

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

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

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2014**

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STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
For The Two Years June 30, 2014

AGENCY OFFICIALS

Secretary	Mr. Brent Adams (Through August 2012)
Acting Secretary	Mr. Bryan Schneider (Effective February 2015) Mr. Jay Stewart (Through February 2015) Mr. Manuel Flores (Through January 2015) Ms. Susan Gold (Through October 2012)
Chief of Staff	Mr. Tony Esposito (Effective January 2015) Ms. Nellie Ridsdale (Through January 2015) Mr. Matthew Glavin (Through August 2014)
Acting Chief of Staff	Ms. Susan Gold (Through October 2014)
Chief Financial Officer	Mr. Bryan Martin (Effective September 2013) Mr. Tony Goldstein (Through December 2012)
Acting Chief Financial Officer	Mr. Thanh Melick (Through August 2013)
General Counsel	Mr. Richard DiDomenico (Effective August 2012) Mr. Kevin Connor (Through July 2012)
Senior Deputy General Counsel	Ms. Susan Gold (Effective December 2012) Mr. Richard DiDomenico (Through July 2012)
Director of Administrative Services	Mr. Nick Kanellopoulos (Through January 2015) Ms. Cathy Gonzalez (Through November 2013)
Acting Director of Information Technology	Mr. Bryan Martin (Effective August 2014)
Director of Information Technology	Mr. Alan Harling (Through July 2014) Mr. Jason Harmon (Through September 2013)
Director of Legislative Affairs	Mr. John Webb (Effective February 2015) Ms. Jennifer Acker (Through December 2014) Mr. Jeremy Kruidenier (Through November 2013) Ms. Maren Ronan (Through January 2013)
Director of the Division of Professional Regulation	Mr. Jay Stewart

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
For The Two Years June 30, 2014**

AGENCY OFFICIALS

Director of the Division of Financial Institutions	Mr. Francisco Menchaca (Effective June 2013) Ms. Roxanne Nava (Through March 2013)
Acting Director of the Division of Banking	Ms. Sheila Saegh Henretta (Through January 2015)
Director of the Division of Banking	Mr. Manuel Flores (Through March 2014)

Agency offices are located at:

320 West Washington Street
3rd Floor
Springfield, IL 62786

James R. Thompson Center
100 West Randolph, 9th Floor
Chicago, IL 60601

9511 Harrison St., Suite LL50
Des Plaines, IL 60016



Illinois Department of Financial and Professional Regulation
Office of the Secretary

BRUCE RAUNER
Governor

Jay Stewart
Acting Secretary

MANAGEMENT ASSERTION LETTER

February 2, 2015

E.C. Ortiz & Co., LLP
Certified Public Accountants
333 S. Des Plaines, Suite 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department of Financial and Professional Regulation. 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 State of Illinois, Department of Financial and Professional Regulation compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2014, the State of Illinois, Department of Financial and Professional Regulation has materially complied with the assertions below.

- A. The State of Illinois, Department of Financial and Professional Regulation 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 Financial and Professional Regulation 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 Financial and Professional Regulation 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 Financial and Professional Regulation 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.

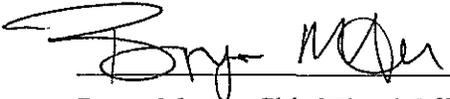
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Financial and Professional Regulation on behalf of the State or held in trust by the State of Illinois, Department of Financial and Professional Regulation have been properly and legally administered,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

Yours truly,

State of Illinois, Department of Financial and Professional Regulation



Jay Stewart, Acting Secretary



Bryan Martin, Chief Fiscal Officer



Richard DiDomenico, General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2014**

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORTS

The Independent Accountant's 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 Report</u>	<u>Prior Report</u>
Findings	13	14
Repeated findings	9	10
Prior recommendation implemented or not repeated	5	0

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2014-001	11	Inadequate Controls over Computer Inventory	Noncompliance and significant deficiency
2014-002	13	Enforcement Activities Not Performed Timely and/or Not Sufficiently Documented	Noncompliance and significant deficiency
2014-003	15	Department Boards and Committees Not Fully Staffed	Noncompliance and significant deficiency
2014-004	20	Deficiencies Identified in Controls over Interagency Agreements	Noncompliance and significant deficiency
2014-005	22	Employee Performance Evaluations Not Completed or Timely Completed	Noncompliance and significant deficiency

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
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For The Two Years Ended June 30, 2014**

COMPLIANCE REPORT

SUMMARY

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2014-006	24	Inadequate Controls over Vehicle Reporting, Usage and Maintenance	Noncompliance and significant deficiency
2014-007	27	Inadequate Controls over Property Records	Noncompliance and significant deficiency
2014-008	29	Inadequate Controls over Telecommunication Services and Expenditures	Noncompliance and significant deficiency
2014-009	31	Noncompliance with the Pharmacy Practice Act	Noncompliance and significant deficiency
2014-010	32	Noncompliance with the Residential Mortgage License Act of 1987	Noncompliance and significant deficiency
2014-011	34	Inadequate Control over Monitoring Licensee Documentation	Noncompliance and significant deficiency
2014-012	37	Noncompliance with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004	Noncompliance and significant deficiency
2014-013	39	Noncompliance with Various Statutory Mandates	Noncompliance and significant deficiency

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	41	Failure to Report Fringe Benefits and Certify License and Automotive Liability Coverage
B	41	Time Sheets Not Maintained in Compliance with the State Officials and Employees Ethics Act
C	41	Noncompliance with Required Contracting Procedures

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
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For The Two Years Ended June 30, 2014**

COMPLIANCE REPORT

SUMMARY

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
D	42	Noncompliance with the Debt Settlement Consumer Protection Act
E	42	Noncompliance with the Wholesale Drug Distribution Licensing Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on January 22, 2015. Attending were:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

Jay Stewart	Acting Secretary
Susan Gold	Senior Deputy General Counsel
Philina King	Audit Liaison
Bryan Martin	Chief Fiscal Officer

OFFICE OF THE AUDITOR GENERAL

Jane Clark	Audit Manager
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E. C. ORTIZ & CO., LLP

Edilberto Ortiz	Partner
Marites Sy	Partner
Charlou Rodriguez	Senior

The responses to the recommendations were provided by Philina King in a letter dated February 2, 2015



INDEPENDENT ACCOUNTANT'S 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 Financial and Professional Regulation's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2014. The management of the State of Illinois, Department of Financial and Professional Regulation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Financial and Professional Regulation's compliance based on our examination.

- A. The State of Illinois, Department of Financial and Professional Regulation 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 Financial and Professional Regulation 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 Financial and Professional Regulation 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 Financial and Professional Regulation 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 Financial and Professional Regulation on behalf of the State or held in trust by the State of Illinois, Department of Financial and Professional Regulation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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

In our opinion, the State of Illinois, Department of Financial and Professional Regulation complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2014-001 through 2014-013.

Internal Control

Management of the State of Illinois, Department of Financial and Professional Regulation 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 Financial and Professional Regulation's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Financial and Professional Regulation's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Financial and Professional Regulation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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. A *significant deficiency in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2014-001 through 2014-013, that we consider to be significant deficiencies.

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

The State of Illinois, Department of Financial and Professional Regulation's 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 Financial and Professional Regulation's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2014 and June 30, 2013 in Schedules 1 through 21 and the Analysis of Operations Section 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 June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 21. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, and 18 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance 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.

E. C. Artiz & Co., LLP
Chicago, Illinois
February 2, 2015

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For The Two Years Ended June 30, 2014

CURRENT FINDINGS – STATE COMPLIANCE

2014-001. **FINDING** (Inadequate Controls over Computer Inventory)

The Department of Financial and Professional Regulation (Department) was not able to locate four pieces of computer equipment during its annual inventories.

During our review of the Department's Inventory Certification Discrepancy Reports for Fiscal Years 2014 and 2013, it was noted the Department was not able to locate 4 pieces of computer equipment consisting of 1 desktop, and 3 central processing units (CPUs) totaling \$2,637. We tested all reported missing computer equipment and noted the following:

- Two of 3 (67%) missing CPUs were believed to be sent to the Department of Central Management Services (DCMS) surplus. However, the Department does not have proper documentation to confirm the transfer. The IT personnel provided documentation that these assets were already scrubbed and any sensitive information that may have been stored was wiped before the assets were lost. One of the 3 CPUs was subsequently found.
- The one missing desktop was transferred to DCMS surplus on January 2013 according to the Department personnel. However, the property change report was not signed by the Department and DCMS personnel. According to IT personnel, the asset was a network computer and all data should have been stored on the network server and not on local computer. The Department, however, could not provide documentation to prove that the asset was wiped of any sensitive information that may have been stored on this asset.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable for the supervision, control and inventory of all items under its jurisdiction and control. In addition, the Department had the responsibility to ensure that confidential information is protected and that provisions in the Personal Information Protection Act (815 ILCS 530) are followed.

Department personnel stated the staff did not follow the Department's procedures with regard to documenting items to be surplus.

Failure to follow up on missing computer equipment increases the risks associated with the potential exposure of confidential information. In addition, failure to maintain proper documentation of asset transfers may result in inaccurate property records. (Finding Code No. 2014-001, 12-1, 10-1, 08-1)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
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For The Two Years Ended June 30, 2014

RECOMMENDATION

We recommend the Department ensure all asset transfers are properly documented and signed by all parties to ensure accountability. We also recommend the Department perform an assessment whether missing computers contained confidential information for proper disposition in compliance with the Personal Information Protection Act.

DEPARTMENT RESPONSE

Concur. The Department has improved its controls over computer inventory and notes that it was unable to locate 3 pieces of equipment as 1 of the CPUs listed as missing was subsequently found. The Department will continue to improve its process to ensure compliance.

With respect to confidential information contained on missing computers, all laptops used by the Department are password protected. Only the person assigned the unit, Agency IT staff with administrative rights, or CMS IT personnel have the ability to override or change the password. The same password protocol is applied to the desktop computers. Confidential information accessed through a desktop computer resides on the network, not the resident hard drive.

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For The Two Years Ended June 30, 2014

2014-002. **FINDING** (Enforcement Activities Not Performed Timely and/or Not Sufficiently Documented)

The Department of Financial and Professional Regulation Division of Professional Regulation Enforcement Unit (Department) did not perform and/or document enforcement activities in a timely or sufficient manner.

During our review of investigation files, we noted the following:

- In 4 of 40 (10%) case files reviewed, the investigator contacted the complainants 38 to 559 days after assignment of the case.
- In 2 of 40 (5%) case files reviewed, the Investigative Reports were not signed by the investigator and/or supervisor.
- In 6 of 40 (15%) case files reviewed, the Investigative Reports were not timely prepared. The completion of the investigative reports ranged from 135 to 678 days after the investigative activity.

During our review of prosecution files, we noted the following:

- In 3 of 40 (8%) case files reviewed, the Notice of Informal Conference, Notice of Complaint and Notice of Preliminary Hearing were sent to the licensee 65 to 80 days after the case was assigned to an attorney. All case files were prosecutions for non-medical related professions.

During our review of probation files, we noted the following:

- In 2 of 40 (5%) case files reviewed, the Department conducted the probation intake interview or made a contact with the licensee beyond 30 days of case assignment.

The Enforcement Guidelines (OG-1 – Enforcement Operations Reporting System) states that upon assignment of a case to an investigator, the investigator should contact the complaining party in a timely manner, 10 days being the optimum, but no later than 30 days upon assignment. Contact must be made in every case assigned for an investigation where there is an identified complainant. The investigator shall generate a written report whether or not the complainant provides information beyond that given to Complaint Intake Unit. Whenever an investigator generates a report, the report shall be prepared within a reasonable time after the activity is memorialized in the report. The completed reports shall be submitted to their respective immediate supervisors for review and approval.

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The Enforcement Guidelines (OG-9 – Investigative Reports) states that investigative reports are required to be completed and submitted for each investigative activity performed on a case, with the exception of unproductive activity that is no consequence to the case. Investigative reports shall be submitted without delay upon completion of the activity which is the subject of the report. For every report generated, there must be a corresponding activity entered into the Integrated Licensing and Enforcement System (ILES).

The Enforcement Guidelines (OG-5 – Probation Compliance) states that interview/contact with respondent should take place within 30 days of case assignment. This time frame guideline may be extended depending on the circumstances of each case and reason for delay should be documented by an entry into the ILES.

The Enforcement Guidelines, (PROS 1 – Timeliness of Prosecution Non-Medical) states that for non-medical professions, Prosecutors should file a notice of informal conference, notice of intent to deny, rule to show cause or formal complaint within 60 days of assignment of a new case.

Department management stated the above delays in various investigation processes were due to heavy workload of existing investigators as a result of staff turnover.

In carrying out the Department’s mission to serve, safeguard, and promote the public welfare, the Department has the responsibility to expeditiously discipline licensees who violate the governing regulations to prevent further harm to the public. Continued deficiencies in the enforcement process could place the public at risk to licensees who are not fulfilling their responsibilities. (Finding Code No. 2014-002, 12-2, 10-2, 08-2, 07-1, 06-3, 05-5, DPR 04-12)

RECOMMENDATION

We recommend the Department comply with its Enforcement Unit’s internal guidelines and ensure that investigative, probation and prosecution activities are documented properly and performed within the established time frames.

DEPARTMENT RESPONSE

Concur. The Department has improved its performance and will continue to review internal guidelines and work with all employees to correct the identified deficiencies.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For The Two Years Ended June 30, 2014

2014-003. **FINDING** (Department Boards and Committees not Fully Staffed)

The Department of Financial and Professional Regulation (Department) did not ensure the appointment of the required number of members to various Boards and Committees to fill vacancies.

- The Department was not in compliance with the provisions of the Real Estate License Act of 2000 regarding appointments of members to the Real Estate Administration and Disciplinary Board. We noted 3 of 9 (33%) positions (2 public members and 1 real estate broker/salesperson) were vacant.

The Real Estate License Act of 2000 (225 ILCS 454/25-10) requires the Governor to appoint 9 members to the Real Estate Administration and Disciplinary Board.

- The Department was not in compliance with the provisions of the Pharmacy Practice Act regarding the appointments of members to the State Board of Pharmacy. We noted 5 of 9 (56%) positions were held by individuals whose service terms expired in April 2007 (1 position), April 2010 (1 position), and April 2014 (3 positions).

The Pharmacy Practice Act (225 ILCS 85/10) (Act) requires the Governor to appoint 9 members to the State Board of Pharmacy, 7 of whom shall be licensed pharmacists.

- The Department was not in compliance with the provisions of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004. We noted 1 of 13 (8%) positions (representative of employees registered under this Act) has been vacant since April 2013.

The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 (225 ILCS 447/50-10) requires the Department to appoint 13 members to the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Board (Board). The Board shall consist of 2 licensed private detectives, 3 licensed private security contractors, one licensed private detective or licensed private security contractor who provides canine odor detection services, 2 licensed private alarm contractors, one licensed fingerprint vendor except for the initial appointment who shall be required to have experience in the fingerprint vendor industry that is acceptable to the Department, 2 licensed locksmiths, one public member who is not licensed or registered under this Act and who has no connection with a business licensed under this Act, and one member representing the employees registered under this Act.

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- The Department was not in compliance with the provisions of the Respiratory Care Practice Act regarding the appointments of members to the Respiratory Care Board. We noted 2 of 9 (22%) positions were held by individuals whose service terms have now exceeded the 8 year limit.

The Respiratory Care Practice Act (225 ILCS 106/35) requires the Department to appoint a Respiratory Care Board (Board) to serve in an advisory capacity to the Department. The Board shall consists of 9 persons of which 4 members shall be currently engaged in the practice of respiratory care, 3 members shall be qualified medical directors, and 2 members shall be hospital administrators. No member shall be reappointed to the Board for a term that would cause his or her continuous service on the Board to be longer than 8 years.

- The Department was not in compliance with the provisions of Physician Assistant Practice Act of 1987 regarding the appointments of members to the physician assistant advisory committee. We noted 3 of 7 (43%) positions (1 physician, 1 physician assistant and 1 public member) have been vacant since March 2014, January 2014, and December 1997, respectively. We also noted 3 of 7 (43%) positions were held by individuals with terms that expired in November 2000 (2 positions), and November 2001 (1 position). One of the 3 has effectively served more than two consecutive terms.

The Physician Assistant Practice Act of 1987 (225 ILCS 95/11) (Act) requires the establishment of a physician assistant advisory committee to the Department and the Medical Licensing Board (Board). The 7 members of the physician assistant advisory committee shall be composed of 3 physicians (2 of whom shall be members of the Board and appointed to the advisory committee by the chairman and one physician who is not a member of the Board shall be a supervisor of a licensed physician assistant and shall be approved by the Governor from a list of Illinois physicians supervising licensed physician assistants), 3 physician assistants; and 1 public member who is not employed or having any material interest in any health care field. The member shall be appointed for a term of 4 years and no member shall serve for more than 2 consecutive terms.

- The Department was not in compliance with the provisions of the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act regarding the appointment of members to the Professional Counselor Examining and Disciplinary Board. We noted 1 of 7 (14%) positions (clinical professional counselor) was vacant. Subsequent to June 30, 2014, a new member was appointed to fill the vacant position.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
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For The Two Years Ended June 30, 2014

The Professional Counselor and Clinical Professional Counselor Licensing and Practice Act (225 ILCS 107/30) requires the Department to appoint 7 members to the Professional Counselor Examining and Disciplinary Board which shall consist of 2 licensed professional counselors, 3 licensed clinical professional counselors, 1 full-time faculty member of an accredited college or university that is engaged in training professional counselors or clinical professional counselors, and 1 public member who is not a licensed health care provider.

- The Department was not in compliance with the provisions of the Sex Offender Evaluation and Treatment Provider Act regarding the appointments of members to the Sex Offender Evaluation and Treatment Provider Licensing and Disciplinary Board. We noted 1 of 8 (13%) positions (representative of Administrative Office of Illinois Courts) was vacant since May 2014.

The Sex Offender Evaluation and Treatment Provider Act (225 ILCS 109/20) requires the Department to appoint 8 members to the Sex Offender Evaluation and Treatment Licensing and Disciplinary Board (Board). The Board shall be composed of 3 sex offender evaluation and/or treatment providers, 1 representative of the Department of Corrections, 1 representative of the Department of Human Services, 1 representative of the Administrative Office of the Illinois Courts representing the interests of probation services, 1 representative of the Sex Offender Management Board, and 1 public member with no direct affiliation or work experience with the practice of sex offender evaluation & treatment.

- The Department was not in compliance with the provisions of the Perfusionist Practice Act regarding the appointments of members to the Board of Licensing for Perfusionists. We noted 2 of 5 (40%) positions (1 public member and 1 registered nurse) have been vacant since November 2002 and November 2013, respectively.

The Perfusionist Practice Act (225 ILCS 125/25) requires the Secretary to appoint a Board of Licensing for Perfusionists (Board) which shall serve in an advisory capacity to the Department. The Board shall be comprised of 5 persons, of which 2 members must hold an active license to engage in the practice of perfusion in this State, 1 member must be a physician licensed under the Medical Practice Act of 1987 who is board certified in and actively engaged in the practice of cardiothoracic surgery, 1 member must be a licensed registered professional nurse certified by the Association of Operating Room Nurses, and 1 public member who is not licensed under this Act or a similar Act of another jurisdiction and who has no connection with the profession.

STATE OF ILLINOIS
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- The Department was not in compliance with the provisions of the Occupational Therapy Practice Act regarding the appointments of members to the Illinois Occupational Therapy Licensure Board. We noted 2 of 7 (29%) positions (1 occupational therapist and 1 public member) were vacant.

The Illinois Occupational Therapy Practice Act (225 ILCS 75/5) requires the Department to appoint an Illinois Occupational Therapy Licensure Board (Board) consisting of 7 members who shall serve in an advisory capacity to the Department. The Board shall be composed of 1 physician licensed to practice medicine in all of its branches, 3 licensed occupational therapists in good standing and actively engaged in the practice of occupational therapy in this State, 2 licensed occupational therapy assistants in good standing and actively engaged in the practice of occupational therapy in this State; and 1 public member who is not licensed under the Act, or a similar Act of another jurisdiction and is not a provider of health care services.

Department management stated in some Boards, candidates are either identified or in the preliminary stages of application and vetting. However, there have been delays in scheduling interviews. There are also challenges inherent in recruiting volunteers willing to donate time to serve on various boards and committees. Regarding the Physician Assistant Advisory Committee, this Committee has not met since 1997. Previous attempts to abolish the Committee legislatively were unsuccessful. Candidates are not recruited for appointment due to its inactivity.

Failure to appoint Board and Committee members may prevent the Boards and Committees from carrying out their mandated duties of regulating these professions in accordance with the Acts cited. Members should be appointed in a timely manner to properly perform the function of the Boards and Committees as intended. A full Board and Committee are necessary to properly conduct meetings and operate effectively and efficiently. (Finding Code No. 2014-003, 12-3, 10-9, 08-14, 07-12, 06-28, 05-25, BRE 04-16)

RECOMMENDATION

We recommend the Department continuously appoint qualified members to these Boards and Committees as required by the Acts cited. We also recommend the Department continue to work with the Governor's Office to ensure the Board and Committee vacancies are filled in a timely manner for those cases where the Governor's Office is required to appoint the Board and Committee members.

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DEPARTMENT RESPONSE

Concur. The Department continues to make substantial progress in filling board vacancies and reappointing statutorily eligible board members as terms expire.

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2014-004. **FINDING** (Deficiencies Identified in Controls over Interagency Agreements)

The Department of Financial and Professional Regulation's (Department) controls over interagency agreements were deficient.

During testing of 14 interagency agreements during Fiscal Years 2014 and 2013, the following deficiencies were noted:

- One (7%) interagency agreement tested was not signed by all parties prior to the effective date of the agreement. The agreement was signed 73 days late.
- Nine (64%) interagency agreements tested pertain to the sharing of administrative, legal and managerial services of employees between the Department, the Governor's Office of Management and Budget (GOMB), and the Office of the Governor. Two of the 9 referenced agreements were between the Department and GOMB wherein the employee's full salary including benefits was paid by GOMB, however the employees spent a majority of their time related to the Department activities. Seven of the 9 referenced agreements were between the Department and the Office of the Governor wherein the employees' full salary including benefits were paid by the Department but the shared employees' time were spent working on activities for both the Office of the Governor and the Department.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently and effectively and obligations and costs are in compliance with applicable laws. Good internal controls require the approval of agreements prior to their effective dates.

Department management stated the agreement was not signed until September 2013 because the Department of Central Management Services, which oversees the Upward Mobility Program addressed in this interagency agreement, was negotiating the terms of this program within the statewide master collective bargaining agreement. Once the interagency agreement was received by the Department, the agreement was promptly signed. The Department entered into these interagency agreements in accordance with the Intergovernmental Cooperation Act to eliminate duplication and overlapping of functions among State agencies. Interagency Agreements are constructed in a manner chosen to increase the Department's efficiency and overall interagency cooperation.

Failure to approve the agreement prior to the effective date prevents all parties to assess whether the agreements are reasonable, appropriate, and sufficiently document the responsibilities of all parties on a timely manner. In addition, not sharing the cost

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of employee's services may result in inaccurate allocation of expenditures between agencies. (Finding Code No. 2014-004, 12-4, 10-3, 08-3, 07-2, 06-2)

RECOMMENDATION

We recommend the Department ensure all interagency agreements are signed by all parties prior to the effective date of the agreement. We also recommend the Department revisit their existing interagency agreements to ensure that salaries and benefit costs are appropriately allocated to agencies sharing the services of an employee.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-005. **FINDING** (Employee Performance Evaluations Not Completed or Timely Completed)

The Department did not complete or timely complete employee performance evaluations.

During testing of 53 employee performance evaluations, we noted the following:

- Eleven (21%) employees tested did not have performance evaluations completed, 6 for Fiscal Year 2014 and 5 for Fiscal Year 2013.
- Six (11%) employees' performance evaluations were completed 183 to 299 days after they were due.
- Four (8%) employees tested did not have performance evaluations during the employee probationary period.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270 (d)) states that for a certified employee, each agency shall prepare performance evaluation not less often than annually.

The Illinois Administrative Code (80 Ill. Adm. Code 310.270 (b) to 310.270 (c)) states that for any employee serving a six month probationary period, the agency shall prepare and submit to the Department two evaluations, one at the end of the third month of the employee's probationary period and another 15 days before the conclusion thereof. For an employee serving a four month probationary period, the agency shall prepare and submit to the Department an evaluation form three and one half months after the commencement of the probationary period.

Department management stated the delay in completion of performance evaluations or failure to complete performance evaluations for some employees was due to the failure of some supervisors to comply with the requirement of performing performance evaluations.

Performance evaluations are a necessary and beneficial process used for the development of employees and communication of performance expectations to employees. Failure to complete the annual performance evaluation inhibits the Department in providing timely feedback on employee's performance and areas for improvements. Further, performance evaluation provides systematic judgment to support salary increases, promotions, transfers, demotions and terminations. (Finding Code No. 2014-005, 12-7, 10-5, 08-9, 07-7, 06-12, 05-13, DPR 04-6, 03-4, 01-4, 99-17, 97-20, 95-17, 93-26, BRE 04-9)

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RECOMMENDATION

We recommend the Department evaluate its procedures for monitoring performance evaluations to ensure completion on a timely basis.

DEPARTMENT RESPONSE

Concur. The Department continues its efforts to coordinate with Administrative & Regulatory Shared Services Center to improve timeliness of evaluations.

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2014-006. **FINDING** (Inadequate Controls over Vehicle Reporting, Usage and Maintenance)

The Department of Financial and Professional Regulation (Department) did not maintain adequate controls over vehicle reporting, usage and maintenance.

During testing of the Department's accident reports, pool vehicle records, vehicle maintenance records, vehicle reports, and vehicle use policy, we noted the following:

- Eight of 9 (89%) Motorist's Report of Illinois Motor Vehicle Accident (Form SR-1) were not filed with the Department of Central Management Services (DCMS) Risk Management on a timely basis. The forms were filed 3 to 672 days late. In addition, 1 of 8 referenced SR-1 was not signed by the driver as required.

The Illinois Administrative Code (44 Ill. Admin Code 5040.520 (i)) states that the completed SR-1 must be received by the CMS Auto Liability Unit no later than 7 calendar days following the accident or the driver and agency risk forfeiture of coverage under the State's auto liability plan.

- Four of 15 (27%) pool vehicle records tested had incomplete entries. On the pool vehicle records for certain months, (a) there were no indication that driver took out and returned the keys/credit card, (b) the user did not certify that the user was personally covered by liability insurance and had a valid Driver's License (Vehicle Use Agreement initial), (c) no signature on the log, or the (d) mileage was not logged.

The DCMS Vehicle Usage Program effective July 1, 2012 states in part that Agency responsibilities for all fleet vehicles include maintaining: 1) vehicle inventory information, 2) log of who uses vehicle, 3) usage logs as required, and 4) mileage of both business and commuting if authorized.

- Six of seven (86%) vehicles tested were not in compliance with the DCMS oil change interval policy. One of seven (14%) vehicles tested was not in compliance with DCMS annual inspection policy.

The Illinois Administrative Code (44 Ill. Admin Code 5040.400) requires all State-owned or leased vehicles to undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition. Further, DCMS memorandum dated July 21, 2011 states that the standard lube, oil and filter change interval for passenger fleet vehicles 2002 and older is 3,000 miles or 6 months, whichever comes first. The recommended interval policy for passenger fleet vehicles, model year 2003 and newer is 5,000 miles or 6 months, whichever comes first.

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- The Department did not submit the Fiscal Year 2013 vehicle reports to DCMS Division of Vehicles on a timely basis. The Vehicle Odometer Verification/ Update and Inspection Verification Report was due on January 31, 2014 while the Individually Assigned Vehicle Report was due January 10, 2014. Both of these reports were submitted on March 25, 2014, 53 days and 75 days late, respectively.

The Civil Administrative Code (Department of Central Management Services Law) (20 ILCS 405/405-280(c)) requires DCMS to distribute a spreadsheet or otherwise make data entry available to each State agency to facilitate the collection of data for publishing on DCMS internet website. Each State agency is required to cooperate with DCMS in furnishing the data necessary for the implementation of this subject within the timeframe specified by the DCMS. Each State agency shall be responsible for the validity and accuracy of the data provided.

We also noted the Department's vehicle use policy does not contain the following information as required by the State Vehicle Use Act:

- a. A policy concerning take-home vehicles, including requirements for emergency use of take-home vehicles and restrictions on the use of take-home vehicles solely for commuting; and
- b. Procedures regarding daily vehicle use logs and mileage recording.

In addition, the vehicle use policy was submitted to the DCMS Division of Vehicles on July 9, 2014, only after the auditors' inquiry. The State Vehicle Use Act (30 ILCS 617/10) requires the Department to draft a vehicle use policy. All vehicle use policies, other than those drafted by a constitutional officer, shall be submitted to the Division of Vehicles within the Department of Central Management Services and shall be made publicly available on the DCMS's official Internet website. A vehicle use policy shall include the following: (1) a policy concerning take-home vehicles, including requirements for emergency use of take-home vehicles and restrictions on the use of take-home vehicles solely for commuting; and (2) procedures regarding daily vehicle use logs and mileage recording.

Department management stated the above exceptions were due to staff changes. New staff did not immediately implement the DCMS and Department controls with regard to vehicle reporting and maintenance.

Failure to report vehicle accidents to DCMS within the required time frame may result in forfeiture of insurance coverage under the State auto liability plan. Failure to adequately maintain vehicles may result in additional cost to the State through additional repairs and shortened useful lives of the vehicles. Vehicle use policy is designed to facilitate and encourage accountability, monitor usage and costs, provide internal control and serve as a management tool for oversight and decision making. Failure to update the vehicle use policy may result in unauthorized usage and noncompliance with State

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Vehicle Use Act. (Finding Code No. 2014-006, 12-8, 10-7, 08-12, 07-11, 06-16, 05-16, DPR 04-10, 03-9, BRE 04-7)

RECOMMENDATION

We recommend the Department:

- Ensure all required vehicle reports are submitted and vehicle accidents are reported to DCMS within the required time frame.
- Strengthen the Department's procedures to enforce compliance with DCMS policies on maintenance of State vehicles.
- Update its Vehicle Use Policy to include information as required by the State Vehicle Use Act.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-007. **FINDING** (Inadequate Controls over Property Records)

The Department of Financial and Professional Regulation (Department) did not maintain adequate controls over property records.

During our testing, we noted the following:

- The Department was not able to locate a number of equipment items such as filing cabinets, chairs, tables, printers and computer monitors during its annual inventories. Eighty-three (83) equipment items from the Department's asset listing totaling \$37,146 could not be physically located. These are the assets originally located at their office at 122 S. Michigan Avenue, Chicago, Illinois.
- Physical inspection of properties showed 2 of 50 (4%) assets totaling \$6,190 was obsolete and considered transferable properties. In addition, 2 of 50 (4%) assets tested totaling \$11,587 were transferred to DCMS but not properly documented. The Property Change Report and DCMS Surplus Property Delivery Form were not signed by the Department and DCMS personnel.
- Errors in the completion of the Agency Report of State Property (C-15) report were noted. The Department presented the price adjustments, reinstatements, and correction of error for an expired capital lease asset under the net transfer column instead of deletions column totaling a net amount of \$4,831. Also, transfers from another State agencies totaling \$33,322 were presented under additions instead of net transfers. These errors, however, have no effect on the ending balance of the asset.
- The Department did not file the Fiscal Year 2014 Annual Real Property Utilization Report to the Department of Central Management Services.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.460) requires agencies to maintain control over all property under the jurisdiction of the agency, regardless of acquisition cost, including property not required to be carried on inventory and reported to DCMS, sufficient to meet the requirements of that agency's internal auditor. Further, Section 5010.310 states that for transferable property, a copy of signed receipt of property delivered to or picked up by DCMS warehouse personnel will be required to delete an asset from an agency inventory.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) states that additions such as new purchases, new capital lease items, property donated to the State and acquisitions related to prior year not previously reported should be entered under additions. This does not include transfers-in. Also, deduction which includes reductions such as inventory adjustments down and sales or retirements, corrections of

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prior year errors and unplanned terminations of capital lease assets should be entered under deletions. This does not include transfers-out. Net transfers in/out refer to items that have either moved between agencies or within an agency between property categories.

The State Property Control Act (30 ILCS 605/7.1 (b)) requires the Department to submit an Annual Real Property Utilization Report, or annual update of such report, to DCMS by July 31 of each year.

Department management stated the above exceptions were due to failure of designated employees to follow procedures in documenting movement of assets including transfers to DCMS. Errors in the C-15 were due to the misinterpretation of procedure 29.20.10 of the SAMS manual. The Fiscal Year 2014 Annual Real Property Utilization Report was not filed due to oversight.

Inadequate control over State property may result in inaccurate statewide property information and increases the risk of equipment theft or loss occurring without detection. Failure to submit the Annual Real Property Utilization Report to DCMS inhibits the State to accumulate information to properly utilize real property surplus. (Finding Code No. 2014-007)

RECOMMENDATION

We recommend the Department strengthen its procedures over property and equipment to ensure proper safekeeping and accurate recordkeeping of all State assets. Asset movements or transfers should be properly monitored and documented to prevent losses. Also, the Department should properly review the submission of required reports to the State Comptroller's Office to ensure compliance with the requirements of the SAMS. In addition, we recommend the Department ensure the Annual Real Property Utilization Report is submitted to DCMS by the July 31 deadline.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-008. **FINDING** (Inadequate Controls over Telecommunication Services and Expenditures)

The Department of Financial and Professional Regulation (Department) did not maintain adequate control over telecommunications services and expenditures.

During testing, we noted the Department did not consistently observe the standard closeout procedures to ensure all portable telecommunication devices were returned before an employee left the Department. Three of 15 (20%) and 5 of 15 (33%) cellphones of inactive employees were returned, disconnected, surplus, or reassigned 5 to 12 days and 67 to 317 days, respectively, after the employee left the Department. Two of 15 (13%) inactive employees tested did not have paperwork to show when the devices assigned to the employees were returned to the Division of Administrative Services (Division).

The Department's policies and procedures manual states that employees must return all assigned State property, including keys, active passwords, and combination codes, upon commencement of a leave of absence or separation from the Department, including for purposes of transferring to another State agency or department.

The State Property Control Act (30 ILCS 605/4) states that every responsible officer of the State government shall be accountable for the supervision, control and inventory of all property under his jurisdiction.

It is also a good internal control to observe standard closeout procedures to ensure that all State property assigned to employees are returned before they leave the Department.

Department management stated this was due to the current procedure in place wherein at separation, an employee could return telecommunication devices either to their supervisor, Administrative Services or to Information Technology (IT). The Portable Equipment Acknowledgement Form (Form) that was used in the testing documented the dates when the telecommunication device was returned by the supervisors to the IT or Administrative Services not when the employee actually returned the devices to the supervisors. The Form has been updated to include the date of the return of the devices to the supervisors for proper accountability.

Failure to monitor timely return of State property assigned to separated employees increases the risk of potential misuse of State property. In addition, this also increases the risk that State Property assigned to employees will not be returned at all by separated employees. (Finding Code No. 2014-008, 12-9, 10-6, 08-11, 07-10, 06-15, 05-15, DPR 04-9, 03-8, BRE 04-10)

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RECOMMENDATION

We recommend the Department revisit its close-out procedures and revise the Portable Equipment Acknowledgement Form to ensure return of portable devices is properly documented and all employees have returned State property prior to leaving the Department.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-009. **FINDING** (Noncompliance with the Pharmacy Practice Act)

The Department of Financial and Professional Regulation (Department) did not ensure compliance with the Pharmacy Practice Act.

During testing, we noted two Deputy Pharmacy Coordinator positions within the Pharmacy Unit of the Department were still vacant.

The Pharmacy Practice Act (Act) (225 ILCS 85/11(d) and (e)) requires the Department to appoint a chief pharmacy coordinator and at least 2 deputy pharmacy coordinators. The Secretary of the Department shall, in conformity with the Personnel Code, employ not less than 4 pharmacy investigators who shall report to the pharmacy coordinator or a deputy pharmacy coordinator.

Department management stated these positions were not filled because there is insufficient work to occupy two Deputy Pharmacy Coordinators and it is in the best interest of the State that the agency is fiscally responsible.

Failure to fill vacant positions may prevent the Pharmacy Unit from carrying out its mandated duties and responsibilities in accordance with the Pharmacy Act. (Finding Code No. 2014-009, 12-11)

RECOMMENDATION

We recommend the Department fill vacant positions to comply with the requirements or seek legislative remedy to amend the current language in the Act allowing for conformity with the Department's current practice and capability.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-010. **FINDING** (Noncompliance with the Residential Mortgage License Act of 1987)

The Department of Financial and Professional Regulation (Department) was not in compliance with provisions of the Residential Mortgage License Act of 1987 (Act).

During testing, we noted the following:

- The Department has not reported any mortgage loan originator's violations or enforcement actions to the National Mortgage Licensing System and Registry (NMLS) during Fiscal Years 2013 and 2014 in accordance with the Act. The Department has just started reporting the violations in September 2014 upon auditor's inquiry.
- The Department did not monitor residential mortgage licensees (licensees) with default rate equal to or greater than 5%. As such, the Department did not conduct an examination of licensees who might have met the 5% default rate.

The Residential Mortgage Licensing Act of 1987 (205 ILCS 635/7-9) requires the Department to report regularly violations of this Act, as well as enforcement actions and other relevant information, to the NMLS subject to the provisions contained in Section 4-8.1A of this Act. The Act (205 ILCS 635/4-8) also requires the Department to obtain from the U.S. Department of Housing and Urban Development (HUD) on a semi-annual basis, HUDs default claim rates for endorsements issued by HUD. The Act requires the Department to conduct an examination of each licensee having a default rate equal to or greater than 5%.

Department management stated the non-reporting of mortgage loan originator's violation in NMLS was due to oversight. The Division of Banking maintains a public website where all loan originator disciplinary actions have been regularly posted from 2005 to the present. Because all information posted is readily available to the public, the Division did not post the same information to the NMLS. In addition, Department management stated the default rate was not available from the Housing and Urban Development website.

Failure to enforce the Act may hinder the general public in making informed decision concerning licensees with disciplinary actions. While the Department provides public information about the licensees' disciplinary actions through their website, NMLS provides a central source of standard information concerning mortgage companies and mortgage professionals that promoted transparency throughout the states. In addition, failure to examine the licensee as required by the Act increases the risk that unaccepted mortgage underwriting practices to include credit fraud, appraisal fraud and/or property inspection fraud are not investigated by the Department. (Finding Code No. 2014-010, 12-13, 10-10, 08-18, 07-17, 06-21, 05-23, BRE 04-12, 02-3)

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RECOMMENDATION

We recommend the Department report mortgage loan originator's violations of the Act to NMLS to increase public awareness and ensure compliance with the Act. We also recommend the Department coordinate with the Department of Housing and Urban Development in obtaining the default rate in order to comply with the requirements of the Act.

DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-011. **FINDING** (Inadequate Control over Monitoring Licensee Documentation)

The Department of Financial and Professional Regulation (Department) did not have adequate controls over monitoring licensees to ensure they continue to comply with the license requirements.

During examination of license applications and supporting documentations for Consumer Installment Loan Providers, we noted the following:

- One of 25 (4%) license applications had an expired surety bond on file. The Consumer Installment Loan Act (Act) (205 ILCS 670/2) requires every applicant and licensee maintain a surety bond in the principal sum of \$25,000 issued by a bonding company authorized to do business in this State and which shall be approved by the Department.
- One of 25 (4%) license applications does not have an Attorney-in-Fact appointment on file. The Act (205 ILCS 670/3) requires every licensee to appoint, in writing, the Department's Director of Financial Institutions and his successors in office or any official who shall hereafter be charged with the administration of this Act, as attorney-in-fact upon whom all lawful process against such licensee may be served with the same legal force and validity as if served on such licensee. A copy of such written appointment, duly certified, shall be filed in the Department.
- Three of 25 (12%) license applications were not approved or denied within 60 days from receipt of a complete application document. Two reference applications were approved 72 and 73 days while the other application was denied 133 days after the applications were received. The Act (205 ILCS 670/4) requires the Department's Director of Financial Institution to approve or deny every application for license within 60 days from the filing thereof with the fee.
- Four of 25 (16%) licensees did not pay the annual license fee on or before December 15. Two of the reference licensees paid the annual fees 178 and 284 days after December 15 and the other two licensees did not pay the annual license fees due on December 15, 2013 until the testing date of November 14, 2014. The Department was not able to provide supporting evidence that licenses of these licensees automatically expired by December 31 for nonpayment of the annual license fee. The Act (205 ILCS 670/8) states that before the 15th day of each December, the licensee must pay to the Director, and the Department must receive, the annual license fee for the next succeeding calendar year. The license shall expire on the first of January unless the license fee has been paid prior thereto. If a licensee fails to renew

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his or her license by the 31st day of December, it shall automatically expire and the licensee is not entitled to a hearing; however, the Director, in his or her discretion, may reinstate an expired license upon payment of the annual renewal fee and proof of good cause for failure to renew.

During examination of license applications and supporting documentation of 19 Appraisal Management Company Registrants, we noted 10 (53%) surety bonds posted by the registrants had already expired prior to June 30, 2014. One of which was a bond submitted during the initial license application and the application was approved despite the expired bond. The Department was not aware of the expired surety bonds and therefore did not pursue the registrants to provide a replacement surety bonds.

The Appraisal Management Company Registration Act (225 ILCS 459/50) requires all registrants maintain a bond for the recovery of expenses, fines, or fees due to or levied by the Department in accordance with this Act. The bond shall be payable when the registrant fails to comply with any provisions of this Act and shall be in the form of a surety bond in the amount of \$25,000 as prescribed by the Department by rule. The bond shall be payable to the Department and shall be issued by an insurance company authorized to do business in this State. A copy of the bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be placed on file with the Department within 10 days of the execution thereof.

Department management stated the expired bond on file for the Consumer Installment Loan Provider was a clerical error that was not identified and corrected at the time of license application while the expired bonds on the Appraisal Management registrants were due to oversight. The missing attorney-in-fact appointment and failure to approve or deny applications within 60 days were due to oversight. The failure to timely identify nonpayment of annual fees and revocation of licenses for nonpayment was due to human errors as a result of using a manual process of monitoring licensees.

Inadequate controls over monitoring licensees to ensure they continue to meet the license requirements as stipulated in the statutes increases the risk that public interest is not protected by allowing unlicensed or unqualified applicants to engage in business. (Finding Code No. 2014-011)

RECOMMENDATION

We recommend the Department ensure adequate monitoring of licensees of different professions to ensure only licensed or qualified licensees engage in the business for which they are licensed. We also recommend the Department monitor the expiration dates of surety bonds submitted by all licensees to protect the Department from future liabilities.

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DEPARTMENT RESPONSE

Concur. The Department agrees with the audit findings and recommendations.

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2014-012. **FINDING** (Noncompliance with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004)

The Department of Financial and Professional Regulation (Department) did not comply with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 (Act).

During testing, we noted the following:

- One of 4 (25%) full-time investigators employed by the Department did not meet the 2-year minimum investigative experience required by the Act.
- All 25 (100%) fingerprint vendor license applications examined do not have certification on file from the Department of State Police stating that the applicant's fingerprint equipment and software meets all specifications required by the Department of State Police.

The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 (225 ILCS 447/50-5) requires the Secretary employ, pursuant to the Personnel Code, personnel, on a full-time or part-time basis, for the enforcement of this Act. Each investigator shall have a minimum of 2 years investigative experience out of the immediately preceding 5 years. No investigator may hold an active license issued pursuant to this Act, nor may an investigator have a financial interest in a business licensed under this Act.

In addition, the Act (225 ILCS 447/31-10(a)(12)) states that a person is qualified for licensure as a fingerprint vendor if he or she submits a certification issued by the Department of State Police that the applicant's fingerprinting equipment and software meets all specifications required by the Department of State Police.

Department management stated the Department of Central Management Services (DCMS) is solely responsible for reviewing the individual employee applications to determine if the applicant meets the qualifications required for the position. The Department received DCMS' decision and proceeded with the hiring process. Also, Department management stated the lack of certification from the Department of State Police was due to oversight.

Failure to ensure investigators meet the requirements of the Act may affect how the Department handles or investigates complaints received to ensure protection of the citizens of Illinois. In addition, failure to obtain the necessary certification from the Department of State Police represents noncompliance with the licensing requirements of the Act. (Finding Code No. 2014-012)

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RECOMMENDATION

We recommend the Department ensure investigators employed by the Department and licensed fingerprint vendors comply with the requirements of the Act.

DEPARTMENT RESPONSE

Concur in part. The Department concurs that investigators and licensed fingerprint vendors should comply with the Act. The Act requires that any personnel employed for purposes of enforcing this Act must have a minimum of 2 years investigative experience out of the immediate preceding 5 years. However, Central Management Services (CMS) is solely responsible for reviewing individual employee applications to determine if the applicant meets the qualifications required for the position. In this case, CMS reviewed the application and determined that the candidate met the qualifications. The Department received CMS' decision and proceeded with the hiring process.

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2014-013. **FINDING** (Noncompliance with Various Statutory Mandates)

The Department of Financial and Professional Regulation (Department) did not ensure compliance with various statutory mandates.

During testing, we noted the following:

- The Department did not conduct an annual examination for 1 of 2 (50%) sales finance agencies tested.

The Sales Finance Agency Act (205 ILCS 660/7) requires the Department to examine each licensee annually to determine if it is in compliance with the Act. The expense of this annual examination shall be paid to the Department by the licensee in accordance with a schedule of fees established by the Department as reasonably reflecting the actual cost of the examination.

- The Department did not notify pharmacies seeking licensure in Illinois of their obligation to comply with the requirements of the Methamphetamine Precursor Tracking Act.

The Methamphetamine Precursor Tracking Act (Act) (720 ILCS 649/15(c)) requires the Department to notify pharmacies seeking licensure in Illinois of their obligation to comply with the requirements of this Act.

- The Department did not properly maintain application files of a licensee. During testing, we noted 1 of 25 (4%) applications for license to become a currency exchanger did not have the detailed statement of work for the past 10 years for one of the two owners of the currency exchange company. In addition, the same application did not have the credit bureau reports on file for the two owners of the currency exchange company.

The Currency Exchange Act (205 ILCS 405/4(d)) requires each application to contain the applicant's occupation or profession, a detailed statement of the applicant's business experience for the 10 years immediately preceding the application, and a detailed statement of the applicant's finances, among others.

As described in the cover letter of the Department to applicants for currency exchange, all applicants for a new license are required to submit narrative personal credit reports from a recognized credit bureau.

Department management stated failure to conduct examination on one sales finance agency was due to a system database issue that is currently being investigated. The failure to notify pharmacies and missing statement of work experience was due to

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For The Two Years Ended June 30, 2014

oversight while the missing credit bureau reports must have been misplaced as the Department does not process applications without the credit report.

Failure to examine the agencies as required by the Sales Finance Agency Act increases the risk that any violations of the Act will not be timely investigated by the Department to ensure protection of the consumers in Illinois. Failure to notify pharmacies seeking licensure in Illinois may result in lack of awareness on the proper procedures in monitoring distribution of methamphetamine precursor to recipients. Failure to properly maintain complete records of application requirements may result in the loss of source documentation necessary to establish qualification in granting a license. (Finding Code No. 2014-013)

RECOMMENDATION

We recommend the Department:

- Ensure an examination is conducted annually to comply with the provision of the Sales Finance Agency Act.
- Notify pharmacies seeking licensure in Illinois of their obligation to comply with the requirements of the Methamphetamine Precursor Tracking Act.
- Review its process of maintaining and controlling application documents and establish a recordkeeping system documenting receipt of the required application documents to ensure compliance with the Currency Exchange Act.

DEPARTMENT RESPONSE

The Department agrees with the audit findings and recommendations.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
PRIOR FINDINGS NOT REPEATED
For The Two Years Ended June 30, 2014

A. **FINDING** (Failure to Report Fringe Benefits and Certify License and Automotive Liability Coverage)

During the prior engagement period, the Department of Financial and Professional Regulation (Department) did not ensure that fringe benefits for personal use of assigned vehicles were included in the employees' taxable income. In addition, the Department did not timely obtain the certification for license and automotive liability insurance from employees assigned a State vehicle.

During the current engagement period, our sample testing did not disclose similar exceptions. (Finding Code No. 12-5, 10-8, 08-13)

B. **FINDING** (Time Sheets Not Maintained in Compliance with the State Officials and Employees Ethics Act)

During the prior engagement period, our testing of the employee's Ethics Timekeeping Work Diary disclosed that 15 of 53 (28%) employees did not document time worked for State business on the Ethics Timekeeping Work Diary for every day on selected pay periods. In addition, 1 of 42 (2%) Time Use Authorization Forms examined was not properly approved by the Supervisor.

During the current engagement period, our testing disclosed that 14 of 53 (26%) employees tested did not document time worked for State business on the Ethics Timekeeping Work Diary for every day on selected pay periods. However, the Department started using the electronic time record known as eTime effective January 1, 2014 and no exceptions were noted since then. As such, this was not considered to be as significant as in the prior year and thus was reported to the Department in the Report of Immaterial Findings. (Finding Code No. 12-6, 10-4, 08-8, 07-6, 06-11, 05-12, DPR 04-7, DFI 04-2)

C. **FINDING** (Noncompliance with Required Contracting Procedures)

During the prior engagement period, the Department did not comply with certain contracting procedures. Three of 15 (20%) contracts tested were filed 19 to 49 days late and no late filing affidavits were prepared and submitted to the Office of the State Comptroller. One of 2 (50%) emergency purchase affidavits was filed with the Procurement Policy Board 7 days late and 2 emergency affidavits were filed with the Office of the Auditor General 11 to 156 days late.

During the current engagement period, our sampling testing disclosed that contracts were filed timely and no emergency purchases were made during Fiscal Years 2013 and 2014. (Finding Code No. 12-10)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
PRIOR FINDINGS NOT REPEATED
For The Two Years Ended June 30, 2014

D. **FINDING** (Noncompliance with the Debt Settlement Consumer Protection Act)

During the prior engagement period, the Department did not comply with the Debt Settlement Consumer Protection Act. A licensed debt settlement provider posted a surety bond of \$25,000 instead of the \$100,000 as mandated by the Debt Settlement Consumer Protection Act.

During the current engagement period, no similar instances were noted. All tested licensed debt settlement providers posted a surety bond of \$100,000 as required. (Finding Code No. 12-12)

E. **FINDING** (Noncompliance with the Wholesale Drug Distribution Licensing Act)

During the prior engagement period, the Department did not require applicants for wholesale drug distributor's licenses to submit a bond not to exceed \$100,000 as mandated by the Act.

During the current engagement period, the bond requirement contained in section 24 of the Wholesale Drug Distribution Licensing Act was repealed by Public Act 98-0692. As such, this section of the Act is no longer applicable to the Department. (Finding Code No. 12-14)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
STATUS OF PROGRAM AUDIT
For the Two Years Ended June 30, 2014

Program Audit of the Department's Disciplining of Physicians (August 2006)

Illinois House of Representatives Resolution Number 16 directed the Auditor General to conduct a program audit of the disciplining of physicians who violate provisions of the Medical Practice Act of 1987. The Resolution directed the Auditor General to determine the Department's compliance with State law regarding the disciplining of physicians; the procedures for determining the need for, and nature of, any recommended disciplinary actions; process for ensuring that its recommended disciplinary actions are implemented and that any specified corrective steps are instituted; and the process for communicating results of disciplinary action to the public.

The program audit contained twenty-four recommendations to the Department. The Department made progress in implementing findings 1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 18, 20, 21, 22 and 23 during follow-ups in previous compliance examinations. The following is the status of the remaining recommendations:

Recommendation

7. *The Department of Financial and Professional Regulation should take the steps necessary to assist the Medical Coordinators with backlogs and improve case timeliness.*

Partially implemented. The Department filled the Chief Medical Coordinator position on June 2011 that had been vacant since March 2010. As of June 30, 2014, the number of medical complaints received and the outstanding medical cases totaled 2,227 and 255, respectively. The Department management stated the Chief of Medical Prosecutions conducts monthly case reviews with each staff member. During the case review, the status of each case is discussed and directives are given regarding the next action to be taken to bring about a timely and appropriate resolution with priority given to older cases. These directives are documented in the Integrated Licensing and Enforcement System and deadlines are imposed as needed.

11. *The Department of Financial and Professional Regulation should develop and implement management controls to ensure that prosecution activities are timely and properly documented.*

Partially implemented. Prosecution Unit Chiefs meet with staff attorney on a regular basis to conduct case reviews. The Chiefs review the work process of the staff attorney to ensure conformity with Department standards set forth in the enforcement guidelines. Staff attorneys are instructed to note case activities, upload and attached pertinent documents in ILES. However, during the current examination, we noted the Enforcement Unit did not perform and/or document enforcement activities in a timely or sufficient manner (see finding 2014-002).

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
STATUS OF PROGRAM AUDIT
For the Two Years Ended June 30, 2014

14. *The Department of Financial and Professional Regulation should make its Administrative Rules (68 Ill. Adm. Code 1285.225) relating to the definition of disciplinary and non-disciplinary actions consistent with requirements of the Medical Practice Act of 1987 (225 ILCS 60/2 (4)).*

Implemented. With the passage of Public Act 97-0622, the Medical Practice Act (MPA) was amended to specifically authorize the Department to impose non-disciplinary actions. Though the MPA does not explicitly defined non-disciplinary action, the Department's Administrative Rules defined the non-disciplinary actions, hence the Department sees no need for further definition in the MPA.

19. *The Department of Financial and Professional Regulation should work to assure that all members, including public members, are appointed to the Medical Disciplinary Board (Board) as required by the Medical Practice Act.*

Not implemented. As of June 30, 2014, there was one vacancy in the Board.

24. *The Department of Financial and Professional Regulation should require employees, including medical investigators, to prepare timesheets as required by the State Officials and Employees Ethics Act. Timesheets should also help management to more closely monitor medical investigators' time.*

Implemented. Effective January 1, 2014, the Department implemented the etime, a secure web-based, real-time system that provides instantaneous access to employee time records. Employees enter their time records in etime and are then approved by their Supervisor. Our testing of all medical investigators disclosed that their timesheets were properly submitted and approved for the pay period selected.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
STATUS OF MANAGEMENT AUDIT
For the Two Years Ended June 30, 2014

Management Audit of the Management Positions in the Executive Branch

Legislative Audit Commission Resolution Number 141 directed the Auditor General to conduct an audit of management positions in the Executive Branch of State government. The Resolution asked the Auditor General to accumulate information from agencies on their management positions along with information about managers' organizational unit, job title, and function. It also requested information on whether these managers supervise, are exempt from the Personnel Code, and are covered by a collective bargaining agreement.

The management audit included five recommendations, one of which was specific to the Department. We followed up on this recommendation during the compliance examination for the two years ended June 30, 2014.

We noted the Department has implemented the recommendation during the examination period as follows:

- *The Department should assure all confidential assistants are not included in a collective bargaining unit or their confidential responsibilities as defined by the Public Labor Relations Act (5 ILCS 315/3) are transferred to non -union employees.*

During the examination period, the one employee identified as a confidential assistant who was in a union took a new Public Service Administrator position exempted from Personnel Code under 20 ILCS 415/4d(5) that is outside of the union.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2014**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances by Fund

- Fiscal Year 2014

- Fiscal Year 2013

- Schedule of Appropriations, Expenditures and Lapsed Balances by Major Object Code

- Fiscal Year 2014

- Fiscal Year 2013

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances by Fund

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances by Major Object Code

- Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds

- Schedule of Locally Held Funds – Depository Fund – 1132

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts by Fund

- Comparative Schedule of Cash Receipts by Division by Revenue Category

- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

- Fiscal Year 2014

- Fiscal Year 2013

- Analysis of Significant Variations in Expenditures by Division by Fund

- Analysis of Significant Variations in Expenditures by Major Object Code

- Analysis of Significant Variations in Receipts by Division by Fund

- Analysis of Significant Variations in Receipts by Division by Revenue Category

- Analysis of Significant Lapse Period Spending by Major Object Code

- Analysis of Accounts Receivable

- June 30, 2014

- June 30, 2013

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2014**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

- Analysis of Operations (Not Examined):

Agency Functions and Planning Program (Not Examined)

Average Number of Employees (Not Examined)

Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 21. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
APPROPRIATIONS FOR FISCAL YEAR 2014**

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1 to August 31, 2014	Total Expenditures	Balances Lapsed
<u>Public Act 98-0064</u>					
APPROPRIATED FUNDS					
DIVISION OF FINANCIAL INSTITUTIONS					
Financial Institution Fund - 0021	\$ 7,560,000	\$ 6,221,127	\$ 288,838	\$ 6,509,965	\$ 1,050,035
TOMA Consumer Protection Fund - 0241	8,700	-	-	-	8,700
Credit Union Fund - 0243	4,375,800	3,186,587	150,041	3,336,628	1,039,172
Total - Division of Financial Institutions	<u>11,944,500</u>	<u>9,407,714</u>	<u>438,879</u>	<u>9,846,593</u>	<u>2,097,907</u>
DIVISION OF BANKING					
Savings and Residential Finance Regulatory Fund - 0244	3,665,300	2,632,906	111,572	2,744,478	920,822
Pawnbroker Regulation Fund - 0562	313,400	154,393	8,858	163,251	150,149
Savings Institutions Regulatory Fund - 0579	1,400,000	42,582	5,908	48,490	1,351,510
Bank and Trust Company Fund - 0795	23,040,400	17,060,077	923,984	17,984,061	5,056,339
Total - Division of Banking	<u>28,419,100</u>	<u>19,889,958</u>	<u>1,050,322</u>	<u>20,940,280</u>	<u>7,478,820</u>
DIVISION OF PROFESSIONAL REGULATION					
General Professions Dedicated Fund - 0022	6,049,000	3,833,250	191,294	4,024,544	2,024,456
Illinois State Pharmacy Disciplinary Fund - 0057	1,685,900	1,151,394	73,862	1,225,256	460,644
Illinois State Medical Disciplinary Fund - 0093	4,526,100	3,124,161	237,626	3,361,787	1,164,313
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	327,600	250,124	8,483	258,607	68,993
Professional Regulation Evidence Fund - 0192	9,700	-	-	-	9,700
Professions Indirect Cost Fund - 0218	40,711,600	25,642,734	3,296,050	28,938,784	11,772,816
Nursing Dedicated and Professional Fund - 0258	2,649,000	1,538,494	119,576	1,658,070	990,930
Optometric Licensing and Disciplinary Board Fund - 0259	334,500	137,251	11,858	149,109	185,391
Appraisal Administration Fund - 0386	1,312,200	829,108	39,639	868,747	443,453
Athletics Supervision and Regulation Fund - 0505	400,000	151,098	5,952	157,050	242,950
Home Inspector Administration Fund - 0746	160,500	88,935	-	88,935	71,565
Real Estate Audit Fund - 0750	38,800	-	-	-	38,800
Cemetery Oversight Licensing and Disciplinary Fund - 0792	2,318,300	988,401	15,440	1,003,841	1,314,459

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
APPROPRIATIONS FOR FISCAL YEAR 2014**

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1 to August 31, 2014	Total Expenditures	Balances Lapsed
Illinois State Dental Disciplinary Fund - 0823	1,079,500	945,548	29,637	975,185	104,315
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	164,380	-	164,380	229,320
Real Estate Research and Education Fund - 0849	19,000	10,000	9,000	19,000	-
Real Estate License Administration Fund - 0850	6,235,000	3,699,435	202,091	3,901,526	2,333,474
Design Professionals Administration and Investigation Fund - 0888	1,061,700	776,284	36,689	812,973	248,727
Illinois State Podiatric Disciplinary Fund - 0954	10,800	2,325	-	2,325	8,475
Total - Division of Professional Regulation	<u>69,322,900</u>	<u>43,332,922</u>	<u>4,277,197</u>	<u>47,610,119</u>	<u>21,712,781</u>

TOTAL - ALL APPROPRIATED FUNDS

	<u>\$ 109,686,500</u>	<u>72,630,594</u>	<u>5,766,398</u>	<u>78,396,992</u>	<u>\$ 31,289,508</u>
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NON-APPROPRIATED FUND

DIVISION OF PROFESSIONAL REGULATION

Real Estate Recovery Fund - 0629

	N/A	<u>10,546</u>	<u>-</u>	<u>10,546</u>	N/A
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GRAND TOTAL - ALL FUNDS

	<u>\$ 72,641,140</u>	<u>\$ 5,766,398</u>	<u>\$ 78,407,538</u>
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Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
APPROPRIATIONS FOR FISCAL YEAR 2013**

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures		Total Expenditures	Balances Lapsed
			July 1 to August 31, 2013	August 31, 2013		
APPROPRIATED FUNDS						
DIVISION OF FINANCIAL INSTITUTIONS						
Financial Institution Fund - 0021	\$6,224,700	\$5,870,250	\$291,169	-	\$6,161,419	\$ 63,281
TOMA Consumer Protection Fund - 0241	8,700	-	-	-	-	8,700
Credit Union Fund - 0243	3,459,500	3,130,152	170,874	-	3,301,026	158,474
Total - Division of Financial Institutions	9,692,900	9,000,402	462,043	-	9,462,445	230,455
DIVISION OF BANKING						
Savings and Residential Finance Regulatory Fund - 0244	4,761,800	3,362,018	197,572	-	3,559,590	1,202,210
Pawnbroker Regulation Fund - 0562	156,600	140,922	6,785	-	147,707	8,893
Savings Institutions Regulatory Fund - 0579	1,400,000	37,478	2,750	-	40,228	1,359,772
Bank and Trust Company Fund - 0795	19,695,400	16,784,949	898,187	-	17,683,136	2,012,264
Total - Division of Banking	26,013,800	20,325,367	1,105,294	-	21,430,661	4,583,139
DIVISION OF PROFESSIONAL REGULATION						
General Professions Dedicated Fund - 0022	4,991,300	4,049,925	214,827	-	4,264,752	726,548
Illinois State Pharmacy Disciplinary Fund - 0057	1,536,300	1,072,167	76,568	-	1,148,735	387,565
Illinois State Medical Disciplinary Fund - 0093	4,849,900	2,668,505	187,248	-	2,855,753	1,994,147
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	295,100	194,407	756	-	195,163	99,937
Professional Regulation Evidence Fund - 0192	9,700	-	-	-	-	9,700
Professions Indirect Cost Fund - 0218	34,774,900	24,131,012	4,863,884	-	28,994,896	5,780,004
Nursing Dedicated and Professional Fund - 0258	2,431,700	1,593,483	101,491	-	1,694,974	736,726
Optometric Licensing and Disciplinary Board Fund - 0259	311,700	195,132	7,919	-	203,051	108,649
Appraisal Administration Fund - 0386	634,100	430,350	27,761	-	458,111	175,989
Athletics Supervision and Regulation - 0505	400,000	9,432	2,711	-	12,143	387,857
Home Inspector Administration Fund - 0746	151,300	55,782	-	-	55,782	95,518
Real Estate Audit Fund - 0750	38,800	-	-	-	-	38,800

Public Act 97-0727

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
APPROPRIATIONS FOR FISCAL YEAR 2013**

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures		Total Expenditures	Balances Lapsed
			July 1 to August 31, 2013	August 31, 2013		
Cemetery Oversight Licensing and Disciplinary Fund - 0792	2,318,300	321,669	23,542	345,211	1,973,089	
Illinois State Dental Disciplinary Fund - 0823	981,100	880,162	43,344	923,506	57,594	
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	260,750	-	260,750	132,950	
Real Estate Research and Education Fund - 0849	19,000	-	18,500	18,500	500	
Real Estate License Administration Fund - 0850	4,596,700	3,881,854	181,113	4,062,967	533,733	
Design Professionals Administration and Investigation Fund - 0888	974,700	736,490	32,597	769,087	205,613	
Illinois State Podiatric Disciplinary Fund - 0954	10,800	2,475	323	2,798	8,002	
Total - Division of Professional Regulation	59,719,100	40,483,595	5,782,584	46,266,179	13,452,921	
TOTAL - ALL APPROPRIATED FUNDS	\$ 95,425,800	69,809,364	7,349,921	77,159,285	\$ 18,266,515	
NON-APPROPRIATED FUNDS						
DIVISION OF FINANCIAL INSTITUTIONS						
Debt Settlement Consumer Protection Fund - 0615	N/A	-	6,172	6,172	N/A	
DIVISION OF PROFESSIONAL REGULATION						
Real Estate Recovery Fund - 0629	N/A	-	11,458	11,458	N/A	
TOTAL - ALL NON-APPROPRIATED FUNDS				17,630		
GRAND TOTAL - ALL FUNDS	\$ 95,425,800	\$ 69,809,364	\$ 7,367,551	\$ 77,176,915		

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY MAJOR OBJECT CODE
APPROPRIATIONS FOR FISCAL YEAR 2014**

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2014	Lapse Period Expenditures July 1 to August 31, 2014	Total Expenditures	Balances	
						Lapsed
APPROPRIATED FUNDS						
Personal services	\$ 47,712,500	\$ 33,715,263	\$ 1,653,808	\$ 35,369,071	\$	\$ 12,343,429
Retirement - employer contribution	19,234,200	13,624,157	668,032	14,292,189		4,942,011
Social security	3,650,700	2,522,472	126,512	2,648,984		1,001,716
Group insurance	12,492,210	8,399,070	401,715	8,800,785		3,691,425
Contractual services	11,008,600	7,250,423	2,137,903	9,388,326		1,620,274
Travel	2,145,290	1,294,606	189,497	1,484,103		661,187
Commodities	110,900	84,718	16,023	100,741		10,159
Printing	161,500	46,095	-	46,095		115,405
Equipment	187,600	36,948	931	37,879		149,721
Electronic data processing	2,917,300	1,688,536	320,298	2,008,834		908,466
Telecommunications	840,500	373,710	81,418	455,128		385,372
Operation of automotive equipment	217,500	42,814	10,458	53,272		164,228
Lump sums and other purposes	7,223,300	3,250,226	143,446	3,393,672		3,829,628
Lump sum, operations	1,438,800	42,582	5,908	48,490		1,390,310
Awards and grants	230,000	229,240	-	229,240		760
Other refunds	115,600	29,734	10,449	40,183		75,417
TOTAL - APPROPRIATED FUNDS	\$ 109,686,500	\$ 72,630,594	\$ 5,766,398	\$ 78,396,992	\$	\$ 31,289,508
NON-APPROPRIATED FUND						
Awards and grants, lump sums and other purposes		10,546	-	10,546		
GRAND TOTAL - ALL FUNDS		\$ 72,641,140	\$ 5,766,398	\$ 78,407,538	\$	

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY MAJOR OBJECT CODE
APPROPRIATIONS FOR FISCAL YEAR 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31, 2013	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
Personal services	\$ 40,332,400	\$ 33,571,660	\$ 1,572,013	\$ 35,143,673	\$ 5,188,727
Retirement - employer contribution	15,325,200	12,780,405	598,410	13,378,815	1,946,385
Social security	3,082,900	2,525,470	120,090	2,645,560	437,340
Group insurance	11,715,600	9,685,378	446,459	10,131,837	1,583,763
Contractual services	10,690,400	6,312,141	2,368,005	8,680,146	2,010,254
Travel	1,977,645	1,159,553	247,421	1,406,974	570,671
Commodities	93,400	42,284	1,356	43,640	49,760
Printing	144,000	95,876	677	96,553	47,447
Equipment	152,600	6,434	-	6,434	146,166
Electronic data processing	2,356,300	451,583	1,652,603	2,104,186	252,114
Telecommunications	819,500	439,574	75,778	515,352	304,148
Operation of automotive equipment	217,500	46,874	31,588	78,462	139,038
Lump sums and other purposes	6,942,500	2,626,671	227,486	2,854,157	4,088,343
Lump sum, operations	1,438,800	37,478	2,750	40,228	1,398,572
Awards and grants	30,000	8,840	600	9,440	20,560
Other refunds	107,055	19,143	4,685	23,828	83,227
TOTAL - APPROPRIATED FUNDS	\$ 95,425,800	\$ 69,809,364	\$ 7,349,921	\$ 77,159,285	\$ 18,266,515
NON-APPROPRIATED FUND					
Awards and grants, lump sums and other purposes		-	17,630	17,630	
GRAND TOTAL - ALL FUNDS	\$ 95,425,800	\$ 69,809,364	\$ 7,367,551	\$ 77,176,915	

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department.
 Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
<u>Division of Financial Institutions</u>			
Financial Institution Fund - 0021			
Appropriations (Net after transfers)	\$ 7,560,000	\$ 6,224,700	\$ 5,608,800
Personal services	3,714,769	3,460,199	3,143,479
Retirement - employer contribution	1,500,580	1,317,141	1,077,310
Social security	273,755	257,413	233,509
Group insurance	833,418	927,995	688,254
Contractual services	7,841	4,025	4,916
Travel	179,602	194,646	188,732
Total Expenditures	<u>\$ 6,509,965</u>	<u>\$ 6,161,419</u>	<u>\$ 5,336,200</u>
Lapsed Balances	<u>\$ 1,050,035</u>	<u>\$ 63,281</u>	<u>\$ 272,600</u>
TOMA Consumer Protection Fund - 0241			
Appropriations (Net after transfers)	\$ 8,700	\$ 8,700	\$ 8,700
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 8,700</u>	<u>\$ 8,700</u>	<u>\$ 8,700</u>
Credit Union Fund - 0243			
Appropriations (Net after transfers)	\$ 4,375,800	\$ 3,459,500	\$ 3,144,200
Personal services	1,822,494	1,778,420	1,527,656
Retirement - employer contribution	735,460	676,395	522,909
Social security	134,739	132,932	114,106
Group insurance	432,733	502,452	339,746
Contractual services	17,216	10,790	11,455
Travel	193,986	199,912	173,704
Other refunds	-	125	-
Total Expenditures	<u>\$ 3,336,628</u>	<u>\$ 3,301,026</u>	<u>\$ 2,689,576</u>
Lapsed Balances	<u>\$ 1,039,172</u>	<u>\$ 158,474</u>	<u>\$ 454,624</u>
<u>Total Division of Financial Institutions</u>			
Appropriations (Net after transfers)	\$ 11,944,500	\$ 9,692,900	\$ 8,761,700
Total Expenditures	<u>9,846,593</u>	<u>9,462,445</u>	<u>8,025,776</u>
Lapsed Balances	<u>\$ 2,097,907</u>	<u>\$ 230,455</u>	<u>\$ 735,924</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
<u>Division of Banking</u>			
Savings and Residential Finance Regulatory Fund - 0244			
Appropriations (Net after transfers)	\$ 3,665,300	\$ 4,761,800	\$ 5,286,100
Personal services	1,522,997	1,974,344	2,507,744
Retirement - employer contribution	614,972	750,987	858,522
Social security	111,150	145,255	182,196
Group insurance	426,545	641,298	629,604
Contractual services	41,723	28,644	390,262
Travel	21,641	18,937	40,864
Other refunds	5,450	125	250
Total Expenditures	<u>\$ 2,744,478</u>	<u>\$ 3,559,590</u>	<u>\$ 4,609,442</u>
Lapsed Balances	<u>\$ 920,822</u>	<u>\$ 1,202,210</u>	<u>\$ 676,658</u>
Pawnbroker Regulation Fund - 0562			
Appropriations (Net after transfers)	\$ 313,400	\$ 156,600	\$ 137,500
Personal services	94,350	88,344	79,382
Retirement - employer contribution	38,088	33,577	27,153
Social security	7,001	6,592	5,914
Group insurance	15,978	18,095	13,261
Contractual services	3,628	-	-
Travel	4,206	1,099	2,890
Total Expenditures	<u>\$ 163,251</u>	<u>\$ 147,707</u>	<u>\$ 128,600</u>
Lapsed Balances	<u>\$ 150,149</u>	<u>\$ 8,893</u>	<u>\$ 8,900</u>
Savings Institutions Regulatory Fund - 0579			
Appropriations (Net after transfers)	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Lump sums and other purposes	48,490	40,228	631,271
Total Expenditures	<u>\$ 48,490</u>	<u>\$ 40,228</u>	<u>\$ 631,271</u>
Lapsed Balances	<u>\$ 1,351,510</u>	<u>\$ 1,359,772</u>	<u>\$ 768,729</u>
Bank and Trust Company Fund - 0795			
Appropriations (Net after transfers)	\$ 23,040,400	\$ 19,695,400	\$ 18,126,800
Personal services	9,821,106	9,639,008	9,987,461
Retirement - employer contribution	3,967,884	3,669,383	3,421,373
Social security	721,172	715,781	742,211
Group insurance	2,297,790	2,602,278	2,080,457
Contractual services	221,037	183,630	198,551
Travel	955,072	872,493	850,343
Lump sums and other purposes	-	-	68
Other refunds	-	563	70
Total Expenditures	<u>\$ 17,984,061</u>	<u>\$ 17,683,136</u>	<u>\$ 17,280,534</u>
Lapsed Balances	<u>\$ 5,056,339</u>	<u>\$ 2,012,264</u>	<u>\$ 846,266</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
<u>Total Division of Banking</u>			
Appropriations (Net after transfers)	\$ 28,419,100	\$ 26,013,800	\$ 24,950,400
Total Expenditures	20,940,280	21,430,661	22,649,847
Lapsed Balances	<u>\$ 7,478,820</u>	<u>\$ 4,583,139</u>	<u>\$ 2,300,553</u>
<u>Division of Professional Regulation</u>			
General Professions Dedicated Fund - 0022			
Appropriations (Net after transfers)	<u>\$ 6,049,000</u>	<u>\$ 4,991,300</u>	<u>\$ 4,953,400</u>
Personal services	2,148,344	2,269,702	2,387,853
Retirement - employer contribution	870,541	865,937	819,178
Social security	162,416	167,089	172,845
Group insurance	644,033	831,182	690,635
Contractual services	178,927	112,653	152,629
Travel	7,748	6,114	19,924
Other refunds	12,535	12,075	15,856
Total Expenditures	<u>\$ 4,024,544</u>	<u>\$ 4,264,752</u>	<u>\$ 4,258,920</u>
Lapsed Balances	<u>\$ 2,024,456</u>	<u>\$ 726,548</u>	<u>\$ 694,480</u>
Illinois State Pharmacy Disciplinary Fund - 0057			
Appropriations (Net after transfers)	<u>\$ 1,685,900</u>	<u>\$ 1,536,300</u>	<u>\$ 1,386,800</u>
Personal services	638,870	607,952	740,019
Retirement - employer contribution	258,424	231,351	253,517
Social security	46,145	44,846	55,062
Group insurance	179,188	167,138	142,562
Contractual services	97,571	91,975	76,075
Travel	3,118	3,483	3,620
Other refunds	1,940	1,990	2,580
Total Expenditures	<u>\$ 1,225,256</u>	<u>\$ 1,148,735</u>	<u>\$ 1,273,435</u>
Lapsed Balances	<u>\$ 460,644</u>	<u>\$ 387,565</u>	<u>\$ 113,365</u>
Illinois State Medical Disciplinary Fund - 0093			
Appropriations (Net after transfers)	<u>\$ 4,526,100</u>	<u>\$ 4,849,900</u>	<u>\$ 4,707,600</u>
Personal services	1,803,082	1,507,275	2,460,348
Retirement - employer contribution	727,983	573,459	842,735
Social security	140,588	117,841	184,214
Group insurance	405,109	421,090	527,001
Contractual services	258,201	223,935	223,396
Travel	13,566	11,333	10,247
Other refunds	13,258	820	2,960
Total Expenditures	<u>\$ 3,361,787</u>	<u>\$ 2,855,753</u>	<u>\$ 4,250,901</u>
Lapsed Balances	<u>\$ 1,164,313</u>	<u>\$ 1,994,147</u>	<u>\$ 456,699</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151			
Appropriations (Net after transfers)	\$ 327,600	\$ 295,100	\$ 253,200
Lump sums and other purposes	258,607	195,163	224,573
Total Expenditures	<u>\$ 258,607</u>	<u>\$ 195,163</u>	<u>\$ 224,573</u>
Lapsed Balances	<u>\$ 68,993</u>	<u>\$ 99,937</u>	<u>\$ 28,627</u>
Professional Regulation Evidence Fund - 0192			
Appropriations (Net after transfers)	\$ 9,700	\$ 9,700	\$ 9,700
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 9,700</u>	<u>\$ 9,700</u>	<u>\$ 9,700</u>
Professions Indirect Cost Fund - 0218			
Appropriations (Net after transfers)	\$ 40,711,600	\$ 34,774,900	\$ 33,579,800
Personal services	9,268,644	9,328,007	9,776,353
Retirement - employer contribution	3,742,668	3,548,273	3,347,182
Social security	719,233	728,464	753,084
Group insurance	2,416,806	2,718,705	2,262,762
Contractual services	8,254,135	7,749,230	6,417,707
Travel	60,498	55,200	110,466
Commodities	100,741	43,640	65,963
Printing	46,095	96,553	118,358
Equipment	37,879	6,434	38,453
Electronic data processing	2,008,834	2,104,186	1,887,327
Telecommunication	455,128	515,352	565,967
Operation of automotive equipment	53,272	78,462	173,592
Lump sums and other purposes	1,774,851	2,022,390	2,204,561
Total Expenditures	<u>\$ 28,938,784</u>	<u>\$ 28,994,896</u>	<u>\$ 27,721,775</u>
Lapsed Balances	<u>\$ 11,772,816</u>	<u>\$ 5,780,004</u>	<u>\$ 5,858,025</u>
Nursing Dedicated and Professional Fund - 0258			
Appropriations (Net after transfers)	\$ 2,649,000	\$ 2,431,700	\$ 2,318,100
Personal services	881,404	930,144	1,011,936
Retirement - employer contribution	359,851	357,623	349,081
Social security	65,424	67,626	64,249
Group insurance	215,664	236,465	203,057
Contractual services	112,723	99,344	70,978
Travel	4,121	3,277	3,638
Lump sums and other purposes	15,943	-	-
Other refunds	2,940	495	315
Total Expenditures	<u>\$ 1,658,070</u>	<u>\$ 1,694,974</u>	<u>\$ 1,703,254</u>
Lapsed Balances	<u>\$ 990,930</u>	<u>\$ 736,726</u>	<u>\$ 614,846</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Optometric Licensing and Disciplinary Board Fund - 0259			
Appropriations (Net after transfers)	\$ 334,500	\$ 311,700	\$ 305,000
Personal services	71,747	114,037	101,951
Retirement - employer contribution	29,288	43,468	35,013
Social security	5,066	8,528	8,563
Group insurance	26,931	28,728	22,841
Contractual services	15,128	8,054	24,577
Travel	929	236	2,540
Other refunds	20	-	500
Total Expenditures	<u>\$ 149,109</u>	<u>\$ 203,051</u>	<u>\$ 195,985</u>
Lapsed Balances	<u>\$ 185,391</u>	<u>\$ 108,649</u>	<u>\$ 109,015</u>
Appraisal Administration Fund - 0386			
Appropriations (Net after transfers)	\$ 1,312,200	\$ 634,100	\$ 774,500
Personal services	356,150	248,688	264,267
Retirement - employer contribution	143,813	94,549	90,421
Social security	26,210	18,399	19,474
Group insurance	79,901	55,609	51,340
Contractual services	25,837	26,163	18,309
Travel	7,096	5,263	4,179
Awards and grants - shared revenue payments	229,240	9,440	201,555
Other refunds	500	-	159
Total Expenditures	<u>\$ 868,747</u>	<u>\$ 458,111</u>	<u>\$ 649,704</u>
Lapsed Balances	<u>\$ 443,453</u>	<u>\$ 175,989</u>	<u>\$ 124,796</u>
Athletics Supervision and Regulation Fund - 0505			
Appropriations (Net after transfers)	\$ 400,000	\$ 400,000	\$ 400,000
Lump sums and other purposes	157,050	12,143	391
Total Expenditures	<u>\$ 157,050</u>	<u>\$ 12,143</u>	<u>\$ 391</u>
Lapsed Balances	<u>\$ 242,950</u>	<u>\$ 387,857</u>	<u>\$ 399,609</u>
Home Inspector Administration Fund - 0746			
Appropriations (Net after transfers)	\$ 160,500	\$ 151,300	\$ 149,300
Personal services	44,019	27,491	6,784
Retirement - employer contribution	17,745	10,443	2,321
Social security	3,131	1,891	511
Group insurance	24,040	15,707	1,203
Contractual services	-	-	106
Other refunds	-	250	-
Total Expenditures	<u>\$ 88,935</u>	<u>\$ 55,782</u>	<u>\$ 10,925</u>
Lapsed Balances	<u>\$ 71,565</u>	<u>\$ 95,518</u>	<u>\$ 138,375</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Real Estate Audit Fund - 0750			
Appropriations (Net after transfers)	\$ 38,800	\$ 38,800	\$ 38,800
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 38,800</u>	<u>\$ 38,800</u>	<u>\$ 38,800</u>
Cemetery Oversight Licensing and Disciplinary Fund - 0792			
Appropriations (Net after transfers)	\$ 2,318,300	\$ 2,318,300	\$ 5,537,000
Lump sums and other purposes	1,003,841	345,211	-
Total Expenditures	<u>\$ 1,003,841</u>	<u>\$ 345,211</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 1,314,459</u>	<u>\$ 1,973,089</u>	<u>\$ 5,537,000</u>
Illinois State Dental Disciplinary Fund - 0823			
Appropriations (Net after transfers)	<u>\$ 1,079,500</u>	<u>\$ 981,100</u>	<u>\$ 1,151,100</u>
Personal services	505,669	474,420	452,831
Retirement - employer contribution	204,517	180,775	155,298
Social security	35,517	31,923	28,372
Group insurance	151,827	166,004	119,804
Contractual services	74,259	63,840	56,655
Travel	1,556	1,239	1,299
Other refunds	1,840	5,305	2,850
Total Expenditures	<u>\$ 975,185</u>	<u>\$ 923,506</u>	<u>\$ 817,109</u>
Lapsed Balances	<u>\$ 104,315</u>	<u>\$ 57,594</u>	<u>\$ 333,991</u>
Community Association Manager Licensing and Disciplinary Fund - 0829			
Appropriations (Net after transfers)	<u>\$ 393,700</u>	<u>\$ 393,700</u>	<u>\$ 634,000</u>
Lump sums and other purposes	164,380	260,750	-
Total Expenditures	<u>\$ 164,380</u>	<u>\$ 260,750</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 229,320</u>	<u>\$ 132,950</u>	<u>\$ 634,000</u>
Real Estate Research and Education - Fund 0849			
Appropriations (Net after transfers)	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>
Lump sums and other purposes	19,000	18,500	-
Total Expenditures	<u>\$ 19,000</u>	<u>\$ 18,500</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 19,000</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Real Estate License Administration Fund - 0850			
Appropriations (Net after transfers)	\$ 6,235,000	\$ 4,596,700	\$ 4,232,600
Personal services	2,250,962	2,299,312	2,422,613
Retirement - employer contribution	908,982	874,679	829,432
Social security	166,351	171,673	179,531
Group insurance	527,312	669,020	559,955
Contractual services	19,022	17,571	17,156
Travel	27,327	28,712	50,394
Other refunds	1,570	2,000	2,400
Total Expenditures	<u>\$ 3,901,526</u>	<u>\$ 4,062,967</u>	<u>\$ 4,061,481</u>
Lapsed Balances	<u>\$ 2,333,474</u>	<u>\$ 533,733</u>	<u>\$ 171,119</u>
Design Professionals Administration and Investigation Fund - 0888			
Appropriations (Net after transfers)	\$ 1,061,700	\$ 974,700	\$ 1,032,600
Personal services	424,464	396,330	460,860
Retirement - employer contribution	171,393	150,775	157,720
Social security	31,086	29,307	34,107
Group insurance	123,510	130,071	116,563
Contractual services	58,753	57,547	50,284
Travel	3,637	4,977	4,303
Other refunds	130	80	770
Total Expenditures	<u>\$ 812,973</u>	<u>\$ 769,087</u>	<u>\$ 824,607</u>
Lapsed Balances	<u>\$ 248,727</u>	<u>\$ 205,613</u>	<u>\$ 207,993</u>
Illinois State Podiatric Disciplinary Fund - 0954			
Appropriations (Net after transfers)	\$ 10,800	\$ 10,800	\$ 10,800
Contractual services	2,325	2,745	2,363
Travel	-	53	146
Total Expenditures	<u>\$ 2,325</u>	<u>\$ 2,798</u>	<u>\$ 2,509</u>
Lapsed Balances	<u>\$ 8,475</u>	<u>\$ 8,002</u>	<u>\$ 8,291</u>
Total Division of Professional Regulation			
Appropriations (Net after transfers)	\$ 69,322,900	\$ 59,719,100	\$ 61,493,300
Total Expenditures	<u>47,610,119</u>	<u>46,266,179</u>	<u>45,995,569</u>
Lapsed Balances	<u>\$ 21,712,781</u>	<u>\$ 13,452,921</u>	<u>\$ 15,497,731</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net after transfers)	\$ 109,686,500	\$ 95,425,800	\$ 95,205,400
Total Expenditures - Appropriated Funds	<u>78,396,992</u>	<u>77,159,285</u>	<u>76,671,192</u>
Lapsed Balances	<u>\$ 31,289,508</u>	<u>\$ 18,266,515</u>	<u>\$ 18,534,208</u>
NON-APPROPRIATED FUNDS			
Division of Financial Institutions			
TOMA Consumer Protection Fund - 0241			
Awards and grants, lump sums and other purposes	\$ -	\$ -	\$ 1,501
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,501</u>
Debt Settlement Consumer Protection Fund - 0615			
Awards and grants, lump sums and other purposes	\$ -	\$ 6,172	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ 6,172</u>	<u>\$ -</u>
Division of Professional Regulation			
Real Estate Recovery Fund - 0629			
Awards and grants, lump sums and other purposes	\$ 10,546	\$ 11,458	\$ 29,808
Total Expenditures	<u>\$ 10,546</u>	<u>\$ 11,458</u>	<u>\$ 29,808</u>
Total Expenditures - Non-Appropriated Funds	<u>\$ 10,546</u>	<u>\$ 17,630</u>	<u>\$ 31,309</u>
APPOINTED STATE OFFICERS' SALARIES			
General Revenue Fund - 0001	\$ 374,784	\$ 351,799	\$ 374,803
Bank and Trust Company Fund - 0795	<u>26,435</u>	<u>-</u>	<u>136,217</u>
Total - State Officers' Salaries	<u>\$ 401,219</u>	<u>\$ 351,799</u>	<u>\$ 511,020</u>

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department.

Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor. The FY12 expenditures and lapsed balances do not reflect any interest payment approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Appropriations (Net after transfers)	\$ 109,686,500	\$ 95,425,800	\$ 95,205,400
Expenditures			
<u>Division of Financial Institutions</u>			
Financial Institution Fund - 0021	6,509,965	6,161,419	5,336,200
TOMA Consumer Protection Fund - 0241	-	-	-
Credit Union Fund - 0243	3,336,628	3,301,026	2,689,576
Total - Division of Financial Institutions	<u>9,846,593</u>	<u>9,462,445</u>	<u>8,025,776</u>
<u>Division of Banking</u>			
Savings and Residential Finance Regulatory Fund - 0244	2,744,478	3,559,590	4,609,442
Pawnbroker Regulation Fund - 0562	163,251	147,707	128,600
Savings Institutions Regulatory Fund - 0579	48,490	40,228	631,271
Bank and Trust Company Fund - 0795	17,984,061	17,683,136	17,280,534
Total - Division of Banking	<u>20,940,280</u>	<u>21,430,661</u>	<u>22,649,847</u>
<u>Division of Professional Regulation</u>			
General Professions Dedicated Fund - 0022	4,024,544	4,264,752	4,258,920
Illinois State Pharmacy Disciplinary Fund - 0057	1,225,256	1,148,735	1,273,435
Illinois State Medical Disciplinary Fund - 0093	3,361,787	2,855,753	4,250,901
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	258,607	195,163	224,573
Professional Regulation Evidence Fund - 0192	-	-	-
Professions Indirect Cost Fund - 0218	28,938,784	28,994,896	27,721,775
Nursing Dedicated and Professional Fund - 0258	1,658,070	1,694,974	1,703,254
Optometric Licensing and Disciplinary Board Fund - 0259	149,109	203,051	195,985
Appraisal Administration Fund - 0386	868,747	458,111	649,704
Athletics Supervision and Regulation Fund - 0505	157,050	12,143	391
Home Inspector Administration Fund - 0746	88,935	55,782	10,925
Real Estate Audit Fund - 0750	-	-	-
Cemetery Oversight Licensing and Disciplinary Fund - 0792	1,003,841	345,211	-
Illinois State Dental Disciplinary Fund - 0823	975,185	923,506	817,109
Community Association Manager Licensing and Disciplinary Fund - 0829	164,380	260,750	-
Real Estate Research and Education Fund - 0849	19,000	18,500	-
Real Estate License Administration Fund - 0850	3,901,526	4,062,967	4,061,481
Design Professionals Administration and Investigation Fund - 0888	812,973	769,087	824,607
Illinois State Podiatric Disciplinary Fund - 0954	2,325	2,798	2,509
Total - Division of Professional Regulation	<u>47,610,119</u>	<u>46,266,179</u>	<u>45,995,569</u>
Total Expenditures - Appropriated Funds	<u>78,396,992</u>	<u>77,159,285</u>	<u>76,671,192</u>
Lapsed Balances	<u>\$ 31,289,508</u>	<u>\$ 18,266,515</u>	<u>\$ 18,534,208</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
NON-APPROPRIATED FUNDS			
Expenditures			
<u>Division of Financial Institutions</u>			
TOMA Consumer Protection Fund - 0241	\$ -	\$ -	\$ 1,501
Debt Settlement Consumer Protection Fund - 0615	-	6,172	-
Total - Division of Financial Institutions	<u>-</u>	<u>6,172</u>	<u>1,501</u>
<u>Division of Professional Regulation</u>			
Real Estate Recovery Fund - 0629	<u>10,546</u>	<u>11,458</u>	<u>29,808</u>
Total - Division of Professional Regulation	<u>10,546</u>	<u>11,458</u>	<u>29,808</u>
Total Expenditures - Non-Appropriated Funds	<u>\$ 10,546</u>	<u>\$ 17,630</u>	<u>\$ 31,309</u>

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor. The FY12 expenditures and lapsed balances do not reflect any interest payment approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES BY MAJOR OBJECT CODE

	Fiscal Years Ended June 30,		
	2014	2013	2012
	Public Act 98-0064	Public Act 97-0727	Public Acts 97-0062, 97-0642 97-0685
APPROPRIATED FUNDS			
Appropriations (Net after transfers)	\$ 109,686,500	\$ 95,425,800	\$ 95,205,400
Expenditures			
Personal services	35,369,071	35,143,673	37,331,537
Retirement - employer contribution	14,292,189	13,378,815	12,789,165
Social security	2,648,984	2,645,560	2,777,948
Group insurance	8,800,785	10,131,837	8,449,045
Contractual services	9,388,326	8,680,146	7,715,419
Travel	1,484,103	1,406,974	1,467,289
Commodities	100,741	43,640	65,963
Printing	46,095	96,553	118,358
Equipment	37,879	6,434	38,453
Electronic data processing	2,008,834	2,104,186	1,887,327
Telecommunications	455,128	515,352	565,967
Operation of automotive equipment	53,272	78,462	173,592
Lump sums and other purposes	3,393,672	2,854,157	3,060,864
Lump sum, operations	48,490	40,228	-
Awards and grants	229,240	9,440	201,555
Other refunds	40,183	23,828	28,710
Total Expenditures	78,396,992	77,159,285	76,671,192
Lapsed Balances	\$ 31,289,508	\$ 18,266,515	\$ 18,534,208
NON-APPROPRIATED FUNDS			
Expenditures			
Awards and grants, lumps sums and other purposes	\$ 10,546	\$ 17,630	\$ 31,309
Total Expenditures - Non-Appropriated Funds	\$ 10,546	\$ 17,630	\$ 31,309

Note: All data on this schedule has been taken from State Comptroller records and reconciled to those of the Department. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

The FY12 expenditures and lapsed balances do not reflect any interest payment approved for payment by the Department and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE (CASH BASIS)
LOCALLY HELD FUNDS

For the Years Ended June 30, 2013 and 2014

	Liquidated Currency Exchange Fund 1133	Official Advance Fund 1249	Bank Examiner's Education Fund 1296 (Note 1)	Total
Cash balance at July 1, 2012	\$ 406,643	\$ 12,609	\$ 197,001	\$ 616,253
Receipts	795,271	10,833	85,922	892,026
Disbursements	(721,606)	(13,999)	(97,277)	(832,882)
Cash balance at June 30, 2013	<u>\$ 480,308</u>	<u>\$ 9,443</u>	<u>\$ 185,646</u>	<u>\$ 675,397</u>
	Liquidated Currency Exchange Fund 1133	Official Advance Fund 1249	Bank Examiner's Education Fund 1296 (Note 1)	Total
Cash balance at July 1, 2013	\$ 480,308	\$ 9,443	\$ 185,646	\$ 675,397
Receipts	29,717	6,714	34,265	70,696
Disbursements	(121,430)	(6,375)	(757)	(128,562)
Cash balance at June 30, 2014	<u>\$ 388,595</u>	<u>\$ 9,782</u>	<u>\$ 219,154</u>	<u>\$ 617,531</u>

The above locally held funds are held at the following institutions:

Liquidated Currency Exchange Fund	Popular Bank, MB Financial Bank, Harris Bank, Republic Bank, First Midwest Bank
Official Advance Fund	Chase Bank
Bank Examiner's Education Fund	Marine Bank

Note 1 - In addition to its account at Marine Bank, the Bank Examiner's Education Fund had certificates of deposit totaling \$3,075,000 at June 30, 2013 and June 30, 2014 on deposit with various banks throughout Illinois with time varying from 12 to 36 months.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF LOCALLY HELD FUNDS
DEPOSITORY FUND - 1132

For the Years Ended June 30, 2013 and 2014
(Expressed in Thousands)

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSET				
Investments	<u>\$ 20,157</u>	<u>\$ 4,280</u>	<u>\$ 4,380</u>	<u>\$ 20,057</u>
LIABILITY				
Other liabilities	<u>\$ 20,157</u>	<u>\$ 4,280</u>	<u>\$ 4,380</u>	<u>\$ 20,057</u>
	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,006	\$ -	\$ 1,006
Investments	<u>20,057</u>	<u>3,527</u>	<u>2,705</u>	<u>20,879</u>
Total assets	<u>\$ 20,057</u>	<u>\$ 4,533</u>	<u>\$ 2,705</u>	<u>\$ 21,885</u>
LIABILITY				
Other liabilities	<u>\$ 20,057</u>	<u>\$ 4,533</u>	<u>\$ 2,705</u>	<u>\$ 21,885</u>

Note: The Depository Fund - 1132 is a non-appropriated locally held agency fund. The Title Insurance Act (215 ILCS 155/1 et seq.) requires each approved applicant to file with and have approved by the Secretary cash or bonds of the United States, this State or body politic of this State with a current value of \$1,000,000.

All data on this schedule has been taken from State Comptroller records (C-17's) and reconciled to those of the Department. In Fiscal Years 2013 and 2014, the C-17's were prepared using the par value of securities on deposit.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF CHANGES IN STATE PROPERTY**

For the Years Ended June 30, 2013 and 2014

	<u>Capital Lease Equipment</u>	<u>Equipment</u>	<u>Total</u>
Balance, July 1, 2012	\$ 160,522	\$ 4,490,965	\$ 4,651,487
Additions			
Purchases	-	52,624	52,624
Transfers in	-	22,215	22,215
Total Additions	<u>-</u>	<u>74,839</u>	<u>74,839</u>
Deductions			
Deletions	(59,537)	(2,804)	(62,341)
Transfers out	-	(662,420)	(662,420)
Total Deductions	<u>(59,537)</u>	<u>(665,224)</u>	<u>(724,761)</u>
Balance, June 30, 2013	<u>\$ 100,985</u>	<u>\$ 3,900,580</u>	<u>\$ 4,001,565</u>
Balance, July 1, 2013	<u>\$ 100,985</u>	<u>\$ 3,900,580</u>	<u>\$ 4,001,565</u>
Additions			
Purchases	-	43,908	43,908
Transfers in	-	61,216	61,216
Total Additions	<u>-</u>	<u>105,124</u>	<u>105,124</u>
Deductions			
Deletions	-	(21,141)	(21,141)
Transfers out	-	(819,178)	(819,178)
Total Deductions	<u>-</u>	<u>(840,319)</u>	<u>(840,319)</u>
Balance, June 30, 2014	<u>\$ 100,985</u>	<u>\$ 3,165,385</u>	<u>\$ 3,266,370</u>

Note: The above schedule has been derived from Department records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS BY FUND

	Fiscal Years Ended June 30,		
	2014	2013	2012
<u>Division of Financial Institutions:</u>			
Financial Institution Fund - 0021	\$ 7,988,224	\$ 9,421,428	\$ 7,875,476
TOMA Consumer Protection Fund - 0241	277,240	143,000	5,000
Credit Union Fund - 0243	4,818,303	3,955,714	3,632,302
Debt Settlement Consumer Protection Fund - 0615	-	145,000	-
Subtotal - Division of Financial Institutions	13,083,767	13,665,142	11,512,778
<u>Division of Banking:</u>			
Savings and Residential Finance Regulatory Fund - 0244	4,988,819	6,239,196	5,185,285
Pawnbroker Regulation Fund - 0562	243,082	255,245	254,345
Savings Institution Regulatory Fund - 0579	1,051,956	483,746	581,235
Bank and Trust Company Fund - 0795	23,165,270	26,617,609	22,662,628
Subtotal - Division of Banking	29,449,127	33,595,796	28,683,493
<u>Division of Professional Regulation:</u>			
General Professions Dedicated Fund - 0022	13,954,011	12,417,309	15,311,364
Illinois State Pharmacy Disciplinary Fund - 0057	4,778,360	2,078,912	4,615,213
Illinois State Medical Disciplinary Fund - 0093	31,518,461	2,416,128	5,379,574
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	409,680	3,365,731	1,482,352
Professions Indirect Cost Fund - 0218	1,078	236	66
Nursing Dedicated and Professional Fund - 0258	12,052,326	2,857,404	11,329,835
Optometric Licensing and Disciplinary Board Fund - 0259	975,036	98,245	924,084
Appraisal Administration Fund - 0386	2,593,692	469,526	2,264,279
Athletics Supervision Regulation Fund - 0505	239,973	202,704	299,057
Real Estate Recovery Fund - 0629	99,948	130,962	109,816
Home Inspector Administration Fund - 0746	112,480	708,154	108,280
Cemetery Oversight Licensing and Disciplinary Fund - 0792	15,195	198,425	41
Illinois State Dental Disciplinary Fund - 0823	371,025	4,094,597	1,335,466
Community Association Manager Licensing and Disciplinary Fund - 0829	347,135	211,763	383,170
Real Estate License Administration Fund - 0850	7,571,331	5,969,743	13,199,302
Design Professionals Administration and Investigation Fund - 0888	1,513,755	1,361,814	1,420,987
Illinois State Podiatric Disciplinary Fund - 0954	51,736	489,709	48,413
Subtotal - Division of Professional Regulation	76,605,222	37,071,362	58,211,299
Total - All Funds	\$ 119,138,116	\$ 84,332,300	\$ 98,407,570

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
BY DIVISION BY REVENUE CATEGORY

	Fiscal Years Ended June 30,		
	2014	2013	2012
<u>Division of Financial Institutions:</u>			
Licenses fees and registration:			
Credit union regulatory fees	\$ 4,749,735	\$ 3,862,776	\$ 3,567,946
Financial institution licenses and fees	3,520,596	3,344,979	2,903,087
Retaliatory fees	1,532,011	2,164,865	2,478,747
Financial institution examination fees	1,393,050	1,380,500	1,195,850
Credit union examination fees	20,241	13,680	12,270
	<u>11,215,633</u>	<u>10,766,800</u>	<u>10,157,900</u>
Fines, penalties or violations	1,867,839	2,898,342	1,354,878
Miscellaneous	295	-	-
Subtotal - Division of Financial Institutions	<u>13,083,767</u>	<u>13,665,142</u>	<u>11,512,778</u>
<u>Division of Banking:</u>			
Licenses fees and registration:			
Bank examination fees	15,581,684	18,359,755	14,821,179
Mortgage banking registrations	2,575,849	2,834,478	2,062,655
Loan originator licenses and fees	1,745,955	1,747,990	1,074,808
EDP examination fees	3,077,006	3,050,879	2,345,446
Corporate fiduciary registrations	1,835,902	1,892,111	2,019,200
International bank examination fees	2,555,131	2,790,101	2,276,180
Savings and loan supervisory fees	356,666	286,346	847,768
Corporate fiduciary receivership fees	167	326,268	1,052,222
Thrift registration fees	2,000	-	1,000
Mortgage banking examination fees	321,698	432,103	526,744
Mortgage banking full service fees	118,000	110,000	105,500
Savings and loan examination fees	693,291	197,400	388,303
Miscellaneous banking fees	83,450	163,371	105,210
Pawnbroker licenses and fees	235,765	253,695	245,095
Miscellaneous international banking fees	18,000	19,000	15,900
Miscellaneous trust company fees	10,400	12,600	23,350
Check printer fees	2,800	2,800	2,600
	<u>29,213,764</u>	<u>32,478,897</u>	<u>27,913,160</u>
Fines, penalties or violations	234,564	1,115,900	768,867
Miscellaneous	799	999	1,466
Subtotal - Division of Banking	<u>29,449,127</u>	<u>33,595,796</u>	<u>28,683,493</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
BY DIVISION BY REVENUE CATEGORY

	Fiscal Years Ended June 30,			
	2014	2013	2012	
<u>Division of Professional Regulation:</u>				
Licenses fees and registration:				
General professions licenses and fees	13,459,591	11,630,057	14,921,978	*
Medical licenses and fees	30,876,285	1,960,266	5,210,553	*
Dental licenses and fees	263,083	3,993,037	1,239,793	*
Nursing licenses and fees	11,938,919	2,751,425	11,216,182	*
Pharmacy licenses and fees	4,665,207	1,889,120	4,452,435	*
Design professional licenses and fees	1,486,177	1,336,115	1,410,279	*
Podiatric physician licenses and fees	51,084	489,709	46,363	*
CPA licenses and fees	374,385	3,316,153	1,460,677	*
Optometrics licenses and fees	957,612	73,244	915,790	*
Athletic licenses and fees	234,873	202,704	289,007	*
Community association manager licenses and fees	345,585	211,763	383,120	*
Real estate licenses and fees	6,973,370	5,531,779	12,853,935	
Home inspector licenses and fees	111,375	706,588	107,699	
Appraisal licenses and fees	2,564,074	460,819	2,246,378	
Timeshare registration fees	387,250	235,029	308,750	
Land sales fees	181,700	168,450	3,200	
Cemetery oversight licenses and fees	15,145	198,425	41	
	<u>74,885,715</u>	<u>35,154,683</u>	<u>57,066,180</u>	
Fines, penalties or violations	1,353,368	1,636,867	861,175	*
Miscellaneous	366,139	279,812	283,944	*
Subtotal - Division of Professional Regulation	<u>76,605,222</u>	<u>37,071,362</u>	<u>58,211,299</u>	
Total	<u>\$ 119,138,116</u>	<u>\$ 84,332,300</u>	<u>\$ 98,407,570</u>	

* Amounts in Fiscal Year 2012 were corrected to present fines, penalties or violations, and miscellaneous receipts separate from licenses fees and registration. The total receipts for the Division of Professional Regulation remained the same.

STATE OF ILLINOIS
 DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
 RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 Fiscal Year Ended June 30, 2014

	Receipts Per Department Records	Deposits in Transit Beginning of Year	Deposits in Transit End of Year	Deposits Per Comptroller Records
Financial Institution Fund - 0021	\$ 7,988,224	\$ 138,451	\$ (9,027)	\$ 8,117,648
General Professions Dedicated Fund - 0022	13,954,011	492,613	(449,255)	13,997,369
Illinois State Pharmacy Disciplinary Fund - 0057	4,778,360	38,443	(44,476)	4,772,327
Illinois State Medical Disciplinary Fund - 0093	31,518,461	145,473	(2,077,004)	29,586,930
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	409,680	21,113	(19,562)	411,231
Professions Indirect Cost Fund - 0218	1,078	-	(55)	1,023
TOMA Consumer Protection Fund - 0241	277,240	-	-	277,240
Credit Union Fund - 0243	4,818,303	5,930	(101,390)	4,722,843
Savings and Residential Finance Regulatory Fund - 0244	4,988,819	45,229	(48,677)	4,985,371
Nursing Dedicated and Professional Fund - 0258	12,052,326	74,512	(170,528)	11,956,310
Optometric Licensing and Disciplinary Board Fund - 0259	975,036	9,352	(5,031)	979,357
Appraisal Administration Fund - 0386	2,593,692	43,024	(13,444)	2,623,272
Athletics Supervision Regulation Fund - 0505	239,973	6,183	1	246,157
Pawnbroker Regulation Fund - 0562	243,082	3,210	565	246,857
Savings Institution Regulatory Fund - 0579	1,051,956	21,770	-	1,073,726
Real Estate Recovery Fund - 0629	99,948	6,684	(5,883)	100,749
Home Inspector Administration Fund - 0746	112,480	4,400	(3,775)	113,105
Cemetery Oversight Licensing and Disciplinary Fund - 0792	15,195	855	(2,570)	13,480
Bank and Trust Company Fund - 0795	23,165,270	9,150	(250)	23,174,170
Illinois State Dental Disciplinary Fund - 0823	371,025	30,035	(41,115)	359,945
Community Association Manager Licensing and Disciplinary Fund - 0829	347,135	45,321	(2,950)	389,506
Real Estate License Administration Fund - 0850	7,571,331	144,958	(252,828)	7,463,461
Design Professionals Administration and Investigation Fund - 0888	1,513,755	34,910	(25,817)	1,522,848
Illinois State Podiatric Disciplinary Fund - 0954	51,736	2,293	(3,157)	50,872
	<u>\$ 119,138,116</u>	<u>\$ 1,323,909</u>	<u>\$ (3,276,228)</u>	<u>\$ 117,185,797</u>

STATE OF ILLINOIS
 DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
 RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 Fiscal Year Ended June 30, 2013

	Receipts Per Department Records	Deposits in Transit Beginning of Year	Deposits in Transit End of Year	Deposits Per Comptroller Records
Financial Institution Fund - 0021	\$ 9,421,428	\$ 216,414	\$ (138,451)	\$ 9,499,391
General Professions Dedicated Fund - 0022	12,417,309	552,074	(492,613)	12,476,770
Illinois State Pharmacy Disciplinary Fund - 0057	2,078,912	50,139	(38,443)	2,090,608
Illinois State Medical Disciplinary Fund - 0093	2,416,128	115,619	(145,473)	2,386,274
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	3,365,731	601,676	(21,113)	3,946,294
Professions Indirect Cost Fund - 0218	236	-	-	236
TOMA Consumer Protection Fund - 0241	143,000	-	-	143,000
Credit Union Fund - 0243	3,955,714	3,605	(5,930)	3,953,389
Savings and Residential Finance Regulatory Fund - 0244	6,239,196	-	(45,229)	6,193,967
Nursing Dedicated and Professional Fund - 0258	2,857,404	150,838	(74,512)	2,933,730
Optometric Licensing and Disciplinary Board Fund - 0259	98,245	22,241	(9,352)	111,134
Appraisal Administration Fund - 0386	469,526	11,434	(43,024)	437,936
Athletic Supervision Regulation Fund - 0505	202,704	11,163	(6,183)	207,684
Pawnbroker Regulation Fund - 0562	255,245	11,620	(3,210)	263,655
Savings Institution Regulatory Fund - 0579	483,746	-	(21,770)	461,976
Debt Settlement Consumer Protection - 0615	145,000	-	-	145,000
Real Estate Recovery Fund - 0629	130,962	9,816	(6,684)	134,094
Home Inspector Administration Fund - 0746	708,154	2,550	(4,400)	706,304
Cemetery Oversight Licensing and Disciplinary Fund - 0792	198,425	-	(855)	197,570
Bank and Trust Company Fund - 0795	26,617,609	-	(9,150)	26,608,459
Illinois State Dental Disciplinary Fund - 0823	4,094,597	1,042,282	(30,035)	5,106,844
Comm Assoc Manager Lic and Disciplinary Fund - 0829	211,763	4,800	(45,321)	171,242
Real Estate License Administration Fund - 0850	5,969,743	241,139	(144,958)	6,065,924
Design Professionals Administration and Investigation Fund - 0888	1,361,814	35,951	(34,910)	1,362,855
Illinois State Podiatric Disciplinary Fund - 0954	489,709	7,550	(2,293)	494,966
	<u>\$ 84,332,300</u>	<u>\$ 3,090,911</u>	<u>\$ (1,323,909)</u>	<u>\$ 86,099,302</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BY DIVISION
BY FUND
For The Two Years Ended June 30, 2014

The Department of Financial and Professional Regulation's (Department) analysis of significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances by Fund is detailed below.

We obtained explanations from Department personnel for material fluctuations in expenditures between years. We considered fluctuations in excess of 15% and \$100,000 to be significant. Explanations of material expenditure fluctuations are as follows:

Division of Financial Institutions

Financial Institution Fund (0021) expenditures increased by \$825,219 (15%) from Fiscal Year 2012 to 2013 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2013.

Credit Union Fund (0243) expenditures increased by \$611,450 (23%) from Fiscal Year 2012 to 2013 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2013.

Division of Banking

Savings and Residential Finance Regulatory Fund (0244) expenditures decreased by \$1,049,852 (23%) from Fiscal Year 2012 to 2013 and \$815,112 (23%) from Fiscal Year 2013 to 2014. During Fiscal Year 2013, the Department laid off eight Financial Institutions Examiner positions whose salaries were charged in Fund 0244 due to lower revenues generated from examination of financial institutions. The decrease in the expenditures as a result of the layoff continued in Fiscal Year 2014.

Savings Institutions Regulatory Fund (0579) expenditures decreased by \$591,043 (94%) from Fiscal Year 2012 to 2013 due to the transfer of appropriations from Savings Institutions Regulatory Fund (0579) to the Professions Indirect Cost Fund (0218) in Fiscal Year 2013.

Division of Professional Regulation

Illinois State Medical Disciplinary Fund (0093) expenditures decreased by \$1,395,148 (33%) from Fiscal Year 2012 to 2013 and increased by \$506,034 (18%) from Fiscal Year 2013 to 2014. During Fiscal Year 2013, the Department laid off positions due to the lower revenues. Staff was rehired during the later months of Fiscal Year 2013 and throughout Fiscal Year 2014.

Appraisal Administration Fund (0386) expenditures decreased by \$191,593 (29%) from Fiscal Year 2012 to 2013 and increased by \$410,636 (90%) from Fiscal Year 2013 to 2014 due to the timing of expenditures related to the appraisal fees paid to the federal government for the printing of a national registry of appraisers, which occurs during the even numbered fiscal years.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BY DIVISION
BY FUND
For The Two Years Ended June 30, 2014

Athletics Supervision and Regulation Fund (0505) expenditures increased by \$144,907 (1,193%) from Fiscal Year 2013 to 2014 due to the increase in personnel costs, retirement contribution, social security and group insurance as a result of reallocation of headcount to the Fund to address the increase in licensing and oversight activities of the profession in Fiscal Year 2014.

Cemetery Oversight Licensing and Disciplinary Fund (0792) expenditures increased by \$345,211 (100%) from Fiscal Year 2012 and 2013 and increased by \$658,630 (191%) from Fiscal Year 2013 to 2014 due to the timing of revenues and available cash. The Cemetery Oversight Licensing and Disciplinary Fund was established in Fiscal Year 2010 to receive and record monies collected from fees and fines in accordance with the provisions of the Cemetery Oversight Act. Monies from license fees for operating cemeteries started to be collected by the Department towards the end of Fiscal Year 2012 and continued in Fiscal Years 2013 and 2014. As more funds were available, resources were reallocated to the fund thereby increasing the expenditures in Fiscal Years 2013 and 2014.

Community Association Manager Licensing and Disciplinary Fund (0829) expenditures increased by \$260,750 (100%) from Fiscal Year 2012 to 2013 due to the timing of revenues and available cash. The Community Association Manager Licensing and Disciplinary Fund was established in Fiscal Year 2011 to receive fees for the administration and enforcement of the Community Association Manager Licensing and Disciplinary Act. Monies from license fees to engage in the business of community association management started to be collected by the Department towards the end of Fiscal Year 2012 and continued in Fiscal Years 2013 and 2014. As more funds were available, resources were reallocated to the fund thereby increasing the expenditures in Fiscal Year 2013 and expenditure about the same in Fiscal Year 2014.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
BY MAJOR OBJECT CODE
For The Two Years Ended June 30, 2014

The Department of Financial and Professional Regulation's (Department) analysis of significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances by Major Object Code is detailed below.

We obtained explanations from Department personnel for material fluctuations in expenditures between years. We considered fluctuations in excess of 15% and \$100,000 to be significant. Explanations of material expenditure fluctuations are as follows:

Group Insurance

Group insurance expenditures increased by \$1,682,792 (20%) from Fiscal Year 2012 to 2013 due to the statewide increase in state reimbursement for employee health insurance in Fiscal Year 2013. This was due, in part, to a higher number of state employee retirements during Fiscal Year 2012. State reimbursement for retiree health insurance costs is pro-rated amongst current active employees, with fewer active state employees to cover the pro-rated costs, this resulted in higher statewide reimbursement cost per employee. In addition, current active employee's health care costs increased due to healthcare inflation.

Lump Sums and Other Purposes (Appropriated)

Lump sums and other purposes expenditures (appropriated) increased by \$539,515 (19%) from Fiscal Year 2013 to 2014 due to the increase in personnel costs and retirement contributions as a result of additional headcount in Fiscal Year 2014.

Award and Grants (Appropriated)

Awards and grants expenditures (appropriated) decreased by \$192,115 (95%) from Fiscal Year 2012 to 2013 and increased by \$219,800 (2,328%) from Fiscal Year 2013 to 2014 due to timing of expenditures related to the appraisal fees paid to the Federal government for the printing of a national registry of appraisers. Payments to the Federal government occur on even numbered fiscal years.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION BY FUND
For The Two Years Ended June 30, 2014

The Department's analysis of significant fluctuations in cash receipts as presented in the Comparative Schedule of Cash Receipts by Fund is detailed below. We considered fluctuations in excess of 20% and \$250,000 to be significant.

Division of Financial Institutions

Financial Institution Fund (0021) receipts increased by \$1,545,952 (20%) from Fiscal Year 2012 to 2013 mainly due to the increase in fines and penalties as a result of administrative or legal action taken by the Department against several consumer credit organizations.

Credit Union Fund (0243) receipts increased by \$862,589 (22%) from Fiscal Year 2013 to 2014 mainly due to the credits applied between fiscal years. The Department is only allowed to maintain 25% of operating cost of the fund and any difference should be credited back to Credit Union call fee billings for the subsequent fiscal year. There were approximately \$1.1 million credits applied in Fiscal Year 2013 and \$0.4 million credits applied in Fiscal Year 2014, resulting in higher receipts in Fiscal Year 2014.

Division of Banking

Savings and Residential Finance Regulatory Fund (0244) receipts increased by \$1,053,911 (20%) from Fiscal Year 2012 to 2013 and decreased by \$1,250,377 (20%) from Fiscal Year 2013 to 2014 due to the receipt of the share of a multi-state fine totaling \$1.0 million in accordance with a joint state-federal settlement with the country's five largest lenders over improper foreclosure practices during Fiscal Year 2013. There was no similar receipt in Fiscal Year 2014.

Savings Institution Regulatory Fund (0579) receipts increased by \$568,210 (117%) from Fiscal Year 2013 to 2014 due to the increase in examination fees of thrift institutions. The examination is an eighteen-month cycle that fell during Fiscal Year 2014 resulting in increased examinations performed during Fiscal Year 2014.

Division of Professional Regulation

In general, variances in receipts were due to fee changes, renewal periods, changes in number of licensees and changes in profession titles and qualifications. Professions have renewal periods of one, two or three years. Specific profession variances in receipts follow:

Illinois State Pharmacy Disciplinary Fund (0057) receipts decreased \$2,536,301 (55%) from Fiscal Year 2012 to 2013 and increased by \$2,699,448 (130%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the pharmacy profession, with renewals during Fiscal Years 2012 and 2014.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION BY FUND
For The Two Years Ended June 30, 2014

Illinois State Medical Disciplinary Fund (0093) receipts decreased by \$2,963,446 (55%) from Fiscal Year 2012 to 2013 and increased by \$29,102,333 (1,205%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the medical profession, with renewals during Fiscal Year 2014. In addition, the renewal fees for the medical profession increased in Fiscal Year 2014 renewal period from \$300 to \$690 for in-state licensees and from \$600 to \$1,380 for out-of-state licensees.

Registered Certified Public Accountants' Administration and Disciplinary Fund (0151) receipts increased by \$1,883,379 (127%) from Fiscal Year 2012 to 2013 and decreased by \$2,956,051 (88%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the public accounting profession, with renewals during Fiscal Year 2013.

Nursing Dedicated and Professional Fund (0258) receipts decreased by \$8,472,431 (75%) from Fiscal Year 2012 to 2013 and increased by \$9,194,922 (322%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the nursing profession, with renewals during Fiscal Years 2012 and 2014.

Optometric Licensing and Disciplinary Board Fund (0259) receipts decreased by \$825,839 (89%) from Fiscal Year 2012 to 2013 and increased by \$876,791 (892%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the optometry profession, with renewals during Fiscal Years 2012 and 2014.

Appraisal Administration Fund (0386) receipts decreased by \$1,794,753 (79%) from Fiscal Year 2012 to 2013 and increased by \$2,124,166 (452%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the appraisal profession, with renewals during Fiscal Years 2012 and 2014.

Home Inspector Administration Fund (0746) receipts increased by \$599,874 (554%) from Fiscal Year 2012 to 2013 and decreased by \$595,674 (84%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the home inspector profession, with renewals during Fiscal Year 2013.

Illinois State Dental Disciplinary Fund (0823) receipts increased by \$2,759,131 (207%) from Fiscal Year 2012 to 2013 and decreased by \$3,723,572 (91%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the dental profession, with renewals during Fiscal Year 2012. The Department received portion of Fiscal Year 2012 renewals during Fiscal Year 2013.

Real Estate License Administration Fund (0850) receipts decreased by \$7,229,559 (55%) from Fiscal Year 2012 to 2013 and increased by \$1,601,588 (27%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the real estate license profession, with renewals during Fiscal Years 2012 and 2014.

Illinois State Podiatric Disciplinary Fund (0954) receipts increased by \$441,296 (912%) from Fiscal Year 2012 to 2013 and decreased by \$437,973 (89%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the podiatry profession, with renewals during Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION
BY REVENUE CATEGORY
For The Two Years Ended June 30, 2014

The Department's analysis of significant fluctuations in cash receipts as presented in the Comparative Schedule of Cash Receipts by Division by Revenue Category is detailed below. We considered fluctuations in excess of 20% and \$250,000 to be significant.

Division of Financial Institutions

Credit union regulatory fees increased by \$886,959 (23%) from Fiscal Year 2013 to 2014 due to the credits applied between fiscal years. The Department is only allowed to maintain 25% of operating cost of the fund and any difference should be credited back to Credit Union call fee billings for the subsequent fiscal year. There were approximately \$1.1 million credits applied in Fiscal Year 2013 and \$0.4 million credits applied in Fiscal Year 2014, resulting in higher receipts in Fiscal Year 2014.

Retaliatory fees decreased by \$632,854 (29%) from Fiscal Year 2013 to 2014. The retaliatory fees paid to the Department are determined by the difference in total tax liability between the Company's state of domicile and the State of Illinois. In Fiscal Year 2014, companies maintained a tax structure that reduces their retaliatory tax liability with the State of Illinois to zero. Also, the increase in income taxes paid by corporations in Illinois had an inverse effect on retaliatory fees paid by foreign corporation.

Fines, penalties or violations increased by \$1,543,464 (114%) from Fiscal Year 2012 to 2013 and decreased by \$1,030,503 (36%) from Fiscal Year 2013 to 2014 due to the increase in the number of settlements of litigation from the Department's administrative or legal action against several consumer credit organizations during Fiscal Year 2013.

Division of Banking

Bank examination fees increased by \$3,538,576 (24%) from Fiscal Year 2012 to 2013 mainly due to credits applied in Fiscal Year 2012. In Fiscal Year 2012, the credit that was applied against the bank examination fees was \$3.5 million while there were no credits applied against Fiscal Year 2013 bank examination fees resulting in higher bank examination fees in Fiscal Year 2013.

Mortgage banking registrations increased by \$771,823 (37%) from Fiscal Year 2012 to 2013 due to the increase in license fees effective for renewals during Fiscal Year 2013.

Loan originator licenses and fees increased by \$673,182 (63%) from Fiscal Year 2012 to 2013 due to the increase in license fees effective for renewals during Fiscal Year 2013.

EDP examination fees increased by \$705,433 (30%) from Fiscal Year 2012 to 2013 due to an error in the classification of EDP examination fees receipts totaling \$652,423 to corporate fiduciary receivership fees in Fiscal Year 2012.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION
BY REVENUE CATEGORY
For The Two Years Ended June 30, 2014

International bank examination fees increased by \$513,921 (23%) from Fiscal Year 2012 to 2013 mainly due to the credits in Fiscal Year 2011 that was applied in Fiscal Year 2012 amounting to approximately \$0.6 million that resulted in lower internal bank examination fees in Fiscal Year 2012.

Savings and loan supervisory fees decreased by \$561,422 (66%) from Fiscal Year 2012 to 2013 mainly due to the credits in Fiscal Year 2011 that was applied in Fiscal Year 2013 amounting to approximately \$0.6 million that resulted in lower savings and loan supervisory fees in Fiscal Year 2013.

Corporate fiduciary receivership fees decreased by \$725,954 (69%) from Fiscal Year 2012 to 2013 due to an error in the classification of EDP examination fees totaling \$652,423 in Fiscal Year 2012. Corporate fiduciary receivership fees decreased by \$326,101 (100%) from Fiscal Year 2013 to 2014 due to non-assessment of receivership fees because the receivership account had reached \$4 million in accordance with the Corporate Fiduciary Act (205 ILCS 620 5/10b).

Savings and loan examination fees increased by \$495,891 (251%) from Fiscal Year 2013 to 2014 due to the examination of thrifts institutions. The examination is an eighteen-month cycle that fell during Fiscal Year 2014 resulting in increased examination of thrift institutions performed during Fiscal Year 2014.

Fines, penalties or violations increased by \$347,033 (45%) from Fiscal Year 2012 to 2013 and decreased by \$881,336 (79%) from Fiscal Year 2013 to 2014 due to the payment of multi-state fine totaling \$1.0 million received by the Department during Fiscal Year 2013. There was no similar receipt in Fiscal Year 2014.

Division of Professional Regulation

General professions licenses and fees decreased by \$3,291,921 (22%) from Fiscal Year 2012 to 2013 due to the renewal cycle of many professions, on a biennial or triennial basis. These professions include licensed boxers, barbers, cosmetologists, funeral director, occupational therapists, physical therapists, veterinarians, private securities, locksmiths, auctioneers, etc. with approximately 173,350 renewing during Fiscal Year 2012 and approximately 81,360 renewing during Fiscal Year 2013, resulting in higher receipts in Fiscal Year 2012.

Medical licenses and fees decreased by \$3,250,287 (62%) from Fiscal Year 2012 to 2013 and increased by \$28,916,019 (1475%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the medical profession. Physicians, physician assistants and surgeons renew on a triennial basis, with approximately 67,260 renewing during Fiscal Year 2014.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION
BY REVENUE CATEGORY
For The Two Years Ended June 30, 2014

Dental licenses and fees increased by \$2,753,244 (222%) from Fiscal Year 2012 to 2013 and decreased by \$3,729,954 (93%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the dental profession. Dentists and dental hygienist renew on a triennial basis, with approximately 5,250 renewing during Fiscal Year 2012. The Department received portion of Fiscal Year 2012 renewals during Fiscal Year 2013.

Nursing licenses and fees decreased by \$8,464,757 (75%) from Fiscal Year 2012 to 2013 and increased by \$9,187,494 (334%) from Fiscal Year 2013 to 2014 due to the renewal cycle of nursing profession. Nurses renew on a biennial basis, with approximately 170,890 renewing during Fiscal Year 2012 and approximately 179,020 renewing during Fiscal Year 2014.

Pharmacy licenses and fees decreased by \$2,563,315 (58%) from Fiscal Year 2012 to 2013 and increased by \$2,776,087 (147%) from Fiscal Year 2013 to 2014 due to the renewal cycle of pharmacy profession. Pharmacists and pharmacy technicians renew on a biennial basis, with approximately 52,020 renewing during Fiscal Year 2012 and approximately 53,340 renewing during Fiscal Year 2014.

Podiatric physician licenses and fees increased by \$443,346 (956%) from Fiscal Year 2012 to 2013 and decreased by \$438,625 (90%) from Fiscal Year 2013 to 2014 due to renewal cycle of podiatry profession. Podiatrists renew on a biennial basis, with approximately 2,090 renewing during Fiscal Year 2013.

CPA licenses and fees increased by \$1,855,476 (127%) from Fiscal Year 2012 to 2013 and decreased by \$2,941,768 (89%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the public accountant profession. Public accountants renew on a triennial basis, with approximately 26,430 renewing during Fiscal Year 2013.

Optometrics licenses and fees decreased by \$842,546 (92%) from Fiscal Year 2012 to 2013 and increased by \$884,368 (1,207%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the optometry profession. Optometrists renew on a biennial basis, with approximately 3,890 renewing during Fiscal Year 2012 and approximately 3,980 renewing during Fiscal Year 2014.

Real estate licenses and fees decreased by \$7,322,156 (57%) from Fiscal Year 2012 to 2013 and increased by \$1,441,591 (26%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the real estate license profession, on a biennial basis, with renewals during Fiscal Years 2012 and 2014.

Home inspector licenses and fees increased by \$598,889 (556%) from Fiscal Year 2012 to 2013 and decreased by \$595,213 (84%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the home inspector profession, on a biennial basis, with approximately 1,630 renewing during Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION
BY REVENUE CATEGORY
For The Two Years Ended June 30, 2014

Appraisal licenses and fees decreased by \$1,785,559 (79%) from Fiscal Year 2012 to 2013 and increased by \$2,103,255 (456%) from Fiscal Year 2013 to 2014 due to the renewal cycle of the appraisal profession. Appraisers renew on a biennial basis, with approximately 4,300 renewing during Fiscal Year 2012 and approximately 4,240 renewing during Fiscal Year 2014.

Fines, penalties or violations increased by \$775,692 (90%) from Fiscal Year 2012 to 2013 due to the increase in the number of penalties and fines levied against physicians and surgeons. Also, in Fiscal Year 2013, a \$250,000 fines was levied against a single security company.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
BY MAJOR OBJECT CODE
For The Two Years Ended June 30, 2014

The Department of Financial and Professional Regulation's (Department) analysis of significant lapse period spending, as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances by Major Object Code, for Fiscal Years 2014 and 2013 for lapse period expenditures exceeding 20% and \$15,000 of total expenditures are detailed below.

Fiscal Year 2014

Contractual services expenditures of \$2,137,903 (23%) during the lapse period resulted from the timing and review of vendor invoices for goods and services received prior to June 30 and paid during the lapse period.

Fiscal Year 2013

Contractual services expenditures of \$2,368,005 (27%) during the lapse period resulted from the timing and review of vendor invoices for goods and services received prior to June 30 and paid during the lapse period.

Electronic data processing expenditures of \$1,652,603 (79%) during the lapse period resulted from the timing of receipt and review of Statistical Revolving Fund billings from the Department of Central Management Services. These billings were received and reviewed towards the end of the fiscal year and paid during the lapse.

Operation of automotive equipment expenditures of \$31,588 (40%) during the lapse period resulted from the timing of receipt and review of State Garage Revolving Fund billings from the Department of Central Management Services. These billings were received and reviewed towards the end of the fiscal year and paid during the lapse.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2014

An aging schedule of the Department's accounts receivable (expressed in thousands) at June 30, 2014 is presented below:

Aging Schedule	Financial Institution Fund 0021	General Professions Dedicated Fund 0022	Illinois State Pharmacy Disciplinary Fund 0057		Illinois State Medical Disciplinary Fund 0093		Registered CPA Administration and Disciplinary Fund 0151		Credit Union Fund 0243	Savings and Residential Finance Regulatory Fund 0244
			Illinois State Pharmacy Disciplinary Fund 0057	Illinois State Medical Disciplinary Fund 0093	Registered CPA Administration and Disciplinary Fund 0151	Credit Union Fund 0243				
Current	\$ 393	\$ 410	\$ 16	\$ 446	\$ 41	\$ 1,080	\$ 121			
31-90	460	127	1	14	-	8	9			
91-180	492	124	-	32	-	-	633			
181-365	1,185	267	3	45	90	-	720			
Over 365	4,039	1,356	41	160	38	-	3,014			
Accounts Receivable Gross Balance	6,569	2,284	61	697	169	1,088	4,497			
Less: Estimated Uncollectibles	(5,093)	(1,565)	(41)	(206)	(104)	(218)	(3,673)			
Accounts Receivable Net Balance	\$ 1,476	\$ 719	\$ 20	\$ 491	\$ 65	\$ 870	\$ 824			

(Continued)

Note: The Department uses private collection services and the State Comptroller's offset system in its efforts to collect past due receivables.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2014

Aging Schedule	Nursing		Optometric		Athletics		Savings		Real Estate					
	Dedicated and Professional Fund	0258	Licensing and Disciplinary Board Fund	0259	Appraisal Administration Fund	0386	Supervision and Regulation Fund	0505	Pawnbroker Regulation Fund	0562	Institutions Regulatory Fund	0579	Recovery Fund	0629
Current	\$	10	\$	2	\$	5	\$	-	\$	-	\$	56	\$	264
31-90		-		-		2		6		-		6		111
91-180		-		10		11		-		-		-		32
181-365		22		3		41		3		-		-		330
Over 365		226		61		173		5		15		26		1,880
Accounts Receivable Gross Balance		258		76		232		14		15		88		2,617
Less: Estimated Uncollectibles		(231)		(64)		(200)		(8)		(7)		(26)		(2,089)
Accounts Receivable Net Balance	\$	27	\$	12	\$	32	\$	6	\$	8	\$	62	\$	528

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2014

Aging Schedule	Home Inspector Administration Fund 0746	Bank and Trust Company Fund 0795	Illinois State Dental Disciplinary Fund 0823	Real Estate License Administration Fund 0850	Design Professionals Administration and Investigation Fund 0888	Illinois State Podiatric Disciplinary Fund 0954	Total
Current	\$ -	\$ 6,986	\$ 9	\$ 6	\$ -	\$ 7	\$ 9,852
31-90	-	1	136	1	-	-	882
91-180	-	1	30	-	10	-	1,375
181-365	-	1	-	1	6	-	2,717
Over 365	12	51	140	9	152	18	11,416
Accounts Receivable Gross Balance	12	7,040	315	17	168	25	26,242
Less: Estimated Uncollectibles	(11)	(605)	(173)	(10)	(153)	(17)	(14,494)
Accounts Receivable Net Balance	\$ 1	\$ 6,435	\$ 142	\$ 7	\$ 15	\$ 8	\$ 11,748

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2013

An aging schedule of the Department's accounts receivable (expressed in thousands) at June 30, 2013 is presented below:

Aging Schedule	Financial Institution Fund 0021	General Professions Dedicated Fund 0022	Illinois State Pharmacy Disciplinary Fund 0057	Illinois State Medical Disciplinary Fund 0093	Registered CPA Administration and Disciplinary Fund 0151	Credit Union Fund 0243	Savings and Residential Finance Regulatory Fund 0244
Current	\$ 284	\$ 806	\$ 13	\$ 312	\$ 70	\$ 1,241	\$ 149
31-90	539	139	1	18	1	-	-
91-180	1,776	69	-	15	3	-	394
181-365	1,230	124	2	17	-	-	261
Over 365	2,379	1,019	40	127	35	-	2,413
Accounts Receivable Gross Balance	6,208	2,157	56	489	109	1,241	3,217
Less: Estimated Uncollectibles	-	(1,123)	(39)	(145)	(36)	-	-
Accounts Receivable Net Balance	\$ 6,208	\$ 1,034	\$ 17	\$ 344	\$ 73	\$ 1,241	\$ 3,217

(Continued)

Note: The Department uses private collection services and the State Comptroller's offset system in its efforts to collect past due receivables.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2013

Aging Schedule	Nursing Dedicated and Professional Fund 0258		Optometric Licensing and Disciplinary Board Fund 0259		Appraisal Administration Fund 0386		Pawnbroker Regulation Fund 0562		Savings Institutions and Regulatory Fund 0579		Real Estate Recovery Fund 0629		Home Inspector Administration Fund 0746	
		\$		\$		\$		\$		\$		\$		\$
Current	22	\$ 22	15	\$ 15	49	\$ 49	-	\$ -	14	\$ 14	137	\$ 137	-	\$ -
31-90	1	1	15	15	11	11	-	-	-	-	-	-	-	-
91-180	2	2	-	-	45	45	-	-	-	-	249	249	10	10
181-365	4	4	-	-	6	6	-	-	-	-	119	119	-	-
Over 365	224	224	39	39	118	118	15	15	26	26	1,521	1,521	2	2
Accounts Receivable Gross Balance	253	253	69	69	229	229	15	15	40	40	2,026	2,026	12	12
Less: Estimated Uncollectibles	(217)	(217)	(42)	(42)	(137)	(137)	-	-	-	-	(1,635)	(1,635)	(6)	(6)
Accounts Receivable Net Balance	36	\$ 36	27	\$ 27	92	\$ 92	15	\$ 15	40	\$ 40	391	\$ 391	6	\$ 6

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2013

Aging Schedule	Bank and Trust Company Fund 0795	Illinois State Dental Disciplinary Fund 0823	Real Estate License Administration Fund 0850	Design Professionals Administration and Investigation Fund 0888	Illinois State Podiatric Disciplinary Fund 0954	Total
Current	\$ 7,039	\$ 30	\$ 3	\$ 18	\$ -	\$ 10,202
31-90	-	1	-	-	-	726
91-180	1	10	-	-	-	2,574
181-365	-	-	7	1	-	1,771
Over 365	51	129	3	151	18	8,310
Accounts Receivable Gross Balance	7,091	170	13	170	18	23,583
Less: Estimated Uncollectibles	-	(127)	(8)	(144)	(17)	(3,676)
Accounts Receivable Net Balance	\$ 7,091	\$ 43	\$ 5	\$ 26	\$ 1	\$ 19,907

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)
For The Two Years Ended June 30, 2014

AGENCY FUNCTIONS

The Department of Financial and Professional Regulation (Department), through its operational components, the Division of Banking, Division of Financial Institutions, Division of Professional Regulation, and Division of Real Estate, oversees the regulation and licensure of banks and financial institutions, real estate businesses and professionals, and various licensed professions, enforces standards of professional practice and protects the rights of Illinois residents in their transactions with regulated industries.

The Department's mission is to protect consumers of financial and professional services by ensuring the integrity and standards of regulated industries and professionals through an efficiently consolidated supervisory and enforcement function.

The Department's strategic priorities include:

- Maintaining the safety and soundness of financial services businesses
- Enhancing responsiveness of regulatory enforcement
- Improving efficiency and effectiveness of licensure and enforcement functions
- Educating consumers and the public about legal rights and remedies

The Department established various performance metrics to monitor and assess their accomplishments in meeting their priorities. The Department's Fiscal Unit gathers this information from each Division on a quarterly basis. The Department examines key performance metrics and the results are compiled and reported to the Governor's Office of Management and Budget (GOMB) through the GOMB's performance reporting system.

DEPARTMENT PROGRAMS

Evaluation and Licensing

The Department evaluates and acts upon license applications from regulated industries. The Department protects consumers by evaluating the safety, soundness and professional integrity of license applicants.

Investigation and Enforcement

The Department safeguards the health and welfare of consumers and the public by investigating illegal activities and consumer complaints and taking enforcement actions when warranted. The Department also adjudicates complaints relating to violations of professional standards of practice. The Department reviews and investigates consumer complaints and allegations of professional misconduct and illegal activity; adjudicates administrative actions arising from such complaints and allegations; takes appropriate enforcement action to discipline wrongdoers; and,

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)
For The Two Years Ended June 30, 2014

works with other state and federal agencies and law enforcement to coordinate action against major offenders.

Regulation and Supervision

The Department maintains the safety and soundness of Illinois financial services businesses by performing regular, impartial examinations and audits of entities and professionals to ensure compliance with statutory solvency and other essential accreditation requirements. The Department conducts ongoing regulatory and supervisory functions of financial services businesses and other professions. The Department examiners perform regular examinations and audits of regulated entities to ensure compliance with statutory requirements. Additionally, the Department educates and informs consumers about industries and individuals under its jurisdiction, and receives complaints and inquiries regarding licensees.

Consumer Awareness and Education

The Department informs and educates Illinois consumers about the industries, professions, entities, and individuals under agency jurisdiction. The Department provides information sessions about financial literacy; provides opportunities for people seeking mortgage relief to meet with lenders and counselors; and, provides opportunity for restitution to victims of fraudulent business practices.

DEPARTMENT CENTER

Legal

The General Counsel's Office provides a variety of essential legal services to the Department's operating divisions and Secretary's Office. Among other duties, the Office is responsible for conducting formal hearings, drafting necessary legislation and administering the rule making process, drafting and administering vendor contracts, managing complex litigation and advising the divisions regarding legal issues arising in the course of their work. The Office also conducts internal investigations and responds to inquiries from the Office of the Executive Inspector General, other governmental agencies and the public as needed.

Information Technology

This unit provides support for the Department's technology resources including systems analysis, telecommunications networking, programming, microcomputer support, and user training.

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Legislative Affairs

This unit develops the Department's legislative agenda; coordinates Department comments on legislation and drafts issue papers, fact sheets and bill reviews. The unit also monitors legislation affecting the Department and its regulated industries/entities, negotiates controversial legislation with legislators, Governor's staff and special interest groups, and handles constituent inquiries referred by legislators, legislative staff and the Governor's office.

Administrative Services

Administrative Services provides general administrative and clerical support as needed for Department staff, coordinates activities related to agency facilities and moves, including coordinating and assigning office space allocation, manages telecommunications resources, orders, maintains and delivers essential supplies and materials to staff, sorts, files and distributes internal and external mail, develops, implements and administers document management and destruction policies and procedures, manages and administers the vehicle fleet assets and identifies, classifies and processes forms used within the agency through management of the print shop.

Fiscal Operations

Fiscal Operations is responsible for preparing, implementing and monitoring the Department's annual budget. This Unit serves as the centralized accounting area of the agency, and is therefore responsible for all revenue collections, all appropriation expenditures, the accounts receivable reporting, accounts payable, travel and budget preparation.

Internal Audit

Internal Audit assists the Department in effectively fulfilling its responsibilities. This Unit is charged with examining and evaluating the policies, procedures and systems which are in place to ensure the reliability and integrity of information, compliance with policies, plans, laws and regulations, the safeguarding of assets and the economical and efficient use of resources.

OPERATING DIVISIONS

Division of Professional Regulation

The Division, comprised of two sections, Licensing and Testing and Enforcement, maintains proper standards of licensee competence and protects the public from those who abuse their licenses. This responsibility encompasses issuing licenses and renewals, administering qualifying examinations for certain professions, establishing and enforcing rules of licensee conduct, investigating complaints against licensees, and taking appropriate disciplinary action against licensees who have violated applicable statutes and rules. The Division's mission is to

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serve, safeguard and promote the health, safety and welfare of the public by ensuring that licensure qualifications and standards for professional practice are properly evaluated, applied, and enforced.

Division of Financial Institutions

The Division licenses, examines, and investigates currency exchanges, credit unions, consumer finance companies, title insurance companies, and money transmitters. Its mission is to administer and enforce the law and regulations applicable to institutions under its jurisdiction and to protect the interests of Illinoisans in their dealings with the industries it regulates. The Division is comprised of four operating units: the Consumer Credit, Title Insurance, Credit Union, and Currency Exchange Sections.

Division of Banking

The Division licenses and regulates State chartered banks, trust companies, ATMs not owned by financial institutions, check printers, pawnbrokers, savings banks, savings and loans associations, and mortgage bankers and brokers. The Division's mission is to protect and educate the public and promote confidence in the regulated industries through administration of statutory responsibilities in an efficient, professional, responsive and innovative manner. The Division is comprised of the Bureau of Banks, Trust Companies and Savings Institutions, and the Bureau of Residential Finance.

Division of Real Estate

The Division was created by Executive Order 14-03 issued on March 31, 2014. It was officially established on May 30, 2014. The Division regulates professionals involved in the buying and selling of property. It licenses and enforces the work of real estate brokers, managing brokers, leasing agents, real estate firms, real estate appraisers, auctioneers, auction firms, home inspectors, and home inspector entities.

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AVERAGE NUMBER OF EMPLOYEES (Not Examined)
For The Years Ended June 30, 2014, 2013, and 2012

The following table, prepared from Department records, presents the average number of employees for the Fiscal Years ended June 30:

<u>Division/Unit</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Division of Professional Regulation	199	189	207
Division of Banking	134	138	153
Division of Financial Institutions	63	62	58
Executive Office	6	6	7
Fiscal and Accounting Unit	4	4	5
Information Technology Unit	15	15	17
General Counsel	5	4	3
Legislative Affairs Unit	6	5	7
Administrative Services Unit	17	20	20
Shared Services – Fiscal	10	11	11
Shared Services – Human Resources	3	4	5
TOTAL	<u>462</u>	<u>458</u>	<u>493</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For The Two Years Ended June 30, 2014

The State of Illinois, Department of Financial and Professional Regulation (Department) is a state regulatory agency whose mission is to protect consumers of financial and professional services by ensuring the integrity and standards of regulated industries and professionals through an efficiently consolidated supervisory and enforcement function.

The Department oversees the regulation and licensure of banks and financial institutions, real estate businesses and professionals and various licensed professionals, enforces standards of professional practice and protects the rights of Illinois residents in their transactions with regulated industries.

Evaluating and Licensing

The Department evaluates and acts upon license applications from regulated industries. The Department protects consumers by evaluating the safety, soundness and professional integrity of license applicants.

Investigation and Enforcement

The Department safeguards the health and welfare of consumers and the public by investigating alleged illegal activities and consumer complaints and taking enforcement actions when warranted. The Department also adjudicates complaints relating to violations of the statutes it enforces.

Regulation and Supervision

The Department conducts ongoing regulatory and supervisory functions of financial service businesses and other professions. The Department's examiners perform regular examinations of regulated entities and ensure compliance with statutory requirements. Additionally, the Department educates and informs consumers about industries and individuals under its jurisdiction, and receives complaints and inquiries regarding licensees.

Division of Financial Institutions

The Consumer Credit Section protects consumers and ensures that the entities regulated are in compliance with State and Federal statutes.

The Currency Exchange Section ensures that currency exchange services are delivered fairly and, by regulating the industry that provides those services, the public is provided with the protection intended by State law.

The Credit Union Section administers and enforces the laws and regulations pertaining to Illinois State-chartered credit unions and ensures the safety and soundness of these financial institutions; thereby protecting the interest of their members.

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The Title Insurance Section administers and enforces the laws and regulations pertaining to title insurance companies and their registered agents.

ACTIVITIES AND PERFORMANCE

	<u>FY14</u> <u>Actual</u>	<u>FY13</u> <u>Actual</u>	<u>FY12</u> <u>Actual</u>
Consumer Credit Section			
Number of licensees	2,104	2,067	2,041
Number of exams completed	2,106	2,000	1,857
Number of complaints resolved	151	127	184
Currency Exchange Section			
Number of licensed exchanges	428	442	488
Number of exams completed	472	485	515
Credit Union Section			
Number of licensees	246	262	274
Number of exams completed	261	295	172
Title Insurance Section			
Number of registrants	18,461	17,716	16,835
Number of licensees	17	17	16
Number of exams completed	17	17	16

Division of Banking

The Bureau of Banks and Trust Companies and Savings Institutions serves and protects the public by chartering, authorizing, and supervising State-chartered commercial banks, foreign bank offices, and corporate fiduciaries in order to assure the safety and soundness of such institutions in compliance with applicable laws and regulations for the benefit of the public. The Bureau also registers check printers, non-financial institution owners of ATMs, and licenses pawnbrokers that operate in Illinois.

The Bureau of Residential Finance administers fairly the laws and regulations under its jurisdiction and provides effective and efficient supervision in order to protect the interests of the citizens of the State in their dealings with those industries regulated by the Bureau.

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ACTIVITIES AND PERFORMANCE

	<u>FY14</u> Actual	<u>FY13</u> Actual	<u>FY12</u> Actual
Bureau of banks, Trust Companies And Savings Institutions			
Number of domestic commercial banks	392	397	389
Number of foreign bank offices	11	11	11
Number of domestic corporate fiduciaries	139	139	150
Number of financial information systems entities	546	551	460
Number of pawnbroker licensees	284	284	271
Number of examinations performed	614	628	445
Number of applications reviewed	322	301	248
Percentage of newly chartered banks that chose a state vs. national charter	100%	100%	100%
Percentage of pawnshop complaints investigated within established time frames	100%	100%	100%
 Bureau of Residential Finance			
Number of residential mortgage licensees	744	772	760
Number of savings and loans	-	-	2
Number of savings banks	35	35	35
Number of service organizations	15	15	15
Number of thrift examinations	28	29	33
Number of mortgage examinations	234	242	325
Number of license applications processed	86	83	92

Division of Professional Regulation

The Division of Licensing and Testing completes all licensing services expeditiously and professionally while providing the highest degree of quality and customer service.

The Division of Enforcement provides prompt, efficient, and fair enforcement of the statutes governing licensees for the betterment of all professions and protection of the people of Illinois.

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ACTIVITIES AND PERFORMANCE

	FY14 Actual	FY13 Actual	FY12 Actual
Division and Licensing and Testing			
Phone calls received by call center	224,516	172,462	138,042
New licenses issued	72,450	75,975	118,532
License renewal received	223,019	493,766	486,644
Initial applications received	93,193	86,822	92,619
Average call center waiting time (minutes)	9	21	25
Percentage of mail-in renewals processed	24%	14%	17%
Percentage of e-batch renewals processed	2%	2%	4%
Percentage of touch tone renewals processed	6%	2%	5%
Percentage of internet credit card renewals processed	68%	82%	74%
Percentage of renewals processed electronically	76%	86%	83%
Division of Enforcement			
Complaints received	10,867	11,669	12,466
Complaints closed	10,335	11,489	12,958
Cases closed at investigations	2,900	3,541	3,836
Cases referred to prosecutions	4,656	4,033	5,717
Cases closed at prosecutions	1,818	1,719	1,368
Licenses placed on probation	446	493	470
Percentage of complaints closed	95%	98%	104%
Percentage of complaints to investigations	66%	57%	74%
Percentage of cases referred to closure in prosecutions	39%	42%	42%
Percentage of child support cases processed	3%	5%	2%
Percentage of Illinois student assistance commission cases processed	1%	1%	4%
Percentage of revenue cases processed	2%	2%	1%