



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

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2018

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



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STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page(s)</u>
Department Officials.....	1-2
Management Assertion Letter	3-4
Compliance Report:	
Summary	5-7
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information For State Compliance Purposes	8-11
Schedule of Findings	
Current Findings – State Compliance	12-48
Prior Findings Not Repeated	49-50
Status of Program Audit.....	51-52
	<u>Schedule</u>
Supplementary Information for State Compliance Purposes:	
Summary	53
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	
Fiscal Year 2018	1 54-55
Fiscal Year 2017	2 56-57
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3 58-67
Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds	4 68
Schedule of Changes in State Property	5 69
Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller.....	6 70-79
Analysis of Operations (Not Examined)	
Agency Functions and Planning Program (Not Examined)	80-83
Analysis of Significant Variations in Expenditures (Not Examined)	84-88
Analysis of Significant Variations in Receipts (Not Examined).....	89-93
Analysis of Significant Lapse Period Spending (Not Examined).....	94
Analysis of Accounts Receivable (Not Examined).....	95
Budget Impasse Disclosures (Not Examined).....	96
Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)	97
Interest Costs on Fiscal Year 2017 Invoices (Not Examined)	98
Average Number of Employees (Not Examined)	99
Memorandums of Understanding (Not Examined).....	100
Service Efforts and Accomplishments (Not Examined)	101-104

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

DEPARTMENT OFFICIALS

Secretary	Bryan Schneider (through January 2019)
Acting Secretary	Jessica Baer (effective January 2019 through February 2019) Deborah Hagan (effective February 2019)
Chief of Staff	Brandon Purcell
Chief Financial Officer	Bryan Martin (through December 2017) Emmett Hamilton (effective December 2017)
General Counsel	Jessica Baer (through October 2016) Sadzi Oliva (through January 2017) Dina Masiello (effective February 2017)
Senior Deputy General Counsel	Susan Gold (through October 2016) Sherry Eshoo (effective October 2016)
Director of Administrative Services	Vacant (through November 2016) Calvin Hodgson (effective August 2018)
Acting Director of Administrative Services	Mike Leslie (effective November 2016 through July 2018)
Director Information Technology	Sunil Thomas (through April 2017) Sean O'Kelly (effective April 2017)
Director Legislative Affairs	John Webb
Director Division of Professional Regulation	Jay Stewart (through August 2016) Jessica Baer (effective September 2016)
Acting Director Division of Professional Regulation	Daniel Kelber (through September 2016)
Director Division of Financial Institutions	Francisco Menchaca
Director Division of Banking	Kerri Doll
Director Division of Real Estate	Kreg Allison (through January 2019) Vacant (February 2019) Mario Treto, Jr. (effective March 2019)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

Department Offices are located at:

Bicentennial Building
320 West Washington Street 3rd Floor
Springfield, IL 62786

9511 Harrison Street, Suite LL50
Des Plaines, IL 60016

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

8620 South Pulaski Road
Chicago, IL 60652
Closed February 2018



STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

May 15, 2019

Sikich LLP
3201 West White Oaks Dr., Suite 102
Springfield, IL 62704

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 Illinois Department of Financial and Professional Regulation. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Illinois Department of Financial and Professional Regulation's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2017 and June 30, 2018, the Department of Financial and Professional Regulation has materially complied with the assertions below.

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

SIGNED ORIGINAL ON FILE

Deborah Hagan, Acting Secretary

SIGNED ORIGINAL ON FILE

Emmett Hamilton, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Hunter Wiggins, Chief of Staff on behalf of Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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 modified opinion on compliance and identifies material weaknesses and internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	14	9
Repeated Findings	5	5
Prior Recommendations Implemented or Not Repeated	4	8

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	12	Department Boards and Committees not Fully Staffed	Noncompliance and Significant Deficiency
2018-002	15	Noncompliance with Boxing and Full-contact Martial Arts Act	Material Noncompliance and Material weakness
2018-003	20	Noncompliance with Savings Bank Act and Illinois Banking Act	Noncompliance and Significant Deficiency
2018-004	21	Noncompliance with Medical Practice Act	Material Noncompliance and Material weakness
2018-005	23	Noncompliance with Clinical Psychologist Licensing Act	Noncompliance and Significant Deficiency

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

SCHEDULE OF FINDINGS (Continued)

Item No.	Page	Description	Finding Type
FINDINGS (STATE COMPLIANCE) (Continued)			
2018-006	25	Noncompliance with Home Medical Equipment and Service Provider License Act	Material Noncompliance and Material weakness
2018-007	26	Noncompliance with the Pharmacy Practice Act	Material Noncompliance and Material weakness
2018-008	31	General Failure to Prepare and Maintain Documentation	Material Noncompliance and Material weakness
2018-009	34	Weaknesses regarding Payment Card Industry Data Security Standards	Noncompliance and Significant Deficiency
2018-010	36	Voucher Processing Weaknesses	Noncompliance and Significant Deficiency
2018-011	38	Deficiencies Identified in its Management of Refunds and Returned Checks	Noncompliance and Significant Deficiency
2018-012	41	Employee Performance Evaluations not Completed or Timely Completed	Noncompliance and Significant Deficiency
2018-013	42	Weaknesses in Internal Controls over Travel	Noncompliance and Significant Deficiency
2018-014	44	Inadequate Internal Audit Function	Material Noncompliance and Material weakness

PRIOR FINDINGS NOT REPEATED

A	49	Deficiencies Identified in Controls over Interagency Agreements
B	49	Inadequate Control over Monitoring Licensee Documentation
C	49	Noncompliance with Currency Exchange Act
D	50	Noncompliance with Various Statutory Mandates

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 9, 2019.

Attending were:

Illinois Department of Financial and Professional Regulation

Deborah Hagan – Acting Secretary

Hunter Wiggins – Chief of Staff

Brandon Purcell – Chief Operating Officer/Agency Procurement Officer

Emmett Hamilton – Chief Financial Officer

Susan Gold – Senior Deputy General Counsel

Francisco Menchaca – Director, Division of Financial Institutions

Kerri Doll – Director, Division of Banking

Mario Treto, Junior – Director, Division of Real Estate

Jack Rakers – CMS Chief Internal Auditor

Amy Lange – CMS Internal Auditor

Office of the Auditor General

Jennifer Rankin – Audit Manager

Sikich LLP

Amy Sherwood - Partner

Danielle Caldwell - Manager

The responses to the recommendations were provided by Brandon Purcell, Chief Operating Officer/Agency Procurement Officer, in a correspondence dated May 15, 2019.

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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 of Financial and Professional Regulation’s compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2018. The management of the State of Illinois, Department of Financial and Professional Regulation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Financial and Professional Regulation’s compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Department of Financial and Professional Regulation complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Department of Financial and Professional Regulation complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Financial and Professional Regulation's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the compliance requirement listed in the first paragraph of this report during the two years ended June 30, 2018. As described in items 2018-002, 2018-004, 2018-006, 2018-007, 2018-008, and 2018-014 in the accompanying schedule of findings, the State of Illinois, Department of Financial and Professional Regulation did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary in our opinion, for the State of Illinois, Department of Financial and Professional Regulation to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, the State of Illinois, Department of Financial and Professional Regulation complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. 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 items 2018-001, 2018-003, 2018-005, 2018-009, 2018-010, 2018-011, 2018-012, and 2018-013.

The State of Illinois, Department of Financial and Professional Regulation's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Financial and Professional Regulation's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

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

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 described below, we did identify 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 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 deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2018-002, 2018-004, 2018-006, 2018-007, 2018-008, and 2018-014 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency or a 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 2018-001, 2018-003, 2018-005, 2018-009, 2018-010, 2018-011, 2018-012, and 2018-013 to be significant deficiencies

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

The State of Illinois, Department of Financial and Professional Regulation's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Financial and Professional Regulation's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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, 2018 and June 30, 2017 in Schedules 1 through 6 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, 2018 and June 30, 2017 accompanying supplementary information in Schedules 1 through 6. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016 accompanying supplementary information in Schedules 1 through 6 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
May 15, 2019

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

CURRENT FINDINGS – State Compliance

2018-001. FINDING (Department Board and Committees not Fully Staffed)

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

- The Department was not in compliance with the provisions of the Real Estate License Act of 2000 regarding appointment of members to the Real Estate Administration and Disciplinary Board (Board). We noted one of 12 (8%) members was not actively engaged as a managing broker or broker for at least the ten years prior to the appointment.

The Real Estate License Act of 2000 (225 ILCS 454/25-10) requires the Governor to appoint fifteen members to the Board. The Board shall consist of twelve members who have been actively engaged as managing brokers or brokers or both for at least ten years prior to the appointment and three public members who represent consumer interests.

The Department stated the noncompliance was due to human error.

- The Department was not in compliance with the provisions of the Physician Assistant Practice Act of 1987 regarding the appointment of members to the Physician Assistant Advisory Committee (Committee). We noted five of seven (71%) positions (public member, three physician assistants, and one physician) were vacant. We also noted one member had served more than two consecutive terms and had been on the Committee for 25 years, since 1993. Finally, it was not possible to test compliance with the staggered interval term limits of the Physician Assistant Practice Act of 1987 because the Committee only consisted of two members, both of which were serving on expired terms.

The Physician Assistant Practice Act of 1987 (225 ILCS 95/11) requires the establishment of the Committee to the Department and the Medical Licensing Board (Board). The seven members of the Committee shall be composed of three physicians, two of whom shall be members of the Board and appointed to the Committee by the chairman and one physician who is not a member of the Board shall be a supervisor of a licensed physician assistant and shall be approved by the Governor from a list of Illinois physicians supervising licensed physician assistants; three physician assistants; and one public member who is not employed or having any material interest in any healthcare field. The terms of office of each of the original seven members shall be at staggered intervals. Upon the expiration of the term of any member, the successor shall be appointed for a term of four years. No member shall serve more than two consecutive terms.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Department stated the Committee has not met since 1997. Previous attempts to abolish the Committee legislatively were unsuccessful. Candidates are not recruited for appointment to this Committee due to its inactivity.

- The Department was not in compliance with the provisions of the Occupational Therapy Practice Act regarding the appointment of members to the Illinois Occupational Therapy Licensure Board (Board). We noted one of seven (14%) positions (one public member) has been vacant since April 2012.

The Illinois Occupational Therapy Practice Act (225 ILCS 75/5) requires the Department to appoint the Board consisting of seven members who shall serve in an advisory capacity to the Department. The Board shall be composed of four licensed occupational therapists in good standing and actively engaged in the practice of occupational therapy in the State, two licensed occupational therapy assistants in good standing and actively engaged in the practice of occupational therapy in the State, and one public member who is not licensed under the Act or a similar act of another jurisdiction and is not a provider of healthcare service.

The Department stated it has challenges inherent in recruiting volunteers willing to donate time to serve on various boards and committees. Additionally, many of the board appointments require Secretary and Governor's Office approval, which creates quorum compliance challenges.

- The Department was not in compliance with the provisions of the Perfusionist Practice Act regarding the appointment of members to the Board of Licensing for Perfusionists (Board). We noted one of five (20%) positions has been vacant since November 2002 (public member). In addition, the Board is not active and did not elect a vice-chairperson in either fiscal year 2017 or 2018.

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

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Department stated no candidates have expressed an interest in serving as a public member. Furthermore, the Department stated the Board has not had a meeting since 2013. As a result, the Board has not recruited for appointment to this Board and no vice-chairperson has been selected. Candidates are not recruited for appointment to this Board due to its inactivity.

Failure to appoint board and committee members may prevent the boards and committees from carrying out their mandated duties of regulating these professions in accordance with the acts cited. Members should be appointed in a timely manner to properly perform the function of the boards and committees as intended. Full boards and committees are necessary to properly conduct meetings and operate effectively and efficiently. (Finding Code No. 2018-001, 2016-001, 2014-003, 12-3, 10-9, 08-14, 07-12, 06-28, 05-25, BRE 04-16)

RECOMMENDATION

We recommend the Department continuously appoint qualified members to these boards and committees as required by the acts cited. We also recommend the Department continue to work with the Governor's Office to ensure the board and committee vacancies are filled in a timely manner for those cases where the Governor's Office is required to appoint board and committee members.

DEPARTMENT RESPONSE

Agree. The Department will continue to make progress in filling volunteer board vacancies and reappointing statutorily eligible volunteer board members as terms expire to maintain the compliance with the applicable Act governing these professions.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-002. FINDING (Noncompliance with Boxing and Full-contact Martial Arts Act)

The Illinois Department of Financial and Professional Regulation (Department) adopted an administrative rule which conflicts with the Boxing and Full-contact Martial Arts Act (Act), did not fully enforce various provisions of the Act, and lacked adequate control over tickets at contests.

During testing of eight of the 67 contests regulated by the Department under the Act during the examination period, we noted the following problems:

- During testing of the Act’s provisions, we noted the Department’s adopted rules codified within the Illinois Administrative Code (Code) conflicted with the Act, as noted below:

- During testing of promoter applications for contests, we noted the Code (68 Ill. Admin. Code 1370.300(f)) requires promoters, **a minimum of 10 days prior to the contest**, submit to the Department the names of contestants and current information from an approved recordkeeper.

The Act (225 ILCS 105/8(a)) requires promoters desiring a permit to conduct a contest submit an application, **at least 20 days prior to the event**, which contains the names of the professionals or amateurs competing in the contest, subject to Department approval.

Under the Code (68 Ill. Admin. Code 1370.70(b)), this listing of contestants enables the Department to review and either approve or prohibit a proposed bout based upon a mismatch between the two contestants’ record, skill, and condition.

- During testing of tickets and the remittance of taxes by the promoter for each contest, we noted the Department’s rule codified within the Code (68 Ill. Admin. Code 1370.170(e)) requires promoters provide the Department with a final accounting of printed tickets on an official ticket inventory “prior to or during the last bout” of the contest.

The Act (225 ILCS 105/13) requires the promoter furnish the Department with “a written report verified by the promoter or his authorized designee showing the number of tickets sold for such a contest or the actual ticket stubs of tickets sold and the amount of the gross proceeds thereof” within 24 hours after a contest.

The Act (225 ILCS 105/5) authorizes the Department “to prescribe rules and regulations for the administration of the Act.” Good internal controls over regulation include ensuring adopted rules comport with statutory provisions.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

Department officials indicated the noncompliance was due to human error.

- In eight of eight (100%) contests tested, the Department accepted incomplete applications from promoters and subsequently issued a permit to conduct a contest. Specifically, we noted the following problems:

- Three (38%) applications did not have a matchmaker reported on the application, who under the Code (68 Ill. Admin. Code 1370.70(a)) is the person responsible for arranging bouts and matching contestants based upon each contestant's weight and experience.

The Act (225 ILCS 105/8(a)) and the Code (68 Ill. Admin. Code 1370.300(b)) requires a promoter, at least 20 days prior to a contest, apply for a permit and submit an application which includes the name of the matchmaker. Further, the Code (68 Ill. Admin. Code 1370.300(b)) also requires the promoter provide the address, phone number, fax number (if available), and e-mail address (if available) of the matchmaker on the application for a permit to conduct a contest.

- Three (38%) applications lacked the purse amounts to be paid to the professionals.

The Act (225 ILCS 105/8(a)) requires a promoter, at least 20 days prior to a contest, apply for a permit and submit an application which includes the amount of purses scheduled to be paid to professionals for the event.

- Seven (88%) applications lacked a listing of the amateurs and/or professionals competing in the event.

The Act (225 ILCS 105/8(a)) requires the promotor to provide the names of the professionals or amateurs competing in the contest, subject to Department approval.

- Eight (100%) applications lacked proof of a contract.

The Act (225 ILCS 105/8(a)) and the Code (68 Ill. Admin. Code 1370.300(b)) requires a promoter, at least 20 days prior to a contest, apply for a permit and submit an application which includes proof of contract indicating the requisite registration and sanctioning of by an approved sanctioning body for amateur bouts within any full-contact martial arts contest.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Act (225 ILCS 105/5) requires the Department to “ascertain the qualifications and fitness of applicants for licenses and permits.” Further, the Act (225 ILCS 105/7) requires a promoter to obtain a permit issued in accordance with the provisions of the Act and the Department’s rules codified within the Code. Finally, the Act (225 ILCS 105/8(b)) notes the Department may issue a permit to a promoter who meets the requirements of both the Act and the rules codified within the Code.

Department officials indicated these conditions were due to human error.

- In eight of eight (100%) contests tested, we noted the Department did not ensure licensed promoters complied with the provisions of the Act regarding tickets. Specifically, we noted the following problems:

- Eight (100%) contests did not have a ticket format prescribed by the Department.

The Act (225 ILCS 105/13) requires tickets to contests be printed in the form prescribed by the Department. Further, the Code (68 Ill. Admin. Code 1370.170(e)) notes, in order to facilitate the assessment of taxes due, tickets shall be printed in a format approved by the Department.

- Five (63%) contests did not have a certified inventory of all tickets printed no later than seven days prior to the contest provided to the Department.
- One (13%) of the tested contests’ certified ticket inventory bore a postmark date after the seven day deadline to mail the ticket inventory to the Department.

The Act (225 ILCS 105/13) requires a certified inventory of all tickets printed for the event be mailed to the Department no less than seven days prior to the contest. Further, the Code (68 Ill. Admin. Code 1370.170(e)) requires, in order to facilitate the assessment of taxes due, that seven days prior to the contest, the promoter must submit to the Department a notarized printer’s manifest for the amount and price of tickets printed for the contest.

- Five (63%) contests where no ticket inventory was noted and the required written report submitted to the Department was not available for review by the auditors.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Act (225 ILCS 105/13) requires the promoter, within 24 hours after a contest, furnish the Department with a written report showing the tickets sold or actual ticket stubs of tickets sold, the amount of gross proceeds, and pay the Department a tax of the lesser of (1) 5% of the gross receipts on the sale of admission tickets or (2) \$52,500. Further, the Code (68 Ill. Admin. Code 1370.170(e)) requires the final accounting of printed tickets be completed by the promoter on an official ticket inventory prior to or during the last bout, which is submitted to the Department.

The Code (68 Ill. Admin. Code 1370.170(b)) states the Department “shall have supervision over the sales of tickets, ticket boxes, entrances and exits for the purpose of checking admission controls.” In addition, the Code (68 Ill. Admin. Code 1370.170(b)) states the Department “shall ensure that all tickets are counted and that the final accounting includes the: (1) number of complementary tickets; (2) face value of each ticket; (3) total number of each ticket price category sold; and (4) gross receipts from all ticket sales.” Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State’s resources.

Department officials indicated the noncompliance was due to human error.

- The Department did not exercise adequate controls over monitoring physicians appointed by the Department to oversee the contest. We noted the following:
 - In one of eight (13%) contests tested, we noted one contest participant did not undergo an examination before the contest.
 - In one of eight (13%) contests tested, the Department lacked documentation to support a physician had completed examinations of the contest participants. As a result, we could not determine whether the physician completed the examination as required.

The Act (225 ILCS 105/12(b)) requires each professional or amateur participant undergo an examination by a physician before the contest and promptly after each bout. Under the Act (225 ILCS 105/12(b)), the initial examination is to determine if the participant is physically fit to compete in the contest and the post-bout examination is to determine possible injury and whether the participant’s condition indicates the participant should be immediately medically suspended by the Department. Further, the Code (68 Ill. Admin. Code 1370.150(f)) requires “contestants shall have a pre- and post-bout physical conducted by a physician to attest to the contestant’s physical fitness to compete.” In addition, the Code (68 Ill. Admin. Code 1370.110(a)) requires physicians report to the Department, in writing, all injuries sustained by a contestant immediately following the contest.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

Finally, the State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department officials indicated these conditions were due to human error.

Failure to ensure the Department's rules are consistent with the Act represents noncompliance with the Act and may result in confusion among the promoters about their responsibilities under State law. Further, failure to obtain complete applications from promoters prior to approving a contest permit hinders the Department's oversight functions and neglects the Department's statutory duty to ascertain the qualification and fitness of applicants for permits. In addition, inadequate control over monitoring tickets could result in errors and other irregularities going undetected, resulting in an underpayment of taxes due to the Department by licensees. Finally, failure to ensure all participants in a contest receive a documented pre- and post-bout examination by a physician may result in serious medical problems and/or injuries going undetected and could subject the State to unnecessary litigation. (Finding Code No. 2018-002)

RECOMMENDATION

We recommend the Department take action to ensure:

- 1) the Department's adopted rules comport with statute;
- 2) permits are only approved after the submission of a complete application by the promoter which discloses all of the information required by State laws, rules, and regulations;
- 3) monitoring of tickets occurs and ticket printing, sales, and final accountings are conducted in strict accordance with State laws, rules, and regulations; and,
- 4) all participants undergo a documented pre- and post-bout examination by a physician.

Further, the Department should ensure contemporaneous documentation is produced and retained to support its oversight and monitoring of the Act.

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-003. FINDING (Noncompliance with Savings Bank Act and Illinois Banking Act)

The Illinois Department of Financial and Professional Regulation (Department) did not ensure compliance with the Savings Bank Act and the Illinois Banking Act.

The Department did not promulgate rules as required by the Savings Bank Act and the Illinois Banking Act to ensure consistency and due process of savings and State banks operating under these Acts.

The Savings Bank Act (205 ILCS 205/9004(f)) and the Illinois Banking Act (205 ILCS 5/48(2.1)) require the Secretary to adopt rules that ensure consistency and due process in the examination process.

The Department stated it uses the Federal Deposit Insurance Corporation (FDIC) Risk Management Manual of Examination Policies; therefore, it does not need to adopt its own rules.

Failure to adopt rules may result in inconsistent implementation of the Savings Bank Act and the Illinois Banking Act. (Finding Code No. 2018-003, 2016-008)

RECOMMENDATION

We recommend the Department adopt rules as required by the Savings Bank Act and the Illinois Banking Act, as required, or seek a legislative remedy if the Department determines rules are not needed.

DEPARTMENT RESPONSE

Partially Agree. The Department believes there are inconsistencies within the Acts cited.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-004. FINDING (Noncompliance with Medical Practice Act)

The Illinois Department of Financial and Professional Regulation (Department) did not ensure compliance with the Medical Practice Act of 1987 and the State Records Act.

During our testing we noted the following:

- Twelve of 60 (20%) licenses tested did not have supporting documentation to indicate whether the continuing education requirements had been met. As a result, this statutory requirement could not be tested.
- Seven of 60 (12%) licenses tested did not have supporting documentation to show the applicants' fitness for their reinstated licenses. As a result, this statutory requirement could not be tested.
- The Department was unable to provide documentation, other than support for the fee paid, to demonstrate that the applicant had been certified as having active practice in another jurisdiction or had completed an evaluation program satisfactory to the Department for two of 60 (3%) licenses tested.

The Medical Practice Act of 1987 (225 ILCS 60/21(B)) states any licensee who has permitted his or her license to lapse or who has had his or her license on inactive status may have his or her license reinstated by making application to the Department and filing proof acceptable to the Department to his or her fitness to have the license reinstated, including evidence certifying to active practice in another jurisdiction satisfactory to the Department, proof of meeting continuing education requirements for one renewal period, and by paying the required reinstatement fee. If the licensee has not maintained an active practice in another jurisdiction satisfactory to the Department, the Licensing Board shall determine, by an evaluation program established by rule, the applicant's fitness to resume active status and may require the licensee to complete a period of evaluated clinical experience and may require successful completion of a practical examination specified by the Licensing Board. The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

The Department stated the exceptions were caused by human error and staff turnover.

Failure to maintain continuing education and applicant fitness documentation to support reinstatement impedes the Department's ability to demonstrate compliance with the Medical Practice Act of 1987 and represents noncompliance with the State Records Act. (Finding Code No. 2018-004)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

RECOMMENDATION

We recommend the Department obtain and maintain adequate documentation to ensure compliance with the Medical Practice Act of 1987 and the State Records Act. Also, we recommend the Department ensure adequate record keeping processes are followed to prevent files from being misplaced or lost.

DEPARTMENT RESPONSE

Partially Agree. The Department, however, believes this finding is redundant with Finding 2018-008.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-005. FINDING (Noncompliance with Clinical Psychologist Licensing Act)

The Illinois Department of Financial and Professional Regulation (Department) did not ensure compliance with the Clinical Psychologist Licensing Act (Act) and the Illinois Administrative Code (Code).

During our testing of Clinical Psychologist applications, we noted three of sixty (5%) instances where the applicant was not given an evaluation rating on the professional experience form in the application. In addition, the Department was unable to provide documentation to demonstrate the applicant had turned in the professional experience reference forms verifying the length, hours worked, and description of employment as required by the Code for one of 60 (2%) applicants tested. The Department provided all of the other requested documentation related to the applicant.

The Act (225 ILCS 15/9.5) states that whoever desires to obtain a license shall apply to the Department in writing, on forms prepared and furnished by the Department. Each application shall contain proof of the particular qualifications required of the applicant, shall be verified by the applicant under oath or affirmation, and shall be accompanied by the required fee. The Code (68 Ill. Adm. Code 1400.120(a)) requires an applicant file an application with the Division of Professional Regulation prior to an examination date. The application shall include professional experience reference forms verifying the length, exact time, number of hours per week and description of functions of the applicant's employment and the experience was obtained pursuant to Section 1400.110. All experience information shall be submitted at the time of the application. References shall be completed by the person who supervised the applicant pursuant to Section 1400.110 of the Code, which defines experience permitted to obtain a license. When internships and clinical experience are utilized for experience, Section 1400.110 of the Code states the intern must be evaluated by the supervisor as satisfactory or better.

The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

The Department stated the exceptions were due to oversight caused by human error.

Providing licenses with incomplete data negates the requirements outlined in the Act and the Code. Failing to maintain documentation related to the Department's decisions regarding the Act represents noncompliance with the State Records Act. (Finding Code No. 2018-005)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

RECOMMENDATION

We recommend the Department obtain and maintain adequate documentation to ensure compliance with the Act, the Code, and State Records Act.

DEPARTMENT RESPONSE

Partially Agree. The Department, however, believes this finding is redundant with Finding 2018-008.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-006. FINDING (Noncompliance with Home Medical Equipment and Service Provider License Act)

The Illinois Department of Financial and Professional Regulation (Department) did not ensure compliance with the Home Medical Equipment and Service Provider License Act.

During our testing, we noted the Department was unable to provide us with support showing that sixty of 60 (100%) licensees tested were certified by a recognized accrediting body or that the licensees were subject to inspection. As a result, we could not test whether the licenses were certified or subject to inspection.

The Home Medical Equipment and Services Provider License Act (225 ILCS 51/50) states an entity may renew its license by meeting the renewal requirements adopted by the Department. The Illinois Administrative Code (68 Ill. Adm. Code 1253.80(b)) requires for submission with the renewal application proof of accreditation, if a licensee is currently certified by a recognized national accrediting body such as Joint Commission on Accreditation of Health Care Organizations or Accreditation Commission for Home Care Inc. If a licensee does not submit the certification or is not certified by a recognized accrediting body, the Department is required to inspect the licensee's facility. The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

The Department stated the inability to provide the requested documentation was caused by human error and staff turnover.

Failure to maintain documentation of licensee accreditation may result in issuances of licenses to ineligible applicants. (Finding Code No. 2018-006)

RECOMMENDATION

We recommend the Department obtain and maintain adequate documentation to ensure compliance with all applicable statutes. Also, we recommend the Department ensure adequate record keeping processes are followed to prevent files from being misplaced or lost.

DEPARTMENT RESPONSE

Partially Agree. The Department, however, believes this finding is redundant with Finding 2018-008.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-007. FINDING (Noncompliance with the Pharmacy Practice Act)

The Illinois Department of Financial and Professional Regulation (Department) lacked adequate control over its duties and responsibilities under the Pharmacy Practice Act (Act).

During testing, we noted the following:

- During testing of 60 nonresident pharmacies, we noted the following:
 - For four (7%) nonresident pharmacies tested, the Department was unable to provide support the pharmacy was licensed in its state of residency.
 - For four (7%) nonresident pharmacies tested, the Department was unable to provide support for the pharmacy's location, names, and titles of all principal officers of the business and all pharmacists dispensing drugs to residents of the State of Illinois.

The Act (225 ILCS 85/16a(b)) states a nonresident pharmacy license shall be granted by the Department upon the disclosure and certification by the pharmacy (1) that it is licensed in the state in which the dispensing facility is located and from which drugs are dispensed and (2) the location, names, and titles of all of the principal officers of the business and all pharmacists who are dispensing drugs to residents of the State of Illinois. The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department officials indicated these exceptions were due to oversight, human error, and staff turnover.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

- The Act (225 ILCS 85/16) requires, when the pharmacist in charge passes away, ceases to function in that capacity, or has their license suspended or revoked, the owner must notify the Department of the identity of the new pharmacist in charge on forms provided by the Department. Further, the Act (225 ILCS 85/16) and the Illinois Administrative Code (Code) (68 Ill. Admin. Code 1330.660(f)) states it is the duty of every pharmacist in charge to report that they no longer serve as the pharmacist in charge within 30 days of the date when the individual ceased to function as the pharmacist in charge. Finally, the Code (68 Ill. Admin. Code 1330.660(h)) requires the departing pharmacist in charge and the incoming pharmacist in charge submit an affidavit to the Department within 30 days of the change attesting to the completion of a physical inventory of all Schedule II drugs under the Illinois Controlled Substances Act (720 ILCS 570) and an estimated count of all other scheduled drugs and the preservation of the inventory record. In the event the departing pharmacist in charge is incapacitated, deceased, or refuses to complete the inventory for the incoming pharmacist in charge, the Code (68 Ill. Admin. Code 1300.600(i)) states the incoming pharmacist in charge must complete the inventory, but is not responsible for any discrepancies occurring prior to the initial inventory.

We attempted to test the Department's monitoring controls to identify a failure to provide notice to the Department, which is grounds for disciplinary action under the Act (225 ILCS 85/16). To start our testing, we requested the Department provide us with the population of notifications filed with the Department reporting a change in the pharmacist in charge during the examination period. In response to our inquiries, the Department management stated Section 16 of the Act does not require the Department to maintain a listing of these records filed with the Department and, therefore, the Department does not have this list.

Due to this condition, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the monitoring controls in place at the Department with regards to Section 16 of the Act. We were also unable to complete our planned examination procedures for Section 16 of the Act.

Department officials indicated the noncompliance was due to oversight.

- We noted two of 60 (3%) instances where the Department was unable to provide documentation to demonstrate that the pharmacy maintained a toll-free number to facilitate communications between patients and residents of Illinois as required by the statute.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Act (225 ILCS 85/16a(b)(6)) states a nonresident pharmacy license shall be granted by the Department upon the disclosure and certification by the pharmacy that during its regular hours of operation, but not less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communications between patients and residents of Illinois and a pharmacist at the nonresident pharmacy who has access to the patients' records.

The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department officials indicated these exceptions were due to oversight, human error, and staff turnover.

- During the examination period, 182 pharmacies closed within the State. During testing of 19 closed pharmacies, we noted two (11%) of the 19 closed pharmacies tested did not have any controlled substance drugs on their inventory listing. For the remaining 17 closed pharmacies tested, the Department was unable to provide evidence it received the final controlled substance inventory from one (6%) closed pharmacy. As such, the Department did not have documentation to support its approval or disapproval of the pharmacy's intended disposition of all legend drugs and, if necessary, the Department's decision to confiscate all remaining legend drugs 30 days after the pharmacy's closure.

The Act (225 ILCS 85/17(a)) requires the pharmacist in charge at a closed pharmacy to notify the Department of the pharmacy's closure and provide the Department with a copy of the closing inventory of the pharmacy's controlled substances, with a statement of the intended disposition of all legend drugs and prescription files, within 30 days of the closure. From this submission, the Act (225 ILCS 85/17(b)) requires the Department to (1) approve of the intended manner of disposition and notify the pharmacist in charge within 30 days of the pharmacist's notification to the Department or (2) disapprove of the intended manner of disposition and notify the pharmacist in charge of the disapproval and reasons for the disapproval within 30 days, which triggers a potential refiling by the pharmacist in charge with a new proposed disposition for approval by the Department. Subsequently, the Act (225 ILCS 85/17(b)) requires the Secretary of the Department, if the disposition of all legend drugs does not occur within 30 days of the Department's approval of the disposition or if no alternative method of disposition has been submitted to the Department within 30 days of its previous disapproval of the method of disposition, notify the pharmacist in charge of the Department's intent to confiscate all legend drugs.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

Department officials indicated there is no statutory mandate that the Department retain the copies of the inventory listing. The Department stated it received the inventory and submitted the originals to the Drug Enforcement Administration.

- The Act (225 ILCS 85/9.5a) states an individual licensed as a registered pharmacy technician may be licensed if he or she meets all of the following requirements, including (4) he or she has graduated from pharmacy technician training meeting the requirements set forth in subsection (a) of Section 17.1 of this Act or (ii) obtained documentation from the pharmacists-in-charge of the pharmacy where the applicant is employed verifying that he or she has successfully completed a training program and has successfully completed an objective assessment mechanism prepared in accordance with the rules established by the Department.

We noted one of 60 (2%) instances where the Department could not provide any documentation to show the certified pharmacy technician had graduated from a pharmacy technician training or verification from the pharmacy where the applicant is employed that the applicant completed the required training program as required by the statute. The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department officials indicated these exceptions were due to oversight, human error, and staff turnover.

Failure to maintain controls over a statutory filing requirement, implement monitoring functions, and provide us with complete and adequate population records to enable our testing of Section 16 of the Act resulted in the auditors not being able to complete our procedures and provide useful and relevant feedback to the General Assembly regarding the Department's compliance with the Act. Finally, failure to retain documentation of records relating to pharmacy closures, the disposition of controlled substances, nonresident pharmacy license requirements, and registered pharmacy technician licensees represents noncompliance with the Act and the State Records Act, and hinders accountability and the ability of reviewers to understand the regulatory actions of the Department and its compliance with the Act. (Finding Code No. 2018-007)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

RECOMMENDATION

We recommend the Department take action to ensure:

- 1) documentation and evidence are retained by the Department supporting each nonresident pharmacy met the requirements of the Act prior to the Department's decision to license the nonresident pharmacy;
- 2) a listing of the filings received by the Department under Section 16 of the Act can be generated, such that these filings can be reviewed by the Department and other external parties and auditors can test the Department's monitoring functions; and,
- 3) documentation of records relating to pharmacy closures and the disposition of controlled substances under Section 17 of the Act are retained to support the Department's regulatory functions and decisions.
- 4) Documentation of records relating to the licenses of registered pharmacy technicians under Section 9.5 of the Act.

DEPARTMENT RESPONSE

Partially Agree. The Department, however, believes this finding is redundant with Finding 2018-008.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-008. FINDING (General Failure to Prepare and Maintain Documentation)

The Illinois Department of Financial and Professional Regulation (Department) failed to prepare and maintain adequate documentation supporting its administrative and fiscal operations during the examination period.

Specifically, we noted the following deficiencies when performing our compliance examination:

- When testing the Boxing and Full-contact Martial Arts Act (225 ILCS 105/12(b)), we noted in one of eight (13%) contests the Department lacked documentation to support a physician had completed examinations of the contest participants. See also Finding 2018-002.
- When testing the Medical Practice Act of 1987 (225 ILCS 60/21(B)), we noted seven of 60 (12%) licenses tested did not have supporting documentation to show the applicants' fitness for their reinstated licenses. See also Finding 2018-004.
- During our testing of the Medical Practice Act (225 ILCS 60/21(B)), we noted two of 60 (3%) instances where the Department was unable to provide documentation, other than support for the fee paid, to demonstrate that the applicant had been certified as having active practice in another jurisdiction or had completed an evaluation program satisfactory to the Department. See also Finding 2018-004.
- During our testing of the Clinical Psychologist Licensing Act (225 ILCS 15/9.5), we noted one of 60 (2%) instances where the Department was unable to provide documentation to demonstrate the applicant had turned in the professional experience reference forms verifying the length, hours worked, and description of employment as required by the 68 Ill. Adm. Code 120(a). The Department provided all of the other requested documentation related to the applicant. See also Finding 2018-005.
- The Department was unable to provide us with support showing that 60 of 60 (100%) licensees tested were certified by a recognized accrediting body or that the licensees were subject to inspection when we tested the Home Medical Equipment and Services Provider License Act (225 ILCS 51/50) and the Illinois Administrative Code (68 Ill. Adm. Code 1253.80(b)). See also Finding 2018-006.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

- During our testing of 60 nonresident pharmacies regulated by the Pharmacy Practice Act (225 ILCS 85/16a(b)(6)), the Department was unable to provide support the pharmacy was licensed in its state of residency for four (7%) nonresident pharmacies tested and was unable to provide support for the pharmacy's location, names, and titles of all principal officers of the business and all pharmacists dispensing drugs to residents of the State of Illinois for four (7%) nonresident pharmacies tested. See also Finding 2018-007.
- During our testing of the Pharmacy Practice Act (225 ILCS 85/16a(b)(6)), we noted two of 60 (3%) instances where the Department was unable to provide documentation to demonstrate that the pharmacy maintained a toll-free number to facilitate communications between patients and residents of Illinois as required by the statute. See also Finding 2018-007.
- During the examination period, 182 pharmacies closed within the State. During testing of closed 19 pharmacies subject to the guidelines outlined in the Pharmacy Practice Act (225 ILCS 85/17), the Department did not retain one (5%) tested pharmacy's closing inventory of controlled substances. As such, the Department did not have documentation to support its approval or disapproval of the pharmacy's intended disposition of all legend drugs and, if necessary, the Department's decision to confiscate all remaining legend drugs 30 days after the pharmacy's closure. See also Finding 2018-007.
- During our testing of the Pharmacy Practice Act (225 ILCS 85/9.5a), we noted one of 60 (2%) instances where the Department could not provide any documentation to show the certified pharmacy technician had graduated from a pharmacy technician training or verification from the pharmacy where the applicant is employed that the applicant completed the required training program as required by the statute. See also Finding 2018-007.
- The Department could not provide support for its approval for four of 60 (7%) vouchers, totaling \$761. See also Finding 2018-010.
- During our testing of Real Estate License Act of 2000 (225 ILCS 454/5-70 through 454/5-75), we noted one of 60 (2%) instances where the Department could not properly support the educational requirements contained in the statute. In this exception, the Department was unable to provide documentation showing the educational requirements.
- During our testing of the Barber, Cosmetology, Esthetics, Hair Braiding and Nail Technology Act of 1985 (225 ILCS 410/4-1(2)) we noted two of 60 (3%) instances where the Department could not provide official transcripts to demonstrate the candidate was qualified to obtain a license (68 Ill. Adm. Code 1175).

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities. In addition, the State Records Act (5 ILCS 160/9) requires the Department's Secretary maintain an active and continuing program for the management of the Department's records, including the creation, maintenance, and use of records in the conduct of the Department's current business for the duration of a record's retention period.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management stated exceptions were due to staff turnover and human error.

Failure to prepare and maintain adequate documentation of the Department's administrative and fiscal operations during the examination period impeded our ability in completing our examination to provide useful and relevant feedback to the General Assembly regarding the Department's compliance with applicable laws, rules, and regulations. Further, it resulted in the Department being unable to demonstrate it met each compliance requirement it was subjected to during the examination period. In addition, not preparing and maintaining adequate documentation represents noncompliance with the State Records Act, the Fiscal Control and Internal Auditing Act, and the Accountability for the Investment of Public Funds Act. (Finding Code No. 2018-008, 2016-007)

RECOMMENDATION

We recommend Department management and staff take immediate action to strengthen its control over records maintenance for each area in which a compliance requirement is present.

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-009. FINDING (Weaknesses Regarding Payment Card Industry Data Security Standards)

The Illinois Department of Financial and Professional Regulation (Department) did not complete all the requirements to demonstrate compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department accepted credit card payments for online license applications and renewals for various professions. During the examination period, the Department handled 204,531 credit card transactions totaling \$32,749,441 in fiscal year 2017 and 514,734 credit card transactions totaling \$50,617,669 in fiscal year 2018.

Upon examination of the Department's compliance with PCI DSS, we noted the Department had not:

- Completed a Self-Assessment Questionnaire (SAQ) addressing all elements of its environment used to store, process, and transmit cardholder data.
- Formally assessed each program of accepting credit card payments and the methods in which payments could be made, matched those methods to the appropriate SAQ, or ensured its compliance with PCI DSS.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder. In addition, PCI requires all members, merchants, and service providers, who store, process, and/or transmit cardholder data to become PCI compliant. The PCI Standards require merchants to assess their environments and validate compliance with PCI on an annual basis. To assist merchants in the assessments of their environments, the PCI Council has established Self Assessment Questionnaires (SAQ) for validating compliance with PCI's core requirements.

The Department stated the exceptions were caused by a lack of resources and human error.

Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could lead to the loss of credit card data or loss of the right to utilize certain credit card providers if not in compliance with current PCI standards. Additionally, loss of confidential data could result in identity theft or other unauthorized use, as well as unnecessary costs and liability to the Department. (Finding Code No. 2018-009, 2016-009)

RECOMMENDATION

We recommend the Department complete the appropriate SAQ(s) for its environment and assess each program accepting credit card payments and the methods in which payments can be made and match these methods to the appropriate SAQ on a regular basis.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

DEPARTMENT RESPONSE

Partially Agree. The Department believes a collaborative effort with multiple parties is needed to fulfill these compliance requirements. DoIT is responsible for the management of IT infrastructure, network and security while the Treasurer's Office and the third-party vendor, JetPay, are responsible for the management of credit card and account information. The compliance requirements should be appropriately completed on behalf of the Department by DoIT, the Treasurer's Office, and JetPay. The Department will continue to oversee and maintain the compliance of its portion of the applicable Act/Rules.

AUDITOR COMMENT

The Department is responsible for the design, implementation, and maintenance of internal controls related to the receipt of credit card payments. This responsibility is not limited due to the process being outsourced to other entities. Compliance with PCI DSS standards is a basic requirement of participation in the Treasurer's ePAY program and the responsibility for that compliance rests with the Department. This is affirmed in section 6 of the ePAY Agreement that was signed by the Department at time of enrollment.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-010. FINDING (Voucher Processing Weaknesses)

The Illinois Department of Financial and Professional Regulation (Department) failed to exercise adequate control over voucher processing.

During our testing we noted the following:

- Nine of 85 (11%) invoices, totaling \$6,200, were not approved within 30 days of the physical receipt of the bill. The invoices were approved between 26 and 253 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70 (b)) requires the Department to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.
- Three of 60 (5%) vouchers, totaling \$1,036, were not paid within 90 days after the receipt of a proper bill. The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires any bill approved for payment to be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. The bills were paid between 25 and 198 days late.
- The Department could not provide support of its approval for four of 60 (7%) vouchers, totaling \$761. As a result, we could not determine whether or not the vouchers were properly approved. The State Records Act (5 ILCS 160/8) requires the Department's Secretary make and preserve records containing adequate and proper documentation of the functions, decisions, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.
- During our reconciliation of the Office of the Comptroller Object Expense/Expenditures by Quarter (SA02) Reports to the Quarterly Agency Reports of State Property (C-15), we noted four vouchers for items that should have been classified as supplies had incorrectly been recorded under detail object codes for capitalized equipment. These vouchers totaled \$12,603. The Statewide Accounting Management System (SAMS) (Procedure 11.10.50) defines the detail expenditure account (object) code to the authorized category and description of the expenditures. The purpose of the detail object code is to report expenditures at a more refined level within a common object (object of expenditure).

In the previous examination, exceptions were noted concerning the Department's calculation of the interest penalty due to vendors under the State Prompt Payment Act. This exception was not identified during the current examination.

The Department stated the exceptions were due to human error and staff turnover.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

Timely approving and paying vouchers is important in order to maintain adequate internal controls over expenditures. Failure to do so could lead to inappropriate use or misuse of State funds. Additionally, failure to comply with the State Prompt Payment Act results in late payments to vendors and interest penalties being levied against the Department. (Finding Code No. 2018-010, 2016-004)

RECOMMENDATION

We recommend the Department approve or deny invoices in compliance with the requirements of the Illinois Administrative Code and make payments in compliance with the State Prompt Payment Act. Additionally, we recommend the Department obtain and maintain adequate documentation to ensure compliance with the State Records Act. Further, the Department should implement and maintain controls to ensure vouchers are coded with the correct SAMS detail object code.

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-011. FINDING (Deficiencies Identified in its Management of Refunds and Returned Checks)

The Illinois Department of Financial and Professional Regulation (Department) had deficiencies in its management of refunds and returned checks.

During our testing of four refunds totaling \$3,509 received by the Department, we noted the following:

- Two of four (50%) refunds tested totaling \$314 relating to current expenditures were not offset against the correct expenditure accounts as required by the State Comptroller Act (15 ILCS 405/10.14). The State Comptroller Act states that if a warrant drawn upon the State Treasury or any other fund held by the Treasurer is returned uncashed or redeposited by the Comptroller or if a warrant has been cashed but the amount for which it was drawn, or any portion thereof, is returned to the State Treasury or to a separate fund held by the State Treasurer by reason of an erroneous payment or an overpayment, and the appropriation to which the warrant was charged has not lapsed, the amount so returned shall be credited to such appropriation and shall be available for expenditure, but if the appropriation to which the warrant was charged has lapsed or if the warrant was not charged to an appropriation, the amount so returned shall be credited to the fund on which the warrant was drawn and credited to the expenditure authorization to which the warrant was charged and shall be available for expenditure unless such credit or availability is otherwise prohibited by law.
- One of four (25%) refunds tested totaling \$2,813 was not deposited in a timely manner as required by the State Officers and Employees Money Disposition Act (30 ILCS 230/2). The refund was deposited two business days late. The State Officers and Employees Money Disposition Act states unless a different time of payment is expressly provided by law or by rules or regulations, the Department shall pay into the State Treasury the gross amount of money so received within 48 hours of actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000, disregarding holidays, Saturdays, and Sundays.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

During our testing of 40 returned checks totaling \$24,174 received by the Department, we noted the following:

- Nine of 40 (23%) returned checks totaling \$4,235 tested where the repayment exceeded 30 days and the registrants did not have their licenses revoked. The Pharmacy Practice Act (225 ILCS 85/28), the Illinois Public Accounting Act (225 ILCS 450/17), the Nurse Practice Act (225 ILCS 65/70-25), the Real Estate License Act (225 ILCS 454/20-25), the Illinois Roofing Industry Licensing Act (225 ILCS 335/9.10), the Illinois Controlled Substances Act (720 ILCS 570/303.1), the Respiratory Care Provider Act (225 ILCS 106/80), and the Real Estate License Act of 2000 (225 ILCS 454/20-25) state that the Department shall notify the person that payment of fees and fines shall be paid to the Department by check or money order within 30 calendar days from the date of the notification. If, after the expiration of 30 days from the date of the notification, the person has failed to submit the necessary remittance, the Department shall automatically terminate the license or deny the application, without hearing.
- Two of 40 (5%) returned checks totaling \$5,200 tested where there were no repayments and the registrants did not have their licenses revoked. The Real Estate License Act (225 ILCS 454/20-25) states that the Department shall notify the person that payment of fees and fines shall be paid to the Department by check or money order within 30 calendar days from the date of the notification. If, after the expiration of 30 days from the date of the notification, the person has failed to submit the necessary remittance, the Department shall automatically terminate the license or deny the application, without hearing.
- Three of 40 (8%) returned checks totaling \$1,179 tested where the Department did not secure proper authorization when waiving fees as required by the Illinois Controlled Substances Act (720 ILCS 570/303.1), the Illinois Optometric Practice Act of 1987 (225 ILCS 80/25), and the Nurse Practice Act (225 ILCS 65/70-25), which state the Department may establish a fee for the processing of an application for restoration of a license or certificate to pay all expenses of processing this application. The Secretary may waive the fines due under this Section in individual cases where the Secretary finds that the fines would be unreasonable or unnecessarily burdensome.

The Department stated the exceptions were caused by human error and turnover in staff.

Failure to properly manage refunds and returned checks could lead to inaccurate financial reporting and represents noncompliance with State statute. (Finding Code No. 2018-011)

RECOMMENDATION

We recommend the Department establish effective controls in its management of refunds and returned checks to ensure compliance with all applicable statutes.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-012. FINDING (Employee Performance Evaluations not Completed or Timely Completed)

The Illinois Department of Financial and Professional Regulation (Department) did not complete or timely complete employee performance evaluations.

During testing of 40 employee performance evaluations, we noted the following:

- Evaluations performed during the examination period for 23 of 40 (58%) were not performed on a timely basis. The evaluations were performed from 6 to 226 days late.
- Evaluations were absent from personnel files for 8 out of 40 (20%) employees tested at the time we performed the testing.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270(d)) requires performance evaluations to be completed not less often than annually.

The Department stated limited resources was the reason the performance evaluations were not being performed timely or at all.

Performance evaluations are a necessary and beneficial process used for the development of employees and communication of performance expectations to employees. Failure to complete performance evaluations inhibits the Department in providing timely feedback on employees' performance and areas for improvements. Further, performance evaluations provide systematic judgment to support salary increases, promotions, transfers, demotions, and terminations. (Finding Code No. 2018-012, 2016-003, 2014-005, 12-7, 10-5, 08-9, 07-7, 06-12, 05-13, DPR 04-6, 03-4, 01-4, 99-17, 97-20, 95-17, 93-26, BRE 04-9)

RECOMMENDATION

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

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-013. FINDING (Weaknesses in Internal Control over Travel)

The Illinois Department of Financial and Professional Regulation's (Department) did not maintain adequate controls over compliance with travel rules and regulations.

During our testing, we noted the following:

- The Department did not file the Travel Headquarters Report (TA-2 Report) due January 15, 2017 until February 7, 2017, 22 days late. The State Finance Act (Act) (30 ILCS 105/12-3) requires State agencies to file Travel Headquarters Reports with the Legislative Audit Commission for all individuals where official headquarters are located other than where their official duties require them to spend the largest part of their working time. The reports shall be filed with the Legislative Audit Commission no later than each July 15 for the period from January 1 through June 30 of that year and no later than each January 15 for the period from July 1 through December 31 of the preceding year. The Department stated the late filing was due to human error.
- Four of 60 (7%) travel vouchers totaling \$2,486 were not submitted for reimbursement within 60 days of the last day of travel. The days late ranged from 14 to 210 days. Internal Revenue Services (IRS) Publication 535, Other Expenses, states employees receiving travel reimbursements must be paid or incurred deductible expenses while performing employment services, adequately accounted for the expenses within a reasonable period of time, generally defined by Publication 535 as within 60 days after the expenses were paid or incurred, and returned any excess reimbursements within a reasonable period of time. The Department stated it instructs employees that their travel vouchers need to be turned in before the end of the respective fiscal year's lapse period.
- Some or all arrival and departure times were not completed on seven of 60 (12%) travel vouchers totaling \$7,679. The Illinois Administrative Code (Code) (80 Ill. Adm. Code 2800.240) discusses the preparation and submission of travel vouchers. Section 2800.240(b) of the Code states the travel voucher shall show in the space provided the dates and times of travel and the points of departure and destination. Section 2800.240(c) of the Code states if meals or per diem are not claimed, times of arrival and departure are not required. The vouchers in question included reimbursement of per diem to the employees. The Department stated the noncompliance was due to human error.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

- The Department does not have procedures to ensure employees using privately owned vehicles for State business are properly licensed and insured as required by State law. Thirty-six of the 60 (60%) travel vouchers totaling \$14,903 related to reimbursement of personal mileage. The Department did not ensure drivers of these personal vehicles were properly licensed and insured during the time of travel. The Illinois Vehicle Code (625 ILCS 5/10-101(b)) states every employee of the State, who operates for purposes of State business a vehicle not owned, leased or controlled by the State, shall procure insurance in the limit of the amounts of liability not less than the amounts required in Section 7-203 of the Illinois Vehicle Code. The Department stated employees were confirmed they were duly licensed and insured with their privately-owned vehicles at the time of their respective hiring, but not throughout their tenure.

Failure to ensure compliance with applicable rules and regulations could result in a loss of control over travel expenditures and improper State payments. Failure to ensure employees driving their personal vehicles for State business are properly licensed and insured represents noncompliance with the Illinois Vehicle Code and could expose the State to unnecessary liability. (Finding Code No. 2018-013)

RECOMMENDATION

We recommend the Department establish effective controls over travel including the enforcement of applicable rules and regulations related to timely submission of the TA-2 Report, timely travel voucher submission, proper travel voucher completion, and proper licensure and insurance of employees using privately owned vehicles for State business.

DEPARTMENT RESPONSE

Agree.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

2018-014. FINDING (Inadequate Internal Audit Function)

The Illinois Department of Financial and Professional Regulation (Department) failed to adhere to provisions of the Fiscal Control and Internal Auditing Act (Act).

The Act requires each designated State agency to maintain a full-time program of internal auditing (30 ILCS 10/2001(a)). The Department of Financial and Professional Regulation, as a Department of State government created in the Civil Administrative Code (Code) (20 ILCS 5/5-15), is a designated State agency required to maintain a full-time program of internal auditing (30 ILCS 10/1003 (a)). The Act also states “[a]gencies which do not have full-time internal audit programs may have internal audits performed by the Department of Central Management Services” (30 ILCS 10/2001 (b)).

The Act was originally a Legislative Audit Commission initiative designed to address deficiencies noted in a May 1988 management audit of Illinois’ State Programs of Internal Auditing. The audit report’s conclusions and recommendations and the legislation that became the Act (House Bill 2031 of the 86th General Assembly which was signed into law as P.A. 86-936) demonstrated an understanding that agencies which are not required to have their own full-time program of internal auditing could obtain internal auditing assistance from an agency such as the Department of Central Management Services (CMS). In other words, each designated State agency must have a full-time program of internal auditing and each State agency that is not so designated is not required to have a full-time program of internal auditing but may receive internal audit services from CMS.

In 2003, by Executive Order (2003-10) the Governor transferred the internal auditors from the various State agencies and consolidated them into a bureau at CMS. In 2009, the General Assembly unanimously rejected this consolidation of internal audit authority in CMS and directed that the internal auditors and their functions be returned to their respective designated State agencies (P.A. 96-795, effective July 1, 2010).

On February 2, 2018, the Department entered into an agreement with CMS’ Bureau of Internal Audit to provide the Department with internal auditing services effective April 1, 2018. As of the end of our fieldwork (February 12, 2019), CMS’ Chief Internal Auditor was acting as Chief Internal Auditor for eight State agencies (CMS, Agriculture, Corrections, Financial and Professional Regulation, Human Rights, Insurance, Labor, and Illinois Finance Authority), each of which is a designated State agency under the Act required to have a Chief Internal Auditor appointed by the agency head and to maintain a full-time program of internal auditing.

During testing, we noted the following:

- The Department’s Secretary has not appointed an individual to fill the Department’s chief internal auditor position. This position was vacated on July 1, 2016, 729 days prior to the end of the examination period on June 30, 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

The Act (30 ILCS 10/2002(a)) requires the Director to appoint a chief internal auditor.

The Department indicated the exception noted above was due to a lack of resources allocated to the Department sufficient to attract qualified candidates for the position of Chief Internal Auditor.

- The Department and CMS did not obtain the Governor’s approval for CMS to provide professional internal auditing services to the Department.

The Code (20 ILCS 405/405-293(a)) states that CMS “is responsible for providing professional services for or on behalf of State agencies for all functions transferred to the Department by Executive Order No. 2003-10. . .” Since the part of Executive Order 2003-10 related to internal audit was reversed by P.A. 96-795 this portion of the Section is not applicable in the circumstances. The Section goes on to state that CMS may “with the approval of the Governor, provide additional services to or on behalf of State agencies.” “Additional services” is not defined and no approval for CMS to provide internal auditing services specifically to the Department, a designated State agency under the Act, was obtained from the Governor.

The Department and CMS officials also cited another provision in the Code (20 ILCS 405/405-15) as CMS’ authority to provide internal auditing services to State agencies upon the request of the Governor or the chief executive officer of a State agency. This provision of the Code was amended in 1991 (P.A. 87-817) to reconcile CMS’ responsibilities under the Code with those contained in the Act. Nothing in the legislative history indicates the intent of 20 ILCS 405/405-15 was to affect the duty of designated State agencies under the Act to appoint a Chief Internal Auditor and to maintain a full-time program of internal auditing.

Department officials indicated they disagree with the exception noted above.

- While testing the Expenses and Support Cost section of the intergovernmental agreement between the Department and CMS, we requested the Department provide us with sufficient and appropriate audit evidence related to costs of the Department’s internal audit function from April 1, 2018, through the end of the examination period on June 30, 2018. We requested the documentation to substantiate (1) the authorization of CMS to use the Department’s appropriation for processing payroll as allowed for under the intergovernmental agreement, and (2) that CMS only charged the Department for payroll services of CMS internal auditors who provided internal audit functions to the Department. The Department was unable to provide us with the documentation requested. Specifically, we noted the following:

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

- In response to our requests, Department management indicated CMS does not bill the Department for its internal audit services and related assistance. As opposed to direct billing for services performed, CMS charges costs for various Statewide services – such as labor relations, personnel, mail & messenger, procurement, and internal audit – to the Professional Services Fund. These costs are then allocated to each State agency based upon each agency’s spend during the prior fiscal year and fund transfers are performed to move the cash from the State’s various funds into the Professional Services Fund. Given this process, it does not appear the Department’s specific costs for its professional internal audit services are being tracked. As a result, we were unable to audit the cost of the Department’s internal audit function to ensure the Department is accurately reimbursing CMS payroll costs as stipulated by the intergovernmental agreement.

- Also, the Department granted CMS authorization through its intergovernmental agreement to charge the Department’s appropriations for payroll costs associated with CMS’ rendering of professional internal audit services to the Department; however, as indicated by the Department in its response to our requests, it is not the Department’s nor CMS’ intent to process any vouchers against the Department’s appropriations. As a result, we believe there is a significant internal control risk with potentially delegating a State’s appropriation authority unnecessarily.

The Act (30 ILCS 10/3001)) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; and (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

The Department indicated it disagrees with the exception noted above.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

Failure to establish a full-time internal audit program in accordance with the requirements of the Act – where the chief internal auditor develops a deep understanding of the Department’s functions and processes, oversees, and performs audits of the Department’s major systems of internal accounting and administrative controls on a periodic basis, and oversees and reviews major new and modifications to information systems prior to implementation – weakens the Department’s ability to assess its overall internal control environment and represents noncompliance with State law. Further, the establishment of the Department's internal audit function by interagency agreement hinders the operational autonomy intended by the General Assembly for internal auditors. Department management cannot terminate an appointed chief internal auditor prior to the conclusion of their term without cause and a hearing before the Executive Ethics Commission, but management can terminate the interagency agreement with CMS at any time for any reason. Failure to obtain the approval of the Governor for expanding the professional services provided to the Department by CMS limits governmental oversight and represents noncompliance with the Code. Failure to adequately track internal audit costs and be able to provide the auditors with adequate cost support related to the Department’s internal audit function results in the auditors being unable to determine the Department’s compliance with the Act. Finally, granting CMS authorization to expend the Department’s payroll appropriations weakens the Department’s overall internal control environment and represents noncompliance with State law. (Finding Code No. 2018-014)

RECOMMENDATION

We recommend the following:

- The Department’s Secretary appoint a chief internal auditor and ensure a full-time program of internal auditing is in place and functioning at the Department.
- If another agency is to be relied upon to supplement internal audit functions at the Department, the Department should obtain written approval of the Governor for these services and ensure such services are provided in accordance with the Act’s requirements.
- The Department implement policies and procedures to track internal audit costs, maintain documentation which adequately documents the costs of the Department’s internal audit function, and ensure other agencies providing services to the Department are only reimbursed for allowable costs.
- Finally, the Department should not grant another agency the authority to process payroll against the Department’s appropriations unnecessarily or without implementing and documenting proper controls.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

DEPARTMENT RESPONSE

Partially Agree.

- For the Chief Internal Auditor appointment, the Department will work with the Department of Central Management Services to develop a responsive, effective, and sustainable long-term solution.
- The Department will work with the Department of Central Management Services to obtain written approval from the Governor's Office to supplement internal audit functions.
- The Department is working with the Department of Central Management Services to track the costs associated with the audit services and should have a plan to review the costs for reimbursement of federal monies.
- The Department will work with the Department of Central Management Services to revise the intergovernmental agreement to remove the portion on processing payroll.

AUDITOR COMMENT

The Department indicates it will work with CMS to revise the intergovernmental agreement under which CMS' Chief Internal Auditor acts as the Chief Internal Auditor for the Department, as well as for numerous other agencies through other intergovernmental agreements. The auditors do not believe this arrangement meets the requirements of the Fiscal Control and Internal Auditing Act and, as a result, we are requesting a formal, written opinion from the Attorney General's Office on the matter.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Deficiencies Identified in Controls over Interagency Agreements)

During the prior examination, auditors noted the Illinois Department of Financial and Professional Regulation's (Department) controls over interagency agreements were deficient.

During the current examination, we noted the Department properly made payments of salaries and benefits for the services of certain employees as specified by the agreements in accordance with the terms of the agreements. We also noted the interagency agreements were signed prior to the effective dates of the agreements. (Finding Code No. 2016-002, 2014-004, 12-4, 10-3, 08-3, 07-2, 06-2)

B. **FINDING** (Inadequate Control over Monitoring Licensee Documentation)

During the prior examination, auditors noted the Department did not have adequate controls over monitoring licensees to ensure it complies with licensee requirements.

During the current examination, we noted the Department approved and denied all license applications tested within 60 days of receipt of a complete application. We also noted the Department required tested applicants to pay annual fees before December 15th each year, and maintain a bond issued by an authorized insurance company that is payable to the Department at any point that the registrant fails to comply with the statute. (Finding Code No. 2016-005, 2014-011)

C. **FINDING** (Noncompliance with Currency Exchange Act)

During the prior examination, auditors noted the Department did not ensure compliance with the Currency Exchange Act.

During the current examination, auditors noted the Department notified all tested licensees of changes to rules, directions, orders, decisions and findings. The Department also made such rules and directions available electronically within 10 days and notified affected parties of change within 5 days. The auditors tested a sample of eight consolidation applications and noted the Department approved or rejected the tested applications for consolidation within 30 days. The auditors tested a sample of 60 licensees and noted the Department required each tested licensee to file an annual report with the Secretary on or before the 1st of March for the period January 1st through December 31st. The auditors also determined the Department required every tested applicant who gets approved for licensure to file and have approved proof of an insurance policy with the Secretary that is valid for the entire licensure period. (Finding Code No. 2016-006)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2018

D. **FINDING** (Noncompliance with Various Statutory Mandates)

During the prior examination, the Department did not promulgate rules as required by the Savings Bank Act (205 ILCS 205/9004 (f)) and the Illinois Banking Act (205 ILCS 5/48 (2.1)) to ensure consistency and due process in the examination process of savings and State banks operating under these Acts. The Savings Bank Act and Illinois Banking Act requires the Secretary to adopt rules that ensure consistency and due process in the examination process. Auditors also noted the Department did not provide the notice of preliminary hearing to the disciplined licensee timely as required by the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act (225 ILCS 107/90). In addition, auditors noted the Department's Supervisor of Currency Exchanges position was vacant. The Financial Institution Code (20 ILCS 1205/16) states the Director shall appoint a Supervisor of Currently Exchanges.

During the current examination, we noted the Department ensured notices of preliminary hearing were mailed to licensees timely to provide the licensees sufficient time to comply with the requirements of the hearing and appointed a qualified Supervisor of Currency Exchanges as required. However, the remaining condition noted in the previous finding was repeated during the current engagement as Finding Code No. 2018-003. (Finding Code No. 2016-008, 2014-013)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
STATUS OF PROGRAM AUDIT
For the Two Years Ended Jun 30, 2018

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

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

The program audit contained 24 recommendations to the Department. The Department made progress in implementing findings 1-6, 8-10, 12-18, and 20-24 during follow-ups in previous compliance examinations. The following is the status of the remaining recommendations:

Recommendation

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

This recommendation is partially implemented. The number of complaints received decreased from 2,068 in fiscal year 2016 to 1,713 in fiscal year 2018. However, the number of outstanding cases increased from 441 as of June 30, 2016, to 1,144 as of June 30, 2018. Two hundred and four of the 441 outstanding cases as of June 30, 2016, were closed during fiscal years 2017 and 2018. Nine hundred and thirty-one of the 1,144 outstanding cases as of June 30, 2018, were received during fiscal years 2017 and 2018. Department management stated the increase in outstanding cases was attributable to staff changes, turnover and the complexity of the cases. In addition, Department management stated the Department had expanded the hours and maximum value of the contracted Medical Coordinators to increase their availability to review cases. A strategic hiring plan was established to backfill and hire additional staff dedicated to the Medical professions throughout the State-wide Enforcement Section. Job descriptions were reviewed and updated; additional temporary workers were assigned to complaint intake to assist fulltime staff with receipt and review of complaints; a Chief of Medical Investigations was hired; and, downstate and upstate medical investigators were hired to replace those lost by attrition. Department management stated all but one Medical Prosecutions staff had been replaced with two additional prosecutors added. Three administrative law judges were hired as well. These personnel transactions were executed to effectively impact the enforcement operations of Medical professionals and provide more comprehensive information to the Department Coordinators for their reviews.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
STATUS OF PROGRAM AUDIT
For the Two Years Ended Jun 30, 2018

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

This recommendation is fully implemented as of June 30, 2018. The Chief of Medical Prosecutions conducts monthly case reviews with staff. During these case reviews, the status of each case is discussed and directives are given regarding the next course of action to move the case towards a timely and appropriate resolution with priority given to older cases. These directives are documented in Integrated Licensing and Enforcement System (ILES) and deadlines are imposed as needed. Attorneys are instructed to note case activities and upload documents when appropriate in ILES. These reviews are conducted in conformity with Department standards set forth in the enforcement guidelines. In the prior examination, the auditors noted the Enforcement Unit did not perform and/or document enforcement activities in a timely or sufficient manner. However, during the current examination, auditors tested prosecution case files to determine if the Department performed and/or documented enforcement activities in a timely or sufficient manner and no exceptions were identified in this testing.

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

This recommendation was not implemented. During the examination period, the public member position was vacant. We also noted three Board members served more than two successive four-year terms.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

Schedule of Appropriations, Expenditures and Lapsed Balances by Fund

Fiscal Year 2018

Fiscal Year 2017

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

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

Schedule of Changes in State Property

Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash

Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

Agency Functions and Planning Program (Not Examined)

Analysis of Significant Variations in Expenditures (Not Examined)

Analysis of Significant Variations in Receipts (Not Examined)

Analysis of Significant Lapse Period Spending (Not Examined)

Analysis of Accounts Receivable (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 2017 Invoices (Not Examined)

Average Number of Employees (Not Examined)

Memorandums of Understanding (Not Examined)

Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018 and June 30, 2017 accompanying supplementary information in Schedules 1 through 6. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2018

Fifteen Months Ended September 30, 2018

Public Act 100-0021 & 100-0586	Appropriations (Net of Transfers)	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2017 to September 30, 2018	Total Expenditures	Balances Lapsed
Appropriated Funds					
General Revenue Fund - 0001	\$ 7,360	\$ -	\$ -	\$ -	\$ 7,360
Financial Institution Fund - 0021	7,198,500	5,901,105	253,671	6,154,776	1,043,724
General Professions Dedicated Fund - 0022	4,006,400	3,233,986	152,259	3,386,245	620,155
Illinois State Pharmacy Disciplinary Fund - 0057	1,741,300	1,402,895	70,780	1,473,675	267,625
Compassionate Use of Medical Cannabis Fund - 0075	1,200,000	842,369	48,872	891,241	308,759
Illinois State Medical Disciplinary Fund - 0093	4,357,000	3,206,391	150,574	3,356,965	1,000,035
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	650,000	443,997	16,548	460,545	189,455
Professional Regulation Evidence Fund - 0192	300	-	-	-	300
Professions Indirect Cost Fund - 0218	35,035,300	24,046,823	2,442,718	26,489,541	8,545,759
Credit Union Fund - 0243	4,399,100	3,087,139	130,663	3,217,802	1,181,298
Residential Finance Regulatory Fund - 0244	3,748,100	2,808,213	209,893	3,018,106	729,994
Nursing Dedicated and Professional Fund - 0258	2,520,900	1,697,181	79,644	1,776,825	744,075
Optometric Licensing and Disciplinary Fund - 0259	326,600	247,568	4,777	252,345	74,255
Appraisal Administration Fund - 0386	1,103,000	955,710	32,458	988,168	114,832
Athletics Supervision and Regulation Fund - 0505	225,000	32,289	12,050	44,339	180,661
Pawnbroker Regulation Fund - 0562	206,700	170,627	7,176	177,803	28,897
Savings Regulatory Fund - 0579	600,000	193,655	9,872	203,527	396,473
Home Inspector Administration Fund - 0746	116,400	107,787	276	108,063	8,337
Cemetery Oversight Licensing and Disciplinary Fund - 0792	1,200,000	813,667	40,714	854,381	345,619
Bank and Trust Company Fund - 0795	19,046,300	13,107,889	551,703	13,659,592	5,386,708
Illinois State Dental Disciplinary Fund - 0823	1,263,800	828,674	36,283	864,957	398,843
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	53	-	53	393,647
Real Estate Research and Education Fund - 0849	19,000	-	-	-	19,000
Real Estate License Administration Fund - 0850	6,471,600	4,819,264	222,788	5,042,052	1,429,548
Design Professionals Administration and Investigation Fund - 0888	1,031,000	753,958	36,389	790,347	240,653
Illinois State Podiatric Disciplinary Fund - 0954	5,000	378	514	892	4,108
Total, All Appropriated Funds	\$ 96,872,360	\$ 68,701,618	\$ 4,510,622	\$ 73,212,240	\$ 23,660,120

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2018

Fifteen Months Ended September 30, 2018

Public Act 100-0021 & 100-0586	Appropriations (Net of Transfers)	Expenditures Through June 30, 2018	Lapse Period Expenditures July 1, 2017 to September 30, 2018	Total Expenditures	Balances Lapsed
Nonappropriated Funds					
Debt Settlement Consumer Protection Fund - 0615		\$ 11,492	\$ -	\$ 11,492	
Real Estate Recovery Fund - 0629		53,685	-	53,685	
Total, Nonappropriated Funds		<u>\$ 65,177</u>	<u>\$ -</u>	<u>\$ 65,177</u>	
Grand Total All Funds		<u>\$ 68,766,795</u>	<u>\$ 4,510,622</u>	<u>\$ 73,277,417</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, 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: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2017

Fifteen Months Ended September 30, 2017

Public Act 99-0524	Appropriations (Net of Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 to September 30, 2017	Total Expenditures	Balances Lapsed
Appropriated Funds					
Financial Institution Fund - 0021	\$ 7,582,300	\$ 5,670,474	\$ 261,514	\$ 5,931,988	\$ 1,650,312
General Professions Dedicated Fund - 0022	5,044,200	2,455,900	102,098	2,557,998	2,486,202
Illinois State Pharmacy Disciplinary Fund - 0057	1,783,300	1,345,679	68,825	1,414,504	368,796
Compassionate Use of Medical Cannabis Fund - 0075	1,200,000	893,820	37,301	931,121	268,879
Illinois State Medical Disciplinary Fund - 0093	4,223,100	3,266,980	169,397	3,436,377	786,723
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	650,000	524,312	23,434	547,746	102,254
Professional Regulation Evidence Fund - 0192	300	-	-	-	300
Professions Indirect Cost Fund - 0218	37,069,400	24,559,894	3,689,777	28,249,671	8,819,729
Credit Union Fund - 0243	4,323,400	3,440,974	150,219	3,591,193	732,207
Residential Finance Regulatory Fund - 0244	2,969,800	2,757,858	81,328	2,839,186	130,614
Nursing Dedicated and Professional Fund - 0258	2,493,900	1,633,498	74,488	1,707,986	785,914
Optometric Licensing and Disciplinary Fund - 0259	291,800	241,905	9,558	251,463	40,337
Appraisal Administration Fund - 0386	1,221,500	660,476	39,359	699,835	521,665
Athletics Supervision and Regulation Fund - 0505	225,000	34,108	6,741	40,849	184,151
Pawnbroker Regulation Fund - 0562	199,400	45,727	7,253	52,980	146,420
Savings Regulatory Fund - 0579	600,000	352,817	10,393	363,210	236,790
Home Inspector Administration Fund - 0746	111,200	26,980	4,494	31,474	79,726
Cemetery Oversight Licensing and Disciplinary Fund - 0792	1,200,000	836,733	56,667	893,400	306,600
Bank and Trust Company Fund - 0795	19,980,100	14,188,563	719,299	14,907,862	5,072,238
Illinois State Dental Disciplinary Fund - 0823	1,145,500	789,277	31,311	820,588	324,912
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	140,415	-	140,415	253,285
Real Estate Research and Education Fund - 0849	19,000	25	13,500	13,525	5,475
Real Estate License Administration Fund - 0850	5,797,400	5,336,699	235,773	5,572,472	224,928
Design Professionals Administration and Investigation Fund - 0888	1,006,100	825,991	34,700	860,691	145,409
Illinois State Podiatric Disciplinary Fund - 0954	7,900	3,108	610	3,718	4,182
Total, All Appropriated Funds	\$ 99,538,300	\$ 70,032,213	\$ 5,828,039	\$ 75,860,252	\$ 23,678,048

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2017

Fifteen Months Ended September 30, 2017

Public Act 99-0524	Appropriations (Net of Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 to September 30, 2017	Total Expenditures	Balances Lapsed
Nonappropriated Funds					
Debt Settlement Consumer Protection Fund - 0615		\$ 599	\$ -	\$ 599	
Real Estate Recovery Fund - 0629		67,844	85,112	152,956	
Total, Nonappropriated Funds		<u>\$ 68,443</u>	<u>\$ 85,112</u>	<u>\$ 153,555</u>	
Grand Total All Funds		<u>\$ 70,100,656</u>	<u>\$ 5,913,151</u>	<u>\$ 76,013,807</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, 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: 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 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department submitted against its fiscal year 2017 appropriation.

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
Appropriated Funds			
<u>General Revenue Fund - 0001</u>			
Appropriations (net of transfers)	\$ 7,360	\$ -	\$ -
Expenditures			
Personal services and social security	-	-	-
Total expenditures	\$ -	\$ -	\$ -
Lapsed balances	<u>\$ 7,360</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Financial Institution Fund - 0021</u>			
Appropriations (net of transfers)	\$ 7,198,500	\$ 7,582,300	\$ 7,582,300
Expenditures			
Personal services	3,346,735	3,294,286	3,429,545
Retirement - employer contribution	1,708,329	1,469,990	1,567,865
Social security	245,529	242,504	252,803
Group insurance	734,284	774,232	828,977
Contractual services	8,497	3,537	4,553
Travel	110,297	121,100	146,002
Lump sums and other purposes	5	214	-
Other refunds	1,100	26,125	-
Total expenditures	<u>\$ 6,154,776</u>	<u>\$ 5,931,988</u>	<u>\$ 6,229,745</u>
Lapsed balances	<u>\$ 1,043,724</u>	<u>\$ 1,650,312</u>	<u>\$ 1,352,555</u>
<u>General Professions Dedicated Fund - 0022</u>			
Appropriations (net of transfers)	\$ 4,006,400	\$ 5,044,200	\$ 5,044,200
Expenditures			
Personal services	1,839,606	1,372,610	1,600,006
Retirement - employer contribution	899,930	588,629	730,538
Social security	135,135	100,329	120,534
Group insurance	426,064	423,823	508,149
Contractual services	61,144	56,965	98,170
Travel	7,193	7,786	3,574
Lump sums and other purposes	-	200	-
Other refunds	17,173	7,656	9,388
Total expenditures	<u>\$ 3,386,245</u>	<u>\$ 2,557,998</u>	<u>\$ 3,070,359</u>
Lapsed balances	<u>\$ 620,155</u>	<u>\$ 2,486,202</u>	<u>\$ 1,973,841</u>

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Illinois State Pharmacy Disciplinary Fund - 0057</u>			
Appropriations (net of transfers)	\$ 1,741,300	\$ 1,783,300	\$ 1,783,300
Expenditures			
Personal services	803,249	754,057	544,275
Retirement - employer contribution	396,851	335,665	249,025
Social security	57,755	54,475	39,259
Group insurance	207,759	206,287	155,676
Contractual services	3,520	61,552	32,032
Travel	1,736	51	975
Lump sums and other purposes	-	167	-
Other refunds	2,805	2,250	594
Total expenditures	<u>\$ 1,473,675</u>	<u>\$ 1,414,504</u>	<u>\$ 1,021,836</u>
Lapsed balances	<u>\$ 267,625</u>	<u>\$ 368,796</u>	<u>\$ 761,464</u>
<u>Compassionate Use of Medical Cannabis Fund - 0075</u>			
Appropriations (net of transfers)	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Expenditures			
Personal services	484,302	535,586	-
Retirement - employer contribution	243,260	237,710	-
Social security	34,902	39,103	-
Group insurance	118,416	106,899	-
Contractual services	3,564	1,283	-
Travel	6,597	10,067	-
Commodities	-	78	-
Operation of automotive equipment	-	20	-
Lump sums and other purposes	-	75	1,050,934
Other refunds	200	300	-
Total expenditures	<u>\$ 891,241</u>	<u>\$ 931,121</u>	<u>\$ 1,050,934</u>
Lapsed balances	<u>\$ 308,759</u>	<u>\$ 268,879</u>	<u>\$ 149,066</u>
<u>Illinois State Medical Disciplinary Fund - 0093</u>			
Appropriations (net of transfers)	\$ 4,357,000	\$ 4,223,100	\$ 4,223,100
Expenditures			
Personal services	1,927,301	1,946,441	1,970,559
Retirement - employer contribution	862,861	794,802	899,706
Social security	140,256	140,482	152,435
Group insurance	360,956	469,656	534,330
Contractual services	53,788	67,740	220,920
Travel	1,653	5,928	11,703
Lump sums and other purposes	-	237	-
Other refunds	10,150	11,091	8,075
Total expenditures	<u>\$ 3,356,965</u>	<u>\$ 3,436,377</u>	<u>\$ 3,797,728</u>
Lapsed balances	<u>\$ 1,000,035</u>	<u>\$ 786,723</u>	<u>\$ 425,372</u>

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Registered Certified Public Accountants'</u>			
<u>Administration and Disciplinary Fund - 0151</u>			
Appropriations (net of transfers)	\$ 650,000	\$ 650,000	\$ 650,000
Expenditures			
Personal services	241,962	286,808	-
Retirement - employer contribution	124,556	126,976	-
Social security	17,658	20,884	-
Group insurance	74,155	105,048	-
Contractual services	1,665	7,524	-
Travel	76	368	-
Lump sums and other purposes	-	138	553,433
Other refunds	473	-	-
Total expenditures	\$ 460,545	\$ 547,746	\$ 553,433
Lapsed balances	\$ 189,455	\$ 102,254	\$ 96,567
<u>Professional Regulation Evidence Fund - 0192</u>			
Appropriations (net of transfers)	\$ 300	\$ 300	\$ 300
Expenditures			
Lump sums and other purposes	-	-	-
Total expenditures	\$ -	\$ -	\$ -
Lapsed balances	\$ 300	\$ 300	\$ 300
<u>Professions Indirect Cost Fund - 0218</u>			
Appropriations (net of transfers)	\$ 35,035,300	\$ 37,069,400	\$ 39,169,400
Expenditures			
Personal services	8,883,918	10,220,076	8,504,550
Retirement - employer contribution	4,443,279	4,383,173	3,884,882
Social security	652,516	749,392	651,189
Group insurance	2,054,001	2,507,363	2,301,585
Contractual services	9,711,958	8,862,511	6,541,132
Travel	85,805	66,497	41,945
Commodities	37,774	39,287	34,871
Printing	27,555	17,835	241
Equipment	162,791	41,840	111
Electronic data processing	-	510,270	2,080,110
Telecommunications	322,469	702,908	397,038
Operation of automotive equipment	62,277	29,640	27,150
Lump sums and other purposes	-	100,631	1,473,171
Awards and grants	45,198	18,198	-
Other refunds	-	50	-
Total expenditures	\$ 26,489,541	\$ 28,249,671	\$ 25,937,975
Lapsed balances	\$ 8,545,759	\$ 8,819,729	\$ 13,231,425

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Credit Union Fund - 0243</u>			
Appropriations (net of transfers)	\$ 4,399,100	\$ 4,323,400	\$ 4,323,400
Expenditures			
Personal services	1,701,328	1,941,736	1,827,668
Retirement - employer contribution	870,478	866,474	834,530
Social security	126,317	144,390	135,299
Group insurance	345,974	426,949	449,282
Contractual services	28,940	36,066	22,964
Travel	143,990	175,117	186,091
Lump sums and other purposes	-	461	-
Other refunds	775	-	-
Total expenditures	\$ 3,217,802	\$ 3,591,193	\$ 3,455,834
Lapsed balances	\$ 1,181,298	\$ 732,207	\$ 867,566
<u>Residential Finance Regulatory Fund - 0244</u>			
Appropriations (net of transfers)	\$ 3,748,100	\$ 2,969,800	\$ 3,157,405
Expenditures			
Personal services	1,631,583	1,565,560	1,677,325
Retirement - employer contribution	826,738	697,668	766,281
Social security	119,223	113,871	121,808
Group insurance	364,173	404,519	467,088
Contractual services	53,505	33,351	40,043
Travel	22,884	21,780	21,822
Lump sums and other purposes	-	787	-
Other refunds	-	1,650	-
Total expenditures	\$ 3,018,106	\$ 2,839,186	\$ 3,094,367
Lapsed balances	\$ 729,994	\$ 130,614	\$ 63,038
<u>Nursing Dedicated and Professional Fund - 0258</u>			
Appropriations (net of transfers)	\$ 2,520,900	\$ 2,493,900	\$ 2,493,900
Expenditures			
Personal services	950,797	883,520	770,416
Retirement - employer contribution	479,016	397,826	356,441
Social security	70,072	65,025	56,920
Group insurance	259,509	264,133	242,494
Contractual services	11,126	92,063	65,826
Travel	2,195	3,475	4,890
Lump sums and other purposes	-	287	185,097
Other refunds	4,110	1,657	665
Total expenditures	\$ 1,776,825	\$ 1,707,986	\$ 1,682,749
Lapsed balances	\$ 744,075	\$ 785,914	\$ 811,151

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021	P.A. 99-0524	P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Optometric Licensing and Disciplinary Board Fund - 0259</u>			
Appropriations (net of transfers)	\$ 326,600	\$ 291,800	\$ 291,800
Expenditures			
Personal services	156,242	151,129	124,084
Retirement - employer contribution	56,612	55,819	56,686
Social security	11,756	11,368	9,162
Group insurance	20,565	23,155	30,914
Contractual services	7,170	9,400	34,999
Travel	-	196	1,513
Lump sums and other purposes	-	296	-
Other refunds	-	100	-
Total expenditures	<u>\$ 252,345</u>	<u>\$ 251,463</u>	<u>\$ 257,358</u>
Lapsed balances	<u>\$ 74,255</u>	<u>\$ 40,337</u>	<u>\$ 34,442</u>
<u>Appraisal Administration Fund - 0386</u>			
Appropriations (net of transfers)	\$ 1,103,000	\$ 1,221,500	\$ 1,290,385
Expenditures			
Personal services	372,954	375,312	498,151
Retirement - employer contribution	190,026	167,498	227,531
Social security	27,457	27,669	36,802
Group insurance	95,490	104,627	121,034
Contractual services	13,371	17,187	10,792
Travel	370	2,342	1,985
Awards and grants	288,200	5,120	277,640
Lump sums and other purposes	-	70	-
Other refunds	300	10	445
Total expenditures	<u>\$ 988,168</u>	<u>\$ 699,835</u>	<u>\$ 1,174,380</u>
Lapsed balances	<u>\$ 114,832</u>	<u>\$ 521,665</u>	<u>\$ 116,005</u>
<u>Athletics Supervision and Regulation Fund - 0505</u>			
Appropriations (net of transfers)	\$ 225,000	\$ 225,000	\$ 225,000
Expenditures			
Personal services	37,757	33,151	-
Social security	2,384	2,083	-
Contractual services	3,483	3,412	-
Travel	715	2,164	-
Lump sums and other purposes	-	39	143,174
Total expenditures	<u>\$ 44,339</u>	<u>\$ 40,849</u>	<u>\$ 143,174</u>
Lapsed balances	<u>\$ 180,661</u>	<u>\$ 184,151</u>	<u>\$ 81,826</u>

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Pawnbroker Regulation Fund - 0562</u>			
Appropriations (net of transfers)	\$ 206,700	\$ 199,400	\$ 199,400
Expenditures			
Personal services	102,841	29,994	100,540
Retirement - employer contribution	52,465	13,384	45,893
Social security	7,654	2,217	7,466
Group insurance	12,974	4,503	20,127
Travel	1,869	1,882	1,758
Other refunds	-	1,000	-
Total expenditures	<u>\$ 177,803</u>	<u>\$ 52,980</u>	<u>\$ 175,784</u>
Lapsed balances	<u>\$ 28,897</u>	<u>\$ 146,420</u>	<u>\$ 23,616</u>
<u>Savings Regulatory Fund - 0579</u>			
Appropriations (net of transfers)	\$ 600,000	\$ 600,000	\$ 600,000
Expenditures			
Personal services	83,880	177,828	-
Retirement - employer contribution	42,802	79,349	-
Social security	5,824	12,564	-
Group insurance	27,743	50,539	-
Contractual services	1,426	-	-
Travel	41,852	42,868	-
Lump sums and other purposes	-	62	457,903
Total expenditures	<u>\$ 203,527</u>	<u>\$ 363,210</u>	<u>\$ 457,903</u>
Lapsed balances	<u>\$ 396,473</u>	<u>\$ 236,790</u>	<u>\$ 142,097</u>
<u>Home Inspector Administration Fund - 0746</u>			
Appropriations (net of transfers)	\$ 116,400	\$ 111,200	\$ 111,200
Expenditures			
Personal services	52,155	15,045	32,398
Retirement - employer contribution	26,618	6,704	14,782
Social security	3,711	1,066	2,185
Group insurance	25,579	8,642	19,240
Contractual services	-	-	511
Travel	-	17	-
Total expenditures	<u>\$ 108,063</u>	<u>\$ 31,474</u>	<u>\$ 69,116</u>
Lapsed balances	<u>\$ 8,337</u>	<u>\$ 79,726</u>	<u>\$ 42,084</u>

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Cemetery Oversight Licensing and Disciplinary Fund - 0792</u>			
Appropriations (net of transfers)	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Expenditures			
Personal services	427,409	459,463	-
Retirement - employer contribution	218,460	203,806	-
Social security	31,338	33,736	-
Group insurance	93,982	110,675	-
Contractual services	81,564	82,890	-
Travel	1,428	1,722	-
Lump sums and other purposes	-	808	1,046,222
Other refunds	200	300	-
Total expenditures	\$ 854,381	\$ 893,400	\$ 1,046,222
Lapsed balances	\$ 345,619	\$ 306,600	\$ 153,778
<u>Bank and Trust Company Fund - 0795</u>			
Appropriations (net of transfers)	\$ 19,046,300	\$ 19,980,100	\$ 19,980,100
Expenditures			
Personal services	7,050,630	8,025,025	8,648,934
Retirement - employer contribution	3,607,323	3,584,014	3,953,532
Social security	518,367	591,866	637,155
Group insurance	1,601,140	1,833,670	2,125,895
Contractual services	199,395	163,391	183,658
Travel	682,552	705,834	870,061
Printing	165	-	-
Lump sums and other purposes	20	4,062	843
Total expenditures	\$ 13,659,592	\$ 14,907,862	\$ 16,420,078
Lapsed balances	\$ 5,386,708	\$ 5,072,238	\$ 3,560,022
<u>Illinois State Dental Disciplinary Fund - 0823</u>			
Appropriations (net of transfers)	\$ 1,263,800	\$ 1,145,500	\$ 1,145,500
Expenditures			
Personal services	508,875	485,195	513,080
Retirement - employer contribution	225,092	191,343	234,336
Social security	37,811	36,129	41,764
Group insurance	80,382	92,811	118,953
Contractual services	8,381	10,672	55,609
Travel	2,116	958	1,332
Lump sums and other purposes	-	95	-
Other refunds	2,300	3,385	2,000
Total expenditures	\$ 864,957	\$ 820,588	\$ 967,074
Lapsed balances	\$ 398,843	\$ 324,912	\$ 178,426

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Community Association Manager Licensing and Disciplinary Fund - 0829</u>			
Appropriations (net of transfers)	\$ 393,700	\$ 393,700	\$ 393,700
Expenditures			
Personal services	-	64,813	-
Retirement - employer contribution	-	28,886	-
Social security	-	4,574	-
Group insurance	-	41,977	-
Contractual services	53	88	-
Travel	-	77	-
Lump sums and other purposes	-	-	253,432
Total expenditures	\$ 53	\$ 140,415	\$ 253,432
Lapsed balances	\$ 393,647	\$ 253,285	\$ 140,268
<u>Real Estate Research and Education Fund - 0849</u>			
Appropriations (net of transfers)	\$ 19,000	\$ 19,000	\$ 19,000
Expenditures			
Lump sums and other purposes	-	25	10,891
Awards and grants	-	13,500	-
Total expenditures	\$ -	\$ 13,525	\$ 10,891
Lapsed balances	\$ 19,000	\$ 5,475	\$ 8,109
<u>Real Estate License Administration Fund - 0850</u>			
Appropriations (net of transfers)	\$ 6,471,600	\$ 5,797,400	\$ 5,797,400
Expenditures			
Personal services	2,789,363	3,140,686	2,960,661
Retirement - employer contribution	1,413,226	1,400,694	1,352,055
Social security	205,397	231,297	217,709
Group insurance	580,024	727,206	739,354
Contractual services	18,671	38,455	18,033
Travel	32,710	30,785	25,467
Lump sums and other purposes	-	136	-
Other refunds	2,661	3,213	536
Total expenditures	\$ 5,042,052	\$ 5,572,472	\$ 5,313,815
Lapsed balances	\$ 1,429,548	\$ 224,928	\$ 483,585

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
<u>Design Professionals Administration</u>			
<u>and Investigation Fund - 0888</u>			
Appropriations (net of transfers)	\$ 1,031,000	\$ 1,006,100	\$ 1,006,100
Expenditures			
Personal services	390,910	438,299	455,251
Retirement - employer contribution	199,544	195,653	208,043
Social security	28,692	32,251	33,546
Group insurance	122,529	139,547	138,663
Contractual services	47,281	51,383	53,033
Travel	911	2,232	2,617
Lump sums and other purposes	-	966	-
Other refunds	480	360	711
Total expenditures	\$ 790,347	\$ 860,691	\$ 891,864
Lapsed balances	\$ 240,653	\$ 145,409	\$ 114,236
<u>Illinois State Podiatric Disciplinary Fund - 0954</u>			
Appropriations (net of transfers)	\$ 5,000	\$ 7,900	\$ 7,900
Expenditures			
Contractual services	892	2,928	226
Travel	-	390	58
Other refunds	-	400	-
Total expenditures	\$ 892	\$ 3,718	\$ 284
Lapsed balances	\$ 4,108	\$ 4,182	\$ 7,616
Total, All Appropriated Funds			
Appropriations (Net of transfers)	\$ 96,872,360	\$ 99,538,300	\$ 101,894,790
Total Expenditures - Appropriated Funds	73,212,240	75,860,252	77,076,335
Lapsed Balances	\$ 23,660,120	\$ 23,678,048	\$ 24,818,455
Nonappropriated Funds			
<u>Debt Settlement Consumer Protection Fund - 0615</u>			
Awards and grants	\$ 11,492	\$ 599	\$ -
<u>Real Estate Recovery Fund - 0629</u>			
Awards and grants	53,685	152,956	5,359
Total, Nonappropriated Funds	\$ 65,177	\$ 153,555	\$ 5,359
Grand Total - All Funds	\$ 73,277,417	\$ 76,013,807	\$ 77,081,694

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

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	2018	2017	2016
	P.A. 100-0021		P.A. 99-0524
	P.A. 100-0586	P.A. 99-0524	P.A. 99-0491
STATE OFFICER'S SALARY			
State officer appropriations	\$ 374,900	\$ 374,900	\$ 374,900
State officer expenditures	<u>374,784</u>	<u>362,601</u>	<u>374,784</u>
Lapsed balance	<u>\$ 116</u>	<u>\$ 12,299</u>	<u>\$ 116</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2018 and 2017, 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 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in AFSCME Council 31 vs 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 within all funds of the Department. Further, the Department incurred non-payroll obligations within all its funds, which the Department was unable to pay until the passage of 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 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department submitted against its fiscal year 2017 appropriation.

Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Department to pay for all costs incurred prior to July 1, 2018, using either its fiscal year 2017 or fiscal year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Department management about the number of invoices and the total dollar amount of invoices from fiscal year 2016 and fiscal year 2017 held by the Department to be submitted against either its fiscal year 2017 or fiscal year 2018 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Year Ended June 30, 2018

Fund Number	Fund Name	Cash Balance July 1, 2017	Receipts	Disbursements	Cash Balance June 30, 2018
1132	Depository Fund	\$ 20,030,041	\$ 9,810,027	\$ 7,561,569	\$ 22,278,499
1133	Liquidation Currency Exchange Fund	251,923	189,981	94,578	347,326
1249	Official Advance Fund	13,319	2,231	2,800	12,750
1296	Bank Examiner's Education Fund	290,450	1,722,773	1,675,780	337,443
Total Locally Held Funds		<u>\$ 20,585,733</u>	<u>\$ 11,725,012</u>	<u>\$ 9,334,727</u>	<u>\$ 22,976,018</u>

Fund Number	Fund Name	Cash Balance July 1, 2016	Receipts	Disbursements	Cash Balance June 30, 2017
1132	Depository Fund	\$ 20,506,134	\$ 5,537,044	\$ 6,013,137	\$ 20,030,041
1133	Liquidation Currency Exchange Fund	185,968	121,839	55,884	251,923
1249	Official Advance Fund	12,626	2,886	2,193	13,319
1296	Bank Examiner's Education Fund	258,685	2,908,917	2,877,152	290,450
Total Locally Held Funds		<u>\$ 20,963,413</u>	<u>\$ 8,570,686</u>	<u>\$ 8,948,366</u>	<u>\$ 20,585,733</u>

Note: The Depository Fund - 1132 is a non-appropriated locally held agency fund. The Title Insurance Act (215 ILCS 155/4) requires each approved applicant to file with and have approved by the Secretary cash or bonds of the United States, this State or body politic of this State with a current value of \$1,000,000.

The Department's remaining locally held funds are held at the following institutions:

Liquidation Currency Exchange Fund	MB Financial, 1st Illinois Bank, Byline Bank, Republic Bank, and First National Bank
Official Advance Fund	Chase Bank
Bank Examiner's Education Fund	Marine Bank

In addition to its account at Marine Bank, the Bank Examiner's Education Fund (1296) had certificates of deposit, totaling \$3,075,000, at June 30, 2017 and June 30, 2018 on deposit with various banks throughout Illinois with time varying from 12 to 36 months.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2017 and 2018

	<u>Capital Lease Equipment</u>	<u>Equipment</u>	<u>Total</u>
Balance at July 1, 2016	\$ 437,752	\$ 1,993,227	\$ 2,430,979
Additions	-	5,324	5,324
Deletions	-	7,499	7,499
Net Transfers	-	20,567	20,567
Balance at June 30, 2017	<u>\$ 437,752</u>	<u>\$ 2,011,619</u>	<u>\$ 2,449,371</u>
Balance at July 1, 2017	\$ 437,752	\$ 2,011,619	\$ 2,449,371
Additions	-	118,391	118,391
Deletions	337,491	14,393	351,884
Net Transfers	-	(136,116)	(136,116)
Balance at June 30, 2018	<u>\$ 100,261</u>	<u>\$ 1,979,501</u>	<u>\$ 2,079,762</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Financial Institution Fund - 0021</u>			
Licenses, fees, and registrations:			
Financial institution licenses and fees	\$ 4,843,061	\$ 5,412,472	\$ 4,991,720
Retaliatory fees	-	4,240	1,770
Financial institution examination fees	1,079,460	1,071,000	1,248,600
Total licenses, fees, and registrations	<u>\$ 5,922,521</u>	<u>\$ 6,487,712</u>	<u>\$ 6,242,090</u>
Fines, penalties, or violations	436,551	325,350	384,090
Reim/jury duty and recoveries	334	84	25
Miscellaneous	-	-	-
Total receipts per Department	<u>\$ 6,359,406</u>	<u>\$ 6,813,146</u>	<u>\$ 6,626,205</u>
Deposits in transit beginning of year	46,687	65,820	25,100
Deposits in transit end of year	(52,755)	(46,687)	(65,820)
Total receipts per Comptroller records	<u><u>\$ 6,353,338</u></u>	<u><u>\$ 6,832,279</u></u>	<u><u>\$ 6,585,485</u></u>
<u>General Professions Dedicated Fund - 0022</u>			
Licenses, fees, and registrations:			
General professions licenses and fees	15,983,302	12,987,710	12,437,291
Total licenses, fees, and registrations	<u>\$ 15,983,302</u>	<u>\$ 12,987,710</u>	<u>\$ 12,437,291</u>
Fines, penalties, or violations	333,415	318,115	312,822
Reim/jury duty and recoveries	50	-	25
Prior year warrant voids	45	149	-
Total receipts per Department	<u>\$ 16,316,812</u>	<u>\$ 13,305,974</u>	<u>\$ 12,750,138</u>
Deposits in transit beginning of year	555,605	99,136	264,927
Deposits in transit end of year	(1,128,107)	(555,605)	(99,136)
Total receipts per Comptroller records	<u><u>\$ 15,744,310</u></u>	<u><u>\$ 12,849,505</u></u>	<u><u>\$ 12,915,929</u></u>
<u>Illinois State Pharmacy Disciplinary Fund - 0057</u>			
Licenses, fees, and registrations:			
Pharmacy licenses and fees	4,876,129	1,952,130	4,805,305
Total licenses, fees, and registrations	<u>\$ 4,876,129</u>	<u>\$ 1,952,130</u>	<u>\$ 4,805,305</u>
Fines, penalties, or violations	203,703	170,791	378,310
Total receipts per Department	<u>\$ 5,079,832</u>	<u>\$ 2,122,921</u>	<u>\$ 5,183,615</u>
Deposits in transit beginning of year	48,855	25,535	19,408
Deposits in transit end of year	(103,477)	(48,855)	(25,535)
Total receipts per Comptroller records	<u><u>\$ 5,025,210</u></u>	<u><u>\$ 2,099,601</u></u>	<u><u>\$ 5,177,488</u></u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Compassionate Use of Medical Cannabis - 0075</u>			
Licenses, fees, and registrations:			
Medical cannabis licenses and fees	\$ 1,399,390	\$ 1,188,896	\$ 183,002
Total licenses, fees, and registrations	\$ 1,399,390	\$ 1,188,896	\$ 183,002
Fines, penalties, or violations	50,950	3,225	1,100
Miscellaneous	-	279	-
Total receipts per Department	\$ 1,450,340	\$ 1,192,400	\$ 184,102
Deposits in transit beginning of year	2,750	950	30,000
Deposits in transit end of year	(8,720)	(2,750)	(950)
Total receipts per Comptroller records	<u>\$ 1,444,370</u>	<u>\$ 1,190,600</u>	<u>\$ 213,152</u>
<u>Illinois State Medical Disciplinary Fund - 0093</u>			
Licenses, fees, and registrations:			
Medical licenses and fees	16,599,655	26,092,021	3,387,847
Total licenses, fees, and registrations	\$ 16,599,655	\$ 26,092,021	\$ 3,387,847
Fines, penalties, or violations	483,589	494,488	622,826
Reim/jury duty and recoveries	86	-	80
Prior year warrant voids	-	277	-
Total receipts per Department	\$ 17,083,330	\$ 26,586,786	\$ 4,010,753
Deposits in transit beginning of year	3,824,876	56,635	62,440
Deposits in transit end of year	(421,804)	(3,824,876)	(56,635)
Total receipts per Comptroller records	<u>\$ 20,486,402</u>	<u>\$ 22,818,545</u>	<u>\$ 4,016,558</u>
<u>Registered Certified Public Accountants' (CPA) Administration and Disciplinary Fund - 0151</u>			
Licenses, fees, and registrations:			
CPA licenses and fees	1,051,201	406,228	3,166,077
Total licenses, fees, and registrations	\$ 1,051,201	\$ 406,228	\$ 3,166,077
Fines, penalties, or violations	4,611	11,656	2,336
Total receipts per Department	\$ 1,055,812	\$ 417,884	\$ 3,168,413
Deposits in transit beginning of year	21,405	10,820	198,320
Deposits in transit end of year	(721,335)	(21,405)	(10,820)
Total receipts per Comptroller records	<u>\$ 355,882</u>	<u>\$ 407,299</u>	<u>\$ 3,355,913</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Professions Indirect Cost Fund - 0218</u>			
Licenses, fees, and registrations:			
General professions licenses and fees	\$ -	\$ -	\$ -
Total licenses, fees, and registrations	\$ -	\$ -	\$ -
Reim/jury duty and recoveries	16,163	497	-
Prior year expenditure transfers	-	(345,783)	(1,851)
Prior year refunds	146	-	-
Prior year warrant voids	-	1,341	-
Miscellaneous	-	-	475
Total receipts per Department	\$ 16,309	\$ (343,945)	\$ (1,376)
Deposits in transit beginning of year	-	-	-
Deposits in transit end of year	-	-	-
Total receipts per Comptroller records	\$ 16,309	\$ (343,945)	\$ (1,376)
<u>TOMA Consumer Protection Fund - 0241</u>			
Licenses, fees, and registrations:			
Credit union regulatory fees	-	-	-
Total licenses, fees, and registrations	\$ -	\$ -	\$ -
Fines, penalties, or violations	-	6,902	177,600
Other Revenues	-	-	-
Miscellaneous	-	-	-
Total receipts per Department	\$ -	\$ 6,902	\$ 177,600
Deposits in transit beginning of year	-	-	-
Deposits in transit end of year	-	-	-
Total receipts per Comptroller records	\$ -	\$ 6,902	\$ 177,600
<u>Credit Union Fund - 0243</u>			
Licenses, fees, and registrations:			
Credit union regulatory fees	4,376,967	4,226,516	4,456,653
Credit union examination fees	6,120	7,125	14,880
Total licenses, fees, and registrations	\$ 4,383,087	\$ 4,233,641	\$ 4,471,533
Fines, penalties, or violations	-	500	57,328
Reim/jury duty and recoveries	-	302	25
Total receipts per Department	\$ 4,383,087	\$ 4,234,443	\$ 4,528,886
Deposits in transit beginning of year	2,070	740	298,088
Deposits in transit end of year	(16,190)	(2,070)	(740)
Total receipts per Comptroller records	\$ 4,368,967	\$ 4,233,113	\$ 4,826,234

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Residential Finance Regulatory Fund - 0244</u>			
Licenses, fees, and registrations:			
Mortgage banking registrations	\$ 2,583,358	\$ 2,405,025	\$ 2,469,859
Loan originator licenses and fees	3,181,800	2,975,000	2,056,500
Mortgage banking examination fees	350,318	304,174	299,604
Mortgage banking full service fees	138,250	146,750	124,750
Total licenses, fees, and registrations	<u>\$ 6,253,726</u>	<u>\$ 5,830,949</u>	<u>\$ 4,950,713</u>
Fines, penalties, or violations	103,047	238,818	630,482
Reim/jury duty and recoveries	-	-	25
Miscellaneous	-	268,276	-
Total receipts per Department	<u>\$ 6,356,773</u>	<u>\$ 6,338,043</u>	<u>\$ 5,581,220</u>
Deposits in transit beginning of year	45,608	49,382	74,669
Deposits in transit end of year	(178,303)	(45,608)	(49,382)
Total receipts per Comptroller records	<u><u>\$ 6,224,078</u></u>	<u><u>\$ 6,341,817</u></u>	<u><u>\$ 5,606,507</u></u>
<u>Nursing Dedicated and Professional Fund - 0258</u>			
Licenses, fees, and registrations:			
Nursing licenses and fees	16,767,066	3,451,439	15,999,306
Total licenses, fees, and registrations	<u>\$ 16,767,066</u>	<u>\$ 3,451,439</u>	<u>\$ 15,999,306</u>
Fines, penalties, or violations	17,015	10,794	10,592
Reim/jury duty and recoveries	16,151	15,836	6,439
Total receipts per Department	<u>\$ 16,800,232</u>	<u>\$ 3,478,069</u>	<u>\$ 16,016,337</u>
Deposits in transit beginning of year	108,975	55,050	52,987
Deposits in transit end of year	(894,756)	(108,975)	(55,050)
Total receipts per Comptroller records	<u><u>\$ 16,014,451</u></u>	<u><u>\$ 3,424,144</u></u>	<u><u>\$ 16,014,274</u></u>
<u>Optometric Licensing and Disciplinary Board Fund - 0259</u>			
Licenses, fees, and registrations:			
Optometric licenses and fees	979,724	60,689	978,891
Total licenses, fees, and registrations	<u>\$ 979,724</u>	<u>\$ 60,689</u>	<u>\$ 978,891</u>
Fines, penalties, or violations	200	1,000	750
Total receipts per Department	<u>\$ 979,924</u>	<u>\$ 61,689</u>	<u>\$ 979,641</u>
Deposits in transit beginning of year	1,828	3,065	1,199
Deposits in transit end of year	(10,006)	(1,828)	(3,065)
Total receipts per Comptroller records	<u><u>\$ 971,746</u></u>	<u><u>\$ 62,926</u></u>	<u><u>\$ 977,775</u></u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Appraisal Administration Fund - 0386</u>			
Licenses, fees, and registrations:			
Appraisal licenses and fees	\$ 2,077,472	\$ 831,655	\$ 2,202,069
Total licenses, fees, and registrations	\$ 2,077,472	\$ 831,655	\$ 2,202,069
Fines, penalties, or violations	24,691	48,319	71,969
Prior year expenditure transfers	-	77,251	-
Total receipts per Department	\$ 2,102,163	\$ 957,225	\$ 2,274,038
Deposits in transit beginning of year	31,008	1,619	10,609
Deposits in transit end of year	(9,249)	(31,008)	(1,619)
Total receipts per Comptroller records	<u>\$ 2,123,922</u>	<u>\$ 927,836</u>	<u>\$ 2,283,028</u>
<u>Athletics Supervision and Regulation Fund - 0505</u>			
Licenses, fees, and registrations:			
Athletic licenses and fees	165,425	136,804	154,125
Total licenses, fees, and registrations	\$ 165,425	\$ 136,804	\$ 154,125
Fines, penalties, or violations	-	-	-
Miscellaneous	-	-	-
Total receipts per Department	\$ 165,425	\$ 136,804	\$ 154,125
Deposits in transit beginning of year	-	-	-
Deposits in transit end of year	(93,118)	-	-
Total receipts per Comptroller records	<u>\$ 72,307</u>	<u>\$ 136,804</u>	<u>\$ 154,125</u>
<u>Pawnbroker Regulation Fund - 0562</u>			
Licenses, fees, and registrations:			
Pawnbroker licenses and fees	9,000	273,400	274,750
Total licenses, fees, and registrations	\$ 9,000	\$ 273,400	\$ 274,750
Fines, penalties, or violations	-	-	250
Miscellaneous	-	-	-
Total receipts per Department	\$ 9,000	\$ 273,400	\$ 275,000
Deposits in transit beginning of year	2,000	-	291,050
Deposits in transit end of year	-	(2,000)	-
Total receipts per Comptroller records	<u>\$ 11,000</u>	<u>\$ 271,400</u>	<u>\$ 566,050</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
<u>Savings Bank Regulatory Fund - 0579</u>			
Licenses, fees, and registrations:			
Savings and loan supervisory fees	\$ 371,758	\$ 818,682	\$ 790,572
Thrift registration fees	1,500	2,750	2,000
Savings and loan examination fees	80,780	365,491	278,163
Total licenses, fees, and registrations	\$ 454,038	\$ 1,186,923	\$ 1,070,735
Reim/jury duty and recoveries	-	17	-
Prior year refunds	-	194	-
Total receipts per Department	\$ 454,038	\$ 1,187,134	\$ 1,070,735
Deposits in transit beginning of year	30,607	-	21,210
Deposits in transit end of year	-	(30,607)	-
Total receipts per Comptroller records	\$ 484,645	\$ 1,156,527	\$ 1,091,945
<u>Debt Settlement Consumer Protection - 0615</u>			
Licenses, fees, and registrations:			
Credit union regulatory fees	-	-	-
Total licenses, fees, and registrations	\$ -	\$ -	\$ -
Fines, penalties, or violations	-	2,945	-
Miscellaneous	-	-	-
Total receipts per Department	\$ -	\$ 2,945	\$ -
Deposits in transit beginning of year	-	-	-
Deposits in transit end of year	-	-	-
Total receipts per Comptroller records	\$ -	\$ 2,945	\$ -
<u>Real Estate Recovery Fund - 0629</u>			
Licenses, fees, and registrations:			
Real estate licenses and fees	(4,042)	4,042	-
Total licenses, fees, and registrations	\$ (4,042)	\$ 4,042	\$ -
Fines, penalties, or violations	193,265	216,875	230,086
Total receipts per Department	\$ 189,223	\$ 220,917	\$ 230,086
Deposits in transit beginning of year	13,727	6,250	1,191
Deposits in transit end of year	(14,063)	(13,727)	(6,250)
Total receipts per Comptroller records	\$ 188,887	\$ 213,440	\$ 225,027

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	2018	2017	2016
<u>Home Inspector Administration Fund - 0746</u>			
Licenses, fees, and registrations:			
Home inspector licenses and fees	\$ 122,621	\$ 773,496	\$ 109,890
Total licenses, fees, and registrations	\$ 122,621	\$ 773,496	\$ 109,890
Fines, penalties, or violations	1,523	826	524
Total receipts per Department	\$ 124,144	\$ 774,322	\$ 110,414
Deposits in transit beginning of year	5,200	500	1,000
Deposits in transit end of year	(9,300)	(5,200)	(500)
Total receipts per Comptroller records	\$ 120,044	\$ 769,622	\$ 110,914
<u>Cemetery Oversight Licensing and Disciplinary Fund - 0792</u>			
Licenses, fees, and registrations:			
Cemetery oversight licenses and fees	6,800	204,350	4,599
Total licenses, fees, and registrations	\$ 6,800	\$ 204,350	\$ 4,599
Fines, penalties, or violations	-	-	-
Miscellaneous	-	-	-
Total receipts per Department	\$ 6,800	\$ 204,350	\$ 4,599
Deposits in transit beginning of year	1,300	50	750
Deposits in transit end of year	(3,650)	(1,300)	(50)
Total receipts per Comptroller records	\$ 4,450	\$ 203,100	\$ 5,299
<u>Bank and Trust Company Fund - 0795</u>			
Licenses, fees, and registrations:			
Bank examination fees	14,116,909	15,660,853	14,608,211
EDP examination fees	3,253,945	3,218,423	3,101,115
Corporate fiduciary registrations	1,145,058	1,333,097	1,594,609
International bank examination fees	2,207,712	2,569,042	2,429,555
Corporate fiduciary regulatory fees	75	555,217	556,216
Miscellaneous banking fees	76,265	110,300	107,950
Miscellaneous international banking fees	17,000	18,500	19,300
Miscellaneous trust company fees	28,350	25,900	28,300
Check printer fees	-	2,600	2,600
Total licenses, fees, and registrations	\$ 20,845,314	\$ 23,493,932	\$ 22,447,856
Reim/jury duty and recoveries	6,365	1,643	204
Prior year refunds	38	1,888	-
Prior year warrant voids	-	434	-
Miscellaneous	100	-	24
Total receipts per Department	\$ 20,851,817	\$ 23,497,897	\$ 22,448,084
Deposits in transit beginning of year	8,429	11,000	15,460
Deposits in transit end of year	(4,179)	(8,429)	(11,000)
Total receipts per Comptroller records	\$ 20,856,067	\$ 23,500,468	\$ 22,452,544

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Illinois State Dental Disciplinary Fund - 0823</u>			
Licenses, fees, and registrations:			
Dental licenses and fees	\$ 1,645,657	\$ 321,883	\$ 3,654,346
Total licenses, fees, and registrations	\$ 1,645,657	\$ 321,883	\$ 3,654,346
Fines, penalties, or violations	16,008	28,917	32,150
Prior year warrant voids	-	6	-
Total receipts per Department	\$ 1,661,665	\$ 350,806	\$ 3,686,496
Deposits in transit beginning of year	28,959	10,760	237,223
Deposits in transit end of year	(1,404,520)	(28,959)	(10,760)
Total receipts per Comptroller records	<u>\$ 286,104</u>	<u>\$ 332,607</u>	<u>\$ 3,912,959</u>
<u>Community Association Manager Licensing and Disciplinary Fund - 0829</u>			
Licenses, fees, and registrations:			
Community association manager licenses and fees	409,340	214,840	341,457
Total licenses, fees, and registrations	\$ 409,340	\$ 214,840	\$ 341,457
Fines, penalties, or violations	6,611	12,762	8,313
Total receipts per Department	\$ 415,951	\$ 227,602	\$ 349,770
Deposits in transit beginning of year	44,400	2,369	28,500
Deposits in transit end of year	(7,050)	(44,400)	(2,369)
Total receipts per Comptroller records	<u>\$ 453,301</u>	<u>\$ 185,571</u>	<u>\$ 375,901</u>
<u>Real Estate License Administration Fund - 0850</u>			
Licenses, fees, and registrations:			
Real estate licenses and fees	8,319,403	5,719,620	7,637,978
Timeshare registration fees	27,050	528,700	530,600
Land sale fees	9,150	34,600	33,800
Total licenses, fees, and registrations	\$ 8,355,603	\$ 6,282,920	\$ 8,202,378
Fines, penalties, or violations	6,628	6,980	5,487
Prior year warrant voids	-	289	-
Total receipts per Department	\$ 8,362,231	\$ 6,290,189	\$ 8,207,865
Deposits in transit beginning of year	196,671	130,276	39,580
Deposits in transit end of year	(346,528)	(196,671)	(130,276)
Total receipts per Comptroller records	<u>\$ 8,212,374</u>	<u>\$ 6,223,794</u>	<u>\$ 8,117,169</u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Design Professionals Administration and Investigation</u>			
<u>Fund - 0888</u>			
Licenses, fees, and registrations:			
Design professional licenses and fees	\$ 1,582,456	\$ 1,381,459	\$ 1,528,941
Total licenses, fees, and registrations	\$ 1,582,456	\$ 1,381,459	\$ 1,528,941
Fines, penalties, or violations	4,900	8,001	16,215
Miscellaneous	-	17	-
Total receipts per Department	\$ 1,587,356	\$ 1,389,477	\$ 1,545,156
Deposits in transit beginning of year	68,873	9,540	13,540
Deposits in transit end of year	(41,373)	(68,873)	(9,540)
Total receipts per Comptroller records	<u>\$ 1,614,856</u>	<u>\$ 1,330,144</u>	<u>\$ 1,549,156</u>
<u>Illinois State Podiatric Disciplinary Fund - 0954</u>			
Licenses, fees, and registrations:			
Podiatric physician licenses and fees	41,390	492,713	51,411
Total licenses, fees, and registrations	\$ 41,390	\$ 492,713	\$ 51,411
Fines, penalties, or violations	138	1,810	2,535
Miscellaneous	-	-	-
Total receipts per Department	\$ 41,528	\$ 494,523	\$ 53,946
Deposits in transit beginning of year	3,654	1,211	1,147
Deposits in transit end of year	(5,711)	(3,654)	(1,211)
Total receipts per Comptroller records	<u>\$ 39,471</u>	<u>\$ 492,080</u>	<u>\$ 53,882</u>
<u>Total</u>			
Licenses, fees, and registrations:			
Appraisal licenses and fees	2,077,472	831,655	2,202,069
Athletic licenses and fees	165,425	136,804	154,125
Bank examination fees	14,116,909	15,660,853	14,608,211
Cemetery oversight licenses and fees	6,800	204,350	4,599
Check printer fees	-	2,600	2,600
Community association manager licenses and fees	409,340	214,840	341,457
Corporate fiduciary regulatory fees	75	555,217	556,216
Corporate fiduciary registrations	1,145,058	1,333,097	1,594,609
CPA licenses and fees	1,051,201	406,228	3,166,077
Credit union examination fees	6,120	7,125	14,880
Credit union regulatory fees	4,376,967	4,226,516	4,456,653
Dental licenses and fees	1,645,657	321,883	3,654,346
Design professional licenses and fees	1,582,456	1,381,459	1,528,941
EDP examination fees	3,253,945	3,218,423	3,101,115
Financial institution examination fees	1,079,460	1,071,000	1,248,600
Financial institution licenses and fees	4,843,061	5,412,472	4,991,720
General professions licenses and fees	15,983,302	12,987,710	12,437,291

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO
TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Home inspector licenses and fees	\$ 122,621	\$ 773,496	\$ 109,890
International bank examination fees	2,207,712	2,569,042	2,429,555
Land sale fees	9,150	34,600	33,800
Loan originator licenses and fees	3,181,800	2,975,000	2,056,500
Medical cannabis licenses and fees	1,399,390	1,188,896	183,002
Medical licenses and fees	16,599,655	26,092,021	3,387,847
Miscellaneous banking fees	76,265	110,300	107,950
Miscellaneous international banking fees	17,000	18,500	19,300
Miscellaneous trust company fees	28,350	25,900	28,300
Mortgage banking examination fees	350,318	304,174	299,604
Mortgage banking full service fees	138,250	146,750	124,750
Mortgage banking registrations	2,583,358	2,405,025	2,469,859
Nursing licenses and fees	16,767,066	3,451,439	15,999,306
Optometric licenses and fees	979,724	60,689	978,891
Pawnbroker licenses and fees	9,000	273,400	274,750
Pharmacy licenses and fees	4,876,129	1,952,130	4,805,305
Podiatric physician licenses and fees	41,390	492,713	51,411
Real estate licenses and fees	8,315,361	5,723,662	7,637,978
Retaliatory fees	-	4,240	1,770
Savings and loan examination fees	80,780	365,491	278,163
Savings and loan supervisory fees	371,758	818,682	790,572
Thrift registration fees	1,500	2,750	2,000
Timeshare registration fees	27,050	528,700	530,600
Total licenses, fees, and registrations	<u>\$ 109,926,875</u>	<u>\$ 98,289,832</u>	<u>\$ 96,664,612</u>
Fines, penalties, or violations	1,886,845	1,909,074	2,945,765
Reim/jury duty and recoveries	39,149	18,379	6,823
Prior year expenditure transfers	-	(268,532)	(1,851)
Prior year refunds	184	2,082	-
Prior year warrant voids	45	2,496	-
Other Revenues	-	-	-
Miscellaneous	100	268,572	499
Total receipts per Department	<u>\$ 111,853,198</u>	<u>\$ 100,221,903</u>	<u>\$ 99,615,848</u>
Deposits in transit beginning of year	5,093,487	540,708	1,688,398
Deposits in transit end of year	(5,474,194)	(5,093,487)	(540,708)
Total receipts per Comptroller records	<u><u>\$ 111,472,491</u></u>	<u><u>\$ 95,669,124</u></u>	<u><u>\$ 100,763,538</u></u>

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING
For the Two Years Ended June 30, 2018
(Not Examined)

AGENCY FUNCTIONS

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

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

The Department's strategic priorities include:

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

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

DEPARTMENT PROGRAMS

Evaluation and Licensing

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

Investigation and Enforcement

The Department safeguards the health and welfare of consumers and the public by investigating illegal activities and consumer complaints and taking enforcement actions when warranted. The Department also adjudicates formal complaints relating to violations of professional standards of practice. The Department reviews and investigates consumer complaints and allegations of professional misconduct and illegal activity; adjudicates administrative actions arising from such complaints and allegations; takes appropriate enforcement action to discipline wrongdoers; and, works with other state and federal agencies and law enforcement to coordinate action against major offenders.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING
For the Two Years Ended June 30, 2018
(Not Examined)

Regulation and Supervision

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

Consumer Awareness and Education

The Department informs and educates Illinois consumers about the industries, professions, entities, and individuals under its jurisdiction. The Department provides information about financial literacy on both its website and through outreach programs. In addition to in-person outreach, the Department has increased its outreach presence through multiple social media platforms.

DEPARTMENT CENTER

Office of Legal Affairs

The Office of Legal Affairs (Legal) provides a variety of essential legal services to the Department's programmatic divisions and the Secretary's Office. Among other duties, Legal is responsible for providing administrative law judges to conduct formal hearings; drafting necessary legislation; administering the rule making process; drafting and administering vendor contracts; managing complex litigation; and advising the divisions regarding legal issues during their work. Legal also conducts internal investigations and responds to inquiries from the Office of the Executive Inspector General, other governmental agencies, and the public as needed.

Information Technology

Information Technology provides support for the Department's technology resources including: systems analysis; telecommunications networking; programming; microcomputing support; and user training. During the examination period, this staff was consolidated under the Illinois Department of Innovation and Technology per Executive Order 2016-001. Consolidated staff are utilized by the Department via an Intergovernmental Agreement.

Legislative Affairs

Legislative Affairs develops the Department's legislative agendas; coordinates Department comments on legislation; and drafts issue papers, fact sheets, and bill reviews. They also monitor legislation affecting the Department and its regulated industries/entities; negotiates controversial legislation with legislators, Governor's staff, and special interest groups. They handle constituent inquiries referred by legislators, legislative staff, and the Governor's Office.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING
For the Two Years Ended June 30, 2018
(Not Examined)

Administrative Services

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

Fiscal Operations

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

Internal Audit

Internal Audit assists the Department in effectively fulfilling its responsibilities. It is charged with examining and evaluating the policies, procedures, and systems which are in place to ensure the reliability and integrity of: information; compliance with policies, plans, laws and regulations; safeguarding of assets; and the economical and efficient use of resources. During the examination period, the Department completed an Intergovernmental Agreement with the Illinois Department of Central Management Services (CMS) Bureau of Internal Audit to fulfill these functions (Finding 2018-015).

Human Resources (Located under the Chief of Staff)

Human Resources (HR) is responsible for posting, interviewing, and hiring of Department employees. HR is also responsible for the transactions and administration of the State's Personnel Code, Family Medical Leave Act, Health Insurance Portability and Accountability Act, and other Acts, along with personnel policy guidance from Governor's Office and CMS. HR performs liaison functions with Department employees, labor relations, collective bargaining units, Governor's Office, CMS, and other State agencies.

OPERATING DIVISIONS

Division of Professional Regulation

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

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AGENCY FUNCTIONS AND PLANNING
For the Two Years Ended June 30, 2018
(Not Examined)

The division safeguards and promotes the health, safety, and welfare of the public by ensuring that licensure qualifications and standards for professional practice are properly evaluated, applied, and enforced.

Division of Financial Institutions

The division investigates, examines, licenses, and regulates financial institutions including currency exchanges, State-chartered credit unions, title insurance companies, money transmitters and businesses making consumer loans of \$40,000 or less. The Division includes Consumer Credit, Credit Union, Currency Exchange and Title Insurance Sections.

Division of Banking

The division oversees the regulation and licensure of State-chartered banks, trust companies, ATMs not owned by financial institutions, check printers, pawnbrokers, savings banks and loan associations, mortgage bankers and brokers.

Division of Real Estate

The division regulates professionals involved in the buying and selling of property. It licenses and enforces the work of real estate brokers, managing brokers, leasing agents, real estate firms, real estate appraisers, auctioneers, auction firms, home inspectors, and home inspector entities.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

The Department of Financial and Professional Regulation's (Department) explanations for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances (Schedule 3) are detailed below. For the purpose of this analysis, a significant fluctuation is defined as a variation that equaled or exceeded \$100,000 and 20% as compared to the prior year.

General Professions Dedicated Fund – 0022

Personal services

The increase in fiscal year 2018 from fiscal year 2017 was due to the Department hiring more staff who were paid from this fund in fiscal year 2018 compared to the prior fiscal year. Also, a number of retirements occurred in fiscal year 2018 that required lump sum payments to retirees.

Retirement – employer contribution

The increase in fiscal year 2018 from fiscal year 2017 was due to the Department hiring more staff who were paid from this fund in fiscal year 2018 compared to the prior fiscal year.

Illinois State Pharmacy Disciplinary Fund – 0057

Personal services

The increase was due to more staff hired in fiscal year 2017 who were paid from this fund and more staff overall compared to the prior fiscal year.

Compassionate Use of Medical Cannabis Fund – 0075

Personal services, retirement – employer contribution, and group insurance

The increase in fiscal year 2017 for personal services, retirement, and group insurance from fiscal year 2016 was due to all expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Lump sums and other purposes

The significant decrease in fiscal year 2017 from fiscal year 2016 was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Illinois State Medical Disciplinary Fund – 0093

Group insurance

The decrease in the group insurance cost in fiscal year 2018 from fiscal year 2017 was due to decreased charges to the Department by the Illinois Department of Central Management Services in fiscal year 2018.

Contractual services

The decrease in contractual services in fiscal year 2017 from fiscal year 2016 was due to less contractual staff being utilized in this fund in fiscal year 2017 compared to the prior fiscal year.

Registered Certified Public Accountants' Administration and Disciplinary Fund – 0151

Personal services, retirement – employer contribution, and group insurance

The increase in fiscal year 2017 for personal services, retirement, and group insurance from fiscal year 2016 was due to all expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Lump sums and other purposes

The significant decrease in fiscal year 2017 from fiscal year 2016 in lump sums and other purposes was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Professions Indirect Cost Fund - 0218

Personal services

The increase in fiscal year 2017 from fiscal year 2016 was due to more of the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Contractual services

The increase in fiscal year 2017 from fiscal year 2016 was due to more contractual staff being utilized from this fund in fiscal year 2017 compared to the prior fiscal year.

Equipment

The increase in fiscal year 2018 from fiscal year 2017 was due to various laptop, desktop, and monitor purchases made in fiscal year 2018 for employee technology upgrades.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Electronic data processing

The decrease in both fiscal years 2017 and 2018 from the respective prior fiscal year was due to more of the Department's electronic data processing costs transitioning over to the Illinois Department of Innovation and Technology.

Telecommunications

The increase in fiscal year 2017 from fiscal year 2016, and subsequent decrease in fiscal year 2018, was due to a one-time installation of VoIP in the Springfield office in fiscal year 2017.

Lump sums and other purposes

The significant decrease from fiscal year 2016 to fiscal year 2017 was due to more of the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016; whereas, in fiscal year 2017 more of these costs were appropriated into specific line items. The significant decrease from fiscal year 2017 to fiscal year 2018 was due to less in prompt pay interest needing to be paid out from this fund in fiscal year 2018.

Nursing Dedicated and Professional Fund - 0258

Lump sums and other purposes

The significant decrease in fiscal year 2017 from fiscal year 2016 was due to more of the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Appraisal Administration Fund - 0386

Personal services

The decrease was due to reductions in staff in this fund in fiscal year 2017 compared to fiscal year 2016.

Awards and grants

The significant decrease in fiscal year 2017 from fiscal year 2016, and subsequent significant increase in fiscal year 2018, was due to the large biennial payments to the federal government for appraisal license renewals. These payments occurred in fiscal year 2016 and fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Athletics Supervision and Regulation Fund – 0505

Lump sums and other purposes

The significant decrease in lump sums and other purposes in fiscal year 2017 from fiscal year 2016 was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, these costs were appropriated into specific line items.

Savings Regulatory Fund - 0579

Personal services

The increase in fiscal year 2017 from fiscal year 2016 was due to all expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, these costs were appropriated into specific line items.

Lump sums and other purposes

The significant decrease in lump sums and other purposes in fiscal year 2017 from fiscal year 2016 was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, these costs were appropriated into specific line items.

Real Estate Recovery Fund – 0629

Awards and grants

The increase in fiscal year 2017 compared to fiscal year 2016, and then decrease in fiscal year 2018, was due to significantly more court-approved claims occurring in fiscal year 2017 than in the other two fiscal years.

Cemetery Oversight Licensing and Disciplinary Fund – 0792

Personal services, retirement – employer contribution, and group insurance

The increase in fiscal year 2017 for personal services, retirement, and group insurance from fiscal year 2016 was due to all expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

Lump sums and other purposes

The significant decrease in fiscal year 2017 from fiscal year 2016 in lump sums and other purposes was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017, expenditures were appropriated into the individual line items.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Community Association Manager Licensing and Disciplinary Fund – 0829

Lump sums and other purposes

The significant decrease in fiscal year 2017 from fiscal year 2016 in lump sums and other purposes was due to all the expenditures for this fund being included in lump sums and other purposes in fiscal year 2016. In fiscal year 2017 expenditures were appropriated into the individual line items.

Real Estate License Administration Fund – 0850

Group insurance

The decrease in fiscal year 2018 compared to fiscal year 2017 was due to reductions in staff paid from this fund in fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2018
(Not Examined)

The Illinois Department of Financial and Professional Regulation's (Department) explanations for significant fluctuations in receipts as presented in the Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller (Schedule 6) are detailed below. The following is a summary of explanations for significant variations in receipts. Variations between fiscal years were considered significant if greater than \$250,000 and 20%.

General Professions Dedicated Fund - 0022

General professions licenses and fees

The renewal of three-year general professions licenses occurred in fiscal year 2018. Consequently, general professions licenses and fees increased in fiscal year 2018 from fiscal year 2017.

Illinois State Pharmacy Disciplinary Fund – 0057

Pharmacy licenses and fees

Pharmacy licenses renew every two years. The renewal periods were in fiscal year 2018 and fiscal year 2016. Pharmacy licenses and fees decreased in fiscal year 2017 from fiscal year 2016, and then increased in fiscal year 2018, as a result of the renewal license cycle of the pharmacy profession.

Compassionate Use of Medical Cannabis Fund – 0075

Medical cannabis licenses and fees

More initial applications were accepted, and dispensaries opened, in fiscal year 2017 than in the previous fiscal year. As a result, medical cannabis licenses and fees increased in fiscal year 2017 from fiscal year 2016.

Illinois State Medical Disciplinary Fund – 0093

Medical licenses and fees

Medical licenses renew every three years. The renewal period for medical licenses was fiscal year 2017. As a result, fiscal year 2017 medical licenses and fees increased from fiscal year 2016. Medical licenses and fees then decreased in fiscal year 2018 due to the renewal license cycle of the medical profession.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2018
(Not Examined)

Registered Certified Public Accountant's (CPA) Administration and Disciplinary Fund – 0151

CPA licenses and fees

CPA licenses renew every three years. The renewal period for CPA licenses occurred primarily in fiscal year 2016. This renewal cycle caused CPA licenses and fees to decrease in fiscal year 2017 from fiscal year 2016. The increase in fiscal year 2018 from fiscal year 2017 is due to individuals paying for CPA license renewals which will occur in the fiscal year 2019.

Professions Indirect Cost Fund – 0218

Prior year expenditure transfers

Expenditure transfers occurred in fiscal year 2017 to cover instances where payroll amounts exceeded appropriations for personal services in fiscal year 2016. These transfers did not occur in fiscal year 2016 or fiscal year 2018.

Residential Finance Regulatory Fund - 0244

Loan originator licenses and fees

Loan originator licenses and fees increased in fiscal year 2017 from fiscal year 2016 due to the Department using a Universal Standard Test in fiscal year 2017, which allowed for more applicants to apply for licenses.

Fines, penalties or violations

Fines, penalties, or violations decreased in fiscal year 2017 from fiscal year 2016 due to the Department having less enforcement actions against licensees in fiscal year.

Miscellaneous

Fiscal year 2017 miscellaneous receipts increased from fiscal year 2016, and then subsequently decreased in fiscal year 2018, due to expenditure transfers that occurred in fiscal year 2017 to cover instances where payroll amounts exceeded appropriations for personal services in fiscal year 2016. These transfers did not occur in fiscal year 2016 or fiscal year 2018.

Nursing Dedicated and Professional Fund – 0258

Nursing licenses and fees

Nursing licenses renew every two years. The renewal periods were in fiscal year 2018 and fiscal year 2016. Nursing licenses and fees decreased in fiscal year 2017 from fiscal year 2016, and then increased in fiscal year 2018, as a result of the renewal license cycle of the nursing profession.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2018
(Not Examined)

Optometric Licensing and Disciplinary Board Fund – 0259

Optometric licenses and fees

Optometric licenses renew every two years. The renewal periods were in fiscal year 2018 and fiscal year 2016. Optometric licenses and fees decreased in fiscal year 2017 from fiscal year 2016, and then increased in fiscal year 2018, as a result of the renewal license cycle of the optometric profession.

Appraisal Administration Fund – 0386

Appraisal licenses and fees

Real estate appraisal licenses renew every two years. The renewal periods were in fiscal year 2018 and fiscal year 2016. Appraisal licenses and fees decreased in fiscal year 2017 from fiscal year 2016, and then increased in fiscal year 2018, as a result of the renewal license cycle of the real estate appraisal profession.

Pawnbroker Regulation Fund – 0562

Pawnbroker licenses and fees

Pawnbroker licenses and fees decreased in fiscal year 2018 from fiscal year 2017 due to the de-regulation of pawnbroker manager licenses in fiscal year 2018.

Savings Bank Regulatory Fund – 0579

Savings and loan supervisory fees

Savings Bank Regulatory Fund receipts decreased in fiscal year 2018 from fiscal year 2017 due to the application of a \$386,646 credit from fiscal year 2017 savings and loan supervisory fees in fiscal year 2018.

Savings and loan examination fees

Beginning in fiscal year 2018, the cost of the examination was covered by the registration. This change in fee structure decreased savings and loan examination fees in fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2018
(Not Examined)

Home Inspector Administration Fund – 0746

Home inspector licenses and fees

Home inspector licenses renew every two years. The renewal period was in fiscal year 2017. Home inspector licenses and fees increased in fiscal year 2017 from fiscal year 2016, and then decreased in fiscal year 2018, as a result of the renewal license cycle of the home inspector profession.

Bank and Trust Company Fund – 0795

Corporate fiduciary regulatory fees

Fiscal year 2018 corporate fiduciary regulatory fees decreased from fiscal year 2017 due to the decrease in examinations in fiscal 2018.

Illinois State Dental Disciplinary Fund – 0823

Dental licenses and fees

Dental licenses renew every three years. The renewal of dental licenses was in fiscal year 2016. Dental licenses and fees decreased in fiscal year 2017 from fiscal year 2016 due to the renewal license cycle of the dental profession. Dental licenses and fees increased in fiscal year 2018 from fiscal year 2017 due to individuals paying for dental license renewals which will occur in the fiscal year 2019.

Real Estate License Administration Fund – 0850

Real estate licenses and fees

Real estate licenses renew every two years. The renewal periods were in fiscal year 2018 and fiscal year 2016. Real estate licenses and fees decreased in fiscal year 2017 from fiscal year 2016, and then increased in fiscal year 2018, as a result of the renewal license cycle of the real estate profession.

Timeshare registration fees

Timeshare licenses were deregulated during fiscal year 2018. As a result, the number of timeshare registration fees for licenses decreased in fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Fiscal Years Ended June 30, 2018
(Not Examined)

Illinois State Podiatric Disciplinary Fund - 0954

Podiatric physician licenses and fees

Podiatric physician licenses renew every two years. The renewal period was in fiscal year 2017. Podiatric physician licenses and fees increased in fiscal year 2017 from fiscal year 2016, and then decreased in fiscal year 2018, as a result of the renewal license cycle of the podiatric physician profession.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2018
(Not Examined)

The Department of Financial and Professional Regulation’s (Department) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures, and Lapsed Balances for fiscal years 2018 and 2017 (Schedules 1 and 2) are detailed below. For purposes of this analysis, significant lapse period spending is defined as \$15,000 and 20% or more of the total expenditures for the respective fiscal year.

Fiscal Year 2017

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
Real Estate Recovery Fund - 0629	\$152,956	\$85,112	56%

A large amount of court approved claims was paid in the fiscal year 2017 lapse period.

Fiscal Year 2018

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
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A significant amount of lapse period activity was not noted.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2018
(Not Examined)
(Expressed in Thousands)

The comparative aging of accounts receivable for the fiscal years ended June 30, 2018, 2017 and 2016, per Department records, are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Current	\$ 9,777	\$ 8,521	\$ 8,778
1-30 days	237	196	87
31-90 days	844	386	105
91-180 days	402	3,432	701
181 days - 1 year	2,832	606	1,198
Over 1 year	<u>18,685</u>	<u>14,430</u>	<u>12,813</u>
Accounts receivable gross balance	32,777	27,571	23,682
Less: estimated uncollectibles	<u>(22,635)</u>	<u>(18,712)</u>	<u>(14,419)</u>
Accounts receivable net balance	<u>\$ 10,142</u>	<u>\$ 8,859</u>	<u>\$ 9,263</u>

Note: The Department's receivables consist of amounts owed from its licensing, enforcement, and regulation activities. The Department uses private collection services and the State Comptroller's offset system in its efforts to collect past due receivables.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2018
(Not Examined)

All of the Illinois Department of Financial and Professional Regulation's (Department) fiscal year 2016 and fiscal year 2017 costs were paid pursuant to continuing appropriations. The Department did not have any outstanding unpaid invoices from either fiscal year 2016 or fiscal year 2017 after the closure of the fiscal year 2016 lapse period on August 31, 2016, and the closure of the fiscal year 2017 lapse period on September 30, 2017, respectively.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
For the Two Years Ended June 30, 2018
(Not Examined)

Transactions Involving the Illinois Finance Authority

The Illinois Department of Financial and Professional Regulation (Department) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during fiscal year 2017 or fiscal year 2018.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Department's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during fiscal year 2017 or fiscal year 2018.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
INTEREST COSTS ON FISCAL YEAR 2017 INVOICES
For the Two Years Ended June 30, 2018
(Not Examined)

The Department calculated 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 2017. 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. The following chart shows the Department's prompt payment interest incurred related to fiscal year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2017, by fund:

Fund	Fund Name	Invoices	Vendors	Expended Amount
0021	Financial Institutions Fund	29	15	\$ 214.35
0022	General Professionals Dedicated Fund	17	11	200.24
0057	Illinois State Pharmacy Disciplinary Fund	12	4	166.70
0075	Compassionate Use of Medical Cannabis Fund	8	4	75.31
0093	Illinois State Medical Disciplinary Fund	13	9	236.95
0151	Registered Certified Public Accountants' Administration and Disciplinary Fund	8	8	137.62
0218	Professions Indirect Cost Fund	550	55	100,631.34
0243	Credit Union Fund	14	10	460.83
0244	Residential Finance Regulatory Fund	7	4	787.31
0258	Nursing Dedicated and Professional Fund	12	6	286.54
0259	Optometric Licensing and Disciplinary Board Fund	13	5	295.74
0386	Appraisal Administration Fund	10	5	70.33
0505	Athletics Supervision and Regulation Fund	6	4	38.82
0579	Savings Bank Regulatory Fund	2	2	61.83
0792	Cemetery Oversight Licensing and Disciplinary Fund	13	3	807.62
0795	Banks and Trust Company Fund	95	40	4,062.27
0823	Illinois State Dental Disciplinary Fund	3	3	95.07
0849	Real Estate Research and Education Fund	1	1	25.42
0850	Real Estate License Administration Fund	6	5	136.14
0888	Design Professionals Administration and Investigation Fund	15	9	966.29
		834	203	\$ 109,756.72

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30, 2018, 2017, and 2016
(Not Examined)

The following table, prepared from Department records, presents the average number of employees for the fiscal years ended June 30, 2018, 2017, and 2016.

<u>Division</u>	Fiscal Year		
	2018	2017	2016*
Division of Professional Regulation	134	136	146
Division of Banking	95	103	113
Division of Financial Institutions	57	61	57
Division of Real Estate	33	37	38
Executive Office	10	9	8
Fiscal and Accounting Unit	12	12	3
Internal Audit	-	1	1
Information Technology Unit	9	10	13
General Counsel	30	31	33
Legislative Affairs Unit	3	4	3
Administrative Services Unit	17	18	16
Shared Services - Fiscal	-	-	6 **
Shared Services - Human Resources	-	-	5 **
 Total average full-time employees	 <u>400</u>	 <u>422</u>	 <u>442</u>

* Fiscal year 2016 numbers were restated by the Department.

** Shared Services was dissolved and these positions were absorbed by the Department at the end of fiscal year 2016.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MEMORANDUMS OF UNDERSTANDING
For the Two Years Ended Jun 30, 2018
(Not Examined)

The Department of Financial and Professional Regulation (Department) had Memorandums of Understanding (MOUs) with various banks, the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve Bank of Chicago (FRB) during the examination period. The MOUs were entered into to address unsatisfactory practices and conditions referred to in the Reports of Examinations (reports) issued by the Department and the FDIC or the FRB. The MOUs contained the steps and procedures the banks should perform to correct the violations and findings noted or to address the credit risk management deficiencies cited in the reports. These included, among others, the following: formulating, adopting, and submitting written plans of action to address violations and findings; not declaring or paying dividends without the prior written consent of the Department and the FDIC or the FRB; and submitting progress reports covering each of the provisions of the MOUs until notification by the supervisory authorities that the progress reports need no longer be submitted.

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

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

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

Division of Financial Institutions

The division licenses, examines, and investigates currency exchanges, State chartered credit unions, consumer finance companies, title insurance companies, debt management and settlement companies, and money transmitters. The division administers and enforces the laws and regulations applicable to institutions under its jurisdiction and protects the interests of Illinoisans in their dealings with the industries it regulates. The division is comprised of four operating units: Consumer Credit, Currency Exchange, Credit Union, and Title Insurance Sections.

	Fiscal Year	
	2018 Actual	2017 Actual
<u>Consumer Credit Section</u>		
Number of licensees	1,846	1,882
Number of exams completed	1,770	1,883
Number of complaints resolved	93	138
<u>Currency Exchange Section</u>		
Number of licensed exchanges	372	384
Number of exams completed	394	402
<u>Credit Union Section</u>		
Number of licensees	194	201
Number of exams completed	87	136
<u>Title Insurance Section</u>		
Number of registrants	20,452	19,288
Number of licensees	21	19
Number of exams completed	16	17

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

Division of Banking

The division licenses and regulates State chartered banks, trust companies, pawnbrokers, savings banks, mortgage banks, mortgage brokers, and loan originators. The division protects and educates the public and promotes confidence in the regulated industries through administration of statutory responsibilities in an efficient, professional, responsive, and innovative manner. The division is comprised of three operating units: The Bureau of Banks, Trust Companies and Savings Institutions, and the Bureau of Residential Finance.

	Fiscal Year	
	2018 Actual	2017 Actual
<u>Bureau of Banks, Trust Companies and Savings Institutions</u>		
Number of domestic commercial banks	303	314
Number of foreign bank offices	8	9
Number of domestic corporate fiduciaries	145	144
Number of financial information systems entities	362	359
Number of pawnbroker licensees	270	270
Number of examinations performed	363	395
Number of applications reviewed	126	121
Percentage of pawnshop complaints investigated within established time frames	100%	100%
<u>Bureau of Residential Finance</u>		
Number of residential mortgage licensees	801	774
Number of savings and loans	-	-
Number of savings banks	29	29
Number of service organizations	4	-
Number of thrift examinations	11	14
Number of mortgage examinations	282	264
Number of license applications processed	95	86

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

Division of Professional Regulation

The division, comprised of two sections, Licensing & Testing and Enforcement, maintains proper standards of licensee competence and protects the public from those who abuse their licenses. This responsibility encompasses issuing licenses and renewals, administering qualifying examinations for certain professions, establishing and enforcing rules of licensee conduct, investigating complaints against licensees, and taking appropriate disciplinary action against licensees who have violated applicable statutes and rules. The division safeguards and promotes the health, safety, and welfare of the public by ensuring that licensure qualifications and standards for professional practice are properly evaluated, applied, and enforced.

	Fiscal Year	
	2018 Actual	2017 Actual
<u>Licensing & Testing</u>		
Phone calls received by call center*	396,215	309,980
Average call center waiting time (minutes)* <i>(*Combined for DPR and DRE)</i>	3:37	2:07
New licenses issued	91,831	91,511
License renewal received	561,076	240,334
Initial applications received	82,967	85,408
Percentage of mail-in renewals processed	6%	13%
Percentage of e-batch renewals processed	3%	3%
Percentage of internet credit card renewals processed	91%	86%
Percentage of renewals processed electronically	94%	89%
<u>Enforcement</u>		
Complaints received	12,049	11,351
Complaints closed	2,554	3,382
Cases closed at investigations	257	489
Cases referred to prosecutions	1,866	2,333
Cases closed at prosecutions	1,681	1,885
Licensees placed on probation	348	347
Percentage of complaints closed	22%	30%
Percentage of complaints to investigations	45%	47%
Percentage of cases referred to closure in prosecutions	14%	17%
Percentage of child support cases processed	2%	3%
Percentage of Illinois student assistance commission cases processed	0%	0%
Percentage of revenue cases processed	19%	13%

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

Division of Real Estate

The division regulates professionals involved in the buying and selling of property. It licenses and regulates real estate brokers, managing brokers, leasing agents, real estate firms, appraisers, appraisal management companies, auctioneers, auction firms, home inspectors, home inspector entities, timeshare and land sales entities, and community association managers.

	Fiscal Year	
	2018 Actual	2017 Actual
<u>Licensing and Testing</u>		
New licenses issued	8,513	7,492
License renewal received	55,426	21,544
Initial applications received	9,534	9,186
Percentage of mail-in renewals processed	8%	16%
Percentage of internet credit card renewals processed	92%	84%
Percentage of renewals processed electronically	92%	84%
<u>Enforcement</u>		
Complaints received	1,936	1,399
Complaints closed	1,376	1,356
Cases closed at investigations	111	289
Cases referred to prosecutions	1,219	882
Cases closed at prosecutions	416	385
Licenses placed on probation	18	30
Percentage of complaints closed	71%	97%
Percentage of complaints to investigations	91%	90%
Percentage of child support cases processed	1%	1%
Percentage of Illinois student assistance commission cases processed	0%	0%
Percentage of revenue cases processed	32%	26%