not possible to return a child to the natural family, adoption is viewed as a desirable alternative. The child's need for a safe, nurturing and permanent home is the paramount factor when considering adoption. Adoption assistance is available to families who are considering adopting children with special needs for whom the Department is legally responsible and who cannot be adopted without a subsidy. Such assistance includes one-time cash payments for legal fees and medical expenses.

Support Services

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

Agency Planning Program

The Department's Division of Planning and Performance Management and the Office of Program Development and Support are the organizational units responsible for coordinating the development of the Child and Family Services Plan (CFSP), a plan based on the requirements of Titles IV-B and IV-E of the Social Security Act and Illinois state laws. Implementation and administration of the CFSP are the responsibilities of the various organizational units of the Department that perform substantive program, support, and administrative functions.

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

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

Evaluation of Needs Analysis

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

Planning

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

Budget Preparation

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

Operational Planning

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

Auditors' Assessment of Planning Program

The Department of Children and Family Services' planning function appears adequate to enable the Department to fulfill its statutory requirements and to develop and achieve its goals and objectives.

State of Illinois
Department of Children and Family Services

Average Number of Employees (Unaudited)
For the Year Ended June 30, 2006

The following information was developed through analysis of headcount schedules.

	2006	2005
Downstate region (Child Welfare and Child Protection)	1,155	1,204
Cook region (Child Welfare and Child Protection)	1,040	1,075
Purchase of service monitoring	300	304
Child protection administration	126	129
Central administration	125	119
Support services	104	110
Administrative case review	76	80
Office of the guardian	59	55
Targeted case management	46	55
Clinical services	40	40
Operations and community services	35	36
Title IV-E reimbursements	30	31
Quality assurance	26	29
Foster care initiative	17	40
Inspector general	16	20
Foster care/adoption training	7	7
Independent living initiative	5	6
Attorney general CW litigation	5	6
Children's justice act	4	5
SSI reimbursements	3	-
AFCAR/SACWIS	2	-
Family preservation	1	-
Health care network	1	1
MCO technical support	1	1
	<u>3,224</u>	<u>3,353</u>

State of Illinois
Department of Children and Family Services

Emergency Purchases
For the Year Ended June 30, 2006

Fiscal Year	Vendor	Description	Actual Cost
06	Egizi Property Managers	Rental of office space-needed to maintain a functional working environment for the SACWIS team to be able to continue operations, maintenance, and further development of the Federally mandated SACWIS program without interruption of service.	\$ 63,336
06	Getronics Wang	To extend the contract from January 1, 2006 to January 15, 2006, to operate the Department's wide area network and SACWIS help desk.	632,816
06	Getronics Wang	To extend the prior emergency purchase contract period to January 31, 2006.	472,370 (estimated)

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

**Memoranda of Understanding between the State of Illinois, Acting through the Department of
Children and Family Services, and Third Parties Relative to the FY06 Budget
(Unaudited)**

Name	Amount	Purpose
Family Focus, Inc.	\$ 25,000	Coordinate with Local Area Network Providers to support academic stability with elementary school age children and outreach support for children at risk of being suspended or expelled from school.
Prairie Center Health Systems, Inc.	200,000	Provide an innovative approach to intervening in the lives of substance affected families with histories of child neglect or abuse specifically associated with the Methamphetamine population.
West Englewood United Organization/Clara's House	250,000	Provide housing assistance for vulnerable and at-risk families and an After-School Parent Involvement Educational Program.
Arden Shore Child and Family Services	307,480	Provide mental health services to Lake County Latino children and adolescents.
I AM ABLE Family Development Corp.	50,000	Provide services to enhance the functioning of families and their support systems.
Sinai Community Institute, Inc. (Sinai Parenting Institute)	25,000	Provide parent training services for families identified at high risk of child abuse.
Uhlich Children's Advantage Network	300,000	Provide residential clinical enhancement services.
Children's Home & Aid Society of Illinois	40,000	Provide for post adoption, confidential intermediary adoption client support program.
Midwest Adoption Center	60,000	Confidential intermediary adoption client support program.
Jamal Place, Inc	100,000	Provide a transitional living program for adolescent males.
Heritage Behavioral Health Center	200,000	Expand residential services including technology, remodeling, and supplies.
Centro Romero Community Organization	20,000	Provide an after school program using the Teen REACH Model (an additional \$30,000 was provided by DHS under this MOU)

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

Funds Administered

June 30, 2006

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

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

Fiduciary Funds:

Private Purpose Trust Funds

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

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

Agency Fund

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

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

Treasury-Held Funds

DCFS Training Fund (#094) - The purpose of this Federally financed fund is to provide training for foster parents, adoptive parents, and the Department and private agency staff in accordance with Federal standards. This fund was closed into the DCFS Children’s Services Fund in FY06.

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

Funds Administered

June 30, 2006

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

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

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

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

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

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

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

**Service Efforts and Accomplishments
(Unaudited)**

(Dollars in Thousands)

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

<u>Program</u>	<u>Expenditures</u>	<u>FY 2005</u>		<u>FY 2006</u>	
		<u>Headcount</u>	<u>Expenditures</u>	<u>Headcount</u>	<u>Expenditures</u>
Family Reunification and Substitute Care	\$ 709,574.9	1,105.0	\$ 699,238.3	1,056.0	
Adoption and Guardianship	\$ 294,744.9	156.0	\$ 294,662.3	161.0	
Protective Services	\$ 115,910.2	1,159.0	\$ 110,617.3	1,145.0	
Family Maintenance	\$ 73,221.0	517.0	\$ 73,129.5	532.0	
Support Services	\$ 44,097.1	340.0	\$ 63,604.1	366.0	
Agency Totals	\$ 1,237,548.1	3,277.0	\$ 1,241,251.5	3,260.0	

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

To achieve this mission the Department utilizes its 3,420 employees and a broad network of private service providers throughout the state. Private agencies are the primary service provider for more than three-fourths of the children in foster care and all children in residential placements.

The Department's major program areas are as follows:

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

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

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

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

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

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

**Service Efforts and Accomplishments
(Unaudited)**

(Dollars in Thousands)

Protective Services

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

Program Goals:

Objectives:

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

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

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
Input Indicators					
● Total expenditures - all sources (in thousands)	\$ 117,666.6	\$ 115,910.2	\$ 116,638.5	\$ 110,617.3	\$ 123,067.9
● Total expenditures - state appropriated funds (in thousands)	\$ 117,666.6	\$ 115,910.2	\$ 116,638.5	\$ 110,617.3	\$ 123,067.9
● Average monthly full-time equivalents	1,292.0	1,159.0	1,175.0	1,145.0	1,239.0
Output Indicators					
● Family reports investigated	62,737	66,817	62,800	66,933	68,700
● Hotline calls	277,295	249,764	277,300	257,481	249,800
● Children investigated	104,248	111,830	104,300	110,225	116,870
Outcome Indicators					
● Number of indicated family reports	16,017	16,329	16,100	15,796	17,080
● Percentage of investigations indicated	25.8%	24.4%	25.6%	23.6%	24.9%
● Percentage of investigations initiated within 24 hours	99.5%	99.8%	99.3%	99.8%	99.8%
● Percentage of investigations completed within 60 days	83.4%	93.3%	95%	92.7%	93%

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

**Service Efforts and Accomplishments
(Unaudited)**

(Dollars in Thousands)

Adoption and Guardianship

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

Program Goals:

Objectives:

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

Funds: General Revenue Fund, DCFS Training Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund

Statutory Authority: Children & Family Services Act.

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
Input Indicators					
● Total expenditures - all sources (in thousands)	\$ 294,926.9	\$ 294,744.9	\$ 311,485.5	\$ 294,662.3	\$ 304,398.9
● Total expenditures - state appropriated funds (in thousands)	\$ 294,926.9	\$ 294,744.9	\$ 311,485.5	\$ 294,662.3	\$ 304,398.9
● Average monthly full-time equivalents	157.0	156.0	159.0	161.0	161.0
Output Indicators					
● Number of children receiving adoption payments (end of year)	34,396	34,493	35,098	34,046	34,292
● Number of children receiving guardianship payments (end of year)	6,476	6,318	6,248	6,151	6,054
Outcome Indicators					
● Number of children adopted	2,163	1,867	1,930	1,670	1,794
● Number of children to guardianship	674.0	638.0	643.0	565.0	619.0

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

**Service Efforts and Accomplishments
(Unaudited)**

(Dollars in Thousands)

Family Maintenance

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

Program Goals:

Objectives:

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

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

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 78,776.0	\$ 73,221.0	\$ 76,249.4	\$ 73,129.5	\$ 79,085.0
● Total expenditures - state appropriated funds (in thousands)	\$ 78,776.0	\$ 73,221.0	\$ 76,249.4	\$ 73,129.5	\$ 79,085.0
● Average monthly full-time equivalents	519.0	517.0	530.0	532.0	534.0
<u>Output Indicators</u>					
● Intact families served (end of year)	7,619	6,983	7,000	5,759	7,300
● Family cases closed	10,250	9,780	9,800	9,049	9,880
<u>Outcome Indicators</u>					
● Intact family cases open over 12 months	1,874	1,944	1,900	1,497	1,500

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

**Service Efforts and Accomplishments
(Unaudited)**

(Dollars in Thousands)

Family Reunification and Substitute Care

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

Program Goals:

Objectives:

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

Funds: General Revenue Fund, DCFS Training Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund

Statutory Authority: Children & Family Services Act

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
Input Indicators					
● Total expenditures - all sources (in thousands)	\$ 730,366.7	\$ 709,574.9	\$ 721,457.6	\$ 699,357.0	\$ 754,220.3
● Total expenditures - state appropriated funds (in thousands)	\$ 730,320.5	\$ 709,574.9	\$ 721,457.6	\$ 699,238.3	\$ 754,220.3
● Average monthly full-time equivalents	1,075.0	1,105.0	1,158.0	1,056.0	1,137.0
Output Indicators					
● Children in independent living	906.0	878.0	900.0	916.0	900.0
● Children in regular foster care	6,597	6,104	6,107	5,499	5,797
● Children in relative care	6,596	6,553	6,570	6,182	6,427
● Children in residential placements	1,505	1,374	1,209	1,357	1,304
● Children in specialized foster care	3,493	3,315	3,373	3,453	3,253
● Children with "return home" goal	6,206	6,435	6,500	5,761	5,881
● Children placed outside home (end of year) - paid placements	19,097	18,224	18,159	17,407	17,681
Outcome Indicators					
● Child cases closed	6,807	6,498	6,500	5,908	5,700
● Percentage of children returned home	11.6%	12.9%	12.4%	12.5%	14.2%
● Percentage of children served within the year moved to permanency	27.4%	27.9%	27.3%	26.5%	30.1%
● Percentage of sibling groups placed all or partially together	84%	80.3%	84%	81.7%	82%
● Number of children returned home	2,093	2,153	1,979	1,989	2,147
● Median length of time open for children in substitute care (yrs)	2.7	2.4	2.2	2.4	2.4