

**STATE OF ILLINOIS
DEPARTMENT ON AGING**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

**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, 2016**

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

Director (February 1, 2016 - Current)	Jean Bohnhoff
Acting Director (September 9, 2015 - January 31, 2016)	Kristine Smith
Acting Director (July 13, 2015 - September 8, 2015)	Jennifer Reif
Director (thru June 30, 2015)	John K. Holton
Deputy Director (April 1, 2015 - Current)	Jennifer Reif
Deputy Director (thru January 31, 2015)	Mary Killough
Chief Fiscal Officer (December 1, 2016 - Current)	James Ofcarcik
Chief Fiscal Officer (September 16, 2016 - November 30, 2016)	Anna O'Connell
Acting Chief Fiscal Officer (September 1, 2016 - September 15, 2016)	Sarah Harris
Chief Fiscal Officer (June 1, 2015 - August 31, 2016)	Jodi Becker
Chief Fiscal Officer (thru May 31, 2015)	Dennis Miner
Chief Legal Counsel (April 1, 2017 - Current)	Rhonda Armstead
Chief Legal Counsel (May 1, 2016 - March 31, 2017)	Cindy Bushur-Hallam
Chief Legal Counsel (March 16, 2015 - March 4, 2016)	Bradley Rightnowar
Legal Counsel (thru March 15, 2015)	Sonia Bhagwakar
Chief, Bureau of Business Service (November 1, 2015 - Current)	Theresa McKeon
Chief, Bureau of Business Service (thru May 31, 2015)	Jodi Becker
Chief of Staff (February 16, 2015 - Current)	Matt Ryan
Chief of Staff (thru December 31, 2014)	Deb Shipley
Chief Internal Auditor (April 17, 2017 - Current)	Nicholas Barnard
Chief Internal Auditor (October 1, 2016 - April 16, 2017)	Vacant
Chief Internal Auditor (December 8, 2014 - September 30, 2016)	Jennifer Boen
Chief Internal Auditor (thru December 7, 2014)	Vacant

Department offices are located at:

One Natural Resources Way
Suite 100
Springfield, Illinois 62702

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



Bruce Rauner, Governor
Jean Bohnhoff, Director

One Natural Resources Way, Suite 100, Springfield, Illinois 62702-1271
Phone: 800-252-8966, Fax: 217-785-4477, Web: www.illinois.gov/aging

MANAGEMENT ASSERTION LETTER

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

April 26, 2017

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, 2016. Based on this evaluation, we assert, to the best of our knowledge and belief, that during the years ended June 30, 2015 and June 30, 2016, the Department has materially complied with the assertions below.

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

ORIGINAL SIGNATURE ON FILE

Jean Bohnhoff, Director

ORIGINAL SIGNATURE ON FILE

James Ofcarcik, Chief Fiscal Officer

ORIGINAL SIGNATURE ON FILE

Rhonda Armstead, Legal Counsel

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

**STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations 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	14	9
Repeated Findings	5	3
Prior recommendations implemented or not repeated	4	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2016-001	9	Inadequate controls and monitoring over enhanced rate payments made to Community Care Program service providers	Material Weakness and Material Noncompliance
2016-002	11	Failure to timely file report	Significant Deficiency and Noncompliance
2016-003	12	Failure to enter into agreement with other State agencies	Significant Deficiency and Noncompliance
2016-004	13	Failure to request funding from the General Assembly	Significant Deficiency and Noncompliance
2016-005	14	Failure to implement an electronic method to transmit documentation	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
DEPARTMENT ON AGING
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For the Two Years Ended June 30, 2016**

COMPLIANCE REPORT

SUMMARY (CONTINUED)

2016-006	15	Failure to implement registry	Significant Deficiency and Noncompliance
2016-007	17	Untimely performance evaluations	Significant Deficiency and Noncompliance
2016-008	18	Inadequate monitoring of service providers	Significant Deficiency and Noncompliance
2016-009	19	Inadequate controls over GAAP reporting	Significant Deficiency and Noncompliance
2016-010	21	Inadequate control over the recording and reporting of State property	Significant Deficiency and Noncompliance
2016-011	23	Failure to maintain an internal audit function	Significant Deficiency and Noncompliance
2016-012	24	Failure to enter into agreement with the State Board of Elections	Significant Deficiency and Noncompliance
2016-013	25	Failure to perform reconciliations	Significant Deficiency and Noncompliance
2016-014	26	Lack of contingency planning or testing to ensure recovery of computer systems	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	28	Streamlined auditing and accreditation system
B	28	Failure to file annual fatality report
C	28	Inadequate internal controls over payroll process and timekeeping
D	28	Improper community care program payments

**STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

COMPLIANCE REPORT

SUMMARY (CONTINUED)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 19, 2017.

Attending were:

Department on Aging

Jean Bohnhoff, Director
Jennifer Reif, Deputy Director
Rhonda Armstead, Chief Legal Counsel
James Ofcarcik, Chief Fiscal Officer
Anna O'Connell, Senior Policy Advisor
Nicholas Barnard, Chief Internal Auditor
Theresa McKeon, Chief, Bureau of Business Service
Sarah Harris, Budget Director

Office of the Auditor General

Christian Cortes, Audit Manager

Winkel, Parker & Foster, CPA PC

Richard Winkel, Principal
Troy Hartman, Manager
Kristyl McDaniel, Manager

The responses to the recommendations were provided by the Department in correspondence dated April 26, 2017.



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

Honorable Frank J. Mautino
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, 2016. 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 2016-001 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 2016-001. 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, 2016. However, the results of our procedures disclosed other 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 2016-002 through 2016-014.

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 2016-001 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 2016-002 through 2016-014 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, 2016 and June 30, 2015 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, 2016 and June 30, 2015 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, 2014 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.

ORIGINAL SIGNATURE ON FILE

Clinton, IA
April 26, 2017

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-001 **FINDING** (Inadequate controls and monitoring over enhanced rate payments made to Community Care Program service providers)

The 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 \$1.61 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 \$90 million for the enhanced rate payments.

According to the Illinois Administrative Code (Code) (89 Ill. Adm. 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.

During our testing, we noted the following:

- Six of fourteen (43%) providers tested did not 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.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-001 **FINDING** (Inadequate controls and monitoring over enhanced rate payments made to Community Care Program service providers - CONTINUED)

- One of fourteen (7%) providers tested submitted a Direct Service Worker Health Insurance Certification (DSWHIC) form to the Department that did not satisfy the requirement of at least one quarter of total direct service workers accepting the health insurance offered.

Department officials stated the issues noted were due to inadvertent oversight due to a vacancy in the position responsible for this work and competing priority assignments for other available staff in the Fiscal Office.

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. 2016-001, 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.

DEPARTMENT RESPONSE

The Department concurs. Discussions within the Department regarding controls that are currently in place for monitoring of the enhanced rate need to be reviewed for improved efficiencies. The Department has strengthened their efforts to ensure compliance by the providers to submit the necessary verification documents. Additionally, the Department needs to review the imposition of contract sanctions. The Department will continue its efforts to obtain documentation even after termination of the provider contract to close out the final allowable expenditures payable to the provider.

**STATE OF ILLINOIS
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CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-002 **FINDING** (Failure to timely file report)

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

During our testing, we noted the Fiscal Year 2014 report due in September 2015 was submitted in a timely manner; however, the Fiscal Year 2013 report that was due September 30, 2014 was not filed until April 29, 2015, 211 days late.

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

Department officials stated the filing of the report was not timely due to unexpected delays in completing publication, staffing constraints and competing priorities.

Failure to file annual reports and make required submissions to the Governor and the 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. 2016-002, 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.

DEPARTMENT RESPONSE

The Department concurs. The Department agrees that the FY2013 report was submitted late. The Department has put controls in place to ensure the report is filed timely. Reports subsequent to 2013 have been submitted timely and the Department believes this is corrected going forward.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-003 **FINDING** (Failure to enter into agreement with other State agencies)

The Department on Aging (Department) failed to enter into an agreement with other State agencies and provide information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement.

Effective June 1, 2015, the Election Code (10 ILCS 5/1A-45(b-5)) requires the Department to enter into an agreement with the State Board of Elections, the Department of Human Services, the Department of Healthcare and Family Services, and the Department of Employment Security to require each department to provide the State Board of Elections with any information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement. The director or secretary, as applicable, of each agency shall deliver this information on an annual basis to the State Board of Elections pursuant to the agreement between the entities.

During our testing, we noted the Department did not enter into an agreement with the required agencies. In addition, the director has not delivered the required information to the State Board of Elections as there is only a draft agreement in place.

Department officials stated they had a lack of sufficient resources to dedicate to this area.

Failure to enter into an agreement with the other state agencies represents noncompliance with the Election Code and inhibits the transmission of crucial member data to the State Board of Elections. (Finding Code No. 2016-003)

RECOMMENDATION

We recommend the Department finalize the agreement to provide member data to the State Board of Elections as required by the Election Code.

DEPARTMENT RESPONSE

Department concurs. Although the Department did not enter into an agreement with other State Agencies and provide information necessary to transmit member data under the Electronic Registration Information Center Membership Agreement, the Department does have the information compiled and ready to provide. However, the Department has not received assurances from the State Board of Elections ensuring that no violations of confidentiality will occur.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-004 **FINDING** (Failure to request funding from the General Assembly)

The Department on Aging (Department) failed to request funding from the General Assembly in order to make a grant to an institution of higher learning.

During testing, the auditors noted the Illinois Act on the Aging (Act) (20 ILCS 105/4.01(14)) requires the Department to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan for the recruitment, hiring, training and retraining of persons 60 or more years old for jobs for which their employment would not be precluded by law; however, the Department did not request appropriation on their Illinois Legislative Narrative Statement during Fiscal Years 2015 and 2016.

Good internal controls over compliance include identifying and reporting a lack of appropriation for a mandatory requirement to both the General Assembly and the Governor.

Department officials stated the Department has not issued a grant to study the feasibility of an affirmative action employment plan for seniors because it does not have an appropriation for such purpose.

Failure to request funding results in the Department's inability to make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan will not allow growth and involvement in training and employing persons over 60 years old. (Finding Code No. 2016-004)

RECOMMENDATION

We recommend the Department develop controls to ensure requests for funding from the General Assembly are made in order to comply with the Act or seek a legislative remedy to the current statutory requirement.

DEPARTMENT RESPONSE

The Department concurs. The Department will seek legislative remedy as the Department firmly believes making this grant will result in non-compliance with the Grants Accountability and Transparency Act.

**STATE OF ILLINOIS
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2016-005 **FINDING** (Failure to implement an electronic method to transmit documentation)

The Department on Aging (Department) failed to implement an electronic method to transmit documentation.

We noted the Department contracts with a consultant to perform evaluations of their entire Choices for Care/ Pre-Admission Screening Process; however, they have not yet implemented an electronic method to transmit the documentation.

The Illinois Public Aid Code (Code) (305 ILCS 5/11-5.4(e)(6)) requires the Department, as soon as practicable, but not later than September 1, 2014, make available to long-term care facilities and community providers upon request, through an electronic method, the information contained within the Interagency Certification of Screening Results completed by the pre-screener, in a form and manner acceptable to the Department of Human Services.

Department officials stated the implementation has been delayed by the change in administration, other competing priorities at the Department, and an effort to incorporate the electronic availability of the pre-screen information into a larger IT system overhaul at the Department.

Failure to provide an electronic method of transmitting documentation among long-term care facilities and community care providers will delay the ability to receive screening results and is noncompliance with the Code. (Finding Code No. 2016-005)

RECOMMENDATION

We recommend the Department develop and implement an electronic method to make the required information available.

DEPARTMENT RESPONSE

The Department concurs. The Department will continue to work on implementing an electronic method to transmit the documentation from long-term care facilities and community providers contained within the Interagency Certification of Screening Results completed by the pre-screener, in a form and manner acceptable to the Department of Human Services.

**STATE OF ILLINOIS
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CURRENT FINDINGS
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2016-006 **FINDING** (Failure to implement registry)

The Department on Aging (Department) failed to implement the Adult Protective Service Registry (Registry) for caregivers involved in deaths caused by abuse or neglect.

During testing, we noted the Department has not yet implemented the Registry for reported deaths caused by abuse or neglect by a caregiver.

The Adult Protective Services Act (Act) (320 ILCS 20/3(c-5)) states if the law enforcement agency, coroner, or medical examiner determines the reported death was caused by abuse or neglect by a caregiver, the law enforcement agency, coroner, or medical examiner shall inform the Department, and the Department shall report the caregiver's identity on the Registry as described in Section 7.5 of the Act.

The Act (320 ILCS 20/7.5(a)) requires the Department, in order to protect individuals receiving in-home and community-based services, establish a Registry that will be hosted by the Department of Public Health on its website effective January 1, 2015, and, if practicable, shall propose rules for the Registry by January 1, 2015.

The Act (320 ILCS 20/7.5(c)) states access to and use of the Registry shall be limited to the Department, the Department of Healthcare and Family Services, the Department of Human Services, and the Department of Public Health and providers of direct care as described in subsection (a-10) of this Section. These State agencies and providers shall not hire, compensate either directly or on behalf of a participant, or utilize the services of any person seeking to provide direct care without first conducting an online check of whether the person has been placed on the Registry.

The Act (320 ILCS 20/7.5(f)) states the Department shall notify the appropriate State agency or provider of direct care, as described in subsection (a-10), when there is a verified and substantiated finding of abuse, neglect, or financial exploitation in a case under this Act that is reported on the Registry and that involves one of its caregivers. That State agency or provider is prohibited from retaining or compensating that individual in a position that involves direct care, and if there is an imminent risk of danger to the victim or an imminent risk of misuse of personal, medical, or financial information, that caregiver shall immediately be barred from providing direct care to the victim pending the outcome of any challenge, appeal, criminal prosecution, or other type of collateral action.

**STATE OF ILLINOIS
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2016-006 **FINDING** (Failure to implement registry - CONTINUED)

Department officials stated various resource limitations have been a barrier for the implementation of the Registry by the Department, including the need to (1) initiate trailer legislation (P.A. 98-1039), (2) hire and train staff for vacancies in program area and legal office; (3) design, develop, test, and maintain an internal data base for abuser information and interface to link with the Health Care Worker Registry at the Department of Public Health; (4) open dialogue with other agencies to explore possible collaboration relating to the administrative hearing functions; (5) prepare form updates, new notices, and appropriate training modules; (6) draft administrative rules for promulgation, which were published for first notice, but not moved to second notice based on accepted public comments and preliminary feedback from the Joint Committee on Administrative Rules; and (7) respond to other competing work priorities, including budgetary issues and litigation.

Failure to implement the Registry for caregivers involved in deaths caused by abuse or neglect is noncompliance with the Act and inhibits the ability of other State agencies to monitor caregivers and could result in inappropriate people providing direct care to the elderly. (Finding Code No. 2016-006)

RECOMMENDATION

We recommend the Department develop and implement the Registry.

DEPARTMENT RESPONSE

Department concurs. The Department plans to implement and properly develop the registry.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
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For the Two Years Ended June 30, 2016**

2016-007 **FINDING** (Untimely performance evaluations)

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

We reviewed 50 employee personnel files and noted 36 (72%) employee files did not contain a completed performance evaluation for at least one of the fiscal years under examination. Of the 36 exceptions noted, 17 were not completed at all and 19 were completed over 30 days after the end of the period under examination.

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

Department officials stated the untimely employee evaluations were due to an insufficient system to notify management when evaluations were due.

Annual performance evaluations are important to ensure all employees understand the duties and responsibilities assigned to them and that 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. 2016-007, 2014-002, 12-4)

RECOMMENDATION

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

DEPARTMENT RESPONSE

Department concurs. The Department will develop a procedure through Human Resources to ensure that even during times of turnover that employee reviews are completed in a timely fashion.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-008 **FINDING** (Inadequate monitoring of service providers)

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

During our testing of 16 Community Care Program service providers, which received \$189,990,633 from the Department during the examination period, we noted that the Department had not received annual audit reports for 2 (13%) of the service providers for Fiscal Year 2015. The 2 service providers received \$14,570,694 in Fiscal Year 2015.

The Illinois Administrative Code (89 Ill. Admin. Code 240.1520(I)) requires Community Care Program service providers to submit annual audit reports to the Department within six months of their fiscal year-end.

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

Department officials stated the issue noted was due to an inadvertent oversight due to staff vacancies and competing priority assignments for other available staff in the Fiscal Office.

Failure to properly monitor service providers through timely receipt and review of service providers' audit reports decreases the Department's accountability over these expenditures and increases the risk of noncompliance with the provisions of the contracts with service providers. (Finding Code No. 2016-008)

RECOMMENDATION

We recommend the Department strengthen their controls for monitoring of service provider activities by following-up on delinquent audit reports in order to determine whether the funds were utilized in accordance with the purpose of the program.

DEPARTMENT RESPONSE

Department concurs. The Department will review procedures and has filled the applicable position.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-009 **FINDING** (Inadequate controls over GAAP reporting)

The Department on Aging (Department) did not prepare and submit accurate accounting reports (Generally Accepted Accounting Principles (GAAP) reporting forms) to the Office of the Comptroller (Comptroller) for Fiscal Year 2016. In addition, the information reported on the GAAP reporting forms did not agree with the information reported on the Department prepared Schedule of Expenditures of Federal Awards (SEFA).

During our testing, we noted the following:

- The Department did not accurately report receipt amounts on the SCO-563 for Fund 0396. The receipts were overstated by \$115,030 compared to the Department's receipt records.
- The Department did not accurately report expenditure amounts on the SCO-563 for Fund 0618. The expenditures were understated by \$245,166 compared to the Department's expenditure records.
- The Department reported two programs on the Department prepared SEFA 10.555 National School Lunch Program for \$1,728,000 and 10.560 State Administrative Expenses for Child Nutrition for \$76,000. However, on the SCO-563 for Fund 0618 these were combined and reported as 10.555 National School Lunch Program for \$1,804,000.

The Statewide Accounting Management System (SAMS) Manual (Procedure 27.10.10) requires careful examination of the financial data during the preparation of GAAP reporting packages. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability of the State's resources.

Department officials stated there have been changes in staff, office locations, and movement of files between the preparation of the GAAP packages and the audit which have resulted in inadvertent gaps in knowledge and the inability to retrieve all requested supporting documentation.

GAAP reporting forms submitted by State agencies are used to compile the Illinois Comprehensive Annual Financial Report and the Schedule of Expenditures of Federal Awards. Failure to provide accurate information to the Comptroller could result in inaccuracies to the Statewide information presented. (Finding Code No. 2016-009)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-009 **FINDING** (Inadequate controls over GAAP reporting - CONTINUED)

RECOMMENDATION

We recommend the Department implement procedures to ensure complete and accurate information is reported to the Comptroller on the accounting reports.

DEPARTMENT RESPONSE

The Department concurs. The Department will implement additional procedures in its Fiscal Procedure Manual to have work completed and reviewed for accuracy. This will enhance the accuracy of the reporting of federal expenditures.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-010 **FINDING** (Inadequate control over the recording and reporting of State property)

The Department on Aging (Department) did not exercise adequate control over the purchase, recording, and reporting of State Property.

We noted the following during our review of the Department's equipment records:

- For 13 of 25 (52%) equipment items selected for observation, totaling \$55,483, the items were either transferred to surplus or not located, and could not be viewed. These items have not been removed from the inventory listing as of June 30, 2016.
- For eight of 21 (38%) equipment deletions tested, totaling \$20,477, the Department did not retain documentation to support the equipment items were transferred to surplus.
- One of one (100%) automobile sent to surplus during Fiscal Year 2016 was not removed from the inventory listing timely. The automobile was sent to surplus on December 1, 2015 and was still listed on the Department's records as of June 30, 2016.
- Three of six (50%) automobiles on the Department's automobile listing were not reported on the inventory listing as of June 30, 2016.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) states that agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items. In addition, the State Records Act (5 ILCS 160/8) requires each agency to preserve records containing adequate and proper documentation of the agency's essential transactions.

Department officials stated noncompliance resulted from inadvertent oversight due to a vacancy in the position(s) responsible for this work and competing priority assignments for other available staff in the Fiscal Office.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate and untimely property reporting reduces the reliability of Statewide property information. (Finding Code No. 2016-010)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-010 **FINDING** (Inadequate control over the recording and reporting of State property - CONTINUED)

RECOMMENDATION

We recommend the Department strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. Further, the Department should ensure all equipment is accurately and timely recorded on the Department's property records.

DEPARTMENT RESPONSE

Department concurs. The Department will implement procedures to follow the State's current inventory guidelines and update the inventory records accordingly.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-011 **FINDING** (Failure to maintain an internal audit function)

The 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 as the Chief Internal Auditor (CIA) position was vacant from April 16, 2013 through December 7, 2014. As a result of the vacancy and having no additional internal audit staff, a full audit plan was not performed and all systems were not reviewed during the two year 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)) requires 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 that due to the limited number of qualified and interested candidates, the Department has been unable to fill the position of CIA for the time period of April 16, 2013 through December 7, 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. 2016-011, 2014-007)

RECOMMENDATION

We recommend the Department establish an internal audit program and retain a chief internal auditor as required.

DEPARTMENT RESPONSE

Department concurs. The Department has hired an internal auditor effective 04/17/2017.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-012 **FINDING** (Failure to enter into agreement with the State Board of Elections)

The Department on Aging (Department) failed to enter into a finalized agreement with the State Board of Elections.

During testing, we noted the Department did not have a finalized agreement with the State Board of Elections. In the interim they have a link on their Benefits Access Application system that directs applicants to voter registration.

Effective June 1, 2015, the Illinois Act on the Aging (Act) (20 ILCS 105/4.02) requires the Director of the Department to make information available to the State Board of Elections as may be required by an agreement the State Board of Elections has entered into with a multi-state voter registration list maintenance system.

Department officials stated the Department has been working with the State Board of Elections; however, the Department had concerns that sharing the information may be in violation of its confidentiality requirements. Other competing priorities at the Department have slowed the process.

Failure to enter into agreement and provide information to the State Board of Elections prevents the information from being part of the multi-state voter registration list and results in noncompliance with the Act. (Finding Code No. 2016-012)

RECOMMENDATION

We recommend the Department continue working with the State Board of Elections to enter into an agreement to ensure proper data sharing with the voter registration system.

DEPARTMENT RESPONSE

Department concurs. Although the Department did not finalize an agreement with the State Board of Elections, the Department does have the information compiled and ready to provide. However, the Department has not received assurances from the State Board of Elections ensuring that no violations of confidentiality will occur.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-013 **FINDING** (Failure to perform reconciliations)

The Department on Aging (Department) did not reconcile the Department's receipt records with those of the Office of the Comptroller (Comptroller).

During our testing, we noted the Department did not perform 24 of 24 (100%) required monthly reconciliations of Department receipt records with the Comptroller's Monthly Revenue Status Report (SB04) during the examination period. Total receipts were \$67,131,687 for Fiscal Year 2015 and \$61,438,950 for Fiscal Year 2016.

The Statewide Accounting Management System Manual (SAMS) Manual (Procedure 25.40.20) requires the Department to perform receipt and expenditure reconciliations on a monthly basis to identify and correct irreconcilable differences in its accounting records in a timely manner.

Department officials stated the issue noted was due to staff vacancies and oversight.

Failure to properly reconcile Department receipt records with those reported by the Comptroller creates an increased risk of not having accurate financial data needed to make spending decisions and could lead to inaccurate financial reporting. Further, it increases the risk that a theft or a loss could occur which would not be detected in a timely manner. (Finding Code No. 2016-013)

RECOMMENDATION

We recommend the Department implement procedures to ensure monthly reconciliations are performed and any discrepancies noted are corrected in a timely manner.

DEPARTMENT RESPONSE

Department concurs. The Department began performing the reconciliations as of July 2016. In addition, the Department is strengthening the applicable procedures.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-014 **FINDING** (Lack of contingency planning or testing to ensure recovery of computer systems)

The Department on Aging (Department) carries out its mission through the use of Information Technology; however, 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. Executive Order 16-01 created a new agency, the Illinois Department of Innovation and Technology (DoIT) that further brought all of the State's IT offices under one department. However, the Department has the ultimate responsibility to ensure it has the capability to recover its applications and data.

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.

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.

Department officials stated the noncompliance was due to Information Technology consolidation and the Department waiting for direction.

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. 2016-014, 2014-008)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
CURRENT FINDINGS
For the Two Years Ended June 30, 2016**

2016-014 **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 and the Department of Innovation and Technology 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

Department concurs. The Department will work with the Department of Innovation and Technology to ensure that there is an adequate disaster recovery plan in place for the Department on Aging systems.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF FINDINGS
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2016**

A. **FINDING** (Streamlined auditing and accreditation system)

During the prior examination, the Department on Aging (Department) failed to comply with certain streamlined auditing and accreditation system requirements.

During the current examination, the Department had not met all of the requirements of Public Act 97-0558; however, some of the requirements have been repealed effective December 31, 2014. The auditors noted immaterial conditions of noncompliance, which are reported in the Department's Report of Immaterial Findings. (Finding Code No. 2014-004)

B. **FINDING** (Failure to file annual fatality report)

During the prior examination, the 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.

During the current examination, the auditors' testing indicated the Department improved its controls over annual fatality reports. The auditors noted immaterial conditions of noncompliance, which are reported in the Department's Report of Immaterial Findings. (Finding Code No. 2014-005)

C. **FINDING** (Inadequate internal controls over payroll process and timekeeping)

During the prior examination, the Department had inadequate internal controls and procedures regarding the payroll process and timekeeping.

During the current examination, we tested a sample of payroll transactions and noted the Department's internal controls and procedures had improved. (Finding Code No. 2014-006)

D. **FINDING** (Improper community care program payments)

During the prior examination, the 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.

During the current examination, the Department implemented controls to check individuals against death records to ensure propriety of billings. (Finding Code No. 2014-009)

**STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2016
 - Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2015
 - 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)
 - Budget Impasse Disclosures (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Fiscal Year 2016 Invoices (Not Examined)
 - Average Number of Employees (Not Examined)
 - Annual Cost Statistics (Not Examined)
 - Memorandums of Understanding (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)
 - Schedule of Indirect Cost Reimbursements (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016 and June 30, 2015 accompanying supplementary information in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

SCHEDULE 1

For the Fourteen Months Ended August 31, 2016

<u>Public Acts 99-0409, 99-0524 and Court-Ordered Expenditures</u>	<u>Expenditure Authority (Net After Transfers)</u>	<u>Expenditures Through 6/30/16</u>	<u>Lapse Period Expenditures 7/01-8/31/16</u>	<u>Total Expenditures 14 Months Ended 8/31/16</u>	<u>Balances Lapsed 8/31/16</u>
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Personal Services	\$ 5,638,500	\$ 5,462,652	\$ -	\$ 5,462,652	\$ 175,848
State Contributions to Social Security	432,300	401,954	-	401,954	30,346
Elder Abuse and Neglect Act	1,325,000	546,344	-	546,344	778,656
Senior Helpline	1,362,000	1,359,870	-	1,359,870	2,130
Benefits, Eligibility, Assistance and Monitoring	1,775,000	590,925	-	590,925	1,184,075
Administrative Expenses of the Senior Meal Program	30,400	27,818	-	27,818	2,582
Awards and Grants					
Community Care Program	728,517,900	508,420,160	45,498,318	553,918,478	174,599,422
Comprehensive Care Coordination	64,390,800	53,023,431	8,174,044	61,197,475	3,193,325
Colbert Consent Decree	31,765,200	21,268,825	1,803,919	23,072,744	8,692,456
Total Distributive Items	<u>835,237,100</u>	<u>591,101,979</u>	<u>55,476,281</u>	<u>646,578,260</u>	<u>188,658,840</u>
TOTAL GENERAL REVENUE FUND - 001	<u>835,237,100</u>	<u>591,101,979</u>	<u>55,476,281</u>	<u>646,578,260</u>	<u>188,658,840</u>
SENIOR HEALTH INSURANCE PROGRAM FUND - 396					
Distributive Items:					
Operations					
Senior Health Insurance Program	<u>2,300,000</u>	<u>1,269,276</u>	<u>61,030</u>	<u>1,330,306</u>	<u>969,694</u>
TOTAL SENIOR HEALTH INSURANCE PROGRAM FUND - 396	<u>2,300,000</u>	<u>1,269,276</u>	<u>61,030</u>	<u>1,330,306</u>	<u>969,694</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

SCHEDULE 1
(CONTINUED)

For the Fourteen Months Ended August 31, 2016

<u>Public Acts 99-0409, 99-0524 and Court-Ordered Expenditures</u>	<u>Expenditure Authority (Net After Transfers)</u>	<u>Expenditures Through 6/30/16</u>	<u>Lapse Period Expenditures 7/01-8/31/16</u>	<u>Total Expenditures 14 Months Ended 8/31/16</u>	<u>Balances Lapsed 8/31/16</u>
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Expenses of Senior Meal Program	\$ 120,300	\$ 96,752	\$ -	\$ 96,752	\$ 23,548
Training and Conference Planning	150,000	8,056	1,468	9,524	140,476
Discretionary Government Projects	4,000,000	1,622,388	257,484	1,879,872	2,120,128
Training Services	100,000	13,291	18	13,309	86,691
Administrative Expenses of Title V Grant	300,000	155,353	-	155,353	144,647
Awards and Grants					
Grants for Adult Food Care Program	200,000	82,916	16,837	99,753	100,247
Grants for Employment Services	6,000,000	2,907,137	110,395	3,017,532	2,982,468
Grants for Social Services	22,000,000	15,292,447	1,556,067	16,848,514	5,151,486
National Lunch Program	2,500,000	1,433,793	291,691	1,725,484	774,516
National Family Caregiver Support Program	7,000,000	4,579,856	781,097	5,360,953	1,639,047
Prevention of Elder Abuse, Neglect and Exploitation	500,000	187,350	16,226	203,576	296,424
Long Term Care Ombudsman Services for Older Americans	1,000,000	449,472	47,325	496,797	503,203
Preventive Health	1,000,000	726,083	88,797	814,880	185,120
Nutrition Services Incentive Program	8,000,000	6,589,451	354,573	6,944,024	1,055,976
Congregate Meals Program	26,000,000	10,560,043	1,472,405	12,032,448	13,967,552
Home Delivered Meals Program	17,500,000	9,005,088	672,958	9,678,046	7,821,954
Total Distributive Items	<u>96,370,300</u>	<u>53,709,476</u>	<u>5,667,341</u>	<u>59,376,817</u>	<u>36,993,483</u>
Division of Finance and Administration					
Personal Services	287,600	262,419	-	262,419	25,181
State Contribution to State Employees' Retirement System	131,100	120,012	-	120,012	11,088
State Contribution to Social Security	20,500	19,422	-	19,422	1,078
Group Insurance	69,000	59,057	-	59,057	9,943

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

SCHEDULE 1
(CONTINUED)

For the Fourteen Months Ended August 31, 2016

<u>Public Acts 99-0409, 99-0524 and Court-Ordered Expenditures</u>	<u>Expenditure Authority (Net After Transfers)</u>	<u>Expenditures Through 6/30/16</u>	<u>Lapse Period Expenditures 7/01-8/31/16</u>	<u>Total Expenditures 14 Months Ended 8/31/16</u>	<u>Balances Lapsed 8/31/16</u>
Contractual Services	\$ 50,000	\$ 34,319	\$ -	\$ 34,319	\$ 15,681
Travel	15,200	2,786	-	2,786	12,414
Commodities	6,500	220	-	220	6,280
Equipment	2,000	-	-	-	2,000
Electronic Data Processing	60,000	38,956	-	38,956	21,044
Telecommunications	60,000	-	16,429	16,429	43,571
Operations of Auto Equipment	2,000	-	-	-	2,000
Total Division of Finance and Administration	<u>703,900</u>	<u>537,191</u>	<u>16,429</u>	<u>553,620</u>	<u>150,280</u>
Division of Home and Community Services					
Personal Services	790,100	404,290	-	404,290	385,810
State Contribution to State Employees' Retirement System	360,300	185,178	-	185,178	175,122
State Contribution to Social Security	60,400	29,986	-	29,986	30,414
Group Insurance	207,000	92,379	-	92,379	114,621
Contractual Services	36,000	32,205	800	33,005	2,995
Travel	65,000	3,675	224	3,899	61,101
Total Division of Home and Community Services	<u>1,518,800</u>	<u>747,713</u>	<u>1,024</u>	<u>748,737</u>	<u>770,063</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>98,593,000</u>	<u>54,994,380</u>	<u>5,684,794</u>	<u>60,679,174</u>	<u>37,913,826</u>
LONG TERM CARE OMBUDSMAN FUND - 698					
Distributive Items:					
Operations					
Long Term Care Ombudsman	2,600,000	455,957	28,009	483,966	2,116,034
TOTAL LONG TERM CARE OMBUDSMAN FUND - 698	<u>2,600,000</u>	<u>455,957</u>	<u>28,009</u>	<u>483,966</u>	<u>2,116,034</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

SCHEDULE 1
(CONTINUED)

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net After Transfers)	Expenditures Through 6/30/16	Lapse Period Expenditures 7/01-8/31/16	Total Expenditures 14 Months Ended 8/31/16	Balances Lapsed 8/31/16
<u>Public Acts 99-0409, 99-0524 and Court-Ordered Expenditures</u>					
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Awards and Grants					
Senior Health Assistance	\$ 1,600,000	\$ -	\$ 1,589,743	\$ 1,589,743	\$ 10,257
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	<u>1,600,000</u>	<u>-</u>	<u>1,589,743</u>	<u>1,589,743</u>	<u>10,257</u>
 DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items:					
Operations					
Private Partnership Projects Expense	345,000	-	18,143	18,143	326,857
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>345,000</u>	<u>-</u>	<u>18,143</u>	<u>18,143</u>	<u>326,857</u>
 TOTAL - ALL APPROPRIATED FUNDS	 <u>\$ 940,675,100</u>	 <u>647,821,592</u>	 <u>62,858,000</u>	 <u>710,679,592</u>	 <u>\$ 229,995,508</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

SCHEDULE 1
(CONTINUED)

For the Fourteen Months Ended August 31, 2016

<u>Public Acts 99-0409, 99-0524 and Court-Ordered Expenditures</u>	<u>Expenditure Authority (Net After Transfers)</u>	<u>Expenditures Through 6/30/16</u>	<u>Lapse Period Expenditures 7/01-8/31/16</u>	<u>Total Expenditures 14 Months Ended 8/31/16</u>	<u>Balances Lapsed 8/31/16</u>
NON-APPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Refund for Sub-Recipients		\$ 34,234	\$ -	\$ 34,234	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		34,234	-	34,234	
TOTAL - ALL NON-APPROPRIATED FUNDS		34,234	-	34,234	
 GRAND TOTAL - ALL FUNDS		 \$ 647,855,826	 \$ 62,858,000	 \$ 710,713,826	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records.

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: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 99-0409 and Public Act 99-0524 were signed into law on August 20, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 001 and Fund 618. Further, the Department incurred non-payroll obligations within Fund 001, Fund 618, Fund 733 and Fund 830, which the Department was unable to pay until the passage of Public Act 99-0409 and Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

SCHEDULE 2

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01-08/31/15	Total Expenditures 14 Months Ended 8/31/15	Balances Lapsed 8/31/15
Public Act 98-0680, 99-0001					
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Personal Services	\$ 5,797,900	\$ 4,973,617	\$ 226,052	\$ 5,199,669	\$ 598,231
State Contributions to Social Security	444,500	366,050	16,708	382,758	61,742
Contractual Services	1,619,700	1,172,077	237,293	1,409,370	210,330
Travel	191,200	43,767	2,187	45,954	145,246
Commodities	23,200	8,569	3,226	11,795	11,405
Printing	41,800	-	-	-	41,800
Equipment	14,100	2,747	453	3,200	10,900
Electronic Data Processing	297,200	39,429	400	39,829	257,371
Telecommunications	650,000	278,642	47,527	326,169	323,831
Operation of Auto Equipment	7,800	5,298	1,483	6,781	1,019
Elder Abuse and Neglect Act	22,253,800	11,262,750	4,954,501	16,217,251	6,036,549
Senior Employment Specialist Program	190,300	158,681	31,619	190,300	-
Grandparents Raising Grandchildren Program	304,545	297,845	-	297,845	6,700
Home Delivered Meals (formula and non-formula)	11,623,200	11,623,200	-	11,623,200	-
Specialized Training Program	48,900	18,109	-	18,109	30,791
Monitoring and Support Services	177,900	10,256	42,694	52,950	124,950
Illinois Council on Aging	25,400	11,475	210	11,685	13,715
Senior Helpline	1,362,500	1,173,079	69,789	1,242,868	119,632
Benefits, Eligibility, Assistance and Monitoring	1,807,100	1,062,035	33,880	1,095,915	711,185
Administrative Expenses of the Senior Meal Program	30,400	15,888	3,974	19,862	10,538
Awards and Grants					
Retired Senior Volunteer Program	539,400	539,400	-	539,400	-
Planning and Service Grants to Area Agencies on Aging	7,548,300	7,548,300	-	7,548,300	-
Foster Grandparent Program	236,000	201,992	33,983	235,975	25
Long-Term Care Systems Development	238,300	182,850	55,450	238,300	-
Community Based Services to Area Agencies on Aging	734,300	734,300	-	734,300	-
Community Care Program	728,517,900	726,958,942	103,667	727,062,609	1,455,291
Capitated Care Coordination	31,499,300	-	28,335,299	28,335,299	3,164,001
Comprehensive Care Coordination	59,390,800	45,957,388	6,841,032	52,798,420	6,592,380
Balancing Incentive Program	3,398,400	1,595,340	803,942	2,399,282	999,118
Colbert Consent Decree	31,765,200	15,547,710	5,368,786	20,916,496	10,848,704
Ombudsman Program	1,318,100	1,137,364	-	1,137,364	180,736
Total Distributive Items	912,097,445	832,927,100	47,214,155	880,141,255	31,956,190
TOTAL GENERAL REVENUE FUND - 001	912,097,445	832,927,100	47,214,155	880,141,255	31,956,190

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

SCHEDULE 2
(CONTINUED)

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01-08/31/15	Total Expenditures 14 Months Ended 8/31/15	Balances Lapsed 8/31/15
Public Act 98-0680, 99-0001					
SENIOR HEALTH INSURANCE PROGRAM FUND - 396					
Distributive Items:					
Operations					
Senior Health Insurance Program	\$ 3,000,000	\$ 2,068,468	\$ 46,089	\$ 2,114,557	\$ 885,443
TOTAL SENIOR HEALTH INSURANCE PROGRAM FUND - 396	<u>3,000,000</u>	<u>2,068,468</u>	<u>46,089</u>	<u>2,114,557</u>	<u>885,443</u>
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Expenses of Senior Meal Program	200,000	137,657	2,310	139,967	60,033
Training and Conference Planning	150,000	50,199	-	50,199	99,801
Discretionary Government Projects	4,000,000	1,272,933	424,052	1,696,985	2,303,015
Training Services	125,000	37,228	57,175	94,403	30,597
Administrative Expenses of Title V Grant	300,000	157,799	5,869	163,668	136,332
Awards and Grants					
Grants for Adult Food Care Program	200,000	84,282	16,992	101,274	98,726
Grants for Employment Services	6,500,000	2,618,198	490,323	3,108,521	3,391,479
Grants for Social Services	22,000,000	13,806,718	2,532,920	16,339,638	5,660,362
National Lunch Program	2,500,000	1,335,470	270,907	1,606,377	893,623
National Family Caregiver Support Program	7,500,000	4,679,663	966,103	5,645,766	1,854,234
Prevention of Elder Abuse, Neglect and Exploitation	500,000	191,919	12,946	204,865	295,135
Long Term Care Ombudsman Services for Older Americans	1,000,000	614,077	69,952	684,029	315,971
Preventive Health	1,000,000	528,056	73,149	601,205	398,795
Nutrition Services Incentive Program	8,500,000	5,516,172	988,498	6,504,670	1,995,330
Congregate Meals Program	26,000,000	11,617,268	2,130,256	13,747,524	12,252,476
Home Delivered Meals Program	16,000,000	9,239,421	821,363	10,060,784	5,939,216
Total Distributive Items	<u>96,475,000</u>	<u>51,887,060</u>	<u>8,862,815</u>	<u>60,749,875</u>	<u>35,725,125</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

SCHEDULE 2
(CONTINUED)

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01-08/31/15	Total Expenditures 14 Months Ended 8/31/15	Balances Lapsed 8/31/15
Public Act 98-0680, 99-0001					
Division of Finance and Administration					
Personal Services	\$ 200,100	\$ 195,207	\$ -	\$ 195,207	\$ 4,893
State Contribution to State Employees' Retirement System	84,700	82,687	-	82,687	2,013
State Contribution to Social Security	15,300	14,363	-	14,363	937
Group Insurance	47,000	43,556	-	43,556	3,444
Contractual Services	50,000	48,058	-	48,058	1,942
Travel	15,200	1,190	614	1,804	13,396
Commodities	6,500	-	-	-	6,500
Equipment	2,000	-	-	-	2,000
Electronic Data Processing	60,000	17,360	1,750	19,110	40,890
Telecommunications	60,000	-	-	-	60,000
Operations of Auto Equipment	2,000	-	-	-	2,000
Total Division of Finance and Administration	<u>542,800</u>	<u>402,421</u>	<u>2,364</u>	<u>404,785</u>	<u>138,015</u>
Division of Home and Community Services					
Personal Services	835,800	526,530	18,077	544,607	291,193
State Contribution to State Employees' Retirement System	353,900	219,276	7,687	226,963	126,937
State Contribution to Social Security	63,900	39,028	1,342	40,370	23,530
Group Insurance	216,700	103,110	3,522	106,632	110,068
Contractual Services	36,000	802	1,500	2,302	33,698
Travel	65,000	10,191	-	10,191	54,809
Total Division of Home and Community Services	<u>1,571,300</u>	<u>898,937</u>	<u>32,128</u>	<u>931,065</u>	<u>640,235</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>98,589,100</u>	<u>53,188,418</u>	<u>8,897,307</u>	<u>62,085,725</u>	<u>36,503,375</u>
COMMITMENT TO HUMAN SERVICES FUND - 644					
Distributive Items:					
Operations					
Community Care Program	96,772,500	14,755,313	69,767,507	84,522,820	12,249,680
TOTAL COMMITMENT TO HUMAN SERVICES FUND - 644	<u>96,772,500</u>	<u>14,755,313</u>	<u>69,767,507</u>	<u>84,522,820</u>	<u>12,249,680</u>
LONG TERM CARE OMBUDSMAN FUND - 698					
Distributive Items:					
Operations					
Long Term Care Ombudsman	3,000,000	1,693,563	51,701	1,745,264	1,254,736
TOTAL LONG TERM CARE OMBUDSMAN FUND - 698	<u>3,000,000</u>	<u>1,693,563</u>	<u>51,701</u>	<u>1,745,264</u>	<u>1,254,736</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

SCHEDULE 2
(CONTINUED)

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01-08/31/15	Total Expenditures 14 Months Ended 8/31/15	Balances Lapsed 8/31/15
<u>Public Act 98-0680, 99-0001</u>					
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Awards and Grants					
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:					
Operations					
Private Partnership Projects Expense	345,000	28,507	6,675	35,182	309,818
Application Processing for Disabled & Senior Citizens	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>2,345,000</u>	<u>28,507</u>	<u>6,675</u>	<u>35,182</u>	<u>2,309,818</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 1,117,404,045</u>	<u>906,261,369</u>	<u>125,983,434</u>	<u>1,032,244,803</u>	<u>\$ 85,159,242</u>
NON-APPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Refund for Sub-Recipients		31,372	9,031	40,403	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		<u>31,372</u>	<u>9,031</u>	<u>40,403</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>31,372</u>	<u>9,031</u>	<u>40,403</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 906,292,741</u>	<u>\$ 125,992,465</u>	<u>\$ 1,032,285,206</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2015, and have been reconciled to Department records.

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: On March 26, 2015, Public Act 99-0001 was signed into law, which reduced the Department's Fiscal Year 2015 General Revenue Fund appropriation from \$933,092,900 to \$912,098,400 and Commitment to Human Services Fund from \$99,000,000 to \$96,772,500.

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	P.A. 99-0409 P.A. 99-0524 Court-Ordered Expenditures		
		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
SENIOR HEALTH INSURANCE PROGRAM FUND - 396			
Expenditure Authority (Net After Transfers)	\$ 2,300,000	\$ 3,000,000	\$ 3,000,000
Expenditures			
Operating Expenditures			
Senior Health Insurance Program	1,330,306	2,114,557	962,418
Total Expenditures	<u>1,330,306</u>	<u>2,114,557</u>	<u>962,418</u>
Lapsed Balances	<u>\$ 969,694</u>	<u>\$ 885,443</u>	<u>\$ 2,037,582</u>
SERVICES FOR OLDER AMERICANS FUND - 618			
Expenditure Authority (Net After Transfers)	\$ 98,593,000	\$ 98,589,100	\$ 82,638,000
Expenditures			
Operating Expenditures			
Personal Services	666,709	739,814	893,887
State Contribution to State Employees' Retirement System	305,190	309,650	362,453
State Contribution to Social Security	49,408	54,733	66,131
Group Insurance	151,436	150,188	199,486
Contractual Services	67,324	50,360	50,165
Travel	6,685	11,995	20,433
Commodities	220	-	-
Electronic Data Processing	38,956	19,110	51,044
Telecommunications	16,429	-	316
Expenses of Senior Meal Program	96,752	139,967	95,426
Training and Conference Planning	9,524	50,199	80,600
Discretionary Government Projects	1,879,872	1,696,985	522,160
Training Services	13,309	94,403	26,653
Administrative Expenses of Title V Grant	155,353	163,668	154,399
Total Operating Expenditures	<u>3,457,167</u>	<u>3,481,072</u>	<u>2,523,153</u>
Grants-in-Aid			
Grants for Adult Food Care Program	99,753	101,274	93,621
Grants for Employment Services	3,017,532	3,108,521	3,087,705
Congregate Meals/Home Delivered Meals Programs	21,710,494	23,808,308	20,396,125
Grants for Social Services	16,848,514	16,339,638	16,939,127
National Lunch Program	1,725,484	1,606,377	1,497,488
National Family Caregiver Support Program	5,360,953	5,645,766	4,467,705
Prevention of Elder Abuse, Neglect and Exploitation	203,576	204,865	173,936
Long Term Care Ombudsman Services for Older Americans	496,797	684,029	541,263
Preventive Health	814,880	601,205	744,907
Nutrition Services Incentive Program	6,944,024	6,504,670	4,975,591
Total Grants-in-Aid	<u>57,222,007</u>	<u>58,604,653</u>	<u>52,917,468</u>
Total Expenditures	<u>60,679,174</u>	<u>62,085,725</u>	<u>55,440,621</u>
Lapsed Balances	<u>\$ 37,913,826</u>	<u>\$ 36,503,375</u>	<u>\$ 27,197,379</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	P.A. 99-0409 P.A. 99-0524 Court-Ordered Expenditures	P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
COMMITMENT TO HUMAN SERVICES FUND - 644			
Expenditure Authority (Net After Transfers)	\$ -	\$ 96,772,500	\$ -
Expenditures			
Operating Expenditures			
Community Care Program	-	84,522,820	-
Total Expenditures	-	84,522,820	-
Lapsed Balances	\$ -	\$ 12,249,680	\$ -
LONG TERM CARE OMBUDSMAN FUND - 698			
Expenditure Authority (Net After Transfers)	\$ 2,600,000	\$ 3,000,000	\$ 3,000,000
Expenditures			
Operating Expenditures			
Long Term Care Ombudsman	483,966	1,745,264	1,115,260
Total Expenditures	483,966	1,745,264	1,115,260
Lapsed Balances	\$ 2,116,034	\$ 1,254,736	\$ 1,884,740
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Expenditure Authority (Net After Transfers)	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Expenditures			
Grants-in-Aid			
Senior Health Assistance	1,589,743	1,600,000	1,600,000
Total Expenditures	1,589,743	1,600,000	1,600,000
Lapsed Balances	\$ 10,257	\$ -	\$ -
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Expenditure Authority (Net After Transfers)	\$ 345,000	\$ 2,345,000	\$ 345,000
Expenditures			
Operating Expenditures			
Private Partnership Projects Expense	18,143	35,182	2,520
Total Expenditures	18,143	35,182	2,520
Lapsed Balances	\$ 326,857	\$ 2,309,818	\$ 342,480

STATE OF ILLINOIS
DEPARTMENT ON AGING
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	P.A. 99-0409		
	P.A. 99-0524	P.A. 98-0680	
	Court-Ordered	P.A. 99-0001	P.A. 98-0027
	Expenditures		
TOTAL - ALL APPROPRIATED FUNDS			
Expenditure Authority (Net After Transfers)	\$ 940,675,100	\$ 1,117,404,045	\$ 1,121,437,300
Expenditures	<u>710,679,592</u>	<u>1,032,244,803</u>	<u>993,954,776</u>
Lapsed Balances	<u>\$ 229,995,508</u>	<u>\$ 85,159,242</u>	<u>\$ 127,482,524</u>
NON-APPROPRIATED FUNDS			
SERVICES FOR OLDER AMERICANS FUND - 618			
Expenditures			
Refund for Sub-Recipients	\$ 34,234	\$ 40,403	\$ 42,253
Total Expenditures	<u>34,234</u>	<u>40,403</u>	<u>42,253</u>
TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 34,234</u>	<u>\$ 40,403</u>	<u>\$ 42,253</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS	<u>\$ 710,713,826</u>	<u>\$ 1,032,285,206</u>	<u>\$ 993,997,029</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, 2016, 2015 and 2014, State Officers' salaries were as follows:

Director's Salary	\$ 48,172	\$ 115,613	\$ 115,613
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- Note 1: For Fiscal Year 2016 and Fiscal Year 2015, expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records. For Fiscal Year 2014, all appropriations, expenditure and lapsed balances were obtained from Office records and have been reconciled to the records of the Office 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: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 99-0409 and Public Act 99-0524 were signed into law on August 20, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 001 and Fund 618. Further, the Department incurred non-payroll obligations within Fund 001, Fund 618, Fund 733 and Fund 830, which the Department was unable to pay until the passage of Public Act 99-0409 and Public Act 99-0524.
- Note 4: Public Act 99-0524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.
- Note 5: On March 26, 2015, Public Act 99-0001 was signed into law, which reduced the Department's Fiscal Year 2015 General Revenue Fund appropriation from \$933,092,900 to \$912,098,400 and Commitment to Human Services Fund from \$99,000,000 to \$96,772,500.

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

	<u>2016</u>	<u>2015</u>
Balance, beginning of period	\$ 771,026	\$ 778,587
Additions:		
Agency adjustments	-	-
Equipment purchased	-	117,708
Total additions	-	117,708
Deductions:		
Transferred out	-	124,047
Deletions	-	1,222
Total deductions	-	125,269
Balance, end of period	\$ 771,026	\$ 771,026

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 STATE COMPTROLLER
For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
GENERAL REVENUE FUND - 001			
Miscellaneous Reimbursements	\$ 170	\$ 197	\$ 2,481
Prior Year Refunds	428,479	107,949	363,954
Total Cash Receipts Per Department	<u>428,649</u>	<u>108,146</u>	<u>366,435</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>\$ 428,649</u>	<u>\$ 108,146</u>	<u>\$ 366,435</u>
SENIOR HEALTH INSURANCE PROGRAM FUND - 396			
Senior Health Insurance Program	\$ 1,315,365	\$ 2,022,067	\$ 1,008,976
Total Cash Receipts Per Department	<u>1,315,365</u>	<u>2,022,067</u>	<u>1,008,976</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>\$ 1,315,365</u>	<u>\$ 2,022,067</u>	<u>\$ 1,008,976</u>
SERVICES FOR OLDER AMERICANS FUND - 618			
U.S. Department of Health and Human Services	\$ 54,436,348	\$ 59,999,379	\$ 47,916,233
U.S. Department of Agriculture	1,903,671	1,772,352	1,674,625
U.S. Department of Labor	3,306,543	3,202,347	3,189,938
Grantee Interest Income	959	-	1,118
Miscellaneous	-	1,157	20
Prior Year Refunds	36,411	26,024	74,731
Total Cash Receipts Per Department	<u>59,683,932</u>	<u>65,001,259</u>	<u>52,856,665</u>
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>\$ 59,683,932</u>	<u>\$ 65,001,259</u>	<u>\$ 52,856,645</u>
COMMITMENT TO HUMAN SERVICES FUND - 644			
U.S. Department of Public Health	\$ -	\$ -	\$ -
Prior Year Refunds	1,029	-	-
Total Cash Receipts Per Department	<u>1,029</u>	<u>-</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>\$ 1,029</u>	<u>\$ -</u>	<u>\$ -</u>
LONG TERM CARE OMBUDSMAN FUND - 698			
U.S. Department of Public Health	\$ -	\$ -	\$ -
Prior Year Refunds	9,743	-	40,179
Total Cash Receipts Per Department	<u>9,743</u>	<u>-</u>	<u>40,179</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>\$ 9,743</u>	<u>\$ -</u>	<u>\$ 40,179</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Prior Year Refunds	\$ 232	\$ 215	\$ 1,403
Total Cash Receipts Per Department	232	215	1,403
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>\$ 232</u>	<u>\$ 215</u>	<u>\$ 1,403</u>
 GRAND TOTAL - ALL FUNDS			
Total Cash Receipts Per Department - All Funds	\$ 61,438,950	\$ 67,131,687	\$ 54,273,658
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 - All Funds	<u>\$ 61,438,950</u>	<u>\$ 67,131,687</u>	<u>\$ 54,273,638</u>

Note: The Department did not perform reconciliations of the Department receipt records. As a result, the above information was derived from the Office of the Comptroller's records. See Finding 2016-013 on page 25.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016**

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 2016 AND 2015

General Revenue Fund - 001

Operations - In Fiscal Year 2016, the stopgap budget did not include specific operational line item appropriations for the General Revenue Fund. Therefore, expenditures for specific purposes cannot be compared between Fiscal Years 2016 and 2015.

Elder Abuse and Neglect Act - Elder Abuse and Neglect Act expenditures decreased due to a realignment of expenditures for better tracking.

Senior Employment Specialist Program - Senior Employment Specialist Program expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Grandparents Raising Grandchildren Program - Grandparents Raising Grandchildren Program expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Home Delivered Meals - Home Delivered Meals expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Monitoring and Support Services - Monitoring and Support Services expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Benefits, Eligibility, Assistance and Monitoring (BEAM) - BEAM is predominantly personal service expenditures which were paid from operations in the General Revenue Fund under court order during Fiscal Year 2016.

Retired Senior Volunteer Program - Retired Senior Volunteer Program expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

Planning and Service Grants to Area Agencies on Aging - Planning and Service Grants to Area Agencies on Aging expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Foster Grandparent Program - Foster Grandparent Program expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Long-Term Care Systems Development - Long-Term Care Systems Development expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Community Based Services to Area Agencies on Aging - Community Based Services to Area Agencies on Aging expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Community Care Program - Community Care Program expenditures decreased due to the appropriation being split between General Revenue Fund and Commitment to Human Services Fund for Fiscal Year 2016.

Capitated Care Coordination - Capitated Care Coordination expenditures decreased in Fiscal Year 2016 due to the Department not having an agreement authorizing payment for Fiscal Year 2016.

Balancing Incentive Program - Balancing Incentive Program grant expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Ombudsman Program - Ombudsman Program grant expenditures decreased due to the budget impasse. Public Act 099-0524, which passed on June 30, 2016, authorized the Department to pay Fiscal Year 2016 expenditures out of the Fiscal Year 2017 appropriation in the Commitment to Human Services Fund 644. See Budget Impasse Disclosure on page 58.

Senior Health Insurance Program - 396

Senior Health Insurance Program - Senior Health Insurance Program expenditures decreased due to this program being given a federal extension to make payments to service providers for Fiscal Year 2014, which resulted in increased expenditures in Fiscal Year 2015. This program has a federal fiscal year starting on April 1 and ending on March 31.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

Services for Older Americans Fund - 618

Expenses of Senior Meal Program - Expenses of Senior Meal Program expenditures decreased due to a reduction in funding for operations.

Training and Conference Planning - Training and Conference Planning expenditures decreased due to a realignment of program objectives.

Training Services - Training Services expenditures decreased due to a realignment of program objectives.

Long Term Care Ombudsman Services for Older Americans - Long Term Care Ombudsman Services for Older Americans expenditures decreased due to fluctuations in award amounts.

Preventative Health - Preventative Health expenditures increased due to fluctuations in award amounts.

Commitment to Human Services Fund - 644

Community Care Program - Fiscal Year 2016 Community Care Program expenditures decreased due to not receiving appropriations for this program.

Long Term Care Ombudsman Fund - 698

Long Term Care Ombudsman - Long Term Care Ombudsman expenditures decreased due to changes in program management, which resulted in changing spending patterns.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

BETWEEN FISCAL YEARS 2015 AND 2014

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 2015 and 2014. Overall expenditures in the General Revenue Fund increased 0.3% from Fiscal Year 2014 to Fiscal Year 2015.

Capitated Care Coordination - Capitated Care Coordination expenditures increased in Fiscal Year 2015 as this was a new initiative in Fiscal Year 2014. Additionally, more clients were shifted to the Manage Care Organization (MCO) program at the Illinois Department of Healthcare and Family Services which resulted in additional expenditures in Fiscal Year 2015.

Balancing Incentive Program - Balancing Incentive Program expenditures increased as this was a new program in Fiscal Year 2015.

Colbert Consent Decree - Colbert Consent Decree expenditures increased as this was a new initiative in Fiscal Year 2015.

Ombudsman Program - Ombudsman Program expenditures increased as the Fiscal Year 2014 appropriation was rolled into lump sum appropriations.

Senior Health Insurance Program - 396

Senior Health Insurance Program - Senior Health Insurance Program expenditures increased due to this program being given a federal extension to make payments to service providers for Fiscal Year 2014, which resulted in increased expenditures in Fiscal Year 2015. This program has a federal fiscal year starting on April 1 and ending on March 31.

Services for Older Americans Fund - 618

Group Insurance - Group insurance spending decreased due to a shifting of employees.

Electronic Data Processing - Electronic Data Processing expenditures decreased due to funding pressures resulting from the sequester. In Fiscal Year 2015 there were less software expenditures and payments were no longer made to an outside vendor for IT support.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016**

Expenses of Senior Meal Program - Expenses of Senior Meal Program expenditures increased due to additional funding for Fiscal Year 2015 and allowed an increase in the related expenditures.

Training and Conference Planning - Training and Conference Planning expenditures decreased due to a realignment of program objectives.

Discretionary Government Projects - Discretionary Government Projects expenditures increased due to additional funding from several new grants for federal initiatives.

Training Services - Training Services expenditures increased due to a realignment of program objectives.

National Family Caregiver Support Program - National Family Caregiver Support Program expenditures increased due to an increase in award amounts.

Long Term Care Ombudsman Services for Older Americans - Long Term Care Ombudsman Services for Older Americans expenditures increased due to fluctuations in award amounts.

Nutrition Services Initiative Program - Nutrition Services Initiative Program expenditures increased due to an increase in award amounts.

Commitment to Human Services Fund - 644

Community Care Program - Fiscal Year 2015 was the first year the Department had appropriations in this fund.

Long Term Care Ombudsman Fund - 698

Long Term Care Ombudsman - Long Term Care Ombudsman expenditures increased due to changes in program management, which changed program perspectives and spending patterns.

Department on Aging State Projects Fund - 830

Private Partnership Projects Expense - Due to the General Revenue Fund backlog of payments and the direction of the Office of Management and Budget to find ways to alleviate General Revenue Fund pressure, some employee travel was moved to this fund.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016**

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 2016 AND 2015

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 2016.

Senior Health Insurance Program - 396

Senior Health Insurance Program - Senior Health Insurance Program receipts decreased due to a federal extension to fund providers in Fiscal Year 2015. This program has a federal fiscal year starting on April 1 and ending on March 31.

BETWEEN FISCAL YEARS 2015 AND 2014

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 2015.

Senior Health Insurance Program - 396

Senior Health Insurance Program - Senior Health Insurance Program receipts increased due to a federal extension to fund providers in Fiscal Year 2015. This program has a federal fiscal year starting on April 1 and ending on March 31.

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 and federal sequestration.

Prior Year Refunds - Prior year refunds decreased due to fewer overpayments being made that needed to be returned in Fiscal Year 2015.

Long Term Care Ombudsman Fund - 698

Prior Year Refunds - Prior year refunds decreased due to fewer overpayments being made that needed to be returned in Fiscal Year 2015.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016**

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

FISCAL YEAR 2016

Services for Older Americans Fund - 618

National Lunch Program - The significant spending during the Lapse Period is primarily due to the Department processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

Tobacco Settlement Recovery Fund - 733

Senior Health Assistance - The significant spending during the Lapse Period is primarily due to the Department processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2015

General Revenue Fund - 001

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

Elder Abuse and Neglect Act - Lapse period spending was due to timing of the billing from Central Management Services.

Senior Employment Specialist Program - Lapse period spending was due to timing of receipt of invoices.

Monitoring and Support Services - Lapse period spending was due to timing of receipt of invoices.

Long-Term Care Systems Development - Lapse period spending was due to timing of receipt of invoices.

Capitated Care Coordination - Lapse period spending was due to timing of receipt of the funding bill, which caused payments to occur in the lapse period.

Balancing Incentive Program - Lapse period spending was due to late programmatic decisions in implementing the new program.

Colbert Consent Decree - Lapse period spending was due to the contract transition to the Department being late in the fiscal year which pushed the payment into the lapse period.

Services for Older Americans Fund - 618

Discretionary Government Projects - Lapse period spending was due to not receiving bills for processing until the lapse period.

Training Services - Lapse period spending was due to not receiving bills for processing until the lapse period.

Grants for Employment Services - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

Grants for Social Services - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

National Lunch Program - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

National Family Caregiver Support Program - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

Nutritional Services Incentive Program - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

Congregate Meals Program - Lapse period spending was due to the timing of receipts of funds due to the federal sequester pushing payments to the lapse period.

Commitment to Human Services Fund - 644

Community Care Program - Lapse period spending was due to the Department exhausting the General Revenue Fund before moving to Community Care billings in the Commitment to Human Services Fund.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2016**

The Department had approximately \$5,685,000 and \$4,550,000 due from federal agencies at June 30, 2016 and 2015, 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 \$1,155,000 and \$393,000 in gross receivables due from grantees of the Benefits Eligibility Assistance Monitoring (BEAM) program at June 30, 2016 and 2015, respectively. At June 30, 2016 and 2015, the estimated uncollectible balance of these receivables was approximately \$393,000 and \$364,000.

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2016**

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, Jean Bohnhoff, was appointed Director of the Department on February 1, 2016.

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, 2016**

- *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)*. 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)
BUDGET IMPASSE DISCLOSURES
For the Year Ended June 30, 2016**

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Department on Aging to pay Fiscal Year 2016 costs using the Department on Aging's Fiscal Year 2017 appropriations for non-payroll expenditures. The following chart shows the Department on Aging's plan to expend its Fiscal Year 2017 appropriations to cover its Fiscal Year 2016 costs:

OUTSTANDING FISCAL YEAR 2016 Vouchers

Fund #	Fund Name	Number	Dollar Value
644	Commitment to Human Services	12,742	\$ 323,976,786
686	Budget Stabilization	561	969,759
		<u>13,303</u>	<u>\$ 324,946,545</u>

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
For the Year Ended June 30, 2016**

Transactions Involving the Illinois Finance Authority

The Department on Aging and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payment (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approves the qualified purchasers and provides information to vendors about VPP, neither CMS nor the State are parties to the assigned agreements.

None of the Department's vendors participated in the Vendor Payment Program (VPP) during Fiscal Year 2015 and Fiscal Year 2016.

Vendor Support Initiative Program (VSI)

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Department on Aging lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Department on Aging was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately pays the invoice after the Department on Aging receives appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives the remaining 10% due (less any offsets).

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
For the Year Ended June 30, 2016**

During Fiscal Year 2016, the Department on Aging had one vendor participate in VSI for two invoices, totaling \$1,051. A summary of the amount of transactions by qualified purchaser follows:

**TRANSACTIONS BY
QUALIFIED PURCHASER**

Qualified Purchaser	Total
A	\$ 1,051
	<u>\$ 1,051</u>

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES
For the Year Ended June 30, 2016**

Prompt Payment Interest Costs

The Department on Aging plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Department on Aging. The following chart shows the Department on Aging's prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2016

Fund #	Fund Name	Invoices	Vendors	Dollar Value
644	Commitment to Human Services	6,422	177	\$ 8,036,134
686	Budget Stabilization	86	26	1,436
830	Department on Aging State Projects Fund	6	4	81
		6,514	207	\$ 8,037,651

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2016**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Executive Office	15	14	13
Division of Home and Community Services	48	43	34
Division of Planning, Research and Development	9	6	7
Division of Finance and Administration	15	15	16
Division of Communications and Outreach	45	35	32
Division of Benefits Eligibility Assistance Monitoring	8	22	21
Information Technology	<u>21</u>	<u>23</u>	<u>20</u>
Total average number of employees	<u>161</u>	<u>158</u>	<u>143</u>

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2016**

Statistical Information on State Community Care Program

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

		<u>2016</u>	<u>2015</u>	<u>2014</u>
Average Monthly Caseload	(1)	<u>83,983</u>	<u>83,632</u>	<u>85,117</u>
Percentage of Males		29%	28%	29%
Percentage of Females		71%	72%	71%
Percentage of Clients over 75 Living Alone		53%	54%	54%
Percentage of Ethnic/Minority		54%	54%	54%
Average Cost per Client per Month	(3)	\$ 878	\$ 859	\$ 869
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		121,325	120,336	99,891
Number of Face-to-Face Screens		121,315	120,277	99,654
Number of Non-Face-to-Face Screens		10	59	237

(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)
MEMORANDUMS OF UNDERSTANDING
For the Two Years Ended June 30, 2016**

Department officials stated there was one memorandum of understanding between the Department and other agencies during the audit period, as noted below:

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, 2016**

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 2016 and Fiscal Year 2015.

<u>Performance Indicators</u>	Fiscal Year		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Input Indicators			
Community Care Program (CCP)			
Budget Appropriation	\$ 801,673,900	\$ 969,771,200	\$ 976,053,100
Number of CCP Personnel	63	63	50
Output Indicators			
Total Assessments Conducted	248,597	242,963	244,816
Number of Deinstitutionalizations Conducted	206	202	210
Units of Service Conducted			
Homemaker Service	43,392,890	42,407,588	42,562,098
Adult Day Service	2,305,910	2,475,530	2,500,196
Outcome Indicators			
Percent of CCP Screens			
Face-to-Face	100.00%	100.00%	99.80%
Non-Face-to-Face	0.00%	0.00%	0.20%
CCP Caseload Cost vs. Nursing Home Caseload Costs	28.30%	27.70%	31.10%
Efficiency/Cost-Effective Indicators			
CCP Average Monthly Caseload	83,983	83,632	85,117
CCP Average Monthly Cost of Care	\$ 878	\$ 859	\$ 869
Average Monthly Cost of Medicaid Nursing Home	\$ 3,100	\$ 2,998	\$ 2,791
Individuals in CCP vs. Nursing Home			
Monthly Savings (Federal/State)	\$ 186,610,226	\$ 178,888,848	\$ 163,645,944
Yearly Savings (Federal/State)	\$ 2,239,322,712	\$ 2,146,666,176	\$ 1,963,751,330

**STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF OPERATIONS (NOT EXAMINED)
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
For the Two Years Ended June 30, 2016**

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 August 30, 2016, 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	07/01/14 - 06/30/15	91.70%
	Provisional	07/01/15 - 06/30/17	132.30%
Home and Community Care / Planning, Research and Development	Final	07/01/14 - 06/30/15	89.10%
	Provisional	07/01/15 - 06/30/17	91.10%
Finance and Administration	Final	07/01/14 - 06/30/15	67.80%
	Provisional	07/01/15 - 06/30/17	63.90%
Communication and Outreach	Final	07/01/14 - 06/30/15	79.80%
	Provisional	07/01/15 - 06/30/17	93.60%