

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN
AND FAMILY SERVICES

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2010

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

State of Illinois
Department of Children and Family Services

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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

**Agency Officials
For the Two Years Ended June 30, 2010**

Director	Mr. Erwin McEwen
Executive Deputy Director	Ms. Denise Murray
Chief of Staff	Ms. Robbin Staggers (Through June 5, 2009) Vacant (June 6, 2009 through current)
Deputy Director and Chief Financial Officer	Mr. Matthew A. Grady III (Through April 14, 2010) Mr. Robert Stanek (April 14, 2010 through current)
Chief Legal Counsel	Ms. Dixie Peterson

Department administrative offices are located at:

406 East Monroe
Springfield, IL 62701

Pat Quinn
Governor



Erwin McEwen
Director

Illinois Department of Children & Family Services

MANAGEMENT ASSERTION LETTER

June 8, 2011

Sikich LLP
132 S. Water Street, Suite 300
Decatur, Illinois 62525

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2010, the Agency has materially complied with the assertions below.

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

Yours very truly,

Illinois Department of Children and Family Services

406 E. Monroe Street • Springfield, Illinois 62701
217-785-2509 • 217-524-3715 / TTY



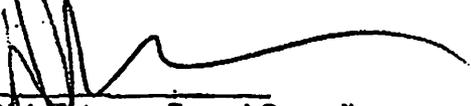
ACCREDITED • COUNCIL ON ACCREDITATION FOR CHILDREN AND FAMILY SERVICES



(Erin McEwen, Director)



(Robert Stanek, Chief Fiscal Officer)



(Dixie Peterson, General Counsel)

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

**Compliance Report
Summary
For the Two Years Ended June 30, 2010**

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

ACCOUNTANT’S REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Repeated findings	13	15
Prior recommendations implemented or not repeated	10	8
	5	1

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

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
10-1	12	Lack of Financial Reporting Review Procedures	Significant Deficiency
FINDINGS (STATE COMPLIANCE)			
10-2	13	Incomplete Child Welfare Files	Significant Deficiency and Noncompliance
10-3	17	Child Abuse and Neglect Determinations	Significant Deficiency and Noncompliance
10-4	19	Initiation of Child Abuse and Neglect Investigations	Significant Deficiency and Noncompliance
10-5	21	Noncompliance with Child Death Review Team Act	Significant Deficiency and Noncompliance

FINDINGS (STATE COMPLIANCE) - Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
10-6	24	Untimely Approval of Contracts	Significant Deficiency and Noncompliance
10-7	26	Inadequate Property Control Procedures	Significant Deficiency and Noncompliance
10-8	28	Noncompliance with Interstate Compact on Adoption Act	Noncompliance
10-9	29	Telecommunications Charges Review	Noncompliance
10-10	30	Child Abuse and Neglect Prevention Plan not Submitted Timely	Significant Deficiency and Noncompliance
10-11	31	Employee Performance Evaluations not Performed	Significant Deficiency and Noncompliance
10-12	32	Noncompliance with State Services Assurance Act	Significant Deficiency and Noncompliance
10-13	33	Noncompliance with Interagency Coordinating Council Act	Noncompliance

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

10-1	12	Lack of Financial Reporting Review Procedures	Significant Deficiency and Noncompliance
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PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	34	Contract Monitoring
B	34	Failure to Adopt Rule for Specialized Care
C	34	Noncompliance with State Officials and Employees Ethics Act
D	34	Vouchers Lacked Proper and Timely Approval
E	35	Inadequate Overtime Approval Documentation

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on June 7, 2011. Responses to the recommendations were provided by Robert Stanek, Deputy Director and Chief Financial Officer in a letter dated June 8, 2011.

Attending the exit conference were:

Department of Children and Family Services

Robert Stanek, Deputy Director and Chief Financial Officer
Ray Piiparinen, Audit Liaison
Vicki Libbra, PSA Manager General Accounting
Denise Caldwell, Deputy Assistant Chief Internal Auditor
Kevin Milward, Financial Manager

Sikich, LLP

Thomas Leach, Partner
Stephen Payton, Manager
Meredith Angel, Senior Accountant

Office of the Auditor General

Courtney Dzierwa, Audit Manager



132 South Water Street, Suite 300, P.O. Box 1460 Decatur, IL 62525-1460

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 years ended June 30, 2009 and June 30, 2010. The management of the State of Illinois, Department of Children and Family Services is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Children and Family Services' compliance based on our examination.

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

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

In our opinion, the State of Illinois, Department of Children and Family Services complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the years ended June 30, 2009 and June 30, 2010. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 10-1 through 10-13.

Internal Control

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 10-1 through 10-7 and 10-10 through 10-12. A *significant deficiency over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Additionally, the results of our procedures disclosed other matters involving internal control over compliance, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 10-8, 10-9 and 10-13. As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

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

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, 2010, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements, and have issued our report thereon dated June 8, 2011. 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 2010 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, 2010 taken as a whole.

We have not audited the State of Illinois, Department of Children and Family Services' basic financial statements for the year ended June 30, 2009. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2009 Supplementary Information for State Compliance Purposes, except for that portion marked "not examined" on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

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

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

Likich LLP

Decatur, Illinois
June 8, 2011



132 South Water Street, Suite 300, P.O. Box 1460 Decatur, IL 62525-1460

INDEPENDENT AUDITOR'S 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, 2010, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements and have issued our report thereon dated June 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in finding 10-1 in the accompanying schedule of findings that we consider

to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

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

Akich LLP

Decatur, Illinois
June 8, 2011

State of Illinois
Department of Children and Family Services

Schedule of Findings – Government Auditing Standards
Two Years Ended June 30, 2010

10-1. **FINDING** (Lack of Financial Reporting Review Procedures)

The Department of Children and Family Services (Department) did not have adequate review procedures in place to ensure the Department's annual financial statements were accurately prepared.

The Department's financial statements were adjusted to correct for the reporting of net assets as a result of our audit. A reclassification in the Department's statement of net assets was made to report net assets invested in capital assets totaling \$912 thousand and to correspondingly decrease the amount previously reported as unrestricted net assets.

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

The errors identified above were an oversight by the Department. Although the Office's records accurately accounted for the above noted items, its internal controls did not provide for detection of the errors by management in its preparation of the Department's financial statements.

Failure to implement appropriate internal control procedures over financial reporting could lead to future misstatements of the Department's financial statements. (Finding Code No. 10-1, 08-1)

RECOMMENDATION

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

AGENCY RESPONSE

The Department agrees it did not detect the reporting reclassification error in the financial statements prepared by the Comptroller's Office. We concur with the entry to reclassify \$912 thousand from Unrestricted Assets to Net Invested in Capital Assets.

STATE OF ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

SCHEDULE OF FINDINGS – STATE COMPLIANCE
Two Years Ended June 30, 2010

10-2. **FINDING** (Incomplete Child Welfare Files)

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

During our review of case files, we noted the following required documentation was not maintained in the file or was not prepared timely. Our sample consisted of 30 child welfare case files managed by Department staff and 30 child welfare case files managed by purchase of service (POS) contractors. One of the case files sampled was an adoption assistance case and one was a subsidized guardianship case; neither of these case files were required to have the same information as the regular child welfare case files. A third case had an unusual situation where the child’s identification in the Department’s Statewide Automated Child Welfare Information System (SACWIS) was not associated with a family case, and in the Department’s Child and Youth Centered Information System (CYCIS) the child had a different last name associated with a family case without all the appropriate file information. This child’s hardcopy case file could not be located by the Department and was not furnished to us. In our review of the remaining 57 case files in our sample, we noted the following deficiencies:

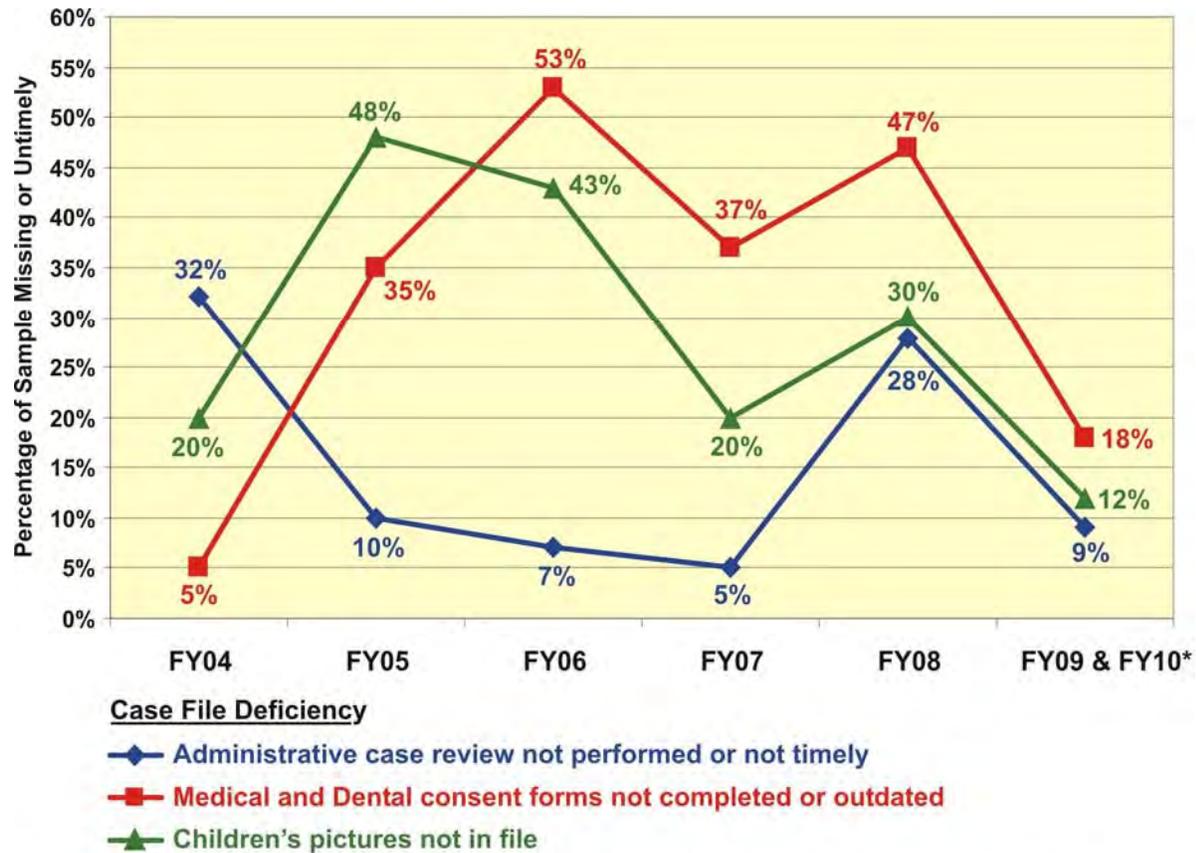
<u>Case File Deficiency</u>	<u>Case File Requirement</u>	<u>Authority</u>
Five (approximately 9%) required administrative case reviews (ACR’s) were not performed, or were not performed timely.	ACR’s by a trained professional that is not involved in the case management or delivery of services to the child must be performed every 6 months or when a substantial change to the child’s service plan occurs.	89 IL Admin Code 316.40; DCFS Administrative Procedure #5, Child Welfare Case Record Organization and Uniform Recording Requirements.
Seven (12%) Family Assessment Factor Worksheets (CFS 1440)/SACWIS Risk Assessment were not maintained in the case file or the Department’s automated case information.	When child welfare staff are engaged in preliminary activities the CFS 1440 is to be completed to indicate what actions have been taken in the investigation.	DCFS Administrative Procedure #5
Ten (18%) Medical & Dental Consent Forms (CFS 415) were not completed and/or were outdated.	Form CFS 415 must be maintained in the case file to provide for consent of ordinary and routine medical and dental care. This form is required to be updated annually.	DCFS Administrative Procedure #5
Thirty-seven (65%) Initial Placement Checklists (CFS 418-J) were not completed.	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

<u>Case File Deficiency</u>	<u>Case File Requirement</u>	<u>Authority</u>
Thirty-seven (65%) 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
Five (9%) Placement & Payment Authorization Forms (CFS 906) were not maintained in the case files.	Form CFS 906 must be completed and maintained in the case file and should include information concerning the child's placement status and other information critical to payment and approval documentation.	DCFS Administrative Procedure #5
Seven (12%) children's pictures were not maintained in the case files.	Each case file must include a current photograph of the child for whom care is being provided.	DCFS Administrative Procedure #5
Thirteen (23%) children's fingerprints were not maintained in the case files.	Each case file must include the child's fingerprint.	DCFS Administrative Procedure #5

Additionally, we selected a sample of fifty child administrative case reviews (ACR) to test compliance with the DCFS Administrative Procedures #5 21 day notification requirement. These fifty ACRs generated 393 notifications to all parties involved. 301 notifications (77%) were made 21 days in advance of the ACR date as required. Twenty-two (6%) were not sent for various reasons and 70 (17%) were sent with less than 21 days notice. 89 IL Admin. Code 316.60 and DCFS Administrative Procedure #5 require the letter be mailed to all parties involved 21 days in advance of the ACR meeting.

In addition to the deficiencies described above, the one child listed in SACWIS twice whose hard copy case file was not located did not have a service plan in the SACWIS database under either name.

The following graph depicts three of the case file deficiencies over the past seven years, and the percentage of items missing or untimely from the sample tested.



*Note: Testing was performed for the two-year period ended June 30, 2010, and our sample included file activity from both FY09 and FY10.

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

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

RECOMMENDATION

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

AGENCY RESPONSE

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

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

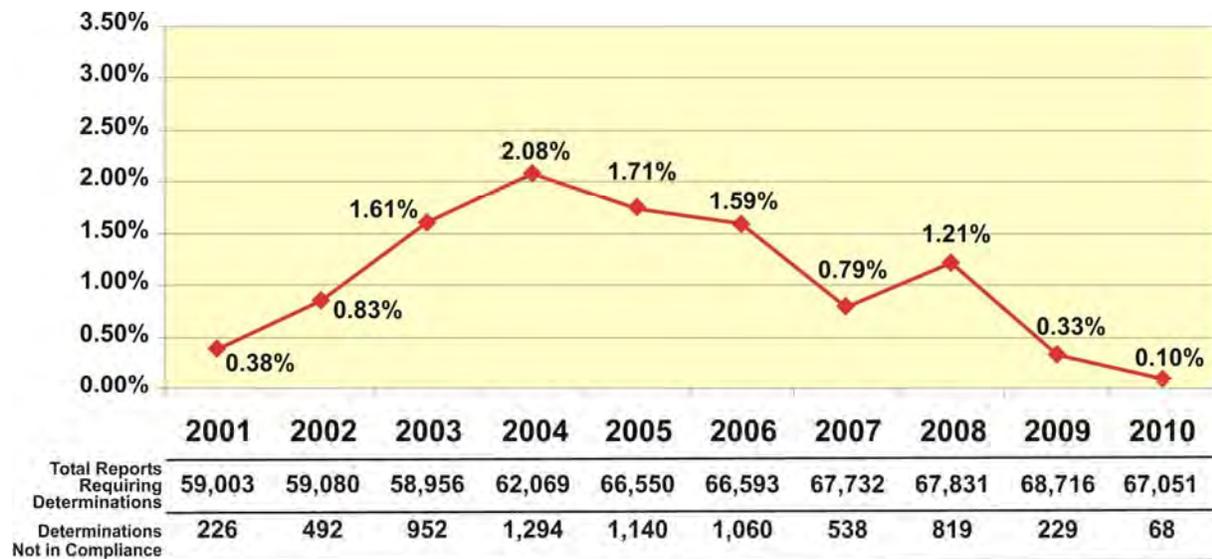
To address the deficiencies in the in the areas of Medical & Dental Consent forms, Initial Placement Checklists, Permanency Planning Checklists, Placement & Payment Authorization Forms, the Department implemented regular monitoring systems in each region. Regional managers have been given the responsibility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

10-3. **FINDING** (Child Abuse and Neglect Determinations)

The Department did not make timely determinations, in 68 of the 67,051 (0.10%) and in 229 of the 68,716 (0.33%) reports of child abuse and neglect referred to the Department during fiscal years 2010 and 2009, respectively, of whether the reports were “indicated” or “unfounded” as required by the Abused and Neglected Child Reporting Act.

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

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



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

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

RECOMMENDATION

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

AGENCY RESPONSE

The Department will continue to make diligent efforts to improve on the 99.9% and reach the 100% compliance timeframe set forth in the Abused and Neglected Child Reporting Act (ANCRA) for making final determinations. The ongoing focus of the Department is to develop opportunities and strategies to maintain our compliance of timely completions of investigative reports per ANCRA. Child Protection Investigators are procedurally required to:

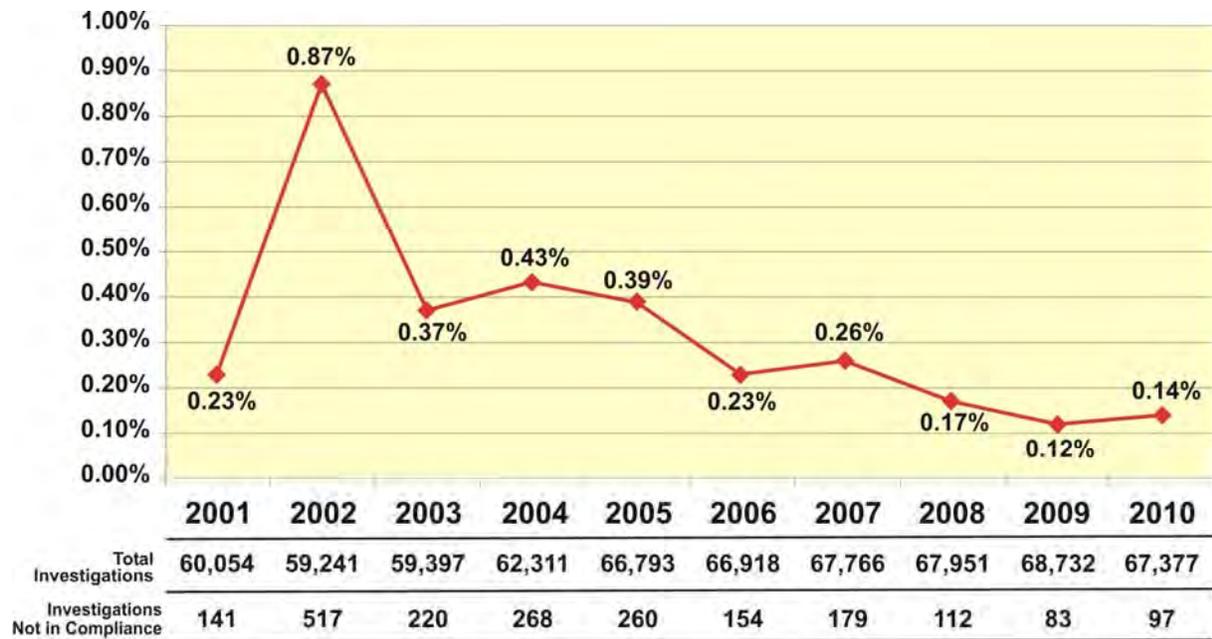
- Coordinate with law enforcement on serious cases.
- Obtain medical and or coroner results prior to closing a case.

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

10-4. FINDING (Initiation of Child Abuse and Neglect Investigations)

The Department did not timely initiate an investigation for 97 of the 67,377 (.14%) reports of child abuse and neglect in Fiscal Year 2010, and for 83 of the 68,732 (.12%) reports of child abuse and neglect in Fiscal Year 2009.

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



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

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

RECOMMENDATION

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

AGENCY RESPONSE

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

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

10-5. **FINDING** (Noncompliance with Child Death Review Team Act)

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

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

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

In addition, the Act provides that the child death review teams may at their discretion review other sudden, unexpected, or unexplained child deaths, and cases of serious or fatal injuries to a child identified under the Children's Advocacy Center Act (55 ILCS 80).

During our examination period, the Department's quality assurance division indicated that the child death review teams received death certificates for 161 mandated cases for fiscal year 2009 and 164 mandated cases for fiscal year 2010. In addition, the child death review teams had 106 fiscal year 2009 and 56 fiscal year 2010 discretionary cases.

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

The Act requires that child death review teams perform reviews of child deaths not later than 90 days from the completion of the Department's investigation, or if no investigation within 90 days after obtaining information necessary to complete the review. During our examination period the child death review teams were in the process of developing procedures to document dates that child death information was received and the subsequent dates that reviews had been performed in order to demonstrate compliance with their mandated duties. Accordingly, not all information is complete. However, we noted the following with respect to the information recorded within the database developed by the Department to facilitate its coordination and monitoring of the child death review team activities.

- For mandated cases in which the review was completed and a date the investigation was closed was provided, we noted the following:
 - 76 of 97 reviews for fiscal year 2009 were not conducted within 90 days from the close of the investigation (78%). On average, these reviews were conducted 163 days from that date.
 - 79 of 95 reviews for fiscal year 2010 were not conducted within 90 days from the close of the investigation (83%). On average, these reviews were conducted 164 days from that date.
- For mandated cases in which the review was completed and there was not a date for the investigation being closed we noted the following (the date the case was entered into the child death review team database was used due to unavailability of the receipt date of the death certificate or the date the teams obtained information necessary to complete the review):

- 30 of 64 reviews for fiscal year 2009 were not conducted within 90 days from the date the case was entered into the database (47%). On average, these reviews were conducted 164 days from that date.
 - 51 of 63 reviews for fiscal year 2010 were not conducted within 90 days from the date the case was entered into the database (81%). On average, these reviews were conducted 163 days from that date.
- 6 mandated cases for fiscal year 2010 were not documented as having received a review.

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

- the Springfield child death review team did not meet during the first quarter of fiscal year 2009.

Department officials stated that they are working with the child death review teams' Executive Council to modify legislation because it is not feasible to complete all reviews within 90 days. The Executive Council does not want to modify legislation until the teams are caught up so they can have a better understanding of how much time is needed. They will not be caught up for some time, having just completed entering 2009 deaths. They have a goal to enter all 2010 deaths by July 30th 2011. Department officials also noted that they have been working through the process of obtaining child death information from the Illinois Department of Public Health in a manner that would improve the process, and noted that for 2009 the entire year's information was received at one time in hard-copy form, but that information for 2010 was received electronically to reduce data entry time requirements.

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

Failure to comply with the Child Death Review Team Act diminishes the effectiveness of the purposes for which the child death review teams serve and also is noncompliance with duties mandated by law. (Finding Code No. 10-5, 08-10)

RECOMMENDATION

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

AGENCY RESPONSE

The Department agrees with the finding and is continuing with its plan to correct the causes for delay:

- The Child Death Review Team (CDRT) received the majority of death certificates for 2009 all at one time from IDPH on a disk and we received 2010 in two parts on two disks from IDPH. Once the disks were received they were printed and entered into the CDRT database. We now have all of 2009 deaths entered and we are currently entering December of 2010 and are waiting to start entering 2011 deaths (we have not received March, April and May 2011). CDRT goal to be up to date entering deaths is August 31, 2011.

- CDRT has just finished SACWIS checks for 2009. We have the majority of 2010 deaths to complete all SACWIS checks and CDRT has requested additional help to complete this task. The Deputy Director of Quality Assurance has assigned one staff person to complete SACWIS checks one day per week. The CDRT goal is to be up to date on SACWIS checks by December 31. This goal can be reached if we are able to continue the additional QA staff person on a consistent basis.
- Once deaths are entered into the database and SACWIS checks are completed the teams are notified of the mandated cases.

For 2009 Aurora has 6 mandatory cases to review, Champaign has three, Cook A has 6 mandatory cases, Cook B has 1 mandatory case, East St. Louis has 3 mandatory cases, Marion has 2 mandatory cases to review, Peoria has 5 mandatory cases, Rockford has 4 mandatory cases and Springfield has two. CDRT expects all 2009 mandated cases to be reviewed by August 31, 2011. Once all 2010 checks are completed the number of cases will increase; currently for 2010, Aurora has 2 mandatory cases, Champaign has 6 mandatory cases, Cook A and B have 3 mandatory cases, ESL has 3, Marion has 1, Peoria has 7 cases, Rockford has 9 and Springfield has 5. The goal to have all 2010 mandated cases reviewed is May 31, 2012.

10-6. **FINDING** (Untimely Approval of Contracts)

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

During our review of a sample of 35 contracts, totaling \$70,366,935, we noted that 34 agreements, 97%, sampled were signed after the commencement of the contract period. These contracts were not timely approved, as follows:

<u>Number of Contracts</u>	<u>Number of Days Delayed</u>
1	1-30
16	31-60
6	61-90
11	Over 90

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

Department personnel stated that they have reviewed procedures and contract language in order to develop processes that will allow compliance with applicable rules, and changes have been made to procedures for developing and processing contracts to enable timely service delivery dates. However, 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. 10-6, 08-6, 07-5, 06-05, 05-7, 04-7, 03-5, 02-7)

RECOMMENDATION

We recommend the Department ensure all contracts are approved and signed before the beginning of the contract period.

AGENCY RESPONSE

The Department agrees with the recommendation. DCFS has critical contracts with providers and emergency situations that, even during timeframes when budget negotiations delay appropriations, may not be completely processed to include all signatures prior to the service begin date in the agreement. The Department will continue to work on reaching the desired objective of getting all signatures prior to the beginning date in the agreement and has established a schedule to implement the process for the FY12 contract cycle.

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

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

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

10-7. **FINDING** (Inadequate Property Control Procedures)

The Department's procedures over property control were not adequate.

During our testing of property, we noted several inconsistencies and lack of adequate procedures:

- Inventory tags were not used in sequential order.
- There was no accurate, complete listing of all inventory tag numbers kept by the property department that includes prior tags no longer in use.
- The property listing did not match the ending balance on the C-15 Report of State Property submitted to the Comptroller.
- The expenditures per the Comptroller's records, the C-15 additions, and Department records were not reconciled until 9 months after fiscal year end.
- The Department did not handle cut-off properly. Items purchased or removed in one fiscal year were not put on or removed from the inventory records until several months later, sometimes in the following fiscal year.
- The Department included items that were not property/equipment on the spreadsheet of property/equipment purchases.

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

Department officials stated the Fiscal Unit prepares monthly reconciliations, comparing new items purchased as identified in voucher payment records to the additions made in the inventory system. However, the Department was unable to provide any reconciliation that was completed during the fiscal year. In March 2011, for fiscal year 2010, Department officials completed a reconciliation as a result of our requests.

Failure to properly keep accurate records regarding property and equipment, in a timely fashion, could result in misappropriation of assets as well as misreporting to the Comptroller. (Finding Code No. 10-7)

RECOMMENDATION

We recommend the Department review and implement procedures over property accounting to include:

- Inventory tags should be used in sequential order.
- A complete listing of all inventory tag numbers should be kept. This list should be updated with the status of each number as transactions take place (property sent to surplus, stolen, scrapped, etc.) in order to be able to identify whether a specific inventory tag number has been used and removed from inventory, the item was stolen, or never used at all.
- Reconciliations should be prepared in a timely manner to detect errors. Such reconciliations that should be prepared include:
 - Fixed asset property listing should be reconciled with the Report of Fixed Assets (C-15) ending balance for all equipment.
 - Expenditures per the Comptroller records should be reconciled with the purchases listing per Department records.
 - Expenditures per the Comptroller records should be reconciled with C-15 additions.
 - Purchases listing per Department records should be reconciled with C-15 additions.
- Items should be entered in property records when the item is received and the voucher is released for payment, and these items should be reported on the C-15 for the quarter they were added as equipment.

- Non-equipment items should be extracted from the voucher information when preparing the list of fiscal year purchases.

AGENCY RESPONSE

The Department accepts the auditor's recommendation. The primary cause for the finding rests with moving due to closing a number of field offices and the elimination of holdover leases in Springfield. This resulted in certain State Property having been properly procured or disposed of and documented, but this information was not appropriately communicated within the Department and the Department's Property Inventory System. It is noted that no reports of misappropriation of assets or lost equipment inventory items were noted. The Department regularly performs reconciliations of property inventory and expects to have the reconciliation in better form for auditors to review in the future.

10-8. **FINDING** (Noncompliance with Interstate Compact on Adoption Act.)

The Department did not annually verify any medical assistance agreements are still in force or have been renewed.

The Interstate Compact on Adoption Act (45 ILCS 17/5-35) states 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 Illinois under Article V of the Illinois Public Aid Code upon the filing of agreed documentation obtained from the assistance state and filed with the Department of Healthcare and Family Services. The Department of Children and Family Services shall be required at least annually to establish that the agreement is still in force or has been renewed.

Department officials stated the Department of Human Services monitors the children's status, has a database established to monitor day-to-day activities, and annually verifies the adoption assistance agreements are still in force for each child; however, the Interstate Compact office within the Department does not. Department officials also stated they felt it would be duplicative and costly to develop staff and mechanisms to achieve compliance and therefore intends to initiate legislation to remove this mandate.

The Department is in noncompliance with the Act by not annually verifying the medical documentation needed to provide medical assistance to children with special needs in force or has been renewed. (Finding Code No. 10-8, 08-7, 07-6, 06-6, 05-8, 04-8, 03-6)

RECOMMENDATION

We recommend the Department annually verify documentation needed to provide medical assistance per the Act or seek a legislative remedy to the statutory requirement.

AGENCY RESPONSE

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

The Department has worked with a state legislator to introduce a bill that would implement the new Interstate Compact Act that would correct this along with other interstate office practices. Currently 10 out of the required 35 states have passed the new Interstate Compact Act. Opposition was provided to the bill and the sponsor decided not to call the bill this session. The Department will be working with the parties of the opposition to alleviate their concerns and then insure the sponsor that the legislation is ready to proceed. It would be anticipated that the new Interstate Compact Act legislation would be completed within the next legislative year.

10-9. **FINDING** (Telecommunications Charges Review)

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

During our review of telecommunication expenditures, we tested a sample of 60 invoice vouchers. Of the 60 telecommunication vouchers, 19 were invoices that required employees' review and approval of calls to ensure all calls are for official state business. Although all 19 of these invoice vouchers were signed by the division head, we noted that 12 (63%) had no indication of being reviewed by the employee that incurred the charge.

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 stated that the agency's current practice no longer requires each person sign the invoices verifying their calls were work related. Because the agency is not able to obtain each employee's signature in a timely manner due to the nature of their work and the remote locations, one person in each office who is aware of each employee's work schedule and workload signs for all numbers on the invoice. The Department is still in process of revising its procedures for this change.

The failure to adequately review and approve the telephone bills could lead to abuse of State funds. (Finding Code No. 10-9, 08-8, 07-7, 06-8, 05-10, 04-13)

RECOMMENDATION

We recommend the Department complete its revision of its internal procedures for review and approval and ensure that all telephone charges are reviewed to determine the charges are for official State business.

AGENCY RESPONSE

The Department concurs that the existing review procedures, which are outdated, need to be updated and formalized so as to apply equally throughout the Department. The update is to be completed in FY11.

10-10. **FINDING** (Child Abuse and Neglect Prevention Plan not Submitted Timely)

The Department did not submit a comprehensive child abuse and neglect prevention plan (Plan) by the date required by the Children and Family Services Act (Act).

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

The Children and Family Services Act (20 ILCS 505/4a) states “on or before the first Friday in April of each year, the Department shall submit to the Governor and the General Assembly a State comprehensive child abuse and neglect prevention plan”. However, the Department filed the Plan due April 3, 2009 on April 20, 2009. The Plan due April 2, 2010 was not filed until April 7, 2011.

Department officials stated that the Department is seeking a change to the legislation for this mandate that the Plan be submitted on or before the first Friday in October (rather than April) of each year. They stated that they believe such a date will allow for better use of resources and coordinate with plans developed for other purposes, and that the proposed legislation, House Bill 0091 of the 97th General Assembly, has passed both Houses.

Failure to submit an annual Plan denies the Governor and General Assembly information with which to consider the Department’s priorities, goals and objectives as well as the resources necessary to implement the Plan. In addition, failure to submit an annual Plan represents noncompliance with the Act. (Finding Code No. 10-10, 08-11)

RECOMMENDATION

We recommend the Department submit a State comprehensive child abuse and neglect prevention plan to the Governor and General Assembly prior to the first Friday of April each year in compliance with the Children and Family Services Act or seek legislative remedy to the statutory requirement.

AGENCY RESPONSE

The Department agrees that the plan should be filed. The Plan follows and is based on the development of the Department’s Strategic Plan, the core and primary plan of the Department. All other plans are an integral part of this plan and are intended to support it and these plans support the efforts for coordinating efforts required for the federal programs administered by DCFS.

The Department is seeking a change to the legislation for this mandate that will provide the plan be filed on or before the first Friday in October (rather than April) of each year. Such a date will allow for better use of resources and coordinate with plans developed for other purposes including plans required by federal funding sources. October is much more preferable because by then responsibility for the report would have been designated and there would be ample time to prepare it. The proposed legislation has passed the House and the Senate.

10-11. **FINDING** (Employee Performance Evaluations not Performed)

Annual performance evaluations were not completed on a timely basis.

Of the 50 employee personnel files examined, 8 (16%) employees did not receive performance evaluations within the fiscal 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 and Family Services also has an internal policy requiring evaluations on at least an annual basis.

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

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. They should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall and reinstatement decisions. (Finding Code No. 10-11, 08-15)

RECOMMENDATION

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

AGENCY RESPONSE

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

10-12. **FINDING** (Noncompliance with State Services Assurance Act)

The Department did not increase and maintain the number of bilingual staff as required by the State Services Assurance Act.

The State Services Assurance Act (Act) (5 ILCS 382) required that on or before July 1, 2008 the Department shall increase by 40 the number of bilingual on-board frontline staff over the levels that it maintained on June 30, 2007. The Act also requires the Department to maintain its bilingual staff at the increased level.

At June 30, 2007, the Department had 154 bilingual frontline staff. Therefore, it is required by the Act to maintain a bilingual staffing level of 194. However, we noted that as of March 31, 2010 and 2009 the number of Department bilingual staff was 148 and 149, respectively.

Department officials stated the overall caseload has decreased and the caseload requiring bilingual staff has also decreased. In addition, Department officials stated turnover and budget constraints have made it difficult to increase bilingual staff.

Because the Department did not increase and maintain its level of bilingual staff, it is in noncompliance with the State Services Assurance Act. (Finding Code No. 10-12)

RECOMMENDATION

We recommend the Department comply with the State Services Assurance Act or alternatively, if determined that additional bilingual staff are not needed, seek a legislative remedy to the statutory requirement.

AGENCY RESPONSE

The 2010 report was filed in January 2011. The Department works to maintain staffing levels to meet the needs to manage caseload and believes the statute could be changed but will continue to provide required reports. The Burgos Consent Decree of 1977 is a federal mandate, which requires the Department of Children and Family Services to provide services in Spanish to Spanish speakers and those requesting services in Spanish. The consent Decree legally covers only the Cook and Aurora regions but its principles are applied statewide. The Burgos Consent Decree requires that DCFS and all of its vendors comply in providing services in Spanish to Spanish speakers. The Decree requires that all direct service staff as well as their supervisors take their Burgos training annually. It requires that DCFS offices that service Spanish-speaking families be staffed with Spanish speaking direct service workers. The Office of Latino Services (OLS), under the Office of Affirmative Action, is charged with implementing the policies and procedures associated with Latino Services and issues for the Department of Children and Family Services. Moreover, it coordinates with private agencies that have contracts with DCFS, oversees translations and interpretations between Spanish and English while communicating with Spanish speaking clients and individuals, develops strategies for recruitment of Spanish bilingual foster parents, provides oversight in retention and recruitment of Hispanic/bilingual applicants for positions in DCFS, and helps DCFS monitor compliance of the Burgos Consent Decree.

10-13. **FINDING** (Noncompliance with Interagency Coordinating Council Act)

The Department did not appoint a representative to serve on the Interagency Coordinating Council as required by the Interagency Coordinating Council Act.

The Interagency Coordinating Council Act (Act) (20 ILCS 3970/2) requires the Director or his designated representative from the Department to serve on the Interagency Coordinating Council. The Council is designed to gather and coordinate data on services for secondary age youth with disabilities in transition from school to employment, post-secondary education and training, and community living; provide information, consultation, and technical assistance to others involved in assisting these youth; establishing interagency agreements to assure the necessary services; conduct annual evaluations of outcomes and needs and provide periodic in-service training of awareness to transition services.

Department officials stated no one from the Department was appointed to the Council, however, they had believed they participated in the task force project through a memorandum of understanding they have with the Department of Human Services.

The Department is in noncompliance with the Act by not having the Director or his designated representative serve on the Council. (Finding Code No. 10-13)

RECOMMENDATION

We recommend the Director or his representative serve and participate in the Interagency Coordinating Council as required by the Act.

AGENCY RESPONSE

The Department concurs and the Director has identified a person to serve on IICC as his designee.

State of Illinois
Department of Children and Family Services

Schedule of Findings – Prior Findings Not Repeated
Two Years Ended June 30, 2010

A. FINDING (Contract Monitoring)

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

In our review of contracts with residential and group home service providers during the current examination period, each of the 25 contracts sampled included measurable criteria and participation requirements. (Finding Code No. 08-9)

B. FINDING (Failure to Adopt Rule for Specialized Care)

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

The Department has now promulgated rules regarding the provision of specialized foster care for children in its custody or guardianship at 89 Ill. Adm. Code 301.90. (Finding Code No. 08-12)

C. FINDING (Noncompliance with State Officials and Employees Ethics Act)

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

The Department's Chief of Staff instructed employees to mail their 2008 statements of economic interest directly to the Secretary of State and forward a copy of their statements to the Department's Office of the Inspector General, the Department's Ethics Officer. As such, the Inspector General was not afforded the opportunity to fulfill its mandated duty to review the statements prior to submission to the Secretary of State.

During the current examination period, the Department revised its instructions to employees, and the statements were submitted to the Inspector General prior to filing with the Secretary of State. (Finding Code No. 08-13)

D. FINDING (Vouchers Lacked Proper and Timely Approval)

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

In our sample of vouchers for the current examination period, we noted no instances where vouchers were not properly approved. In addition, we noted fewer instances in which vouchers were not approved on a timely basis. Details concerning the exceptions with respect to timely approval of vouchers have been reported in the letter of immaterial findings. (Finding Code No. 08-5)

E. FINDING (Inadequate Overtime Approval Documentation)

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

During the current examination, we noted fewer instances where overtime was not supported with approval documentation or supported by documentation that was signed after the overtime was worked. Details concerning the exceptions noted in the current examination period have been reported in the letter of immaterial findings. (Finding Code No. 08-14)

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

- . Analysis of Operations
 - Agency Functions and Planning Program
 - Average Number of Employees (Unaudited)
 - Emergency Purchases
 - Service Efforts and Accomplishments (Unaudited)

The accountants' report that covers the 2010 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.

With respect to the 2009 Supplementary Information for State Compliance Purposes presented in the Compliance Report Section, the accountants' report states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2009 Supplementary Information for State Compliance Purposes, except for that portion marked "not examined" on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

State of Illinois
Department of Children and Family Services

Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended June 30, 2010
(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		
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087	\$ 50
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	342
Abandoned Infants (Family Options Project)	93.551	11
Promoting Safe and Stable Families (Title IV-B, Part II, Mentoring Research Partnerships)	93.556	11
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	13,801
Temporary Assistance for Needy Families (TANF)	93.558	68,800
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	1,038
Chafee Education and Training Vouchers Program (CETV)	93.599	4
Children's Justice Grants to State	93.643	812
Child Welfare Services State Grants (Title IV-B, Part I)	93.645	8,369
Adoption Opportunities	93.652	1
Foster Care Title IV-E	93.658	190,432
ARRA Foster Care Title IV-E	93.658	6,851
Adoption Assistance (Title IV-E)	93.659	89,219
ARRA Adoption Assistance (Title IV-E)	93.659	9,025
Adoption Assistance (Title IV-E KIN GAP)	93.659	7,674
ARRA Adoption Assistance (Title IV-E KIN GAP)	93.659	507
Child Abuse and Neglect State Grants	93.669	948
Child Abuse and Neglect Discretionary Activities (Child Abuse Block Grant)	93.670	142
Child Abuse and Neglect Discretionary Activities (Child Abuse Block Grant)	93.670	660
Chafee Foster Care Independence Program (CFCIP)	93.674	4,761
HIV Care Formula Grants	93.917	97
Subtotal Direct Programs		<u>403,555</u>
Total U.S. Department of Health and Human Services		<u>403,555</u>
Total Expenditures of Federal Awards		<u>\$ 403,555</u>

See Notes to Schedule of Expenditures of Federal Awards.

State of Illinois
Department of Children and Family Services

Schedule of Expenditures of Federal Awards - Cash Basis
For the Year Ended June 30, 2009
(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		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 459
Abandoned Infants (Family Options Project)	93.551	(11)
Promoting Safe and Stable Families (Title IV-B, Part II, Mentoring Research Partnerships)	93.556	16,749
Temporary Assistance for Needy Families (TANF)	93.558	68,800
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	1,245
Chafee Education and Training Vouchers Program (CETV)	93.599	1,427
Children's Justice Grants to State	93.643	785
Child Welfare Services (Title IV-B, Part I)	93.645	13,413
Foster Care Title IV-E	93.658	213,052
ARRA Foster Care Title IV-E	93.658	6,083
Adoption Assistance (Title IV-E)	93.659	84,293
ARRA Adoption Assistance (Title IV-E)	93.659	6,810
Child Abuse and Neglect State Grants	93.669	1,108
Child Abuse and Neglect Discretionary Activities (Child Abuse Block Grant)	93.670	155
Chafee Foster Care Independence Program (CFCIP)	93.674	2,801
Chafee Foster Care Independence Program (CFCIP)	93.674	19
HIV Care Formula Grants	93.917	77
	Subtotal Direct Programs	<u>417,265</u>
Total U.S. Department of Health and Human Services		<u>417,265</u>
Total Expenditures of Federal Awards		\$ <u><u>417,265</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

State of Illinois
Department of Children and Family Services

Notes to the Schedules of Expenditures of Federal Awards – Cash Basis
For the Years Ended June 30, 2010 and 2009

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 Revenue Fund represents a portion of the General Revenue Fund of the State of Illinois. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services and the State Comptroller's Office) as defined by the General Assembly.

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

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

Primary Recipient

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

Subrecipient

The Department was a subrecipient of federal awards for which the Illinois Department of Public Health was the primary recipient in 2009.

State of Illinois
Department of Children and Family Services

Notes to the Schedules of Expenditures of Federal Awards – Cash Basis
For the Years Ended June 30, 2010 and 2009

Note 2 – Significant Accounting Policies

a) Reporting Entity

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

b) Basis of Accounting

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

Note 3 – Due from Other Governments – Federal

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

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

Expenditures for fiscal year 2009 Foster Care, Title IV-E and Adoption Assistance include the following (amounts in thousands):

Foster Care, Title IV-E	\$213,052
ARRA – Foster Care, Title IV-E	6,083
Adoption Assistance	84,293
ARRA – Adoption Assistance	<u>6,810</u>
Total Expenditures	<u>\$310,238</u>

Expenditures for fiscal year 2010 Foster Care, Title IV-E and Adoption Assistance include the following (amounts in thousands):

Foster Care, Title IV-E	\$190,432
ARRA – Foster Care, Title IV-E	6,851
Adoption Assistance	89,219
ARRA – Adoption Assistance	<u>9,025</u>
Total Expenditures	<u>\$295,527</u>

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

**Notes to the Schedules of Expenditures of Federal Awards - Cash Basis
For the Years Ended June 30, 2010 and 2009**

Note 4 - Federal CFDA Numbers

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

Note 5 - Federal Awards Provided to Sub-recipients

Of the federal expenditures presented in the schedule for fiscal year 2009, the Department provided federal awards to sub-recipients as follows (amounts in thousands):

	<u>Federal CFDA Number</u>	<u>Amount</u>
U.S. Department of Health and Human Services:		
Direct Programs		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 99
Promoting Safe and Stable Families (Title IV-B, Part II, Mentoring Research Partnerships)	93.556	8,314
Temporary Assistance for Needy Families	93.558	41,304
Chafee Education and Training Vouchers Program (CETV)	93.599	84
Children's Justice Grants to State	93.643	0
Child Welfare Services (Title IV-B, Part I)	93.645	13,413
Foster Care Title IV-E	93.658	64,452
ARRA Foster Care Title IV-E	93.658	1,894
Adoption Assistance (Title IV-E)	93.659	990
Chafee Foster Care Independence Program (CFCIP)	93.674	<u>880</u>
Total Expenditures of Federal Awards		\$ <u><u>131,430</u></u>

Of the federal expenditures presented in the schedule for fiscal year 2010, the Department provided federal awards to sub-recipients as follows (amounts in thousands):

	<u>Federal CFDA Number</u>	<u>Amount</u>
U.S. Department of Health and Human Services:		
Direct Programs		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 228
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	<u>13,801</u>
Total Expenditures of Federal Awards		\$ <u><u>14,029</u></u>

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2010

For the Fourteen Months Ended August 31, 2010

Public Acts 96-0042 & 96-0046	Appropriations (Net After <u>Transfers</u>)	Expenditures Through <u>6/30/10</u>	Lapse Period Expenditures 7/01/10 - 8/31/10 (<u>Approximate</u>)	Total Expenditures (<u>Approximate</u>)	Balances Lapsed (<u>Approximate</u>)
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 0001					
LUMP SUMS:					
PERSONAL SERVICES - NONBARGAINING UNIT (NB)	\$ 15,335,000	\$ 11,170,968	\$ 455,847	\$ 11,626,815	\$ 3,708,185
PERSONAL SERVICES - BARGAINING UNIT (BU)	195,832,000	177,772,455	10,452,566	188,225,021	7,606,979
SOC SEC/MEDICARE CONTRIBUTIONS - NB	1,173,200	827,098	33,815	860,913	312,287
SOC SEC/MEDICARE CONTRIBUTIONS - BU	14,981,100	13,199,469	781,509	13,980,978	1,000,122
OPERATIONAL EXPENSES, AWARDS	314,331,900	295,718,523	16,701,627	312,420,150	1,911,750
OPERATIONAL EXPENSES	51,291,200	38,219,807	7,255,538	45,475,345	5,815,855
GOVERNOR'S DISCRETIONARY APPROPRIATION	\$ 592,944,400	\$ 536,908,320	\$ 35,680,902	\$ 572,589,222	\$ 20,355,178
	272,007,400	254,028,571	17,843,136	271,871,707	135,693
	Subtotal Fund 0001	\$ 864,951,800	\$ 790,936,891	\$ 53,524,038	\$ 844,460,929
				\$	\$

DCFS CHILDREN'S SERVICES FUND - 0220

COUNSELING & AUXILIARY SERVICE	\$ 12,047,200	\$ 5,985,312	\$ 3,046,300	\$ 9,031,612	\$ 3,015,588
CHILDREN'S PERSONAL & PHYSICAL MAINTENANCE	2,856,100	1,942,078	508,977	2,451,055	405,045
PURCHASE OF CHILDREN'S SERVICES	1,314,600	1,094,095	217,835	1,311,930	2,670
CASH ASSISTANCE & HOUSING LOCATOR SERVICES	2,071,300	1,747,969	212,654	1,960,623	110,677
ASSIST DEV CHILD ADVOCACY CENTER	1,398,200	1,398,200	-	1,398,200	-
FAMILY PRESERVATION SERVICES	18,047,400	12,475,531	3,438,892	15,914,423	2,132,977
FAMILY CENTERED SERVICES INITIATIVE	16,489,700	13,290,089	1,948,956	15,239,045	1,250,655
FOSTER HOMES & SPECIALIZED FOSTER CARE	127,195,300	102,468,161	17,714,339	120,182,500	7,012,800

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2010

For the Fourteen Months Ended August 31, 2010

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/10</u>	<u>Lapse Period Expenditures 7/01/10 - 8/31/10 (Approximate)</u>	<u>Total Expenditures (Approximate)</u>	<u>Balances Lapsed (Approximate)</u>
Public Acts 96-0042 & 96-0046					
DCFS CHILDREN'S SERVICES FUND - 0220 (continued)					
PURCHASE OF ADOPT & GUARDIANSHIP SERVICES	86,232,700	77,996,450	3,069,444	81,065,894	5,166,806
INSTITUTION & GROUP HOME CARE & PREV	86,595,800	76,764,954	6,465,598	83,230,552	3,365,248
FOSTER CARE INITIATIVE	1,477,100	839,528	212,539	1,052,067	425,033
INDEPENDENT LIVING INITIATIVE	10,300,000	7,138,169	1,319,015	8,457,184	1,842,816
TITLE IV-E REIMBURSEMENT ENHANCEMENT	4,128,800	3,125,138	290,688	3,415,826	712,974
SSI REIMBURSEMENT	1,513,300	976,097	195,219	1,171,316	341,984
AFCARS/SACWIS INFORMATION SYSTEMS	20,370,400	13,801,103	1,579,035	15,380,138	4,990,262
TORT CLAIMS	5,786,300	5,450,000	125,000	5,575,000	211,300
TITLE IV-E REIMBURSEMENTS - COUNTIES	5,000,000	718,194	662,081	1,380,275	3,619,725
FOSTER & ADOPTION CARE TRAINING	14,608,500	8,982,389	2,498,553	11,480,942	3,127,558
Subtotal Fund 0220	\$ 417,432,700	\$ 336,193,457	\$ 43,505,125	\$ 379,698,582	\$ 37,734,118
DCFS FEDERAL PROJECTS FUND - 0566					
FEDERAL CHILD WELFARE PROJECTS	\$ 2,775,000	\$ 228,004	\$ -	\$ 228,004	\$ 2,546,996
FED CHILD PROTECTION PROJECTS	5,292,600	3,368,589	260,424	3,629,013	1,663,587
Subtotal Fund 0566	\$ 8,067,600	\$ 3,596,593	\$ 260,424	\$ 3,857,017	\$ 4,210,583

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2010

For the Fourteen Months Ended August 31, 2010

Public Acts 96-0042 & 96-0046	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/10</u>	<u>Lapse Period Expenditures 7/01/10 - 8/31/10 (Approximate)</u>	<u>Total Expenditures (Approximate)</u>	<u>Balances Lapsed (Approximate)</u>
DCFS SPECIAL PURPOSE TRUST FUND - 0582					
CHILD WELFARE IMPROVEMENTS	\$ 344,000	\$ 71,051	\$ -	\$ 71,051	\$ 272,949
	<u>Subtotal Fund 0582</u>	<u>\$ 344,000</u>	<u>\$ 71,051</u>	<u>\$ 71,051</u>	<u>\$ 272,949</u>
CHILD ABUSE PREVENTION FUND - 0934					
CHILD ABUSE PREVENTION	\$ 600,000	\$ 200,000	\$ -	\$ 200,000	\$ 400,000
	<u>Subtotal Fund 0934</u>	<u>\$ 600,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 400,000</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 1,291,396,100</u>	<u>\$ 1,130,997,992</u>	<u>\$ 97,289,587</u>	<u>\$ 1,228,287,579</u>	<u>\$ 63,108,521</u>

Note: Appropriations, expenditures, and lapsed balances were obtained from Department records and have been reconciled to records of the State Comptroller.
Expenditure amounts are vouchers approved for payment and submitted to the State Comptroller for payment.
Approximate lapse period expenditures do not include interest payments approved and submitted to the State Comptroller for payment after August.

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2009

For the Fourteen Months Ended August 31, 2009

	Appropriations (Net After <u>Transfers</u>)	Expenditures Through <u>6/30/09</u>	Lapse Period Expenditures <u>7/01/09 - 8/31/09</u>	Total <u>Expenditures</u>	Balances <u>Lapsed</u>
Public Act 95-0731					
Public Act 95-1001					
Public Act 96-0004					
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 0001					
REGULAR POSITIONS	\$ 182,369,775	\$ 171,958,921	\$ 10,212,316	\$ 182,171,237	\$ 198,538
STATE EMPLOYEE RETIREMENT	38,468,551	36,226,301	2,151,845	38,378,146	90,405
SOC SEC/MEDICARE CONTRIBUTIONS	13,552,440	12,779,833	765,669	13,545,502	6,938
CONTRACTUAL SERVICES	33,697,100	28,873,778	3,018,750	31,892,528	1,804,572
TRAVEL	6,396,900	5,339,575	827,945	6,167,521	229,379
COMMODITIES	490,600	409,030	56,527	465,557	25,043
PRINTING	500,000	356,393	57,540	413,933	86,067
EQUIPMENT	71,011	31,330	7,051	38,381	32,630
ELECTRONIC DATA PROCESSING	7,585,000	6,805,062	581,052	7,386,114	198,886
TELECOMMUNICATION	5,647,800	4,192,996	724,267	4,917,262	730,538
OPERATION OF AUTOMOTIVE EQUIPMENT	70,000	67,232	2,742	69,973	27
LUMP SUMS AND OTHER PURPOSES	13,392,600	7,193,520	6,063,131	13,256,651	135,949
LUMP SUM, OPERATIONS	574,100	526,395	23,414	549,809	24,291
AWARDS AND GRANTS	14,973,200	13,257,782	1,614,724	14,872,505	100,695
TORT CLAIMS	233,800	62,391	9,873	72,264	161,536
REIMBURSEMENTS TO GOVERNMENTAL UNITS	338,500	-	328,345	328,345	10,155
AWARDS AND GRANTS TO STUDENTS	842,500	839,813	-	839,813	2,687

State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2009

For the Fourteen Months Ended August 31, 2009

	Appropriations (Net After <u>Transfers</u>)	Expenditures Through <u>6/30/09</u>	Lapse Period Expenditures <u>7/01/09 - 8/31/09</u>	Total <u>Expenditures</u>	Balances <u>Lapsed</u>
Public Act 95-0731					
Public Act 95-1001					
Public Act 96-0004					
GENERAL REVENUE FUND - 0001 (continued)					
AWARDS & GRANTS - LUMP SUM	594,369,200	563,492,008	27,292,596	590,784,603	3,584,597
REFUNDS	32,789	5,655	5,468	11,123	21,666
	Subtotal Fund 0001	\$ 913,605,866	\$ 852,418,015	\$ 53,743,255	\$ 906,161,267
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DCFS CHILDREN'S SERVICES FUND - 0220					
LUMP SUMS AND OTHER PURPOSES	\$ 36,312,500	\$ 23,544,147	\$ 4,517,364	\$ 28,061,511	\$ 8,250,989
AWARDS & GRANTS	394,823,100	283,849,084	37,854,075	321,703,159	73,119,941
	Subtotal Fund 0220	\$ 431,135,600	\$ 307,393,231	\$ 42,371,439	\$ 81,370,930
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DCFS FEDERAL PROJECTS FUND - 0566					
LUMP SUMS AND OTHER PURPOSES	\$ 8,067,600	\$ 3,572,854	\$ 568,869	\$ 4,141,724	\$ 3,925,876
	Subtotal Fund 0566	\$ 8,067,600	\$ 3,572,854	\$ 568,869	\$ 4,141,724
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State of Illinois
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances
Appropriations for Fiscal Year 2009

For the Fourteen Months Ended August 31, 2009

	Appropriations (Net After Transfers)	Expenditures Through 6/30/09	Lapse Period Expenditures 7/01/09 - 8/31/09	Total Expenditures	Balances Lapsed
Public Act 95-0731					
Public Act 95-1001					
Public Act 96-0004					
DCFS SPECIAL PURPOSE TRUST FUND - 0582					
LUMP SUMS AND OTHER PURPOSES	\$ 360,000	\$ 152,329	\$ -	\$ 152,329	\$ 207,671
Subtotal Fund 0582	\$ 360,000	\$ 152,329	\$ -	\$ 152,329	\$ 207,671
FY09 BUDGET RELIEF FUND -0678					
AWARDS & GRANTS	\$ 14,871,200	\$ 14,871,200	\$ -	\$ 14,871,200	\$ -
LUMP SUMS AND OTHER PURPOSES	8,100,000	8,098,752	-	8,098,752	1,248
Subtotal Fund 0678	\$ 22,971,200	\$ 22,969,952	\$ -	\$ 22,969,952	\$ 1,248
CHILD ABUSE PREVENTION FUND - 0934					
AWARDS & GRANTS - LUMP SUM	\$ 600,000	\$ 481,250	\$ -	\$ 481,250	\$ 118,750
Subtotal Fund 0934	\$ 600,000	\$ 481,250	\$ -	\$ 481,250	\$ 118,750
TOTAL - ALL APPROPRIATED FUNDS	\$ 1,376,740,266	\$ 1,186,987,631	\$ 96,683,563	\$ 1,283,671,192	\$ 93,069,074

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, 2010, 2009, and 2008

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0042	P.A. 95-0731 P.A. 95-1001	
	P.A. 96-0046	P.A. 96-0004	P.A. 95-0348
GENERAL REVENUE FUND - 0001			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 864,951,800	\$ 913,605,866	\$ 896,822,394
LUMP SUMS:			
PERSONAL SERVICES - NONBARGAINING UNIT (NB)	\$ 11,626,815	\$ -	\$ -
PERSONAL SERVICES - BARGAINING UNIT (BU)	188,225,021	-	-
SOC SEC/MEDICARE CONTRIBUTIONS - NB	860,913	-	-
SOC SEC/MEDICARE CONTRIBUTIONS - BU	13,980,978	-	-
OPERATIONAL EXPENSES, AWARDS	312,420,150	-	-
OPERATIONAL EXPENSES	45,475,345	-	-
TOTAL LUMP SUMS	\$ 572,589,222	\$ -	\$ -
GOVERNORS DISCRETIONARY APPROPRIATION	271,871,707	-	-
REGULAR POSITIONS	-	182,171,237	190,577,074
STATE EMPLOYEE RETIREMENT	-	38,378,146	31,580,581
SOC SEC/MEDICARE CONTRIBUTIONS	-	13,545,502	14,179,764
CONTRACTUAL SERVICES	-	31,892,528	32,739,298
TRAVEL	-	6,167,521	6,314,527
COMMODITIES	-	465,557	448,253
PRINTING	-	413,933	442,865
EQUIPMENT	-	38,381	79,467
ELECTRONIC DATA PROCESSING	-	7,386,114	7,559,543
TELECOMMUNICATION	-	4,917,262	5,386,343
OPERATION OF AUTO EQUIPMENT	-	69,973	70,000
TORT CLAIMS	-	72,264	164,860
REIMBURSEMENT TO GOVERNMENTAL UNITS	-	328,345	338,500
LUMP SUMS AND OTHER PURPOSES	-	13,256,651	12,559,863
LUMP SUMS, OPERATIONS	-	549,809	-
AWARDS AND GRANTS	-	14,872,505	584,574,910
AWARDS AND GRANTS TO STUDENTS	-	839,813	-
AWARDS AND GRANTS - LUMP SUM	-	590,784,603	-
REFUNDS, N.E.C.	-	11,123	5,800
TOTAL APPROPRIATED EXPENDITURES	\$ 844,460,929	\$ 906,161,267	\$ 887,021,648
LAPSED BALANCES	\$ 20,490,871	\$ 7,444,599	\$ 9,800,746

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, 2010, 2009, and 2008

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0042	P.A. 95-0731 P.A. 95-1001	
	P.A. 96-0046	P.A. 96-0004	P.A. 95-0348
DCFS CHILDREN'S SERVICES FUND - 0220			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 417,432,700	\$ 431,135,600	\$ 431,139,264
COUNSELING & AUXILIARY SERVICE	\$ 9,031,612	\$ -	\$ -
CHILDREN'S PERSONAL & PHYSICAL MAINTENANCE	2,451,055	-	-
PURCHASE CHILDREN'S SERVICES	1,311,930	-	-
CASH ASSISTANCE & HOUSING LOCATOR SERVICES	1,960,623	-	-
ASSIST DEV CHILD ADVOCACY CENTER	1,398,200	-	-
FAMILY PRESERVATION SERVICES	15,914,423	-	-
FAMILY CENTERED SERVICES INITIATIVE	15,239,045	-	-
FOSTER HOMES & SPECIALIED FOSTER CARE	120,182,500	-	-
PURCHASE OF ADOPT & GUARDIANSHIP SERVICES	81,065,894	-	-
INSTITUTION & GROUP HOME CARE & PREV	83,230,552	-	-
FOSTER CARE INITIATIVE	1,052,067	-	-
INDEPENDENT LIVING INITIATIVE	8,457,184	-	-
TITLE IV-E REIMBURSEMENT ENHANCEMENT	3,415,826	-	-
SSI REIMBURSEMENT	1,171,316	-	-
AFCARS/SACWIS INFORMATION SYSTEMS	15,380,138	-	-
TORT CLAIMS	5,575,000	-	-
TITLE IV-E REIMBURSEMENTS - COUNTIES	1,380,275	-	-
FOSTER & ADOPT CARE TRAINING	11,480,942	-	-
LUMP SUMS AND OTHER PURPOSES	-	28,061,511	26,840,429
AWARDS AND GRANTS	-	321,703,159	351,339,401
TOTAL APPROPRIATED EXPENDITURES	\$ 379,698,582	\$ 349,764,670	\$ 378,179,830
LAPSED BALANCES	\$ 37,734,118	\$ 81,370,930	\$ 52,959,434
DCFS FEDERAL PROJECTS FUND - 0566			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 8,067,600	\$ 8,067,600	\$ 8,811,260
FEDERAL CHILD WELFARE PROJECTS	\$ 228,004	\$ -	\$ -
FED CHILD PROTECTION PROJECTS	3,629,013	-	-

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, 2010, 2009, and 2008

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0042	P.A. 95-0731 P.A. 95-1001	
	P.A. 96-0046	P.A. 96-0004	P.A. 95-0348
DCFS FEDERAL PROJECTS FUND - 0566 (continued)			
LUMP SUMS AND OTHER PURPOSES	-	4,141,724	4,482,546
TOTAL APPROPRIATED EXPENDITURES	\$ 3,857,017	\$ 4,141,724	\$ 4,482,546
LAPSED BALANCES	\$ 4,210,583	\$ 3,925,876	\$ 4,328,714
DCFS SPECIAL PURPOSE TRUST FUND - 0582			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 344,000	\$ 360,000	\$ 360,000
CHILD WELFARE IMPROVEMENTS	\$ 71,051	\$ -	\$ -
LUMP SUMS AND OTHER PURPOSES	-	152,329	16,000
TOTAL APPROPRIATED EXPENDITURES	\$ 71,051	\$ 152,329	\$ 16,000
LAPSED BALANCES	\$ 272,949	\$ 207,671	\$ 344,000
FY09 BUDGET RELIEF FUND - 0678			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ -	\$ 22,971,200	\$ -
LUMP SUMS AND OTHER PURPOSES	\$ -	8,098,752	\$ -
AWARDS AND GRANTS	-	14,871,200	-
TOTAL APPROPRIATED EXPENDITURES	\$ -	\$ 22,969,952	\$ -
LAPSED BALANCES	\$ -	\$ 1,248	\$ -
CHILD ABUSE PREVENTION FUND - 0934			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 600,000	\$ 600,000	\$ 600,000
CHILD ABUSE PREVENTION	\$ 200,000	\$ -	\$ -

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, 2010, 2009, and 2008

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0042	P.A. 95-0731	
	P.A. 96-0046	P.A. 95-1001	
		P.A. 96-0004	P.A. 95-0348
CHILD ABUSE PREVENTION FUND - 0934 (continued)			
AWARDS AND GRANTS - LUMP SUM	-	481,250	318,750
TOTAL APPROPRIATED EXPENDITURES	<u>\$ 200,000</u>	<u>\$ 481,250</u>	<u>\$ 318,750</u>
LAPSED BALANCES	<u>\$ 400,000</u>	<u>\$ 118,750</u>	<u>\$ 281,250</u>
GRAND TOTAL - ALL APPROPRIATED FUNDS			
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 1,291,396,100	\$ 1,376,740,266	\$ 1,337,732,918
TOTAL APPROPRIATED EXPENDITURES	<u>\$ 1,228,287,579</u>	<u>\$ 1,283,671,192</u>	<u>\$ 1,270,018,774</u>
LAPSED BALANCES	<u>\$ 63,108,521</u>	<u>\$ 93,069,074</u>	<u>\$ 67,714,144</u>
GENERAL REVENUE FUND (0001) - STATE COMPTROLLER			
OFFICER SALARIES			
DIRECTOR SALARY	<u>\$ 150,300</u>	<u>\$ 150,300</u>	<u>\$ 83,070</u>

Note: FY10 expenditures and related lapse balances do not reflect any interest payments approved and submitted to the State Comptroller for payment after August.

State of Illinois
Department of Children and Family Services
Schedule of Changes in State Property
For the Two Years Ended June 30, 2010
(Amounts Expressed in Thousands)

	2010	2009
Balance at beginning of year	\$ 20,593	\$ 23,731
Additions:		
Through June 30	102	1,732
Lapse period estimate	0	0
Total Additions	102	1,732
Deletions:		
Through June 30	1,563	4,870
Lapse period estimate	0	0
Total Deletions	1,563	4,870
Balance at end of the year	\$ 19,132	\$ 20,593

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, 2010, 2009, and 2008
(Amounts Expressed in Dollars)

	2010	2009	2008
General Revenue Fund - 0001			
Child welfare	\$ 13,000,000	\$ 13,000,000	\$ 12,939,236
Miscellaneous	191,783	64,698	67,755
Parental contributions for care and maintenance of children	23,796	47,447	118,046
	<u>\$ 13,215,579</u>	<u>\$ 13,112,145</u>	<u>\$ 13,125,037</u>
DCFS Children's Services Fund - 0220			
Federal Government	\$ 308,927,034	\$ 335,230,761	\$ 370,940,065
Miscellaneous	74,076	8,581	7,863
Reimbursement from Children's Trust	3,756,517	2,282,485	2,095,429
	<u>\$ 312,757,627</u>	<u>\$ 337,521,827</u>	<u>\$ 373,043,357</u>
DCFS Federal Projects Fund - 0566			
Federal Government - DHHS	\$ 3,956,724	\$ 3,425,922	\$ 5,431,162
Private organizations or individuals	-	112,366	90,264
Federal monies via Illinois Department of Public Health	108,852	132,280	25,300
	<u>\$ 4,065,576</u>	<u>\$ 3,670,568</u>	<u>\$ 5,546,726</u>
DCFS Special Purpose Trust Fund - 0582			
Private organizations or individuals	\$ 150,000	\$ -	\$ -
Putative Father Fees	54,960	53,680	56,720
Public Health-GRF	10,000	-	-
	<u>\$ 214,960</u>	<u>\$ 53,680</u>	<u>\$ 56,720</u>
TOTAL DEPARTMENT RECEIPTS	<u>\$ 330,253,742</u>	<u>\$ 354,358,220</u>	<u>\$ 391,771,840</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 Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
For the Fiscal Years Ended June 30, 2010 and 2009
(Amounts Expressed in Dollars)

	2010					Total All Funds
	0001 General Revenue Fund	0220 DCFS Children's Services Fund	0566 DCFS Federal Projects Fund	0582 DCFS Special Purpose Trust Fund	0934 DCFS Child Abuse Prevention	
Cash Receipts and Transfers per DCFS	\$ 13,215,579	\$ 312,757,627	\$ 4,065,576	\$ 214,960	\$ -	\$ 330,253,742
Prior year and other adjustments	371,982	1,261,615	15,206	-	52,515	1,701,318
Receipts in transit at June 30, 2009	-	-	-	-	-	-
Receipts in transit at June 30, 2010	-	-	-	-	-	-
Cash Receipts and Transfers per Comptroller (SB04 report)	<u>\$ 13,587,561</u>	<u>\$ 314,019,242</u>	<u>\$ 4,080,782</u>	<u>\$ 214,960</u>	<u>\$ 52,515</u>	<u>\$ 331,955,060</u>
	2009					
	0001 General Revenue Fund	0220 DCFS Children's Services Fund	0566 DCFS Federal Projects Fund	0582 DCFS Special Purpose Trust Fund	0934 DCFS Child Abuse Prevention	Total All Funds
Cash Receipts and Transfers per DCFS	\$ 13,112,145	\$ 337,521,827	\$ 3,670,568	\$ 53,680	\$ -	\$ 354,358,220
Prior year and other adjustments	189,863	647,372	69,916	-	-	907,151
Receipts in transit at June 30, 2008	(1,083)	-	-	-	-	(1,083)
Receipts in transit at June 30, 2009	-	-	-	-	-	-
Cash Receipts and Transfers per Comptroller (SB04 report)	<u>\$ 13,300,925</u>	<u>\$ 338,169,199</u>	<u>\$ 3,740,484</u>	<u>\$ 53,680</u>	<u>\$ -</u>	<u>\$ 355,264,288</u>

State of Illinois
Department of Children and Family Services

Analysis of Significant Variations in Expenditures
For the Two Years Ended June 30, 2010

The following explanations of significant variations were prepared by Department of Children and Family Services management and are presented for additional analysis purposes only. Explanations were obtained for expenditures with a variance of at least 20% and \$10,000 between fiscal years.

For fiscal year 2010, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Department of Children and Family Services received a lump sum appropriation for operational expenses, rather than individual appropriations designated for specific purposes. The fiscal year 2010 total spending in the General Revenue Fund is comparable to the sum of the individual lines in fiscal year 2009 (7% decrease) and does not fall within the above definition of a significant deviation.

General Revenue Fund 0001

State Employee Retirement

Fiscal year 2009 expenditures increased 22% over fiscal year 2008 expenditures due to the state retirement rate increasing from 16.571% to 21.049%.

Equipment

Fiscal year 2009 expenditures decreased 52% from fiscal year 2008 expenditures due to the Department of Children and Family Services focusing on closing offices. Less new equipment was needed as used equipment became available.

Tort Claims

Fiscal year 2009 expenditures decreased 56% from fiscal year 2008 expenditures due to a one-time payment made in fiscal year 2008 for \$100,000. There is no comparable claim for fiscal year 2009.

DCFS Special Purpose Trust Fund 0582

Lump Sum and Other Purposes

Fiscal year 2009 expenditures increased 852% over fiscal year 2008 due to a program that was new beginning late fiscal year 2008 with fiscal year 2009 having a full year of payments. Fiscal year 2010 expenditures decreased 53% from fiscal year 2009 due to the program coming to a close during the fiscal year.

Child Abuse Prevention Fund 0934

Awards and Grants Lump Sum

Fiscal year 2009 expenditures increased 51% over fiscal year 2008 due to an increase in the programs for child abuse purposes. Fiscal year 2010 expenditures decreased 58% from 2009 due to programs for specialized services to children being reduced.

State of Illinois
Department of Children and Family Services

Analysis of Significant Variations in Cash Receipts
For the Two Years Ended June 30, 2010

The following explanations of significant variations were prepared by Department of Children and Family Services management and are presented for additional analysis purposes only. Explanations were obtained for receipts with a variance of at least 20% and \$100,000 between fiscal years.

DCFS Federal Projects Fund 0566

Fiscal year 2009 receipts decreased 34% from fiscal year 2008. This fund is funded by grants that are multi years and some years have more expenditures, resulting in higher receipts from the grants, than others.

State of Illinois
Department of Children and Family Services

Analysis of Significant Lapse Period Spending
For the Two Years Ended June 30, 2010

The following explanations of significant lapse spending were prepared by Department of Children and Family Services management and are presented for additional analysis purposes only. Explanations were obtained for lapse expenditures with a variance of at least 20% and \$10,000 between fiscal years.

General Revenue Fund 0001

Lump Sums and Other Purposes

Approximately 46% of total expenditures were paid during the lapse period during fiscal year 2009. This is due to the fact that it 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 time of the billing (University contracts, travel reimbursements, and facilities management revolving fund).

Reimbursement to Governmental Units

100% of total expenditures were paid during the lapse period during fiscal year 2009. This is due to the fact the agency waits until the end of the year to gather all claims and then prorates out the percentage by county based on total billings during the lapse period.

State of Illinois
Department of Children and Family Services

Analysis of Accounts Receivable
June 30, 2010 and 2009
(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)	2010	2009
Parental accounts receivable	\$ 154	\$ 258
Less: allowance for uncollectibles	149	246
	5	12
Board accounts receivable	3,582	3,266
Less: allowance for uncollectibles	2,372	1,824
	1,210	1,442
Accounts Receivable, Net	\$ 1,215	\$ 1,454

2010 Aging of Receivables	0 - 60 Days	Over 60 Days	Total
Parental accounts receivable	\$ -	\$ 154	\$ 154
Board accounts receivable	\$ 306	\$ 3,276	\$ 3,582
2009 Aging of Receivables	0 - 60 Days	Over 60 Days	Total
Parental accounts receivable	\$ -	\$ 258	\$ 258
Board accounts receivable	\$ 638	\$ 2,628	\$ 3,266

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 (Unaudited)
For the Years Ended June 30, 2010, 2009 and 2008

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

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

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

Costs applicable to:	Rates			Actual Amounts Reimbursed for Indirect Costs	
	Final (a)	Provisional (b)		2009	2010
	FY08	FY09	FY10		
Division of Support Services: Central Payment, FFP, Case Assignment and Day Care Unit	18.0%	18.7%	18.0%	\$ 154,001	\$ 178,887
Training	37.7%	37.8%	37.7%	\$ 109,148	\$ 106,060
Child Protection and Child Welfare Services	22.4%	21.8%	22.4%	\$ 2,464,325	\$ 3,032,507
Administrative Case Review	14.1%	13.4%	14.1%	\$ 196,093	\$ 205,907
Service Intervention including Housing & Cash Assistance, Placmt/Perm & Post Adopt	17.3%	16.3%	17.3%	\$ 454,258	\$ 468,857
Monitoring/Quality Assurance	15.6%	15.3%	15.6%	\$ 417,500	\$ 524,298
AFCARS/SACWIS	28.5%	29.2%	28.5%	\$ 100,062	\$ 119,683
Central Administration: Juvenile Court & Legal Permanency, and Child & Family Policy	15.9%	14.7%	15.9%	\$ 141,500	\$ 158,667
Clinical Services	15.5%	15.2%	15.5%	\$ 64,446	\$ 88,392
Office of the Guardian/Advocacy Office	15.7%	15.3%	15.7%	\$ 135,762	\$ 147,282
			Total	\$ 4,237,095	\$ 5,030,540

(a) Fiscal Year 2008 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 Years Ended June 30, 2010 and 2009

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 and family support, remedying family problems that place children at risk of being removed from their homes, providing children with a safe, nurturing environment when out-of-home placement is needed, and when appropriate, placing children in suitable adoptive homes.

The Department's mission is based upon the conviction that children must have a consistent nurturing environment to achieve optimal growth and development. Permanency goals are established for each child in the Department's care that reflects the individual needs of each child and family. During service provision, a child's goal may be remaining at home, returning home, adoption, permanent family placement, independence or long-term care in a residential facility. Five Department service delivery programs are designed to achieve these client goals: Protective Services, Family Maintenance, Family Reunification and Substitute Care, Adoption and Guardianship and Support Services. The Department's director is Erwin McEwen. Mr. McEwen's offices are located at 406 East Monroe Street, Springfield, Illinois and 6th floor, James R. Thompson Center, 100 W. Randolph, Chicago, 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. The differential intensity, duration and protective character of the services offered is determined by whether the report is determined to be credible and ruled founded or determined to be not credible and ruled unfounded.

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.

State of Illinois
Department of Children and Family Services

Agency Functions and Planning Program
For the Years Ended June 30, 2010 and 2009

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, monthly subsidy payments and a Medicaid card. Payment for services to address physical, emotional and mental health needs for pre-existing conditions, not payable through other sources, may be provided in accordance with the subsidy through post-adoption services.

Family Reunification and Substitute Care

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

Support Services

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

Agency Planning Program

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

The Department's most recent CFSP covers 2010-2014 and includes those objectives, action steps and activities that the Department plans to implement during the federal fiscal years 2010-2014. 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:

State of Illinois
Department of Children and Family Services

Agency Functions and Planning Program
For the Years Ended June 30, 2010 and 2009

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, fiscal planners coordinate different operating units in preparing the Department's budget request for the coming year.

Operational Planning

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

State of Illinois
Department of Children and Family Services

Average Number of Employees (Unaudited)
For the Years Ended June 30, 2010, 2009 and 2008

The following information was developed through analysis of headcount schedules.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Child welfare	1,266	-	-
Downstate region (Child Welfare and Child Protection)	-	1,128	1,180
Cook region (Child Welfare and Child Protection)	-	872	901
Child protection	847	-	-
Purchase of service monitoring	315	324	314
Child protection administration	-	114	132
Budget and finance	107	66	-
Central administration	104	110	104
Administrative case review	71	74	72
Office of the guardian	53	51	55
SSI reimbursements	-	-	51
Operations and community services	-	48	64
Clinical services	44	37	44
AFCAR/SACWIS	42	34	34
Quality assurance	28	30	25
Title IV-E reimbursements	23	24	26
Inspector general	19	19	17
Targeted case management	11	34	26
Shared services	10	55	-
Support Services	-	-	58
Foster care/adoption training	7	6	7
Attorney general CW litigation	7	7	7
Foster care initiative	5	7	7
Independent living initiative	5	6	-
Children's justice act	3	3	4
Budget relief fund	-	2	-
Health care network	1	1	1
MCO technical support	-	1	1
	<u>2,968</u>	<u>3,053</u>	<u>3,130</u>

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

**Emergency Purchases
For the Two Years Ended June 30, 2010**

Fiscal Year	Vendor	Description	Estimated	Actual Cost
2009	SBBH - Chrysalis Consulting Company	Placement Data Collection		\$422,964
2010	Northwestern University	Two month continuation of services directly affecting placement of children	\$ 522,514	
2010	Amicus Court Reporters, Inc.	Maintain existing court reporting services until procurement process is completed	50,000	
2010	Ace World Wide Moving	Procure services to move certain Springfield offices where the existing/current vendor could not participate in the relocation due to scheduling conflicts with other State agencies.	75,000	

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.

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

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

The Department's major program areas are as follows:

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

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

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

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

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

State of Illinois
Department of Children and Family Services

Service Efforts and Accomplishments
(Unaudited)

(Dollars in Thousands)

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:	1. Children placed outside of the home are protected from abuse and neglect.				
Objectives:	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.				
Source of Funds:	General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund			Statutory Authority:	Children & Family Services Act
	<i>Fiscal Year 2007</i>	<i>Fiscal Year 2008</i>	<i>Fiscal Year 2009</i>	<i>Fiscal Year 2009</i>	<i>Fiscal Year 2010</i>
	<i>Actual</i>	<i>Actual</i>	<i>Target/Projected</i>	<i>Actual</i>	<i>Target/Projected</i>
<u>Input Indicators</u>					
* Total expenditures - all sources (in thousands)	\$715,362.0	\$707,450.9	\$740,178.4	\$737,574.7	\$772,272.1
* Total expenditures - state appropriated funds (in thousands)	\$715,362.0	\$707,450.9	\$740,178.4	\$737,574.7	\$772,272.1
* Average monthly full-time equivalents	1,039.0	1,006.0	991.0	950.0	1,007.0
<u>Output Indicators</u>					
* Children in independent living	946.0	858.0	876.0	758.0	823.0
* Children in regular foster care	4,825	4,479	4,421	4,412	4,675
* Children in relative care	5,867	6,187	6,570	5,982	6,223
* Children in residential placements	1,257	1,343	1,363	1,344	1,390
* Children in specialized foster care	3,219	3,213	3,295	3,170	3,258
* Children with "return home" goal	5,413	5,802	5,800	6,252	6,252
* Children placed outside home (end of year) - paid placements	16,114	16,080	16,525	15,666	16,369
<u>Outcome Indicators</u>					
* Child cases closed	5,981	5,888	6,060	5,930	5,930
* Percentage of children returned home	13.3 %	14.2 %	14.4 %	15.2 %	14.6 %
* Percentage of children served within the year moved to permanency	28.3 %	28.4 %	28.9 %	28.5 %	28.5 %
* Percentage of sibling groups placed all or partially together	81 %	82.1 %	82 %	82.9 %	82.9 %
* Number of children returned home	1,985	1,978	2,001	2,114	1,987
* Median length of time open for children in substitute care (yrs)	2.4	2.3	2.3	2.1	2.1

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:	1. Support and maintain children in adoptive and guardianship homes.					
Objectives:	2. Maintain children in adoptive and guardianship homes.					
	3. Stabilize placements in adoptive homes and subsidized guardianships.					
Source of Funds:	General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund			Statutory Authority:	Children & Family Services Act	
	<i>Fiscal Year 2007</i>	<i>Fiscal Year 2008</i>	<i>Fiscal Year 2009</i>	<i>Fiscal Year 2009</i>	<i>Fiscal Year 2010</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Target/Projected</i>	<i>Actual</i>	<i>Target/Projected</i>	
<u>Input Indicators</u>						
* Total expenditures - all sources (in thousands)	\$291,666.5	\$290,333.9	\$290,372.2	\$277,234.0	\$262,704.1	
* Total expenditures - state appropriated funds (in thousands)	\$291,666.5	\$290,333.9	\$180,372.2	\$277,234.0	\$262,704.1	
* Average monthly full-time equivalents	152.0	144.0	120.0	138.0	149.0	
<u>Output Indicators</u>						
* Number of children receiving adoption payments (end of year)	33,367	31,996	31,450	30,109	28,441	
* Number of children receiving guardianship payments (end of year)	5,833	5,407	5,275	4,941	4,497	
<u>Outcome Indicators</u>						
* Number of children adopted	1,682	1,518	1,540	1,339	1,397	
* Number of children to guardianship	563.0	461.0	466.0	501.0	488.0	

**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:	1. Reports of child abuse/neglect reports will be investigated promptly, safety insured, and subsequent abuse/neglect prevented.					
Objectives:	2. Increase child safety after agency involvement.					
	3. Improve responsiveness of the child abuse and neglect hotline.					
Source of Funds:	General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, Child Abuse Prevention Fund			Statutory Authority:	Children & Family Services Act	
	<i>Fiscal Year 2007</i> Actual	<i>Fiscal Year 2008</i> Actual	<i>Fiscal Year 2009</i> Target/Projected	<i>Fiscal Year 2009</i> Actual	<i>Fiscal Year 2010</i> Target/Projected	
<u>Input Indicators</u>						
* Total expenditures - all sources (in thousands)	\$117,959.8	\$130,493.3	\$129,976.5	\$129,073.5	\$127,699.5	
* Total expenditures - state appropriated funds (in thousands)	\$117,959.8	\$130,493.3	\$129,976.5	\$129,073.5	\$127,699.5	
* Average monthly full-time equivalents	1,152.0	1,147.0	924.0	1,103.0	1,089.0	
<u>Output Indicators</u>						
* Family reports investigated	67,775	67,959	68,500	68,740	70,012	
* Hotline calls	258,563	266,011	266,000	258,237	282,211	
* Children investigated	111,746	111,869	112,000	111,574	118,712	
<u>Outcome Indicators</u>						
* Number of indicated family reports	16,875	17,535	17,973	15,749	17,176	
* Percentage of investigations indicated	24.9 %	25.8 %	25 %	22.9 %	24.5 %	
* Percentage of investigations initiated within 24 hours	99.8 %	99.8 %	99.8 %	99.9 %	99.9 %	
* Percentage of investigations completed within 60 days	94.3 %	93.5 %	93.9 %	93 %	93.6 %	

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:	1. Provide effective in-home services to maintain stable family environments and prevent subsequent abuse.				
Objectives:	2. Provide effective programs to minimize intake into substitute care.				
	3. Improve parenting skills and deter substance abuse.				
Source of Funds:	General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund			Statutory Authority: Children & Family Services Act	
	<i>Fiscal Year 2007</i> <i>Actual</i>	<i>Fiscal Year 2008</i> <i>Actual</i>	<i>Fiscal Year 2009</i> <i>Target/Projected</i>	<i>Fiscal Year 2009</i> <i>Actual</i>	<i>Fiscal Year 2010</i> <i>Target/Projected</i>
<u>Input Indicators</u>					
* Total expenditures - all sources (in thousands)	\$74,408.9	\$77,107.8	\$77,423.7	\$74,142.8	\$75,363.7
* Total expenditures - state appropriated funds (in thousands)	\$74,408.9	\$77,107.8	\$77,423.7	\$74,142.8	\$75,363.7
* Average monthly full-time equivalents	498.0	477.0	391.0	450.0	486.0
<u>Output Indicators</u>					
* Intact families served (end of year)	5,505	5,293	5,500	5,663	6,117
* Family cases closed	7,693	7,775	8,000	7,267	7,830
<u>Outcome Indicators</u>					
* Intact family cases open over 12 months	1,752	1,535	1,550	1,780	1,835