

**STATE OF ILLINOIS
DEPARTMENT ON AGING**

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

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DEPARTMENT ON AGING
COMPLIANCE EXAMINATION
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DEPARTMENT OFFICIALS

Director	Mr. John K. Holton
Deputy Director - as of April 1, 2015	Ms. Jennifer Reif
Deputy Director - November 18, 2011 through January 31, 2015	Ms. Mary Killough
Chief Fiscal Officer	Mr. Dennis Miner
Chief Legal Counsel - as of March 16, 2015	Mr. Bradley Rightnowar
Legal Counsel - May 16, 2013 through March 15, 2015	Ms. Sonia Bhagwakar
Acting Legal Counsel - April 27, 2012 through May 15, 2013	Ms. Karen Kloppe
Chief, Bureau of Business Service	Ms. Jodi Becker
Chief of Staff - as of February 16, 2015	Mr. Matt Ryan
Chief of Staff - until December 31, 2014	Ms. Deb Shipley
Chief Internal Auditor - as of December 8, 2014	Ms. Jennifer Boen
Chief Internal Auditor - April 16, 2013 through December 7, 2014	Vacant
Chief Internal Auditor - September 1, 2010 through April 15, 2013	Ms. Jane Cullen

Department offices are located at:

One Natural Resources Way
Suite 100
Springfield, Illinois 62702

160 North LaSalle Street
Suite N-700
Chicago, Illinois 60601



MANAGEMENT ASSERTION LETTER

Winkel, Parker & Foster, CPA PC
1301 19th Ave NW
Clinton, Iowa 52732

April 29, 2015

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department on Aging (Department). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following assertions during the 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 Department has materially complied with the assertions below except as reported in your findings for the two-year period ended June 30, 2014.

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

Yours very truly,

State of Illinois, Department on Aging

Mr. John K. Holton, Director

Mr. Dennis C. Mirer, Chief Fiscal Officer

Mr. Bradley Rightnowar, Legal Counsel

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

**STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPLIANCE EXAMINATION
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and material weakness over internal control.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	9	6
Repeated Findings	3	4
Prior recommendations implemented or not repeated	2	8

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2014-001	9	Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers	Material Weakness and Material Noncompliance
2014-002	12	Untimely Performance Evaluations	Significant Deficiency and Noncompliance
2014-003	13	Failure to Timely File Report	Significant Deficiency and Noncompliance
2014-004 Deficiency	14	Streamlined Auditing & Accreditation System	Significant and Noncompliance
2014-005	17	Failure to File Annual Reports	Significant Deficiency and Noncompliance
2014-006	18	Inadequate Internal Controls Over Payroll Process and Timekeeping	Significant Deficiency and Noncompliance
2014-007	20	Failure to Maintain an Internal Audit Function	Significant Deficiency and Noncompliance

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COMPLIANCE EXAMINATION
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COMPLIANCE REPORT

SUMMARY (CONTINUED)

2014-008	21	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems	Significant Deficiency and Noncompliance
2014-009	23	Improper Community Care Program Payments	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	26	Inadequate Controls Over Receipts and Expenditures
B	26	Failure to Implement the Family Caregiver Act

EXIT CONFERENCE

The State of Illinois, Department on Aging opted not to have a formal exit conference during the current examination period. Throughout the engagement, meetings were held between Winkel, Parker & Foster, CPA PC and Department officials to discuss the matters contained in this report. Responses to the recommendations were provided by the Department in correspondence dated April 17, 2015.



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department on Aging's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagement 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 on Aging is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department on Aging's compliance based on our examination.

- A. The State of Illinois, Department on Aging 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 on Aging 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, expenditures, receipt or use.
- C. The State of Illinois, Department on Aging 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 on Aging 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 on Aging on behalf of the State or held in trust by the State of Illinois, Department on Aging 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 on Aging'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 on Aging's compliance with specified requirements.

As described in finding 2014-001 in the accompanying schedule of findings, the State of Illinois, Department on Aging did not comply with requirements regarding compliance A, B, and C for finding 2014-001. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department on Aging to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance noted in the preceding paragraph, the State of Illinois, Department on Aging 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 findings 2014-002 through 2014-009.

Internal Control

Management of the State of Illinois, Department on Aging 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 on Aging'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 on Aging's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department on Aging's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

A significant deficiency in 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2014-002 through 2014-009 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 on Aging'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 on Aging'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 9 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 9. 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 3 through 7 and 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 Department management, and is not intended to be and should not be used by anyone other than these specified parties.

Winkel, Parker & Foster, CPA PC

Clinton, IA
April 29, 2015

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-001 **FINDING** (Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers)

The State of Illinois, Department on Aging (Department) lacked adequate controls and monitoring over eligibility determinations and payments made to service provider agencies (providers) that applied for and received a special hourly rate under the Community Care Program.

Public Act 095-0713, effective July 1, 2008, authorized the Department to pay vendors providing homemaker, chore and housekeeping services an additional \$1.33 per hour (enhanced rate) for the purpose of providing health insurance coverage to their employees and to those employees' dependents. For the two fiscal years under examination, the Department has paid providers approximately \$89 million for the enhanced rate payments.

According to the Illinois Administrative Code (Code) (89 Ill Admin Code 240.1970), providers must provide a certification showing that they offer, or will offer, health insurance coverage to all direct service workers who have worked a specified amount of time and that at least one quarter of those workers accept the offer of health insurance.

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

The Code (89 Ill. Admin. Code 240.1970(g)(5)) allow providers to appeal repayment decisions and requires the Department to continue to pay the enhanced rate until the appeal is resolved.

During our testing, we noted the following:

- Seven of seven (100%) Type 2 providers tested did not timely submit required annual eligibility documentation or financial reports to the Department during the examination period even though they continued to receive the enhanced rate payments from the Department. Additionally, three of the seven (43%) Type 2 providers did not submit verification from an independent certified public accounting firm of the actual, documented expense for health insurance during the provider's fiscal year. These Type 2 providers were in litigation with the Department regarding enhanced rate payments and continued to receive enhanced rate payments from the Department for health insurance costs until the litigation was resolved.

**STATE OF ILLINOIS
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2014-001 **FINDING** (Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers - CONTINUED)

Department management stated that the Department and the Type 2 providers were in litigation through May of 2014. In order to avoid communications with the other parties, the Department was not seeking annual eligibility documentation and financial reports from Type 2 providers during that period.

- The Department did not maintain or receive adequate documentation from a Type 1 provider in order to monitor their continued eligibility for receiving the enhanced rate during the examination period. One of seven (14%) Type 1 providers tested submitted a Direct Service Worker Health Insurance Certification (DSWHIC) form to the Department that did not contain the date submitted on it, and the Department did not date stamp the form or maintain documentation of when it was received, so the auditors were unable to determine if that provider's DSWHIC form was submitted timely.

Department officials stated that inadvertent oversight and lack of staffing led to the missing receipt date documentation and lack of monitoring.

The Department's response to the prior finding 12-01 provided the Department would move forward with full compliance of controls and monitoring following the resolution of a lawsuit that hampered their efforts to perform adequate monitoring. In the prior examination, we also noted Type 1 providers did not submit annual insurance documentation and timely application for the enhanced rate, but those exceptions were not noted during current testing of a sample of providers.

Failure to ensure accuracy and completeness of eligibility determinations and verification of expenses can lead to provider overpayments. Failure to timely obtain, maintain, and review DSWHIC forms increases the risk that incorrect or excessive enhanced payments will not be prevented or detected. (Finding Code No. 2014-001, 12-01, 10-01)

RECOMMENDATION

We recommend the Department strengthen controls to ensure that initial and ongoing reviews of eligibility and annual reporting for the enhanced reimbursement rate are conducted properly, in a timely manner, and in accordance with the Illinois Administrative Code. We also recommend the Department ensure required information is obtained from providers and maintained to support agency determinations.

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2014-001 **FINDING** (Inadequate Controls and Monitoring Over Enhanced Rate Payments Made to Community Care Program Service Providers - CONTINUED)

DEPARTMENT RESPONSE

Agree. The Department has discussed the controls that were in place during the review period for monitoring the enhanced reimbursement rate. Based on those discussions, and additional support from the CCP monitoring staff, the Department has strengthened the efforts to ensure compliance by the providers to submit the necessary verification documents. Contract sanctions will be imposed for non-compliance. The Department will continue its efforts to obtain documentation even after termination of the contract to close-out the final allowable expenditures payable to the provider.

**STATE OF ILLINOIS
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2014-002 **FINDING** (Untimely Performance Evaluations)

The State of Illinois, Department on Aging (Department) did not conduct employee performance evaluations in accordance with the Illinois Administrative Code (Code).

During testing, we noted for 42 of 50 (84%) personnel files tested performance evaluations were not completed at all or were not completed in a timely manner. Of the 42 exceptions noted, 28 were not completed at all and 14 were completed over 30 days after the end of the period under evaluation.

The Code (80 Ill. Admin Code 302.270) requires a certified employee to be evaluated annually.

Department officials stated untimely performance evaluations were due to an insufficient system to notify management when evaluations are due.

The Department's response to Finding 12-04 provided the Department would work towards improving their efforts to meet the requirements of the Illinois Administrative Code related to evaluations. However, we noted the error rate increased from the prior examination period, in which 40% of personnel files tested included evaluations completed over 30 days after the employee's anniversary date.

Annual performance evaluations are important to ensure employees understand the duties and responsibilities assigned to them and to ensure they are adequately performing the duties for which they are being compensated. Failure to conduct timely annual evaluations is noncompliance with the Code. (Finding Code No. 2014-002, 12-04)

RECOMMENDATION

We recommend the Department reevaluate their procedures to ensure timely completion of employee performance evaluations.

DEPARTMENT RESPONSE

Agree. The Department continues to work towards improving efforts to meet the requirements. The Department acknowledges that the annual performance evaluations are important and strives to look for a better method of reminding management of the due date for staff evaluations. The Department will re-evaluate procedures to ensure timely completion of employee performance evaluations.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
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For the Two Years Ended June 30, 2014**

2014-003 **FINDING** (Failure to Timely File Report)

The State of Illinois, Department on Aging (Department) failed to timely file a required report on the Minority Senior Citizen Program.

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

During our testing, we noted the 2011 report due in 2012 was submitted in a timely manner; however, the 2012 report that was due September 30, 2013 was submitted on June 10, 2014, 254 days late.

Department officials stated that the filing of the report was delayed due to late data submissions from other State agencies, staffing constraints and other Department priorities.

The Department's response to prior finding 12-05 stated the Department would diligently work towards meeting the necessary deadlines in the future. The Department did improve timeliness over the prior finding 12-05, which noted noncompliance with the Act when both prior period reports were not filed timely. Additionally, the prior finding 12-05 indicated untimely reporting under the Respite Program Act and the Disabled Persons Rehabilitation Act; no exceptions were noted with these reporting requirements in the current year.

Failure to file annual reports and make required submissions to the Governor and General Assembly results in noncompliance with the Illinois Compiled Statutes and reduces available information to those parties that they may use in making budget and policy decisions. (Finding Code No. 2014-003, 12-05, 10-09, 08-09, 06-11)

RECOMMENDATION

We recommend the Department work with other State agencies to obtain timely data and implement internal controls to ensure compliance with reporting requirements contained in the Act.

**STATE OF ILLINOIS
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CURRENT FINDINGS
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2014-003 **FINDING** (Failure to Timely File Report)

DEPARTMENT RESPONSE

Agree. The Department on Aging is the lead agency for compiling data submissions in conjunction with the Department of Public Health, the Department of Healthcare and Family Services, and the Department of Human Services for the annual report on programs and services provided under the Minority Senior Citizen Program. The Department has re-prioritized this reporting function to improve on and adhere to the schedule presented in statutory requirement and ensure the timely production and filing of the report.

**STATE OF ILLINOIS
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CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-004 **FINDING** (Streamlined Auditing & Accreditation System)

The State of Illinois, Department on Aging (Department) failed to comply with certain streamlined auditing and accreditation systems requirements.

Public Act 97-0558 (20 ILCS 1305/1-37a) became effective on August 25, 2011 as part of the Department of Human Services Act (Act). The Department, along with the other four human services agencies (Department of Public Health, Department of Children and Family Services, Department of Healthcare and Family Services, and Department of Human Services (DHS)), was required by the Act to streamline its business processes with human service providers (Providers) by reducing redundancy and inefficiency through the implementation of the Management Improvement Initiative Committee (MIIC) recommendations submitted in a January 2011 report to the Governor and General Assembly. Each human services agency was required to designate a person to serve as a member of the MIIC. The MIIC is responsible for managing the overall implementation of the Act. DHS was designated as the lead support agency. Both the Illinois Act on the Aging (20 ILCS 105/4.02f) and the Act require each State human services agency, including the Department, to collaboratively adopt joint rules establishing a cross-agency prequalification process and a cross-agency master service agreement of standard terms and conditions for contracting with human service providers and also a cross-agency common service taxonomy for human service providers.

The Act also created a Management Improvement Initiative Departmental Leadership Team (Team), comprised of a representative from each of the human services agencies. The Team was required to develop performance measures to assess progress in accomplishing the MIIC's objectives, establish procedures to provide feedback on the operational improvements, and provide semi-annual reports to the Governor and General Assembly documenting the progress in accomplishing the objectives and operational improvements. The Act required that beginning in fiscal year 2012, "...regulations, reporting, monitoring, compliance, auditing, certification, licensing, and work processes, including each departmental initiative, shall be linked directly to non-redundant, accountable, efficient, and effective outcome indicators which can be used to evaluate the success of the new initiative." (20 ILCS 1305/1-37b(a) – (h)). This provision of the Act was repealed on December 31, 2014.

During our testing, we noted the following:

- The Department did not adopt joint rules to establish a cross-agency prequalification process for contracting with human service providers, although meetings had been conducted to discuss rule changes. A DHS Community Service Agreement was presented as a template for agencies to follow to establish a cross-agency prequalification process for contracting with human service providers; however, there was never any implementation.

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2014-004 **FINDING** (Streamlined Auditing & Accreditation System - CONTINUED)

- The Department did not adopt a cross-agency master service agreement of standard terms and conditions for contracting with human service providers. The Department met with other human services agencies, but stated a consensus was never reached since other agencies' standards were contrary to the Department's current rules.
- During the two years ended June 30, 2014, the Department filed one MIIC progress report in September 2013. However, three of four (75%) required MIIC semi-annual progress reports were not completed. Therefore, performance measures were only formally used once to assess progress in accomplishing the MIIC's objectives and link the regulations, reporting, monitoring, compliance auditing, certification, licensing, and work processes, including the Department's initiatives, to outcome indicators as required.

Department management stated they did work collaboratively with other State human services agencies to streamline auditing and accreditation system requirements, but did not meet all requirements during the engagement period, due to delays and complexities of aligning the functions and processes of multiple state agencies. Officials stated the contemplated rulemaking requires extensive changes which can only be implemented in stages. Further, they indicated there are differences in the federal and state enabling authority for the programs administered by the Department and the other agencies which limit the scope of the contemplated joint rulemaking activity. Management also stated the Department was working under the direction of DHS as the lead agency regarding semi-annual progress reports.

Failure to implement joint rules and adopt a cross agency master service agreement results in noncompliance with the Illinois Compiled Statutes and can prevent the agencies from working together at their highest potential and being able to streamline the process between human services agencies in a timely manner. Failure to comply with the Act diminishes the ability to provide proper oversight in ensuring implementation of MIIC recommendations reported in January 2011. (Finding Code No. 2014-004)

RECOMMENDATION

We recommend the Department continue to work with the other human services agencies to ensure compliance with all streamlining requirements.

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2014-004 **FINDING** (Streamlined Auditing & Accreditation System - CONTINUED)

DEPARTMENT RESPONSE

Agree. The Department has worked on numerous sub-committees established by the Management Improvement Initiative Committee to present joint rules in establishing a cross-agency prequalification process and master service agreement in contracting with human services agencies. There are numerous complexities of aligning the functions and processes of multiple state agencies. The joint rules will require extensive changes and implementation in stages. The Department will continue to work with the other state human services agencies, although it is noted that the Department of Human Services is the lead agency for implementing and reporting on the resulting streamlining processes.

**STATE OF ILLINOIS
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2014-005 **FINDING** (Failure to File Annual Fatality Reports)

The State of Illinois, Department on Aging (Department) failed to file the 2013 and 2014 annual reports on fatality data gathered by and recommended from the Illinois Fatality Review Team Advisory Council and the review teams.

The Adult Protective Services Act (Act) (320 ILCS 20/15(f)) requires the Department, in consultation with coroners, medical examiners, and law enforcement agencies, to use aggregate data gathered along with recommendations from the Illinois Fatality Review Team Advisory Council and the review teams and create an annual report.

During our testing, we noted the Department did not, in consultation with coroners, medical examiners, and law enforcement agencies, use aggregate data gathered by and recommendations made from the Advisory Council and the review teams to create an annual report.

According to Department officials, the Department is developing, but has not yet completed, an electronic data collection system which will provide the reporting mechanism necessary for the regional fatality review teams to report their team activities to the Department. That information will then be aggregated in an annual report. Officials stated data collection has begun in FY 2015.

The Department's failure to create and file annual reports which contain fatality data and recommendations limit readily available information which could be used to develop education, prevention, prosecution, or other strategies designed to improve the coordination of services for at-risk adults and their families. (Finding Code No. 2014-005)

RECOMMENDATION

We recommend the Department comply with reporting requirements contained in the Act.

DEPARTMENT RESPONSE

Agree. Since the review period of this audit report, the Department has developed and implemented an electronic data collections system to provide the reporting mechanism necessary for the regional fatality review teams to report their activities to the Department. This information is then aggregated for an annual report.

**STATE OF ILLINOIS
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2014-006 **FINDING** (Inadequate Internal Controls over Payroll Process and Timekeeping)

The State of Illinois, Department on Aging (Department) had inadequate internal controls and procedures regarding the payroll process and timekeeping.

We noted the following during our testing of Department records:

- For 8 of 22 (36%) employees tested, there was no Time Keeper signature to document reconciliations were performed. Additionally, for 7 of 22 (32%) employees tested, the Time Keeper's date of reconciliation was more than 30 days after the end of the pay period.
- For 4 of 5 (80%) employees tested, their personnel file did not include overtime authorization forms.
- For 12 of 20 (60%) employees tested the time roll advice was not signed and approved in a timely manner. Approvals were completed between 1 and 33 days late.

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 administrative controls which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; obligations and costs are in compliance with applicable law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

The Illinois Department on Aging Employee Handbook states that except in emergency situations, leave time must be scheduled in advance through an employee's supervisor. It also states that overtime must be approved in advance and many not be worked without prior supervisory approval.

Good internal controls would include timely authorization of overtime, leave time and timekeeping. The Time Keeper is responsible for reconciling payroll data to timesheets and time roll advices. The reconciliation should be performed timely and be documented by the Time Keeper's signature and date. Time roll advices are used to obtain supervisor approval of leave time and should be signed and approved prior to using the leave time.

Department officials stated that manual processes may result in delays in documents being received in payroll for approval and reconciliation.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-006 **FINDING** (Inadequate Internal Controls over Payroll Process and Timekeeping - CONTINUED)

Late and missing supervisory review of timekeeping data can lead to inaccurate reporting of time worked, overtime or vacation days taken by employees. Inadequate controls over payroll and timekeeping increases the risk that employees are improperly paid. (Finding Code No. 2014-006)

RECOMMENDATION

We recommend the Department ensure the timeliness and completeness of supervisor approval for overtime and leave time to ensure accurate timekeeping data on all employees. We further recommend the Department implement controls to ensure timely reconciliation of timekeeping and payroll data.

DEPARTMENT RESPONSE

Agree. The Department is making every effort to implement an electronic timekeeping system (eTime) that will eliminate the issues noted in this report. Until this system is instituted, the Department will inform supervisors of the importance of reviewing timekeeping documents timely and submitting them to payroll. The payroll personnel will also notify any supervisors that have not provided the necessary documentation needed to reconcile all staff timekeeping issues.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-007 **FINDING** (Failure to Maintain an Internal Audit Function)

The State of Illinois, Department on Aging (Department) did not maintain an internal audit function as required by the Fiscal Control and Internal Auditing Act (Act).

During testing, we noted the Department did not maintain a full-time program of internal auditing after the previous chief internal auditor left the Department on April 15, 2013. The Department's Executive Director had not appointed a successor during the examination period.

The Act (30 ILCS 10/2001(a)) requires the Department maintain a full-time program of internal auditing. Further, the Act (30 ILCS 10/2002(a)) required the Department's Executive Director appoint a chief internal auditor who has a bachelor's degree and either (1) is a certified internal auditor by examination or a certified public accountant who has at least four years of progressively responsible professional auditing experience or (2) is an auditor with at least five years of progressively responsible professional auditing experience.

Department officials stated they actively pursued filling the vacant internal audit position by posting the position several times since the vacancy. The position was subsequently filled as of December 8, 2014.

Failure to maintain an internal audit program represents noncompliance with the Act, weakens the Department's assessment of its overall internal control environment and increases the risk that an effective system of internal controls may not be maintained. (Finding Code No. 2014-007)

RECOMMENDATION

We recommend the Department keep a chief internal auditor on staff to maintain an internal audit function.

DEPARTMENT RESPONSE

Agree. The Department fully intends to maintain a Chief Internal Auditor to continue the internal audit function and implement the annual audit plan.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-008 **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems)

Although the State of Illinois, Department on Aging (Department) carries out its mission through the use of Information Technology, it had not provided adequate planning for the recovery of its applications and data.

The Department of Central Management Service Law (20 ILCS 405/405-410) authorized the consolidation of Information Technology functions of State government to the Department of Central Management Services (DCMS). After consolidation, DCMS became the primary Information Technology (IT) service provider for the Department. As a result, the Department and DCMS have a shared responsibility over the security and integrity of the Department's applications and data. However, the Department has the ultimate responsibility to ensure it has the capability to recover its applications and data.

The Department's Disaster Recovery Plan had not been updated since March 2012 and did not reflect the current environment. Additionally, recovery testing had not been conducted in the audit period. Furthermore, the Department had not provided essential recovery information to the Department of Central Management Services during the audit period.

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

Department officials stated the Department had a disaster recovery plan dated 2012, but it needed to be updated since the Department recently consolidated infrastructure with DCMS. The consolidation occurred at the end of fiscal year 2014 and into the beginning of fiscal year 2015. Officials stated there was not an opportunity to revise the plan for the consolidated infrastructure with DCMS within the engagement period.

Failure to adequately develop and test a disaster contingency plan leaves the Department exposed to the possibility of major disruptions of services. A comprehensive test of the plan across all systems utilized will assist management in identifying weaknesses to ensure recovery procedures are adequate in the event of a disaster. Continuous testing of plans would also assist management to ensure the plans are appropriately modified, as the Department's computing environment and disaster recovery needs change. (Finding Code No. 2014-008)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-008 **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems - CONTINUED)

RECOMMENDATION

We recommend the Department develop and implement disaster recovery and business continuity plans which reflect the Department's current environment and align with management's intentions. Additionally, the Department should work with (and provide essential information to) the Department of Central Management Services to ensure plans, facilities and other operational provisions are appropriately aligned.

Once plans have been developed and implemented, the Department should ensure plans are tested at least annually.

DEPARTMENT RESPONSE

Agree. The Department's Disaster Recovery plan was last updated in 2012. However, since the consolidation with the Department of Central Management Services, an updated plan will be prepared and tested annually.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-009 **FINDING** (Improper Community Care Program Payments)

The State of Illinois, Department on Aging (Department) paid almost \$360,000 in Fiscal Year 2014 for Community Care Program (CCP) services for individuals who were deceased or incarcerated. The Department lacked sufficient controls to ensure timely identification of these changes in CCP eligibility and to prevent expenditures for ineligible individuals.

According to the Department, CCP helps senior citizens, who might otherwise need nursing home care, to remain in their own homes by providing in-home and community-based services. According to the Department, the agency spent nearly \$881 million for CCP and related re-assessment services for 107,000 clients in Fiscal Year 2014 (FY14). The Department relies upon 37 Care Coordination Units (CCUs) throughout the State to initially determine and annually reassess an individual's eligibility for CCP services. These services were provided by 194 different service providers, which oversee homecare aides and bill for services.

The auditors compared clients receiving CCP services to records of deaths and incarcerations for the same time period (FY14) to determine whether any costs were incurred for ineligible individuals.

Death Match Analysis

Following the comparison, auditors questioned \$395,467 of payments made for individuals who appeared to be deceased based on a match with the Social Security Administration. The questionable payments were provided to the Department. Department officials agreed that \$259,714 of payments were billed in error and that \$135,753 were appropriately billed and paid. Auditors reviewed the Department's response and found that emergency home response service, in-home service, or automatically generated monthly administrative fees accounted for 91 percent or \$236,737 of the \$259,714. Of the 782 clients, auditors found that 400 of these recipients received services more than one year after the date of their death totaling \$116,789.

Auditors reviewed support provided by the Department for some of the \$135,753 of payments questioned by auditors but deemed appropriate by the Department and found that \$61,954 was billed for deceased clients. Therefore, auditors concluded that a total of \$321,668 of the \$395,467 (81%) was paid in FY14 for CCP services for individuals listed as deceased by the Social Security Administration. Three of the recipients identified during the audit had caregivers that submitted bills during FY14 for \$48,028 after the recipient's date of death. After this information was submitted to the Department, an investigation was conducted and as a result, the caregivers were reported to the Department of Healthcare and Family Services' Office of the Inspector General for further investigation.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-009 **FINDING** (Improper Community Care Program Payments - CONTINUED)

Services Paid While Incarcerated

The Department also paid \$38,309 to service providers for services charged for nine clients while they were incarcerated. Reported service dates for those payments occurred up to nine months prior to the client's release from prison.

The Department established the CCP to prevent unnecessary institutionalization of older persons in need of long term care or who suffer from Alzheimer's disease or related disorders. The Illinois Act on the Aging states preventive services may include home care aides, personal care, respite care, medication management, and other services to enable the aged to remain in their own homes or in other living arrangements (20 ILCS 105/4.02).

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, which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law, and are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require the Department to ensure CCP charges are valid and paid only for eligible clients at the date of service.

Department management stated the lack of controls and resulting improper payments occurred because the Department did not interface with the Illinois Department of Public Health for death records and/or the Social Security Administration to obtain the proper match on the social security numbers provided. Management also stated providers billed for the wrong individual due to data entry errors when CCUs authorized services or providers submitted billings with the wrong social security number.

Enhancement of internal controls and implementation of adequate eligibility checks decreases the risk that erroneous or fraudulent CCP charges could be incurred and increases the likelihood of prevention or detection. (Finding Code No. 2014-009)

RECOMMENDATION

We recommend the Department implement additional internal controls to ensure timely identification of changes in CCP eligibility, including client death and incarceration, to prevent expenditures for ineligible individuals. We also recommend the Department implement edit checks or other controls to prevent and detect provider billings charged to the wrong individual.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2014**

2014-009 **FINDING** (Improper Community Care Program Payments - CONTINUED)

DEPARTMENT RESPONSE

Agree. The Department immediately implemented changes to the electronic billing system whereby the Social Security Administration database is used to verify the eligibility of client billings based on the reported date of death. The Department of Corrections database is also used to verify the client billings reported for individuals who were incarcerated. Any improper billings by providers will continue to be reported to the Department of Healthcare and Family Services' Office of Inspector General for further investigation. In March of 2015, the Department implemented a weekly file update from the Illinois Department of Public Health that is used for validation for every vendor request for payment that flows through our Community Care Program (CCP) billing system. If a client is a match against the Public Health death file, the payment request is rejected – likewise for all client services authorizations that originate from our Care Coordination Units (CCUs).

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2014**

A. **FINDING** (Inadequate Monitoring of Service Providers)

During the prior examination period, the State of Illinois, Department on Aging (Department) had not received annual audit reports for 13 of 25 (52%) of the service providers. Further, the Department had not reviewed reports and completed the audit report review checklist for 9 (75%) of the 12 reports that the Department had received from service providers.

During the current examination, we tested a sample of service providers and noted the Department's monitoring of audit reports had improved. (Finding Code No. 12-02, 10-03)

B. **FINDING** (Inadequate Controls over Receipts and Expenditures)

During the prior examination, the Department did not maintain adequate supporting documentation for its receipts and expenditures during the examination period. In addition, the Department did not reconcile the Department's receipt and expenditure records with that of the Office of the Comptroller (Comptroller).

During the current examination, the results of our testing indicated the Department improved controls over receipts and expenditures. Specifically, the Department provided the supporting documentation for its receipts and expenditures that were tested and performed reconciliations between the Department's receipt and expenditure records and that of the Comptroller. (Finding Code No. 12-03, 10-04)

C. **FINDING** (Failure to Implement the Family Caregiver Act)

During the prior examination, the Department failed to implement the provisions of the Family Caregiver Act (Act).

During the current examination, Public Act 98-0692 repealed a portion of the Family Caregiver Act. In addition, the Department contracted with area agencies on aging and other appropriate agencies to conduct family caregiver support services to the extent of available State and federal funding as required under the current Family Caregiver Act requirements. (Finding Code No. 12-06)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
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 includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2014
 - Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2013
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable
- Analysis of Operations (Not Examined):
 - Department Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Annual Cost Statistics (Not Examined)
 - Emergency Purchase (Not Examined)
 - Memorandums of Understanding (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)
 - Schedule of Indirect Cost Reimbursements (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors 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 in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountants' 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 ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2014

SCHEDULE 1

Fourteen Months Ended August 31, 2014

<u>Public Act 98-0027</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/14</u>	<u>Lapse Period Expenditures 7/01-8/31/14</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Operational expenses	\$ 45,534,800	\$ 34,201,769	\$ 3,985,204	\$ 38,186,973	\$ 7,347,827
Awards and Grants					
Retired Senior Volunteer Program	551,800	551,800	-	551,800	-
Planning and Service Grants to Area Agencies on Aging	7,722,000	7,722,000	-	7,722,000	-
Foster Grandparent Program	241,400	205,386	36,014	241,400	-
Long-Term Care Systems Development	243,800	182,850	60,950	243,800	-
Community Based Services to Area Agencies on Aging	751,200	751,200	-	751,200	-
Community Care Program	882,821,400	758,012,530	68,103,969	826,116,499	56,704,901
Capitated Care Coordination	32,230,000	-	6,345,037	6,345,037	25,884,963
Comprehensive Care Coordination	60,757,900	47,070,753	7,604,495	54,675,248	6,082,652
Total Distributive Items	<u>1,030,854,300</u>	<u>848,698,288</u>	<u>86,135,669</u>	<u>934,833,957</u>	<u>96,020,343</u>
TOTAL GENERAL REVENUE FUND - 001	<u>1,030,854,300</u>	<u>848,698,288</u>	<u>86,135,669</u>	<u>934,833,957</u>	<u>96,020,343</u>
SENIOR HEALTH INSURANCE PROGRAM FUND - 396					
Distributive Items:					
Awards and Grants					
Senior Health Insurance Program	<u>3,000,000</u>	<u>960,967</u>	<u>1,451</u>	<u>962,418</u>	<u>2,037,582</u>
TOTAL SENIOR HEALTH INSURANCE PROGRAM FUND - 396	<u>3,000,000</u>	<u>960,967</u>	<u>1,451</u>	<u>962,418</u>	<u>2,037,582</u>
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Expenses of Senior Meal Program	134,000	93,060	2,366	95,426	38,574
Training and Conference Planning	125,000	80,600	-	80,600	44,400
Discretionary Government Projects	3,000,000	300,759	221,401	522,160	2,477,840
Training Services	150,000	24,386	2,267	26,653	123,347
Administrative Expenses of Title V Grant	300,000	148,860	5,539	154,399	145,601

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2014

SCHEDULE 1
(CONTINUED)

Fourteen Months Ended August 31, 2014

<u>Public Act 98-0027</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/14</u>	<u>Lapse Period Expenditures 7/01-8/31/14</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Awards and Grants					
Grants for Adult Food Care Program	\$ 200,000	\$ 77,440	\$ 16,181	\$ 93,621	\$ 106,379
Grants for Employment Services	6,500,000	2,920,359	167,346	3,087,705	3,412,295
Grants for Social Services	17,000,000	14,535,362	2,403,765	16,939,127	60,873
National Lunch Program	2,500,000	1,236,325	261,163	1,497,488	1,002,512
National Family Caregiver Support Program	7,500,000	4,054,356	413,349	4,467,705	3,032,295
Prevention of Elder Abuse, Neglect and Exploitation	500,000	166,607	7,329	173,936	326,064
Long Term Care Ombudsman Services for Older Americans	1,000,000	492,457	48,806	541,263	458,737
Preventive Health	1,000,000	712,480	32,427	744,907	255,093
Nutrition Services Incentive Program	8,500,000	4,523,290	452,301	4,975,591	3,524,409
Congregate Meals Program	21,000,000	11,076,515	1,188,918	12,265,433	8,734,567
Home Delivered Meals Program	11,000,000	7,505,466	625,226	8,130,692	2,869,308
Total Distributive Items	<u>80,409,000</u>	<u>47,948,322</u>	<u>5,848,384</u>	<u>53,796,706</u>	<u>26,612,294</u>
Division of Finance and Administration					
Personal Services	243,000	194,404	14,213	208,617	34,383
State Contribution to State Employees' Retirement System	98,000	78,454	5,734	84,188	13,812
State Contribution to Social Security	20,000	14,154	1,040	15,194	4,806
Group Insurance	69,000	53,468	3,750	57,218	11,782
Contractual Services	50,000	50,000	-	50,000	-
Travel	15,200	3,456	222	3,678	11,522
Commodities	6,500	-	-	-	6,500
Equipment	2,000	-	-	-	2,000
Electronic Data Processing	60,000	43,529	7,515	51,044	8,956
Telecommunications	60,000	316	-	316	59,684
Operations of Auto Equipment	2,000	-	-	-	2,000
Total Division of Finance and Administration	<u>625,700</u>	<u>437,781</u>	<u>32,474</u>	<u>470,255</u>	<u>155,445</u>
Division of Home and Community Services					
Personal Services	844,000	653,804	31,466	685,270	158,730
State Contribution to State Employees' Retirement System	340,300	265,545	12,720	278,265	62,035
State Contribution to Social Security	65,000	48,612	2,325	50,937	14,063
Group Insurance	253,000	135,457	6,811	142,268	110,732
Contractual Services	36,000	165	-	165	35,835
Travel	65,000	15,885	870	16,755	48,245
Total Division of Home and Community Services	<u>1,603,300</u>	<u>1,119,468</u>	<u>54,192</u>	<u>1,173,660</u>	<u>429,640</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>82,638,000</u>	<u>49,505,571</u>	<u>5,935,050</u>	<u>55,440,621</u>	<u>27,197,379</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2014

SCHEDULE 1
(CONTINUED)

Fourteen Months Ended August 31, 2014

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/14</u>	<u>Lapse Period Expenditures 7/01-8/31/14</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Public Act 98-0027					
LONG TERM CARE OMBUDSMAN FUND - 698					
Distributive Items:					
Operations					
Long Term Care Ombudsman	\$ 3,000,000	\$ 1,059,676	\$ 55,584	\$ 1,115,260	\$ 1,884,740
TOTAL LONG TERM CARE OMBUDSMAN FUND - 698	<u>3,000,000</u>	<u>1,059,676</u>	<u>55,584</u>	<u>1,115,260</u>	<u>1,884,740</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Senior Health Assistance	1,600,000	1,600,000	-	1,600,000	-
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>-</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items:					
Private Partnership Projects Expense	345,000	2,125	395	2,520	342,480
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>345,000</u>	<u>2,125</u>	<u>395</u>	<u>2,520</u>	<u>342,480</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 1,121,437,300</u>	<u>901,826,627</u>	<u>92,128,149</u>	<u>993,954,776</u>	<u>\$ 127,482,524</u>
NON-APPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Refund for Sub-Recipients		-	42,253	42,253	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		<u>-</u>	<u>42,253</u>	<u>42,253</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>-</u>	<u>42,253</u>	<u>42,253</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 901,826,627</u>	<u>\$ 92,170,402</u>	<u>\$ 993,997,029</u>	

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

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

SCHEDULE 2

Fourteen Months Ended August 31, 2013

<u>Public Acts 97-0730, 98-0011, 98-0017, 97-0727</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/13</u>	<u>Lapse Period Expenditures 7/01-08/31/13</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Personal Services	\$ 5,797,300	\$ 5,028,558	\$ 344,651	\$ 5,373,209	\$ 424,091
State Contributions to Social Security	533,500	372,777	25,591	398,368	135,132
Contractual Services	1,757,000	1,064,653	508,594	1,573,247	183,753
Travel	102,600	70,906	6,944	77,850	24,750
Commodities	23,700	13,070	919	13,989	9,711
Printing	42,800	14,006	-	14,006	28,794
Equipment	14,400	3,023	508	3,531	10,869
Electronic Data Processing	304,000	56,794	130,989	187,783	116,217
Telecommunications	159,600	159,600	-	159,600	-
Operation of Auto Equipment	13,800	8,471	525	8,996	4,804
Elder Abuse and Neglect Act	10,000,000	8,633,815	1,360,966	9,994,781	5,219
Senior Employment Specialist Program	190,300	177,640	8,065	185,705	4,595
Grandparents Raising Grandchildren Program	300,000	288,344	500	288,844	11,156
Home Delivered Meals (formula and non-formula)	10,748,200	10,723,200	25,000	10,748,200	-
Specialized Training Program	25,000	16,008	7,235	23,243	1,757
Older Adult Services Initiatives	5,000	-	-	-	5,000
Monitoring and Support Services	80,000	29,276	32,778	62,054	17,946
Illinois Council on Aging	26,000	10,979	-	10,979	15,021
Senior Helpline	1,500,000	1,260,601	58,109	1,318,710	181,290
Administrative Expenses of the Senior Meal Program	31,100	27,683	-	27,683	3,417
Awards and Grants					
Retired Senior Volunteer Program	557,400	552,488	4,912	557,400	-
Planning and Service Grants to Area Agencies on Aging	5,800,000	5,800,000	-	5,800,000	-
Foster Grandparent Program	243,800	235,046	-	235,046	8,754
Long-Term Care Systems Development	246,300	184,725	61,575	246,300	-
Community Based Services to Area Agencies on Aging	758,800	758,800	-	758,800	-
Community Care Program	1,002,124,400	857,570,303	108,691,439	966,261,742	35,862,658
Comprehensive Care Coordination	57,406,400	46,881,448	7,932,220	54,813,668	2,592,732
Ombudsman Program	1,348,400	1,335,233	8,567	1,343,800	4,600
Total Distributive Items	<u>1,100,139,800</u>	<u>941,277,447</u>	<u>119,210,087</u>	<u>1,060,487,534</u>	<u>39,652,266</u>
TOTAL GENERAL REVENUE FUND - 001	<u>1,100,139,800</u>	<u>941,277,447</u>	<u>119,210,087</u>	<u>1,060,487,534</u>	<u>39,652,266</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

SCHEDULE 2
(CONTINUED)

Fourteen Months Ended August 31, 2013

<u>Public Acts 97-0730, 98-0011, 98-0017, 97-0727</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/13</u>	<u>Lapse Period Expenditures 7/01-08/31/13</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
SENIOR HEALTH INSURANCE PROGRAM FUND - 396					
Distributive Items:					
Awards and Grants					
Senior Health Insurance Program	\$ 1,228,760	\$ -	\$ 3,558	\$ 3,558	\$ 1,225,202
TOTAL SENIOR HEALTH INSURANCE PROGRAM FUND - 396	<u>1,228,760</u>	<u>-</u>	<u>3,558</u>	<u>3,558</u>	<u>1,225,202</u>
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Expenses of Senior Meal Program	134,000	81,005	-	81,005	52,995
Training and Conference Planning	150,000	45,562	35,038	80,600	69,400
Discretionary Government Projects	5,000,000	395,936	58,175	454,111	4,545,889
Training Services	150,000	38,228	6,501	44,729	105,271
Administrative Expenses of Title V Grant	300,000	140,426	5,284	145,710	154,290
Awards and Grants					
Grants for Adult Food Care Program	200,000	78,955	15,874	94,829	105,171
Grants for Employment Services	6,500,000	2,810,096	105,476	2,915,572	3,584,428
Grants for Social Services	17,000,000	11,869,914	840,719	12,710,633	4,289,367
National Lunch Program	1,800,000	1,212,696	244,310	1,457,006	342,994
National Family Caregiver Support Program	7,500,000	4,440,991	310,975	4,751,966	2,748,034
Prevention of Elder Abuse, Neglect and Exploitation	500,000	132,036	9,380	141,416	358,584
Long Term Ombudsman Services for Older Americans	1,000,000	388,988	81,802	470,790	529,210
Preventive Health	1,000,000	608,011	50,625	658,636	341,364
Nutrition Services Incentive Program	8,500,000	5,332,083	263,137	5,595,220	2,904,780
Congregate Meals Program	21,000,000	9,851,923	647,684	10,499,607	10,500,393
Home Delivered Meals Program	11,000,000	6,600,782	256,569	6,857,351	4,142,649
Total Distributive Items	<u>81,734,000</u>	<u>44,027,632</u>	<u>2,931,549</u>	<u>46,959,181</u>	<u>34,774,819</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

SCHEDULE 2
(CONTINUED)

Fourteen Months Ended August 31, 2013

<u>Public Acts 97-0730, 98-0011, 98-0017, 97-0727</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/13</u>	<u>Lapse Period Expenditures 7/01-08/31/13</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Division of Finance and Administration					
Personal Services	\$ 336,000	\$ 170,158	\$ 10,052	\$ 180,210	\$ 155,790
State Contribution to State Employees' Retirement System	127,700	64,739	3,826	68,565	59,135
State Contribution to Social Security	25,700	12,290	740	13,030	12,670
Group Insurance	92,000	59,760	3,130	62,890	29,110
Contractual Services	100,000	10,279	4,449	14,728	85,272
Travel	15,200	1,599	691	2,290	12,910
Commodities	6,500	-	-	-	6,500
Printing	-	-	-	-	-
Equipment	2,000	-	-	-	2,000
Electronic Data Processing	160,000	21,922	-	21,922	138,078
Telecommunications	60,000	14,764	673	15,437	44,563
Operations of Auto Equipment	4,000	-	-	-	4,000
Total Division of Finance and Administration	<u>929,100</u>	<u>355,511</u>	<u>23,561</u>	<u>379,072</u>	<u>550,028</u>
Division of Home and Community Services					
Personal Services	1,021,200	682,546	30,537	713,083	308,117
State Contribution to State Employees' Retirement System	388,000	261,139	11,681	272,820	115,180
State Contribution to Social Security	78,200	51,446	2,295	53,741	24,459
Group Insurance	276,000	135,357	14,137	149,494	126,506
Contractual Services	36,000	2,033	-	2,033	33,967
Travel	65,000	20,015	1,829	21,844	43,156
Total Division of Home and Community Services	<u>1,864,400</u>	<u>1,152,536</u>	<u>60,479</u>	<u>1,213,015</u>	<u>651,385</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>84,527,500</u>	<u>45,535,679</u>	<u>3,015,589</u>	<u>48,551,268</u>	<u>35,976,232</u>
LONG TERM CARE OMBUDSMAN FUND - 698					
Distributive Items:					
Operations					
Long Term Care Ombudsman	<u>2,000,000</u>	<u>1,075,207</u>	<u>5,900</u>	<u>1,081,107</u>	<u>918,893</u>
TOTAL LONG TERM CARE OMBUDSMAN FUND - 698	<u>2,000,000</u>	<u>1,075,207</u>	<u>5,900</u>	<u>1,081,107</u>	<u>918,893</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

SCHEDULE 2
(CONTINUED)

Fourteen Months Ended August 31, 2013

<u>Public Acts 97-0730, 98-0011, 98-0017, 97-0727</u>	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/13</u>	<u>Lapse Period Expenditures 7/01-08/31/13</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Medicaid-Community Care Program	\$ 9,000,000	\$ 8,861,150	\$ 85,666	\$ 8,946,816	\$ 53,184
Senior Health Assistance	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>-</u>
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	<u>10,600,000</u>	<u>10,461,150</u>	<u>85,666</u>	<u>10,546,816</u>	<u>53,184</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items:					
Private Partnership Projects Expense	<u>345,000</u>	<u>3,075</u>	<u>-</u>	<u>3,075</u>	<u>341,925</u>
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>345,000</u>	<u>3,075</u>	<u>-</u>	<u>3,075</u>	<u>341,925</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 1,198,841,060</u>	<u>998,352,558</u>	<u>122,320,800</u>	<u>1,120,673,358</u>	<u>\$ 78,167,702</u>
NON-APPROPRIATED FUNDS					
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items:					
Application Processing for Disabled & Senior Citizens		-	345,247	345,247	
Refunds - IDHA		<u>-</u>	<u>394,987</u>	<u>394,987</u>	
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830		<u>-</u>	<u>740,234</u>	<u>740,234</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>-</u>	<u>740,234</u>	<u>740,234</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 998,352,558</u>	<u>\$ 123,061,034</u>	<u>\$ 1,121,413,592</u>	

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

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

Note 3: Effective April 1, 2013, the Senior Health Insurance Program was transferred from the Department of Insurance to the Department on Aging, including expenditure of all unexpended appropriations and balances.

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013 and 2012

	Fiscal Year		
	2014	2013	2012
		<u>PA 97-0730</u>	
		<u>PA 98-0011</u>	
		<u>PA 98-0017</u>	
	<u>PA 98-0027</u>	<u>PA 97-0727</u>	<u>PA 97-0070</u>
GENERAL REVENUE FUND - 001			
Appropriations (Net After Transfers)	<u>\$ 1,030,854,300</u>	<u>\$ 1,100,139,800</u>	<u>\$ 737,419,110</u>
Expenditures			
Operating Expenditures			
Personal Services	-	5,373,209	4,893,155
State Contribution to Social Security	-	398,368	361,867
Contractual Services	-	1,573,247	786,897
Travel	-	77,850	52,777
Commodities	-	13,989	11,451
Printing	-	14,006	-
Equipment	-	3,531	105
Electronic Data Processing	-	187,783	118,052
Telecommunications	-	159,600	90,993
Operation of Auto Equipment	-	8,996	10,228
Elder Abuse and Neglect Act	-	9,994,781	9,895,445
Circuit Breaker and Pharmaceutical Assistance Program	-	-	22,260,808
Senior Employment Specialist Program	-	185,705	190,300
Grandparents Raising Grandchildren Program	-	288,844	242,137
Home Delivered Meals (formula and non-formula)	-	10,748,200	1,600,000
Specialized Training Program	-	23,243	74,095
Monitoring and Support Services	-	62,054	55,365
Illinois Council on Aging	-	10,979	8,484
Administrative Expenses of the Senior Meal Program	-	27,683	36
Senior Helpline	-	1,318,710	913,636
Operational expenses	38,186,973	-	-
Total Operating Expenditures	<u>38,186,973</u>	<u>30,470,778</u>	<u>41,565,831</u>
Grants-in-Aid			
Retired Senior Volunteer Program	551,800	557,400	557,365
Planning and Service Grants to Area Agencies on Aging	7,722,000	5,800,000	1,775,500
Foster Grandparent Program	241,400	235,046	243,800
Long-Term Care Systems Development	243,800	246,300	246,300
Ombudsman Program	-	1,343,800	348,400
Home Delivered Meals and Mobile Food Equipment	-	-	7,425,000
Community Based Services - Information, Referral, Transportation and Delivered Meals	-	-	2,425,302
Community Based Services to Area Agencies on Aging	751,200	758,800	758,736
Community Care Program	826,116,499	966,261,742	623,502,918
Capitated Care Coordination	6,345,037	-	-
Comprehensive Care Coordination	54,675,248	54,813,668	52,242,426
Total Grants-in-Aid	<u>896,646,984</u>	<u>1,030,016,756</u>	<u>689,525,747</u>
Total Expenditures	<u>934,833,957</u>	<u>1,060,487,534</u>	<u>731,091,578</u>
Lapsed Balances	<u>\$ 96,020,343</u>	<u>\$ 39,652,266</u>	<u>\$ 6,327,532</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013 and 2012

	Fiscal Year		
	2014	2013	2012
		<u>PA 97-0730</u>	
		<u>PA 98-0011</u>	
		<u>PA 98-0017</u>	
	<u>PA 98-0027</u>	<u>PA 97-0727</u>	<u>PA 97-0070</u>
SENIOR HEALTH INSURANCE PROGRAM FUND - 396			
Appropriations (Net After Transfers)	\$ 3,000,000	\$ 1,228,760	\$ -
Expenditures			
Operating Expenditures			
Senior Health Insurance Program	962,418	3,558	-
Total Expenditures	962,418	3,558	-
Lapsed Balances	\$ 2,037,582	\$ 1,225,202	\$ -
SERVICES FOR OLDER AMERICANS FUND - 618			
Appropriations (Net After Transfers)	\$ 82,638,000	\$ 84,527,500	\$ 76,810,400
Expenditures			
Operating Expenditures			
Personal Services	893,887	893,293	1,305,295
State Contribution to State Employees' Retirement System	362,453	341,385	444,712
State Contribution to Social Security	66,131	66,771	96,377
Group Insurance	199,486	212,384	248,256
Contractual Services	50,165	16,761	17,466
Travel	20,433	24,134	34,539
Equipment	-	-	614
Electronic Data Processing	51,044	21,922	32,701
Telecommunications	316	15,437	19,513
Operations of Auto Equipment	-	-	44
Employment Services Administration	-	-	24,209
Expenses of Senior Meal Program	95,426	81,005	83,420
Training and Conference Planning	80,600	80,600	38,923
Discretionary Government Projects	522,160	454,111	1,423,617
Training Services	26,653	44,729	59,027
Administrative Expenses of Title V Grant	154,399	145,710	-
Total Operating Expenditures	2,523,153	2,398,242	3,828,713
Grants-in-Aid			
Grants for Adult Food Care Program	93,621	94,829	95,607
Grants for Employment Services	3,087,705	2,915,572	3,300,732
Congregate Meals/Home Delivered Meals Programs	20,396,125	17,356,958	19,934,852
Grants for Social Services	16,939,127	12,710,633	16,173,600
National Lunch Program	1,497,488	1,457,006	1,410,322
National Family Caregiver Support Program	4,467,705	4,751,966	5,606,259
Prevention of Elder Abuse, Neglect and Exploitation	173,936	141,416	151,433
Long Term Care Ombudsman Services for Older Americans	541,263	470,790	569,549
Preventive Health	744,907	658,636	667,827
Nutrition Services Incentive Program	4,975,591	5,595,220	6,628,334
Total Grants	52,917,468	46,153,026	54,538,515
Total Expenditures	55,440,621	48,551,268	58,367,228
Lapsed Balances	\$ 27,197,379	\$ 35,976,232	\$ 18,443,172

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013 and 2012

	Fiscal Year		
	2014	2013	2012
		<u>PA 97-0730</u>	
		<u>PA 98-0011</u>	
		<u>PA 98-0017</u>	
	<u>PA 98-0027</u>	<u>PA 97-0727</u>	<u>PA 97-0070</u>
LONG TERM CARE OMBUDSMAN FUND - 698			
Appropriations (Net After Transfers)	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000
Expenditures			
Distributive Items:			
Operating Expenditures			
Long Term Care Ombudsman	1,115,260	1,081,107	417,258
Total Expenditures	<u>1,115,260</u>	<u>1,081,107</u>	<u>417,258</u>
Lapsed Balances	<u>\$ 1,884,740</u>	<u>\$ 918,893</u>	<u>\$ 1,582,742</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Appropriations (Net After Transfers)	\$ 1,600,000	\$ 10,600,000	\$ 6,100,000
Expenditures			
Distributive Items:			
Circuit Breaker and Pharmaceutical Assistance Program	-	-	4,460,434
Medicaid-Community Care Program	-	8,946,816	-
Senior Health Assistance	1,600,000	1,600,000	1,600,000
Total Expenditures	<u>1,600,000</u>	<u>10,546,816</u>	<u>6,060,434</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 53,184</u>	<u>\$ 39,566</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Appropriations (Net After Transfers)	\$ 345,000	\$ 345,000	\$ 345,000
Expenditures			
Private Partnership Projects Expense	2,520	3,075	11,807
Total Expenditures	<u>2,520</u>	<u>3,075</u>	<u>11,807</u>
Lapsed Balances	<u>\$ 342,480</u>	<u>\$ 341,925</u>	<u>\$ 333,193</u>
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	\$ 1,121,437,300	\$ 1,198,841,060	\$ 822,674,510
Expenditures	<u>993,954,776</u>	<u>1,120,673,358</u>	<u>795,948,305</u>
Lapsed Balances	<u>\$ 127,482,524</u>	<u>\$ 78,167,702</u>	<u>\$ 26,726,205</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2014, 2013 and 2012

	Fiscal Year		
	2014	2013	2012
		<u>PA 97-0730</u>	
		<u>PA 98-0011</u>	
		<u>PA 98-0017</u>	
	<u>PA 98-0027</u>	<u>PA 97-0727</u>	<u>PA 97-0070</u>
NON-APPROPRIATED FUNDS			
SERVICES FOR OLDER AMERICANS FUND - 618			
Expenditures			
Refund for Sub-Recipients	\$ 42,253	\$ -	\$ -
Total Expenditures	<u>42,253</u>	<u>-</u>	<u>-</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Expenditures			
Application Processing for Disabled & Senior Citizens	-	345,247	-
Refunds - IDHA	-	394,987	-
Total Expenditures	<u>-</u>	<u>740,234</u>	<u>-</u>
TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 42,253</u>	<u>\$ 740,234</u>	<u>\$ -</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS	<u>\$ 993,997,029</u>	<u>\$ 1,121,413,592</u>	<u>\$ 795,948,305</u>

The comparative schedule of net appropriations, expenditures and lapsed balances by object code does not include State Officers' salaries paid by the Office of the Comptroller. For the years ended June 30, 2014, 2013 and 2012, State Officers' salaries were as follows:

Director's Salary	\$ 115,613	\$ 115,613	\$ 114,847
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Note: FY12 expenditures and lapsed balances do not reflect interest payments approved and submitted after August.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Years Ended June 30,**

	<u>2014</u>	<u>2013</u>
Balance, beginning of period	\$ 1,031,488	\$ 1,196,905
Additions:		
Agency adjustments	-	-
Equipment purchased	<u>140,563</u>	<u>-</u>
Total additions	<u>140,563</u>	<u>-</u>
Deductions:		
Transferred out	392,919	150,788
Deletions	<u>545</u>	<u>14,629</u>
Total deductions	<u>393,464</u>	<u>165,417</u>
Balance, end of period	<u>\$ 778,587</u>	<u>\$ 1,031,488</u>

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE COMPTROLLER
For the Years Ended June 30,

	<u>2014</u>	<u>2013</u>	<u>2012</u>
GENERAL REVENUE FUND - 001			
Freedom of Information Act Copying Fees	\$ -	\$ -	\$ 156
Miscellaneous Reimbursements	2,481	3,627	141
Circuit Breaker Refunds	-	-	4,392
Prior Year Refunds	<u>363,954</u>	<u>290,939</u>	<u>426,181</u>
Total Cash Receipts Per Agency	366,435	294,566	430,870
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	-	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ 366,435</u>	<u>\$ 294,566</u>	<u>\$ 430,870</u>
SENIOR HEALTH INSURANCE PROGRAM - 396			
Senior Health Insurance Program	<u>\$ 1,008,976</u>	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts Per Agency	1,008,976	-	-
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	-	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ 1,008,976</u>	<u>\$ -</u>	<u>\$ -</u>
SERVICES FOR OLDER AMERICANS FUND - 618			
U.S. Department of Health and Human Services	\$ 47,916,233	\$ 62,791,226	\$ 47,566,669
U.S. Department of Agriculture	1,674,625	1,769,260	1,604,149
U.S. Department of Labor	3,189,938	3,419,571	3,620,593
Grantee Interest Income	1,118	-	3,322
Federal Stimulus Package	20	2,048	-
Prior Year Refunds	<u>74,731</u>	<u>-</u>	<u>23,421</u>
Total Cash Receipts Per Agency	52,856,665	67,982,105	52,818,154
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	20	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ 52,856,645</u>	<u>\$ 67,982,105</u>	<u>\$ 52,818,154</u>
LONG TERM CARE OMBUDSMAN - 698			
U.S. Department of Public Health	\$ -	\$ -	\$ 450,000
Prior Year Refunds	<u>40,179</u>	<u>-</u>	<u>-</u>
Total Cash Receipts Per Agency	40,179	-	450,000
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	-	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ 40,179</u>	<u>\$ -</u>	<u>\$ 450,000</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE COMPTROLLER
For the Years Ended June 30,

	<u>2014</u>	<u>2013</u>	<u>2012</u>
TOBACCO SETTLEMENT RECOVERY - 733			
Prior Year Refunds	\$ 1,403	\$ 3,290	\$ -
Total Cash Receipts Per Agency	<u>1,403</u>	<u>3,290</u>	<u>-</u>
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	-	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ 1,403</u>	<u>\$ 3,290</u>	<u>\$ -</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
U.S.D.A. Food Nutrition Services	\$ -	\$ -	\$ 11,000
General Revenue Fund	-	590,024	-
Total Cash Receipts Per Agency	<u>-</u>	<u>590,024</u>	<u>11,000</u>
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	-	-	-
Total Cash Receipts Per State Comptroller's Records	<u>\$ -</u>	<u>\$ 590,024</u>	<u>\$ 11,000</u>
GRAND TOTAL - ALL FUNDS			
Total Cash Receipts Per Agency - All Funds	\$ 54,273,658	\$ 68,869,985	\$ 53,710,024
Plus - Receipts in Transit at Beginning of Year	-	-	-
Less - Receipts in Transit at End of Year	<u>20</u>	<u>-</u>	<u>-</u>
Total Cash Receipts Per State Comptroller's Records - All Funds	<u>\$ 54,273,638</u>	<u>\$ 68,869,985</u>	<u>\$ 53,710,024</u>

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014**

Significant variances in expenditures were determined to be changes of \$30,000 and at least 20% between fiscal years, and are explained below:

BETWEEN FISCAL YEARS 2014 AND 2013

General Revenue Fund - 001

Operations - In Fiscal Year 2014, the Department received a lump sum appropriation for operational expenses rather than individual appropriations designated for specific purposes for the General Revenue Fund. Therefore, expenditures for specific purposes cannot be compared between fiscal years 2014 and 2013. Overall expenditures in the General Revenue Fund increased 25.3% from Fiscal Year 2013 to Fiscal Year 2014 primarily due to a supplemental appropriation received to pay prior years' liability which had been accumulating for several years.

Planning and Service Grants to Area Agencies on Aging - Planning and Service Grants to Area Agencies on Aging expenditures increased in Fiscal Year 2014 due to additional outreach to the older adult population allowed for access to public benefit programs (Medicare Savings Program), Medicare Part D, and low income subsidy.

Ombudsman Program - Ombudsman Program grant expenditures decreased due to reduced appropriations made by the General Assembly.

Capitated Care Coordination - Capitated Care Coordination increased due to the addition of this new initiative in Fiscal Year 2014 related to the shift to Managed Care Organizations.

SENIOR HEALTH INSURANCE PROGRAM FUND - 396

Senior Health Insurance Program - Senior Health Insurance Program expenditures increased due to this program being transferred to the Agency on April 1, 2013. This program has a federal fiscal year starting on April 1 and ending on March 31. The Department received the project year 2014 grant in August 2013. Therefore, there were no Fiscal Year 2013 expenditures paid by the Department.

Services for Older Americans Fund - 618

Contractual Services - Contractual services increased due to payment to the National Association of State Units on Aging for an assessment by the State Aging Management Institute. This was a one-time project completed in Fiscal Year 2014. In addition, the cost for the Statewide Single Wide Audit was significantly higher in Fiscal Year 2014.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

Grants for Social Services - Grants for Social Services expenditures increased due to the timing of the sub-recipients reporting federal requests for reimbursement.

Prevention of Elder Abuse, Neglect and Exploitation - Prevention of Elder Abuse, Neglect and Exploitation expenditures increased due to a hiring lag for the legal advisor to this area.

Refunds for Sub-Recipients - Refunds for Sub-Recipients increased due to unallowable costs noted during audits of sub-recipients, which are required to be returned to the grantor. Amounts vary year to year based upon amounts noted during audits.

Tobacco Settlement Recovery Fund - 733

Medicaid-Community Care Program - Medicaid-Community Care Program expenditures decreased due to a change in funding for Fiscal Year 2014. This was a one year appropriation for Fiscal Year 2013 for the Community Care Program, which is generally funded through the General Revenue Fund.

Department On Aging State Projects Fund - 830

Application Processing for Disabled & Senior Citizens - Application Processing for Disabled & Senior Citizens decreased due to the development of a new system for handling online applications for the BEAM program during Fiscal Year 2013 only.

Refunds - IDHA - Refunds - IDHA expenditures decreased due to the refund only being due for Fiscal Year 2013.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

BETWEEN FISCAL YEARS 2013 AND 2012

General Revenue Fund - 001

Contractual Services - Contractual services spending increased due an emergency contract purchase for management services, and a significant increase in temporary employees due to the elimination of the Circuit Breaker program and the development of the Benefit Eligibility Access Monitoring Unit.

Electronic Data Processing - Electronic data processing payments increased due to increased rates and utilization in Fiscal Year 2013.

Telecommunications - Telecommunications spending increased due to increased rates and utilization in Fiscal Year 2013.

Circuit Breaker and Pharmaceutical Assistance Program - Circuit Breaker and Prescription Drug Assistance expenditures decreased due to the program termination.

Home Delivered Meals (formula and non-formula) - Home Delivered Meals (non-delivered) costs increased due to increasing costs of food. Additionally, in Fiscal Year 2012 this program was funded from 2 separate appropriation line items and in Fiscal Year 2013 the funding was combined into one appropriation line item.

Specialized Training Program - Specialized Training Program spending decreased due to a funding shift from state to federal funds after cuts were made by the General Assembly.

Senior Helpline - Senior Helpline expenditures increased due to increasing obligations for Union employees and additional staff hired.

Planning and Service Grants to Area Agencies on Aging - Planning and Service Grants to Area Agencies on Aging expenditures increased in Fiscal Year 2013. These expenditures were previously funded by an appropriation to the Community Based Services - Information, Referral, Transportation and Delivered line item.

Ombudsman Program - Ombudsman expenditures increased due to programmatic changes. The Ombudsman role was originally established to serve individuals age 60 and older in institutional settings. However, that has changed to include the disabled population age 18 and older.

Home Delivered Meals and Mobile Food Equipment - Home Delivered Meals and Mobile Food Equipment costs decreased due to a change in the funding line item for these expenses, which are now funded by the Home Delivered Meals (formula and non-formula) line item.

Community Based Services - Information, Referral, Transportation and Delivered Meals - Community Based Services Information, Referral, Transportation and Delivered Meals expenditures decreased due to a change in the funding line item for these expenses, which are now funded by the Planning and Service Grants to Area Agencies on Aging line item.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

Community Care Program - Community Care Program costs increased due to a supplemental appropriation received to pay prior years' liability which had been accumulating for several years. The increase resulted in an increase in expenditures.

Services for Older Americans Fund - 618

Personal Services - Personal services spending decreased due to attrition of federally funded staff.

State Contribution to State Employees' Retirement System - State contributions to State Employee Retirement System decreased due to attrition of staff.

Training and Conference Planning - Training and conference planning spending increased due to the timing of conference contracts being signed and new initiatives.

Discretionary Government Projects - Discretionary Government Projects costs decreased due to the ending of a grant program and reduction in funding opportunities from federal agencies in Fiscal Year 2013.

Administrative Expenses of Title V Grant - Administrative Expenses for Title V Grant increased due to allocating allowable personal service expenditures to the appropriation line item.

Grants for Social Services - Grants for Social Services expenditures decreased due to the timing of the sub-recipients' reporting requests for federal reimbursement.

Long Term Care Ombudsman Fund - 698

Long Term Care Ombudsman - Long Term Care Ombudsman funding is provided by a transfer of cash from one state entity to the Department. Due to the timing of the receipts in Fiscal Year 2012, the Department was unable to issue grants to the various providers.

Tobacco Settlement Recovery Fund - 733

Circuit Breaker and Pharmaceutical Assistance Program - Circuit Breaker and Pharmaceutical Assistance Program expenditures decreased due to the General Assembly eliminating all funding for the program and ending programmatic operations.

Medicaid-Community Care Program - Medicaid-Community Care Program expenditures increased due to a change in funding for Fiscal Year 2013. This was a one year appropriation for the Community Care Program for Fiscal Year 2013 only.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

Department On Aging State Projects Fund - 830

Application Processing for Disabled & Senior Citizens - Application Processing for Disabled & Senior Citizens increased due to the development of a new system for handling online applications for the BEAM program.

Refunds - IDHA - IDHA refunds increased due to the one-time refund amount to IDHA for a program that terminated.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2014**

Significant variances in receipts were determined to be changes of \$30,000 and at least 20% between fiscal years, and are explained below:

BETWEEN FISCAL YEARS 2014 AND 2013

General Revenue Fund - 001

Prior Year Refunds - Prior year refunds increased due to more overpayments being made that needed to be returned in Fiscal Year 2014.

Senior Health Insurance Program - 396

Senior Health Insurance Program - Senior Health Insurance Program receipts increased due to this program being transferred to the Agency on April 1, 2013. This program has a federal fiscal year starting on April 1 and ending on March 31. The Department received the project year 2014 grant in August 2013. Therefore, there were no Fiscal Year 2013 receipts collected by the Department.

Services for Older Americans Fund - 618

U.S. Department of Health and Human Services - U.S. Department of Health and Human Services receipts decreased due to the timing of sub-recipients requesting federal reimbursement of costs incurred for their grant awards.

Prior Year Refunds - Prior year refunds increased due to repayment of grant funds from providers after grant closeout reconciliations and federal interest earned.

Long Term Care Ombudsman - 698

Prior Year Refunds - Prior year refunds increased due to unspent amounts returned to the Agency.

Department on Aging State Projects Fund - 830

General Revenue Fund - General Revenue Fund receipts decreased due to a one-time transfer received from the Chicago Transit Authority for the continuance of the Seniors Ride Free Program, which was part of the cancelled Circuit Breaker Program.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2014

BETWEEN FISCAL YEARS 2013 AND 2012

General Revenue Fund - 001

Prior Year Refunds - Prior year refunds decreased due to fewer overpayments being made that needed to be returned in Fiscal Year 2013.

Services for Older Americans Fund - 618

U.S. Department of Health and Human Services - U.S. Department of Health and Human Services receipts increased due to timing and submission of reimbursement requests.

Long Term Care Ombudsman Fund - 698

U.S. Department of Public Health - U.S. Department of Public Health receipts decreased due to federal funding from the U.S. Department of Public Health for long term care ombudsman no longer having its own fund. Receipts were deposited into fund 698 beginning in Fiscal Year 2013.

Department on Aging State Projects Fund - 830

General Revenue Fund - General Revenue Fund receipts increased as a one-time receipt was received from the Chicago Transit Authority for the continuance of the Seniors Ride Free Program, which was part of the cancelled Circuit Breaker Program.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2014**

Lapse period spending exceeding 15% of total fiscal year expenditures and at least \$20,000 is explained below:

FISCAL YEAR 2014

General Revenue Fund - 001

Foster Grandparent Program - Lapse period spending was due to quarterly reports submitted and payments made after receipt of reports.

Long-Term Care Systems Development - Lapse period spending was due to quarterly reports submitted and payments made after receipt of reports.

Capitated Care Coordination - Lapse period spending was due to timing of receipt of providers' fee for service submissions.

Services for Older Americans Fund - 618

Discretionary Government Projects - Lapse period spending was due to timing of final reports submitted and payments made after receipt of reports.

Grants for Adult Food Care Program - Lapse period spending was due to timing of receipt of providers' fee for services submissions.

National Lunch Program - Lapse period spending was due to timing of receipt of providers' fee for services submissions.

Refund for Sub-Recipients - Lapse spending is due to timing of a one-time return of unspent grant funds to the federal agency.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2014

FISCAL YEAR 2013

General Revenue Fund - 001

Contractual Services - Lapse period spending was due to timing of the billing from Central Management Services.

Electronic Data Processing - Lapse period spending was due to timing of the billing from Central Management Services.

Monitoring and Support Services - Lapse period spending was due to the timing of the final costs of the Agency's cost allocation plan for services received prior to June 30, 2013 and paid in lapse.

Long-Term Care Systems Development - Lapse period spending was due to quarterly reports submitted for services received prior to the end of Fiscal Year 2013 and payments made after receipt of reports.

Services for Older Americans Fund - 618

Training and Conference Planning - Lapse period spending was due to the timing of a conference, which incurred conference costs prior to June 30, 2013 and paid during the lapse period.

National Lunch Program - Lapse period spending was due to timing of receipt of providers' fee for services submissions.

Long Term Ombudsman Services for Older Americans - Lapse period spending was due to quarterly reports submitted and payments made after receipt of reports.

Department on Aging State Projects Fund - 830

Application Processing for Disabled & Senior Citizens - Lapse period spending was due to the end of program wrap-up. All costs were incurred before June 30, 2013 and payments made in lapse period as a result of the program being terminated.

Refunds - IDHA - Lapse period spending was due to the end of program wrap-up. All costs were incurred before June 30, 2013 and payments made in lapse period as a result of the program being terminated.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2014**

The Department had approximately \$6,245,000 and \$3,608,000 due from federal agencies at June 30, 2014 and 2013, respectively. The receivables from federal agencies, which were comprised of the U.S. Department of Labor, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services, all passed through the Services for Older Americans - Fund 618. The Department considers these receivables to be current and collectible.

The Department had approximately \$407,000 and \$386,000 in gross receivables due from grantees of the Circuit Breaker and Pharmaceutical Assistance Program at June 30, 2014 and 2013, respectively. At June 30, 2014 and 2013, the estimated uncollectible balance of these receivables was approximately \$378,000 and \$382,000.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014**

DEPARTMENT FUNCTIONS

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

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

The Department's main office is located at One Natural Resources Way, Suite 100, Springfield, Illinois. The Department also has an office at 160 N. LaSalle, Suite No. 700 in Chicago, Illinois. The Director, John K. Holton, was appointed Director of the Department in October 2011.

The Department is organized into the following divisions:

- *The Executive Office* provides leadership in administering Department programs, ensuring effective management and acting as a visible advocate for Illinois' older persons. The functions include establishing policy, analyzing management operations, and providing legal counsel.
- *The Division of Finance and Administration* is responsible for the efficient and effective management of accounting, budgeting, grant administration, human resources, data processing, and office support services.
- *The Division of Home and Community Services* plans, develops, and manages various programs that serve and advocate for older Illinoisans and their caregivers by administering programs and promoting partnerships that encourage independence, dignity, and quality of life. These programs include Community Care Services, Older American Services, Elder Rights, State Ombudsman, and Training and Development.
- *The Division of Planning, Research and Development* is responsible for planning and establishing priorities and identifying initiatives in fulfilling the Department's overall mission to serve older Illinoisans and their caregivers.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014**

- *The Division of Communications and Outreach* is responsible for media and community relations; public information, publications, graphics, and printing; advocacy initiatives that promote and respond to the special needs of older people and their families; state-wide training for the aging network, special projects, and staff development. The Division is also responsible for the Department's Senior Helpline.
- *The Division of Benefits Eligibility Assistance Monitoring (BEAM)(formerly called Circuit Breaker)* The Circuit Breaker program provided grants to senior citizens and persons with disabilities to help them reduce the impact of taxes. However, the funding for this program terminated December 2012. The BEAM division assists eligible people to enroll in Senior Rides Free and discount license plate programs. In addition, the Division provides support to Managed Care Organizations and providers for the Medicaid managed care initiative.

PLANNING PROGRAM

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

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

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2014**

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Executive Office	13	13	13
Division of Home and Community Services	34	33	33
Division of Planning, Research and Development	7	9	9
Division of Finance and Administration	16	29	27
Division of Communications and Outreach	32	27	24
Division of Benefits Eligibility Assistance Monitoring	21	21	25
Information Technology	<u>20</u>	<u>4</u>	<u>-</u>
Total average number of employees	<u>143</u>	<u>136</u>	<u>131</u>

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2014**

Statistical Information on State Community Care Program

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

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Average Monthly Caseload	(1)	<u>85,117</u>	<u>82,790</u>	<u>76,624</u>
Percentage of Males		29%	29%	29%
Percentage of Females		71%	71%	71%
Percentage of Clients over 75 Living Alone		54%	54%	55%
Percentage of Ethnic/Minority		54%	53%	51%
Average Cost per Client per Month	(3)	\$ 869	\$ 854	\$ 850
Average Unit Cost				
Homemaker (per hour)		\$ 17.14	\$ 17.14	\$ 17.14
Adult Day Care (per hour)		\$ 9.02	\$ 9.02	\$ 9.02
Adult Day Service Transportation (one-way trip)		\$ 8.30	\$ 8.30	\$ 8.30
Prospective Nursing Home Cases	(2)			
Number of Cases Prescreened		99,891	96,551	104,215
Number of Face-to-Face Screens		99,654	96,260	103,901
Number of Non-Face-to-Face Screens		237	291	314

(1) Average monthly caseload refers to Community Care Program (CCP) clients who received a paid service for that month. This count is adjusted to include clients who receive service through the Managed Care and Community Based Residential Facility demonstration projects.

(2) Subsection G.12., DIVERSIONS FROM INSTITUTIONAL CARE, of the approved Home and Community-Based Services Waiver for the Elderly Population, which is currently in effect, states in part: "The present caseload represents persons deflected from nursing home placement during the current waiver." Accordingly, all clients of the CCP are considered to be prospective nursing home cases who have been diverted from institutional care.

(3) Average Cost per Client per Month is calculated by taking total community care program expenditures attributable to the fiscal period divided by the average monthly caseload.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
EMERGENCY PURCHASE
For the Two Years Ended June 30, 2014**

During the fiscal year ended June 30, 2014, the Department did not have an emergency purchase.

During the fiscal year ended June 30, 2013, the Department had the following emergency purchase:

Reference Number: 22029397

Vendor: Capital Strategies

Division: Circuit Breaker

Description: The Department requested the emergency purchase in order to ensure residents of the State were able to apply for and receive benefits under the Persons with Disabilities Ride Free, Seniors Ride Free and License Plate Discount Programs. The Department previously had an interagency agreement for applications under the programs to be processed by the Department of Revenue's system. The interagency agreement was not renewed as of July 1, 2012 and the Department of Revenue would not be supporting the programs on their system after December 31, 2012.

Estimated Amount: \$397,500

Actual Amount: \$304,756.25

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
MEMORANDUMS OF UNDERSTANDING
For the Two Years Ended June 30, 2014**

Department officials stated there were two memorandums of understanding between the Department and other agencies during the audit period, as noted below:

Parties involved other than the Department: Regional Transportation Authority (RTA); Chicago Transit Authority (CTA), Regional Transportation Authority; Commuter Rail Division (METRA); and Regional Transportation Authority, Suburban Bus Division (PACE)

Dates Involved: July 1, 2012 through December 31, 2012

Description: The Regional Transportation Authority (RTA) will provide \$125,000 in funding to the Department on Aging to maintain an application system and continue making income eligibility determinations to administer the reduced/free fare mass transit programs for the period beginning July 1, 2012 through December 31, 2012. In addition, the Chicago Transit Authority (CTA), Regional Transportation Authority; Commuter Rail Division (METRA) and Regional Transportation Authority, Suburban Bus Division (PACE) will each provide \$125,000 in funding to RTA to be provided to the Department on Aging to maintain an application system and continue making income eligibility determinations to administer the reduced/free fare mass transit programs for the period beginning July 1, 2012 through December 31, 2012.

Parties involved other than the Department: Illinois Office of the Comptroller

Dates Involved: Continuous

Description: The memorandum of understanding defines the roles and responsibilities of the Department on Aging and the Illinois Office of the Comptroller in regards to the direct input of obligations/purchase orders by the Department on Aging.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2014**

The following are key indicators of the Department's performance by fiscal year. The Department provided this information to the Comptroller's Public Accountability Project Office for Fiscal Year 2014 and Fiscal Year 2013.

<u>Performance Indicators</u>	Fiscal Year		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Input Indicators			
Community Care Program (CCP)			
Budget Appropriation	\$ 976,053,100	\$ 1,033,729,900	\$ 625,126,500
Number of CCP Personnel	50	38	31
Output Indicators			
Total Assessments Conducted	244,816	241,237	219,541
Number of Deinstitutionalizations Conducted	210	206	388
Units of Service Conducted			
Homemaker Service	42,562,098	40,954,922	35,208,330
Adult Day Service	2,500,196	2,617,622	2,604,314
Outcome Indicators			
Percent of CCP Screens			
Face-to-Face	99.80%	99.80%	99.72%
Non-Face-to-Face	0.20%	0.20%	0.28%
CCP Caseload Cost vs. Nursing Home Caseload Costs	31.10%	32.10%	33.25%
Efficiency/Cost-Effective Indicators			
CCP Average Monthly Caseload	85,117	82,790	76,624
CCP Average Monthly Cost of Care	\$ 869	\$ 854	\$ 850
Average Monthly Cost of Medicaid Nursing Home	\$ 2,791	\$ 2,657	\$ 2,442
Individuals in CCP vs. Nursing Home			
Monthly Savings (Federal/State)	\$ 163,645,944	\$ 149,270,370	\$ 112,259,730
Yearly Savings (Federal/State)	\$ 1,963,751,330	\$ 1,791,244,440	\$ 1,347,116,760

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
For the Two Years Ended June 30, 2014**

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

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. The indirect cost rates are based on direct salaries and wages including retirement and social security. The latest rate agreement, dated June 28, 2013, approved the following rates:

<u>COSTS APPLICABLE TO</u>	<u>RATE TYPE</u>	<u>EFFECTIVE PERIOD</u>	<u>RATE</u>
Benefits Eligibility Assistance Monitoring	Final	07/01/12 - 06/30/13	132.30%
	Provisional	07/01/13 - 06/30/15	132.30%
Home and Community Care / Planning, Research and Development	Final	07/01/12 - 06/30/13	91.10%
	Provisional	07/01/13 - 06/30/15	91.10%
Finance and Administration	Final	07/01/12 - 06/30/13	63.90%
	Provisional	07/01/13 - 06/30/15	63.90%
Communication and Outreach	Final	07/01/12 - 06/30/13	93.60%
	Provisional	07/01/13 - 06/30/15	93.60%