

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

**COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2017**

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



**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2017**

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**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

AGENCY OFFICIALS

Secretary	James T. Dimas
Assistant Secretary (Operations)	Vacant (7/1/15 – present)
Assistant Secretary (Programs)	Vacant (7/1/15 – 2/15/17) Maria Bruni (Acting 2/16/17 – 2/12/18), Confirmed 2/13/18 - present)
Budget Director	Robert Brock
Business Services Director	Paul Hartman
Chief of Staff	Melissa Wright (7/1/15 – 12-31-15) Vacant (1/1/16 – 1/24/16) Greg Bassi (1/25/16 – 6/30/16) Fred Flather (7/1/16 – present)
Chief Financial Officer	Robert Brock
Chief Operating Officer	Vacant (7/1/15 – 9/20/15) Khari Hunt (9/21/15 – present)
Office of Contract Administration Mgr.	Dan Melliere (7/1/15 – 12/31/15) Brian Bertrand (1/1/16 – present)
Chief Internal Auditor	Jane Hewitt (7/1/15 – 3/15/17) Vacant (3/16/17 – 4/16/17) Amy DeWeese (4/17/17 – present)
Agency Procurement Officer	William Strahle
Fiscal Services Director	Greg Primm (Acting 7/1/15 – 5/11/16) Vacant (5/12/16 – 7/30/16) Alex Jordan (Acting 7/31/16 – present)
Human Resources Director	Scott Viniard
Management Information Services Chief	Brad Long (7/1/15 – 10/31/16) Vacant (11/1/16 – 8/15/17) Amy Gentry (8/16/17 – present)
Office of Community Relations Director	Veronica Vera (Acting 7/1/15 – 12/31/15) Marianne Manko (1/1/16 – 11/15/16) Meredith Krantz (11/16/16 – 7/14/17) Vacant (7/15/17 – 8/20/17) Meghan Powers (8/21/17 – present)
Chief Legislative Liaison	Jennifer Aring

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
AGENCY OFFICIALS (Continued)

Hispanic/Latino Affairs Director	Vacant (7/1/15 – 11/30/16) Elizabeth Diaz Castillo (12/1/16 – present)
General Counsel	Greg Bassi (7/1/15 – 7/26/15) Daniel Dyslin (Acting 7/27/15 – 9/14/15) Greg Bassi (9/15/15 – 1/24/16) Fred Flather (1/25/16 – 6/30/16) Corey-Anne Gulkewicz (7/1/16 – present)
Inspector General	Michael McCotter
Innovation, Strategy & Performance	Vacant (7/1/15 – 7/31/15) Bruce Bendix (8/1/15 – present)
Division of Alcohol and Substance Abuse Director	Theodora Binion (7/1/15 – 12/31/15) Vacant (1/1/16 – 1/17/16) Maria Bruni (Acting 1/18/16 – present)
Division of Rehabilitation Services Director	Kris Smith (7/1/15 – 12/31/16) Vacant (1/1/17 – 1/31/17) Quinetta Wade (2/1/17 – present)
Division of Developmental Disabilities Director	Greg Fenton
Division of Mental Health Director	Theodora Binion (Acting 7/1/15 – 9/8/15) Diana Knaebe (9/9/15 – present)
Division of Clinical, Administrative and Program Support Manager	Melissa Wright (Acting 7/1/15 – 12/31/15) Vacant (1/1/16 – 6/30/16) J. Michael (Mike) Patton (7/1/16 – present)
Office of Family Community Services	Diane Grigsby-Jackson
Grant Administration Director	Vacant (7/1/15 – 9/30/15) Mary Jennings (10/1/15 – present)
Office of Security and Emergency Preparedness Director	Ken McCaffrey (Acting 7/1/15 – 9/15/15) Vacant (9/16/15 – present)

Agency main offices are located at:

100 South Grand Avenue East
Springfield, Illinois 62726

401 South Clinton Street
Chicago, Illinois 60607



Bruce Rauner, Governor • James T. Dimas, Secretary

May 16, 2018

RSM US LLP
20 N. Martingale Rd, Suite 500
Schaumburg, Illinois 60173

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 Human Services. 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 Human Services' compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the yes ended June 30, 2017 and June 30, 2016, the Illinois Department of Human Services has materially complied with the assertions below.

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

Sincerely,

Illinois Department of Human Services

SIGNED ORIGINAL ON FILE

James T. Dimas, Secretary

SIGNED ORIGINAL ON FILE

Robert Brock, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Corey-Anne Gulkewicz, General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2017**

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 and on Internal Control Over Compliance contains an adverse opinion over compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

	<u>Current</u>	<u>2016</u>	<u>2015</u>
GAS Findings	11	5	8
State Compliance Findings	31	N/A	25
Total Findings	<u>42</u>	<u>5</u>	<u>33</u>
GAS New Findings	8	1	4
GAS Repeated Findings	3	4	4
GAS Not Repeated Findings	2	4	3
State Compliance New Findings	14	N/A	3
State Compliance Repeated Findings	17	N/A	22
State Compliance Not Repeated Findings	8	N/A	12

**STATE OF ILLINOIS
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COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2017-001	17	Weaknesses in Preparation of Year-End Department Financial Statements	Material Weakness and Material Noncompliance
2017-002	21	Medical Assistance Program Financial Information	Material Weakness and Material Noncompliance
2017-003	24	SNAP Overpayment Referrals not Completed Timely	Material Weakness and Material Noncompliance
2017-004	26	Methodology Used for Calculating the Allowance for Doubtful Accounts not Accurate and Unavailable Revenue Understated	Material Weakness
2017-005	28	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness
2017-006	30	System Reconciliations not Regularly Performed	Significant Deficiency
2017-007	31	Backlog of Applications for Human Service Programs	Material Weakness and Material Noncompliance
2017-008	33	Untimely Redetermination of Eligibility	Material Weakness and Material Noncompliance
2017-009	35	Inaccurate Determination of Eligibility for Human Service Programs	Significant Deficiency and Material Noncompliance
2017-010	38	Lack of Controls over Changes to the Integrated Eligibility System	Material Weakness and Material Noncompliance
2017-011	40	Lack of Security Controls over the IES Computing Environment	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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FOR THE TWO YEARS ENDED JUNE 30, 2017**

COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2017-012	42	Applicant Social Security Information in IES Not Sufficiently Supported	Material Weakness and Material Noncompliance
2017-013	43	Complete Population not Provided	Material Weakness and Material Noncompliance
2017-014	46	Failure to Implement Integrated Living Rules and Adequately Monitor CILAs	Material Weakness and Material Noncompliance
2017-015	48	Noncompliance with Statutory Requirements Regarding the Use of Restraints	Material Weakness and Material Noncompliance
2017-016	51	Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors	Material Weakness and Material Noncompliance
2017-017	52	Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges	Material Weakness and Material Noncompliance
2017-018	57	Noncompliance with Statutory Requirements Regarding Residents' Dental, Mental and Physical Examinations at Elgin Mental Health Center	Material Weakness and Material Noncompliance
2017-019	59	Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident's Menstrual Cycles	Material Weakness and Material Noncompliance
2017-020	61	Inadequate Monitoring of Provider Agencies	Material Weakness and Material Noncompliance
2017-021	63	Inadequate Execution of Interagency Agreements	Material Weakness and Material Noncompliance
2017-022	65	Internal Control Weaknesses in the Home Services Program	Material Weakness and Material Noncompliance

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COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2017-023	67	Inadequate Controls Over the Department of Human Services Act	Material Weakness and Material Noncompliance
2017-024	69	Inadequate administration of Locally Held Funds and Petty Cash	Material Weakness and Material Noncompliance
2017-025	73	Noncompliance with Statutory Requirements Regarding Charging Residents for Services	Significant Deficiency and Noncompliance
2017-026	74	Failure to Establish a System Sharing the Compassionate Use of Medical Cannabis Information	Significant Deficiency and Noncompliance
2017-027	75	Noncompliance with Statutory Requirements Relating to the Mental Health Services Strategic Planning Task Force	Significant Deficiency and Noncompliance
2017-028	77	Failure to Deposit Federal Funds in Accordance with Statute	Significant Deficiency and Noncompliance
2017-029	78	Failure to Lead Establishment of Cross-Agency Prequalification Process and Master Service Agreement	Significant Deficiency and Noncompliance
2017-030	80	Failure to Ensure Medical Assistance Payments' Prompt Payment Interest were Accurately Calculated and Paid	Significant Deficiency and Noncompliance
2017-031	82	Late Submission of Required Reports	Significant Deficiency and Noncompliance
2017-032	84	Failure to Make Appointments in Accordance With State Law	Significant Deficiency and Noncompliance
2017-033	86	Contingency Planning Weaknesses	Significant Deficiency and Noncompliance
2017-034	88	Inadequate Compliance with Procedures for Disposal of Confidential Information	Significant Deficiency and Noncompliance
2017-035	90	Unsecured Confidential Information Transmitted Over the Internet	Significant Deficiency and Noncompliance
2017-036	92	Inadequate Controls Over Personal Services	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
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COMPLIANCE REPORT

SUMMARY (Continued)

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2017-037	94	Lack of Physical Control Over State Property	Significant Deficiency and Noncompliance
2017-038	98	Inadequate Controls Over Accounts Receivable	Significant Deficiency and Noncompliance
2017-039	101	Voucher Processing, Policies, Approvals and Payment	Significant Deficiency and Noncompliance
2017-040	105	Inadequate Controls Over Commodities	Significant Deficiency and Noncompliance
2017-041	108	Lack of Compliance with Policies for Vehicles	Significant Deficiency and Noncompliance
2017-042	111	Inadequate Controls Over Refund Receipts	Significant Deficiency and Noncompliance

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

2017-001	17	Weaknesses in Preparation of Year-End Department Financial Statements	Material Weakness and Material Noncompliance
2017-002	21	Medical Assistance Program Financial Information	Material Weakness and Material Noncompliance
2017-003	24	SNAP Overpayment Referrals not Completed Timely	Material Weakness and Material Noncompliance
2017-004	26	Methodology Used for Calculating the Allowance for Doubtful Accounts not Accurate and Unavailable Revenue Understated	Material Weakness and Material Noncompliance
2017-005	28	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness and Material Noncompliance
2017-006	30	System Reconciliations not Regularly Performed	Significant Deficiency and Noncompliance
2017-007	31	Backlog of Applications for Human Service Programs	Material Weakness and Material Noncompliance
2017-008	33	Untimely Redetermination of Eligibility	Material Weakness and Material Noncompliance
2017-009	35	Inaccurate Determination of Eligibility for Human Service Programs	Material Weakness and Material Noncompliance
2017-010	38	Lack of Controls over Changes to the Integrated Eligibility System	Material Weakness and Material Noncompliance
2017-011	40	Lack of Security Controls over the IES Computing Environment	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
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COMPLIANCE REPORT

SUMMARY (Continued)

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	112	Inadequate Supporting Detail Maintained for Division of Alcohol and Substance Abuse (DASA) Adjustments
B	112	Lack of Control over the Integrated Eligibility System
C	112	Other Noncompliance with Statutory Requirements at Department Facilities
D	113	Weaknesses in Processing Personal Assistants' Payments
E	113	Weaknesses in Conducting Annual Eligibility Redeterminations for KidCare (ALL-KIDS)
F	113	Inadequate Recordkeeping for Payroll and Personnel Files
G	113	Failure to Ensure Expenditure Reconciliations are Prepared Timely
H	114	Employee Performance Evaluations not Performed on a Timely Basis
I	114	Failure to Transfer Remaining Fund Balance as Required by Illinois Public Aid Code
J	114	Inadequate Controls Over Returned Checks

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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FOR THE TWO YEARS ENDED JUNE 30, 2017**

COMPLIANCE REPORT

SUMMARY (Continued)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 11, 2018. Attending were:

Department of Human Services

James T. Dimas	Secretary - designate
Amy DeWeese	Chief Internal Auditor
Albert Okwuegbunam	Audit Liaison
Robert Brock	Chief Financial Officer
Paul Thelen	Chief, Bureau of Performance Management
Alex Jordan	Acting Director, Fiscal Services
Mark Bartolozzi	Bureau Chief, Bureau of Revenue Management and Federal Reporting
Fred Flather	Chief of Staff, Office of the Secretary
Vince Guerrettaz	Assistant for Special Projects, Office of the Secretary
Mary Collier	Chief, Bureau of Expenditure Accounting, Fiscal Services
Allan Gleason	Property Control Manager
Shawn Henderliter	Audit Liaison, Department of Rehabilitation Services

Office of the Auditor General:

Janis VanDurme, Audit Manager
Kathy Lovejoy, Audit Manager
Joseph Gudgel, IT Audit Manager

RSM US LLP:

Linda Abernethy, Partner
Katie Barry, Senior Manager
Crystal Bruns, Senior Associate

Responses to the recommendations were provided by Amy DeWeese, Chief Internal Auditor, in a letter dated May 14, 2018.

**Independent Accountants' Report on State Compliance
and 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 Human Services' (the Department) compliance with the specified 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, 2017. The management of the Department is responsible for compliance with these specified requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

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

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 Department complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the Department complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgment, 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 modified opinion.

Our examination does not provide a legal determination on the Department's compliance with specified requirements.

As described in items 2017-001 through 2017-042 in the accompanying schedule of findings, the Department did not comply with the specified requirements listed in the first paragraph of this report. Findings 2017-001 through 2017-005 and 2017-007 through 2017-024 are each considered material noncompliance with the specified requirements. Findings 2017-006 and 2017-025 through 2017-042 individually would be regarded as significant noncompliance with the specified requirements, however when aggregated, we determined them to constitute material noncompliance.

In our opinion, because of the significance and pervasiveness of the noncompliance described in the preceding paragraph, the Department did not comply in all material respects, with the specified requirements listed in the first paragraph of this report during the two years ended June 30, 2017. We considered the effect of these circumstances on our audit of the Department's financial statements. This report on the Department's compliance with the specified requirements listed in the first paragraph of this report does not affect our audit report dated March 6, 2018.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the specified requirements listed in the first paragraph of this report; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the specified requirements listed in the first paragraph of this report. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations. We performed our examination to express an opinion on whether the Department complied with the specified requirements listed in the first paragraph of this report and not for the purpose of expressing an opinion on internal control over compliance with the specified requirements; or on other compliance or other matters, accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of the Department, are described as Finding 2017-001 through 2017-042 in the attached Schedule of Findings.

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 and *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, this report is not suitable for any other purpose.

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

Internal Control

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the specified requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Department's internal control over compliance with the specified 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 Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified 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 specified 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 2017-001 through 2017-005 and 2017-007 through 2017-024 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 2017-006 and 2017-025 through 2017-042 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 Department's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The Department'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 and *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (Department) as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated March 6, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Department's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 6, 2018. The accompanying supplementary information for the year ended June 30, 2017 in Schedules 1 through 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Department. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2017 in Schedules 1 through 7 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2017 in Schedules 1 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Department's basic financial statements as of and for the years ended June 30, 2016 and June 30, 2015 (not presented herein), and have issued our reports thereon dated February 2, 2017 and March 16, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying supplementary information for the years ended June 30, 2016 and June 30, 2015 in Schedules 2 through 7 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2016 and June 30, 2015 financial statements. The accompanying supplementary information for the years ended June 30, 2016 and June 30, 2015 in Schedules 2 through 7 has been subjected to the auditing procedures applied in the audits of the June 30, 2016 and June 30, 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended June 30, 2016 and June 30, 2015 in Schedules 2 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois

May 16, 2018, except for our report on the Supplementary Information for State Compliance Purposes for the year ended June 30, 2017, as to which the date is March 6, 2018.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the State of Illinois, Department of Human Services' basic financial statements, and have issued our report thereon dated March 6, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Department of Human Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Human Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Human Services' internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001, 2017-002, 2017-003, 2017-004, 2017-005, 2017-007, 2017-008, 2017-010 and 2017-011 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as items 2017-006 and 2017-009 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Human Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2017-001, 2017-002, 2017-003, 2017-007, 2017-008, 2017-009, 2017-010 and 2017-011.

State of Illinois, Department of Human Services' Responses to Findings

The State of Illinois, Department of Human Services' responses to the findings identified in our audit are described in the accompanying schedule of findings. The State of Illinois, Department of Human Services' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Department of Human Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Department of Human Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
March 6, 2018

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-001 (Weaknesses in Preparation of Year-End Department Financial Statements)

The Department of Human Services' (Department's) year-end financial reporting in accordance with generally accepted accounting principles (GAAP) contained inaccurate information.

The Department does not have a complete general ledger or adequate controls over the completeness and accuracy of monthly and year-end annual financial reporting which resulted in errors in the GAAP basis financial statements, GAAP schedules prepared for the Illinois Office of the Comptroller, and additional supporting schedules and analysis.

The Department does not perform a sufficient supervisory review of all amounts recorded in its GAAP packages and financial statements. We noted the following issues with the year-end financial reporting process:

- During testing of amounts owed to other State funds, we noted the Department did not record certain invoice/vouchers for Central Management Services (CMS) which amounted to approximately \$54 million, or associated unapplied credits of approximately \$33 million, which netted to a \$21 million unrecorded liability in the General Fund. The vouchers were not recorded due to a lack of internal communication at the Department. The unapplied credits were not provided by CMS to the Department until after the draft financial statements were prepared and the Department was not aware the credits were issued to them. These amounts were recorded in the final financial statements.

GAAP require that all expenditures/expenses be recorded in the period incurred, unless specifically exempted through standards issued by the Governmental Accounting Standards Board (GASB).

- Certain Department facility employees participate in the Teachers Retirement System of Illinois (TRS), which is a multiple employer cost sharing plan with a special funding situation. GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, requires that the Department, as an employer, record its portion of the non-employer contributing entity (NECE) pension expense pertaining to Department employees in the government wide financial statements (as a revenue and an expense). This amount for the year ended June 30, 2017 was approximately \$7.3 million and was not recorded. GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires that the Department, as an employer, record contributions made by the State to TRS on-behalf of Department employees as a revenue and expenditure in the governmental fund financials statements. This amount for the year ended June 30, 2017 was approximately \$3.7 million and was not recorded. Both of these amounts were deemed immaterial and were not adjusted in the final financial statements. GASB 68 also requires disclosure of the pension liability amounts recorded by the NECE (State) for Department employees. The amount of the collective net pension liability for TRS that is recorded by the State (the non-employer contributing entity) for Department employees was approximately \$75 million. This amount was not disclosed in the draft financial statements, but has been properly disclosed in the final financial statements.

GASB Statement No. 68, paragraphs 94 and 95 provide direction for recording pension expense for the non-employer contributing entity (NECE) total proportionate share of collective pension expense that is associated with the employer (Department). GASB Statement No. 24 paragraphs 8 and 9 provide direction for recording pension expenditures and revenues for on-behalf payments for fringe

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

benefits in governmental fund financial statements. GASB Statement No. 68, paragraph 80 requires disclosure of the portion of (1) the non-employer contributing entities' total proportionate share (amount) of the collective net pension liability that is associated with the employer (Department) and, (2) the total of the employer's (Department) proportionate share (amount) of the collective net pension liability and the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the employer (Department).

- Monthly fund cash receipt reconciliations were not completed or reviewed in a timely manner and some reconciliations lacked documentation of final review. We selected a sample of four months (each of which contained 45 fund reconciliations, or 180 in total) for testing and reviewed the receipt reconciliations to determine if the Department complied with the Illinois Office of the Comptroller's Statewide Accounting Management System (SAMS) Manual (Procedure 25.40.20) which requires reconciliations to be performed monthly. For this purpose, and in keeping with the 2018 revised SAMS Manual procedure cited above, we considered final completion of the reconciliation within 60 days of month end to be reasonable. During our testing, we tested the 180 reconciliations and noted seven (7) were not prepared within 60 days of month-end (4%) and ranged from 2 to 124 days late. Additionally, of the 180 reconciliations tested, 94 reconciliations (52%) were not finally approved and thus complete within 60 days of month end, and ranged from 13 to 181 days late.
- The Department makes a federal draw of \$17.2 million every third month and remits it to the Department of Children and Family Services (DCFS), totaling \$68.8 million for the year. The agreement, signed November 3, 2000, provided in support of these payments did not contain any information regarding the required amount of the payments under the agreement, or the frequency of the payments. Management of both agencies have agreed to this amount; however, they have not put it in writing. Department management stated that the amount paid was based on the Illinois Public Aid Code (Code) (305 ILCS 5/12-5) which states that 80 percent of the federal financial participation funds received by the Department under Title IV-A of the Emergency Assistance Program as reimbursement for expenditures made from the DCFS appropriations for the costs of providing services on behalf of DCFS clients shall be deposited into the DCFS Children's Services Fund. However, the Department was not able to provide an analysis or reconciliation to indicate the amount paid complied with the language in the statute.

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, requires that recipients in government mandated and voluntary nonexchange transactions record receivables and revenues when all eligibility requirements have been met (revenue recognition is subject to availability in governmental funds). The Department's federal grants are predominantly reimbursement-type grants wherein eligibility requirements are fulfilled upon incurring qualified expenditures. The agreement between the two agencies should contain information on the amount of the payments under the agreement and the frequency of the payments. If the Code (305 ILCS 5/12-5) is to be used by the Department to support the draw amounts, an analysis or reconciliation should be performed to indicate the amount paid complied with the language in the statute. A good system of internal control requires support for all financial transactions.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

- The automated control within the Consolidated Accounting Reporting System (CARS) that restricts the same individual from initiating a journal entry and approving that same entry is not being used. CARS does have the ability to restrict approvals to only approved employees that did not initiate the entry. However, this security setting for processing journal entries has never been enacted. The CARS can generate a report indicating who approves the journal entries, but does not provide a report documenting the individual who initially entered the journal entry. However, during our journal entry testing, we noted no selected entries were approved by the same person who initiated the entry per the manual record.

A good system of internal control requires adequate segregation of duties. For this purpose, automated controls are superior to manual controls.

- Amounts reported on the SCO 563 form for cash basis federal expenditures for Fund 0081 (CFDA 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States) were overstated by approximately \$9.7 million. Additionally, the related receivable, Due from Federal Government, was overstated by \$7.5 million on the form and in the financial statements.

GAAP requires that all expenditures/expenses be recorded in the period incurred, unless specifically exempted through standards issued by the Governmental Accounting Standards Board (GASB). A good system of internal control requires the recording to be accurate. Additionally, a good system of internal control requires that management review all significant accounts and balances recorded in the financial statements for accuracy. This review should include the SCO 563 forms which are used as a basis to determine balances for federal grant programs.

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

Department management stated the financial reporting exceptions are due to the complexity of the Department's financial statements and compiling data from numerous disparate systems and sources.

Under the current process, errors could occur which would materially misstate the Department's financial statements and negatively impact the Statewide financial statements. Accurate and timely financial statements of the Department's financial information for GAAP reporting purposes is important due to the complexity of the Department and the impact adjustments have on the Statewide financial statements. (Finding Code No. 2017-001, 2016-001, 2015-003, 2014-003, 2013-001, 12-1, 11-1, 10-1, and 09-1)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

RECOMMENDATION:

We recommend management increase the level and quality of supervisory review of year-end financial reporting including the following:

- Determine through analytical procedures and inquiry whether there are any unrecorded expenditures/liabilities, including amounts billed to the Department by other State agencies.
- Complete a report checklist, such as the one available on the Government Finance Officers' Association (GFOA) website, to determine if all amounts and disclosures in the financial statements are complete and accurate. Also obtain documentation prepared by the 2 pension systems (SERS and TRS) for their members' employers, and compare amounts to the schedules prepared by the Illinois Office of the Comptroller.
- The Department's accounting system (CARS) should be reconciled to the Illinois Office of the Comptroller's Statewide Accounting Management System (SAMS) each month in a timely manner. Beginning in FY2018, the SAMS manual requires that receipt reconciliations be final approved within 60 days after the end of the month.
- Payments to DCFS should be supported by documentation that demonstrates the amount paid complies with the Illinois Public Aid Code.
- The Department should instruct its Management Information Services (MIS) division to activate the automated control in CARS which prevents an employee from preparing and approving the same journal entry.
- In order to improve the accuracy of amounts reported in the SCO 563 forms for cash basis expenditures by program, the amounts recorded in CARS should be reconciled to amounts reported by the Federal Financial Reporting division.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department has procedures and completes checklists for the compilation and review of year-end financial reporting. The Department will thoroughly analyze and report all liabilities at year end for GAAP reporting. The Department will compare the schedules prepared by the Illinois Office of the Comptroller to the SERS and TRS financial statements for the departmental financial statements. In addition, the Department will work to ensure the receipt reconciliations are prepared and approved in a timely manner. The Department has drafted proposed revisions to the legislation regarding the amount of the TANF Block Grant to be drawn for the Department of Children and Family Services. The Department addressed and activated the CARS control for approval of journal vouchers on February 16, 2018. For the accurate reporting of SCO-563 forms, the Department will analyze and reconcile the amounts provided by the Federal Financial Reporting division and the program areas.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-002 (Medical Assistance Program Financial Information)

The Department of Human Services (Department) does not have an adequate understanding of the internal controls in place over all data recorded in its financial statements and the Department does not sufficiently review transactions initiated by other State agencies and recorded in the Department's financial statements.

During our testing of the financial statements we noted the following:

- The Department could not provide documentation of its preparation or review of expenditure reconciliations for the Federal Medical Assistance Program (MAP) funds (Funds 0120, 0142, 0365, 0502, 0718) between amounts reported in the Department's Consolidated Accounting and Reporting System (CARS), and amounts reported in the Illinois Office of the Comptroller's Grant / Contract Analysis Forms (SCO 563) which support the receivable calculation for financial reporting. The amount per the SCO 563 Forms (totaling approximately \$425 million) is a computed amount (a formula), which is the amount needed to achieve the reported receivable balance provided by the Department of Healthcare and Family Services (HFS), a separate State agency. The Department does not retain a reconciliation between amounts reported on the SCO 563 Form (claimable expenditures) and amounts recorded within CARS (all expenditures) for each fund. Additionally, there is no documentation maintained by the Department to support the calculation and methodology used by HFS in preparing the federal receivable amount.
- During testing of expenditures and liabilities payable from future year appropriations, we determined that the Department is not monitoring or reviewing the payments submitted by HFS, or the liabilities calculated by HFS on behalf of the Department. When HFS submits a request for payment to the Illinois Office of the Comptroller (IOC), a summary file is also sent to the Department which goes through an interface and is recorded into CARS. An employee in the Department's Fiscal Services Bureau reconciles the payments between CARS and the IOC's office before accepting them into CARS. However, the Department has not obtained and documented a detailed understanding of how its transactions are being processed within HFS, the controls in place over those transactions, monitoring performed by HFS, exceptions noted by HFS through its monitoring activities and how exceptions and control deficiencies are addressed by HFS and communicated to the Department. We selected and tested multiple expenditures and liabilities initially processed by HFS. Although HFS is a separate State agency, certain activities and balances are recorded within the Department's financial statements. Currently, the Department receives summarized information from HFS and records the transactions into CARS and the GAAP packages without performing sufficient procedures to determine the accuracy of the information.

A good system of internal control requires that management review all significant accounts and balances recorded in the financial statements for accuracy, which includes transactions initiated by other State agencies.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

- The Community Developmental Disability Services Medicaid Trust Fund (Fund 142) is the designated recipient of federal funds received in accordance with the Mental Health and Developmental Disabilities Administrative Act (Act) (20 ILCS 1705/18.5). These eligible amounts were drawn from the federal government by HFS, received by HFS and deposited in the HFS General Fund; however, on the draft financial statements the amounts were reported in Department's Fund 142 as an asset "due from the federal government". The amount should have been reported as "due from other State agency funds". The misclassification of the receivable also resulted in a \$42 million overstatement of deferred inflows of resources (unavailable revenue). These errors were corrected in the final financial statements.

The Act (20 ILCS 1705/18.5(b)) requires certain funds paid to the State by the federal government under Title XIX or Title XXI of the Social Security Act, be deposited directly into Fund 142 to pay for Medicaid-reimbursed community developmental disability services provided to eligible individuals.

In addition, GASB Statement No 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, establishes requirements for reporting interfund activity. By depositing the funds into the HFS General Fund, the Department and HFS created an unauthorized loan from the Department's Fund 142 to the HFS General Fund, requiring repayment to Fund 142. GASB 34 requires that interfund loans be reported as interfund receivables in lender funds and interfund payables in borrower funds.

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

Department management stated that in order to meet the State Comptroller's due dates for GAAP reporting packages, DHS has to rely on information submitted by other agencies to the State Comptroller. DHS reviewed the other agencies' information for reasonableness, but did not review the information at a detailed level.

Lack of sufficient control over transactions and balances recorded in the Department's financial statements increases the likelihood of misstatements. (Finding Code No. 2017-002)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

RECOMMENDATION:

We recommend the Department assume more responsibility for the transactions and balances reported in its financial statements that are initiated/estimated by other State agencies, including the following:

- The Department should work with management of HFS to gain a better understanding of the internal control system established over Department transactions, enter into an interagency agreement with HFS that details the responsibilities of each agency and how this will be monitored. Subsequently on a regular basis the Department should determine if the control system and related monitoring is sufficient to prevent and detect significant financial statement errors.
- Expenditure amounts provided by HFS in connection with year-end reporting of Federal MAP receivables should be reconciled to CARS.
- The Department should analyze federal receivables not received during the lapse period to see if they have been properly recorded as it is not typical for these types of balances to be unpaid for more than 60 days.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work with HFS to gain assurance that the data provided is complete and accurate. In addition, the Department will propose an interagency agreement with HFS.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-003 (SNAP Overpayment Referrals not Completed Timely)

The Department of Human Services (Department) does not have sufficient controls over the tracking and processing of Supplemental Nutrition Assistance Program (SNAP) potential overpayments resulting in significant delays in processing overpayment referrals for the program.

SNAP overpayment referrals (claims) are first initiated and processed at the various Department field offices, with final assessments and the “debt” establishment occurring in the Department’s central office Bureau of Collections (BOC). The BOC, based on their review and assessment, may establish the claim as determined by the field office, waive the claim, or establish a claim for a different amount. We discovered the Department has a significant time lag for processing these referrals, sometimes taking several years to fully establish the debt. The BOC does not have an inventory of initiated SNAP overpayment referrals while they reside at the various field offices.

We obtained the “Claims Established Late” report for each quarter in FY2017 and the first quarter in FY2018 to determine the number of late established claims and the range of days late for each quarter. This report showed the following:

FY	QTR	Period	No. of Claims	Total No. of	% Claims Late	Range of Days Late
			Est Late	Claims Est		
FY18	1	July - Sept 2017	429	7,098	6.04%	117 - 11,249
FY17	4	April - June 2017	452	5,405	8.36%	100 - 1,434
FY17	3	Jan - March 2017	891	9,455	9.42%	95 - 4,072
FY17	2	Oct - Dec 2016	435	7,066	6.16%	100 - 1,641
FY17	1	July - Sept 2016	337	5,625	5.99%	99 - 2,149

(Est = established)

Based on the Department’s quality control error rate of 5.45% applied to FY2017 SNAP benefits paid, we estimate approximately \$128 million in SNAP benefits were overpaid to SNAP recipients on or before June 30, 2017, for which the claim has not been established at year-end.

Additionally, we tested 5 overpayments that were established in FY2017. The 5 tested were late by 95 to 178 days, and ranged in amount from \$333 to \$7,990. The Department was not able to provide the total dollar amount of all late claims.

The Code of Federal Regulations (Code) (7 CFR § 273.18) requires State Agencies to establish a claim before the last day of the quarter following the quarter in which the overpayment was discovered. Additionally, the Code requires that each State agency develop and mail or otherwise deliver to the household written notification to begin collection action on any claim. The claim will be considered established as of the date of the initial demand letter or written notification.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

Department management stated that the cause of the finding is due to insufficient resources in Family and Community Resource Centers to handle the establishment of overpayment claims on a timely basis.

Delays in processing SNAP overpayment referrals postpones the Department's ability to establish the debts and collect the overpayment amounts from the recipients and is noncompliance with the Code. (Finding Code No. 2017-003)

RECOMMENDATION:

We recommend the Department improve controls over the tracking, review, and assessment of SNAP overpayment referrals so the Department can establish SNAP overpayment referrals within the timeframe established by the Code in order to comply with the Code and maximize State revenues.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Although the Family and Community Resource Center (FCRC) staff is insufficient in order to handle the establishment of claims on a timely basis, it is expected that the full implementation of the Integrated Eligibility System (IES) will assist in providing a solution.

IES will improve the identification of overpayments in a timely manner. Although the Department is still working through a few design flaws in the system, IES will systematically identify overpayments based on the date of the change, date reported, and entry of the changed information while applying State Policy and Federal regulations. This system will eliminate the need for workers to identify overpayments as IES will determine if there is an overpayment automatically in the course of their daily responsibilities of maintaining case management.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-004 (Methodology used for Calculating the Allowance for Doubtful Accounts not Accurate and Unavailable Revenue Understated)

The Department of Human Services (Department) did not correctly use all information it had available in determining the allowance for doubtful accounts and calculated unavailable revenue incorrectly.

During testing of the allowance for doubtful accounts for the DHS Recoveries Trust Fund (Fund 0921), we noted that the Department was not including “recoupment” amounts when calculating the collection percentage. Additionally, the Department’s allowance analysis used an average of an average in determining the collection rate which was not weighted and thus not reflective of the true collection history.

In addition to using the allowance rate to calculate net accounts receivable, the allowance is used to determine the estimated amount owed to the federal government for the Federal government’s share of certain programs collections. The Department uses the allowance rate determined for all programs (collective rate), which is less accurate than the use of a calculated rate for each individual program in calculating the liability estimate.

We performed an independent calculation of the collective allowance amount, as well as each individual program amount. We concluded that the collective allowance recorded by the Department and used to determine net accounts receivable was within a reasonable range of our estimate due to the fact that the lack of weighting the collections by program was offset by not using recoupment amounts. We also performed an independent calculation of the estimated liability owed to the Federal government. The impact on the liability from the Department’s use of a collective rate was an understatement of approximately \$3.5 million. This amount was deemed immaterial and not recorded in the final financial statements.

The amount recorded each year in the DHS Recoveries Trust Fund as “deferred inflows of resources - unavailable revenue” reflects the net receivable, less collections on those receivables during the lapse period (July and August). The amount of unavailable revenue in the draft financial statements was further reduced by the liability to the federal government resulting in an understatement of unavailable revenue and an overstatement of revenue in the draft financial statements of approximately \$92 million. This was corrected in the final financial statements.

According to generally accepted accounting principles (GAAP), the allowance for uncollectable accounts should represent management’s best estimate of the amount of receivables that will not be collected. The allowance for doubtful accounts is a significant estimate that requires proper analysis and evaluation of past and current events as well as the assumptions used. Modified accrual requires that revenues that are not available, defined as collected during the Fiscal Year or within the availability period, should be reported as deferred inflows of resources. The State has defined the availability period as 60 days from the end of the Fiscal Year.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

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

Department management stated that the methodology was revised in FY14 pursuant to a potential audit finding. At the time, the Department was not utilizing all available collection data to calculate the collection percentage. The procedure was subsequently revised to include all available data. The Department currently analyzes all available collection data. Although the recoupment amounts were included on the reports utilized for the collection percentage calculation, the amounts were not included in the calculation.

Recording an allowance for doubtful accounts that isn't reflective of known events and conditions has and will continue to result in misstatements of accounts receivable and amounts due to the Federal government. Reducing the unavailable revenue amount by the liability owed to the Federal government has and will continue to result in material misstatements of the draft financial statements for Nonmajor governmental funds. (Finding Code No. 2017-004)

RECOMMENDATION:

We recommend the Department analyze all available collection data annually and adjust the methodology for calculating the allowance for doubtful accounts as necessary so balances are accurately reported in the financial statements. The recoupment amounts should be included in order to calculate an estimated collection percentage. Individual program allowance amounts should be determined and used to calculate the amount owed to the federal government. All calculations should be reviewed thoroughly by a knowledgeable supervisor. Amounts reported for unavailable revenue in governmental funds should be limited to the net receivable reduced by lapse period collections of those receivables.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Although the recoupment amounts were included on the reports utilized for the collection percentage calculation, the amounts were not included in the calculation. The recoupment amounts will be included in the calculation to determine the total collection percentage in future years. An MIS request to accommodate this change has been submitted. The Department feels this is the best method for calculating the collection percentage.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-005 (Lack of adequate controls over the review of internal controls over service providers)

The Department of Human Services (Department) did not obtain or conduct independent internal control reviews over external service providers.

The Department could not provide a complete population of external service providers utilized during FY2017. Due to these conditions, the auditors were unable to conclude the Department's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, AT-C § 205).

Even given the population limitations noted above, we performed testing of the service providers utilized by the Department from the listing provided by the Department. We noted the Department did not obtain support for (or conduct its own) analysis of the internal control at the external service providers.

The Department utilized significant external service providers:

- To provide the Department with services for the Illinois Link Program which distributes SNAP (Supplemental Nutrition Assistance Program) and TANF (Temporary Assistance for Needy Families) benefits.
- To provide banking and processing for payment of food benefits, including the review and reconciliation of Women, Infants and Children (WIC) and Farmer's Market and Senior Farmer's Market benefits.

During testing, we noted:

- The Department did not obtain System and Organization Control (SOC) reports or conduct independent internal control reviews of all the external service providers.
- Although the Department received a SOC report for the three external service providers listed above, the Department's review and analysis of the reports, if performed, had not been documented.

An external service provider, which processed payments for a program, utilized subcontractors in order to carry out their contractual duties. However, the Department did not perform an analysis to determine the need to obtain information as to the subservice organization's internal controls.

The Department is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

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Department management stated that a documented review of the SOC 1 was not completed due to competing priorities in the current workflow.

Without obtaining, reviewing, and monitoring a SOC report or another form of independent internal control review, the Department does not have assurance the external service providers' or subservice organizations' internal controls are adequate to ensure program payments and claims are accurate and secure. (Finding Code No. 2017-005)

RECOMMENDATION:

We recommend the Department strengthen its controls to confirm all external service providers are considered when compiling a population. Further, we recommend the Department obtain or perform independent reviews of internal controls associated with external party service providers at least annually.

The independent reviews should include an assessment of the following five key system attributes, as applicable:

- Security - The system is protected against both physical and logical unauthorized access.
- Availability - The system is available for operation and use as committed or agreed.
- Processing integrity - System processing is complete, accurate, timely and authorized.
- Confidentiality - Information designated as confidential is protected as committed or agreed.
- Privacy - Personal information is collected, used, retained, disclosed, and disposed of in conformity with Department requirements.

The Department should perform a timely review of the reports, assess the effect of any noted deficiencies, and identify and implement any compensating controls. The Department's reviews and corrective actions taken by the service provider should be documented and maintained.

In addition, the Department should perform an analysis to determine the need to obtain information as to the subservice organization's internal controls and perform reviews as needed.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department agrees that a more formal documentation of the SOC-1 review can be implemented. A review sheet has been identified to use to document the review and, if necessary, any corrective action plan measures that are needed. This form will be utilized for all SOC-1 reviews going forward.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-006 (System Reconciliations Not Regularly Performed)

The Department of Human Services (Department) does not document the performance of any reconciliations between its Consolidated Accounting and Reporting System (CARS) and the systems that electronically interface into CARS.

Due to the complexity and variety of the programs the Department administers, the Department's accounting system CARS, is not designed to capture and record all of the Department's balances and accounting transactions. As a result, various additional systems are used throughout the Department to assist in capturing and recording financial and other information.

Monthly reconciliations between CARS and the Statewide Accounting Management System (SAMS), the Illinois Office of the Comptroller's accounting system, are performed to ensure transactions recorded in CARS are transmitted to SAMS correctly. However, it is not evident that reconciliations between CARS and several interface systems are being performed on a regular basis. We noted at least three systems - Child Care Management System (CCMS), Client Payment System (CPS), and Community Reimbursement System (CRS) - for which documentation of reconciliations was not able to be provided to us when requested.

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

Department management stated that during transition, a breakdown in communication occurred and these duties were not properly transferred to the appropriate staff. In some cases, reconciliations were not documented.

Lack of a regular reconciliation between the Department's major integrated systems could lead to errors in one or more systems going undetected for a sustained period of time. (Finding Code No. 2017-006, 2016-003)

RECOMMENDATION:

We recommend the Department perform reconciliations between CARS and the systems that are interfaced into CARS on a regular basis, with documented supervisory review and approval of the reconciliation.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will review the current reconciliation processes for major systems interfacing with CARS to ensure reconciliations are performed on a regular basis, with documented supervisory review and approval of the reconciliations.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-007 (Backlog of Applications for Human Service Programs)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) did not maintain adequate controls to ensure applications for human service programs were reviewed and approved or denied within the mandated 45-day timeframe.

The Department of Human Services and the Department of Healthcare and Family Services have shared responsibility for various human service programs in the State. This includes the intake, processing, and approval of applications for benefits. The Departments have shared responsibility for internal control over manual and automated processes relating to eligibility for these programs.

The Departments' Integrated Eligibility System (IES) takes in applications from individuals in order to determine eligibility and subsequent payments for the State's human service programs.

As of June 30, 2017, the Departments had incurred a backlog of 74,649 applications that were more than 45 days old, with the oldest application dating back to November 19, 2014. As of January 12, 2018,

- The Departments had worked 1,714 applications, which resulted in payments totaling \$209,894 for medical services that were incurred during FY2017.
- The Departments had worked 676 applications, which resulted in payments totaling \$47,568 for SNAP (Supplemental Nutrition Assistance Program) and TANF (Temporary Assistance for Needy Families) services that were incurred during FY2017.

The Code of Federal Regulations (42 CFR § 435.912) requires the Departments to determine eligibility within 45 days of receipt of the application.

Departments' management stated the delay in processing was due to increased numbers of applications from expanded Medicaid programs and open enrollment periods, delays in receiving some Federally Facilitated Marketplace applications (transfers from the Federal Marketplace), training of new caseworkers hired, and availability of caseworker staff to process applications due to training on the new IES processing system prior to Phase II implementation of IES.

Because the Departments may be required to retroactively pay for services determined, at a later date, to be eligible, not all expense and liabilities may be reported in the Departments' financial statements in the period incurred. Additionally, untimely eligibility determinations may cause hardships on the applicants. (Finding Code No. 2017-007)

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RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to implement controls to comply with the requirement that applications are reviewed and approved or denied within 45 days.

DEPARTMENTS' RESPONSE:

The Departments accept the recommendation. The Departments continue to strive to be in compliance with its mandated application disposition timelines. There are several factors that lead to the current backlog. During the audit period, the Departments were planning for the implementation of a new processing system, for which substantial training was needed for all casework staff. As the implementation of the system stabilizes, and staff become more efficient in the processing of applications, it is expected that any backlog of applications will be reduced considerably.

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FINDING 2017-008 (Untimely Redetermination of Eligibility)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) did not conduct timely redeterminations of eligibility for Medicaid recipients. The Code of Federal Regulations (42 CFR § 435.916) requires states to conduct redeterminations of an individual's eligibility every 12 months.

The Department of Human Services and the Department of Healthcare and Family Services have shared responsibility for various human service programs in the State. This includes the intake, processing, and approval of applications for benefits, as well as redeterminations of eligibility where applicable. The Departments have shared responsibility for internal control over manual and automated processes relating to eligibility for these programs.

In order to determine if redeterminations were performed timely, we tested all individuals who received a capitation payment on their behalf to a managed care organization during the audit period and reviewed their redetermination dates. The testing results indicated 8,187 individuals' eligibility redeterminations were not performed within the required 12-month period.

The Departments made payments on behalf of these individuals, totaling \$71,300,077, for medical services during FY2017.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws and obligations and costs are in compliance with applicable laws.

Departments' management stated staff turnover and availability contributed to the delay in completing all of the redeterminations due each month.

By not conducting eligibility redeterminations as required by the Code of Federal Regulations, the Departments may have incurred expenditures for ineligible individuals. (Finding Code No. 2017-008)

RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to establish the appropriate controls to monitor eligibility redeterminations, and assign the resources necessary so that redeterminations of eligibility are performed annually as required by the Code of Federal Regulations.

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DEPARTMENTS' RESPONSE:

The Departments accept the recommendation. The redetermination process will be enhanced with the implementation of the newly updated processing system in IES Phase II, which went live on October 24, 2017. In Phase II, both new applications and case maintenance are completed within one system. The IES Phase II system will assist in tracking and auto initiating renewal notices to eligible customers using a three step process. Beginning with cases due for renewal effective February 2018, anyone who is required to return their redetermination notice but does not respond will have their benefits automatically canceled by IES. Previously, these cancelations had to be completed manually by casework staff. Online and classroom training venues are available to all staff using the new system.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-009 (Inaccurate Determination of Eligibility for Human Service Programs)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) lacked adequate controls over the operation of the State of Illinois' Integrated Eligibility System (IES) to sufficiently prevent the inaccurate determination of eligibility.

The Department of Human Services and the Department of Healthcare and Family Services have shared responsibility for various human service programs in the State. This includes the intake, processing, and approval of applications for benefits. The Departments have shared responsibility for internal control over manual and automated processes (such as IES) relating to eligibility for these programs.

The Departments implemented IES for the intake and processing of applications in order to determine eligibility for the State's human service programs. During FY2017, the Departments processed:

Applications submitted via IES	677,753
Application approved via IES	496,154
Expenditures associated with applications approved via IES	\$1,316,575,345

In order to obtain social services, individuals are evaluated on financial and non-financial criteria. To ensure the accuracy of the Departments' determination, through IES, of eligibility for social service programs, we selected the non-financial criteria (citizenship, residency, social security information) for detailed testing. We tested all individuals whose applications were approved via IES in order to determine if they were properly approved based on the eligibility criteria selected. Our testing noted 251 distinct applications which were approved even though the IES data indicated the eligibility criteria had not been met. Specifically, applications were approved:

- Without meeting immigration requirements,
- Without verification of citizenship,
- Without verification of residency, and/or
- Without valid Social Security Numbers (SSNs) or documentation of submitted application for SSNs.

As a result of the exceptions noted, the Departments incurred expenditures of \$1,028,316 for individuals who may not have been eligible for benefits received.

It should be noted that the Departments and the auditors came to an agreement regarding the identified exceptions on December 7, 2017. Then on February 21, 2018, the Department provided the auditors with additional information related to the testing of the non-financial criteria. The results of testing noted above take into consideration the additional information.

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In addition, we selected a statistical sample of 138 distinct applications to determine if they were properly approved based on all eligibility criteria (financial and non-financial). In order to determine if the applications were properly approved, we reviewed each distinct application in IES. Our testing noted:

- 5 (3.6%) applications did not contain support related to residency.
- 3 (2.2%) applications did not contain support related to income.
- 7 (5%) applications did not contain the caseworker's verification of the budgeted income.
- 7 (5%) applications did not contain a copy of the application or the application was not signed.
- 6 (4.3%) applications did not contain support of citizenship being verified.

The Department of Human Services incurred expenditures of \$18,571 for these individuals who may not have been eligible for benefits received.

The Illinois Public Aid Code (Code) (305 ILCS 5) requires individuals to provide information related to their citizenship, residencies and SSNs. The Code also requires the Departments to verify, via a third party, the information provided by the individuals.

The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws and obligations and costs are in compliance with applicable laws.

Departments' management indicated the problems noted were due to a combination of caseworker error and system defects.

Inadequate controls over the operation of IES have resulted in expenditures for which eligibility has not been adequately demonstrated or documented and may result in future expenditures for individuals who are ineligible to receive benefits from these human service programs. (Finding Code No. 2017-009, 2016-005, 2015-009)

RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to improve controls over caseworker involvement and system defects by refining supervisory oversight to confirm all applications are properly approved and caseworkers are properly obtaining and retaining documentation in IES to support eligibility.

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DEPARTMENTS' RESPONSE:

The Departments accept the recommendation. The errors noted in the testing of the 138 cases are attributed to casework error. The current transition the Departments were undertaking from one system to another comes with an unfamiliarity of processing procedures and nuances that are still being learned and perfected. During the audit period, casework staff had been required to spend substantial time participating in training of the new system. The transition from paper case records to electronic case records required a massive change in the gathering and maintaining of documentation. Although the new system does allow for proper maintenance of documentation in an electronic format, the conversion to the new process is still being refined. It is expected that as the transition to the new system stabilizes, casework errors will be reduced.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-010 (Lack of controls over changes to the Integrated Eligibility System)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) lacked controls over changes to the Integrated Eligibility System (IES).

The Department of Human Services and the Department of Healthcare and Family Services have shared responsibilities for various human service programs in the State. As such, the Departments have a shared responsibility for the adequacy of internal controls over the IT applications and data which is utilized in determining eligibility for the human service programs.

IES is utilized for the intake of applications and the determination of eligibility for the State's human service programs. During FY2017, IES determined eligibility for 677,753 applications, approved and denied.

In October 2013, the Departments contracted with a vendor for the development and maintenance of IES; however, the Departments were responsible for ensuring proper controls were in place. As noted in the past two audits, we determined the Departments still had not developed policies and procedures to control changes over IES. As such, we were unable to determine if changes were properly controlled.

In addition, we requested documentation to demonstrate programmers' access was restricted; however, the Departments were unable to provide complete and accurate documentation. During discussions with the Departments, it was also noted vendor programmers had access to the production environment. In fact, a programmer had moved a change into the production environment that caused problems with the use and processing of IES data.

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

Generally accepted information technology guidance endorses the implementation of suitable change management procedures to control changes to computer systems. Effective change management procedures reduce the risk of unauthorized, improper, or erroneous changes to computer systems. These procedures include restricting programmers from accessing the production environment.

Departments' management stated that control policies and procedures for IES have not been fully documented due to competing IES priorities.

The inability to determine and document that changes to IES are proper and approved increases the risk that IES will not have the required accuracy, integrity, availability, and security. (Finding Code No. 2017-010)

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RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to implement controls over changes to IES. Specifically, the Department should develop change control policies and procedures to control changes. The policies and procedures should include at a minimum:

- Procedures to generate a complete list of program changes,
- Formal documentation authorizing the change by the Departments,
- Testing and documentation requirements,
- Formal documentation authorizing the change prior to being moved to the production environment.

In addition, the Department should require that programmers' access be properly restricted and an adequate segregation of duties exists.

DEPARTMENTS' RESPONSE:

The Departments accept the recommendation and will work together to implement an approval process for changes made to the IES. The Departments will develop formal change control policies and procedures for IES that encompass the recommendations listed and ensure that programmers do not have direct access to the production environment without proper approval.

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CURRENT FINDINGS (GOVERNMENT AUDITING STANDARDS)

FINDING 2017-011 (Lack of Security Controls over the IES Computing Environment)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) failed to implement adequate security controls over the computing environment supporting the Integrated Eligibility System (IES).

The Department of Human Services and the Department of Healthcare and Family Services have shared responsibilities for various human service programs in the State. As such, the Departments have a shared responsibility for the adequacy of internal controls over the IT applications and data which is utilized in determining eligibility for the human service programs.

IES is utilized for the intake of applications and the determination of eligibility for the State's human service programs. During FY2017, IES determined eligibility for 677,753 applications.

During our engagement, we requested the Departments provide the population of servers in which IES resides in order to determine the security over the servers. In response, the Department provided a listing of servers; however, during testing, we noted servers which were not included on the listing.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, AT-C § 205).

Even given the population limitations noted above, we performed testing and noted:

- 209 of 346 servers were running operating systems that were no longer supported by the vendor.
- The IES Disaster Recovery Plan had not been updated to reflect the current environment.

In addition, the Departments' own internal review noted:

- Personal identifiable information (PII) and protected health information (PHI) is exposed in shared service areas.
- Lack of documentation or inaccurate documentation of users on infrastructure devices.
- Separation of duties not being exercised.
- Access privileges are not limited.
- Security functions assigned to personnel outside of security.
- Devices incorrectly configured and not working correctly.
- Server configuration setting maintained only by a vendor.
- Audit logs are not generated.
- Hardware/software contains out of date batches and fixes.
- Password reset questions are maintained in clear text.

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Departments' management stated the IES Plan of Action and Milestones included all items identified during this audit. These items are in various stages of development and implementation; several of which require significant time and resources to resolve. The Departments determined that those items presenting the highest risk would be included with the Phase II Go-Live release in October 2017. The remaining items, moderate and low risk, were determined by the Departments as acceptable risks due to compensating or other implemented security controls. The remaining three high risk items are among those that require substantial code and infrastructure changes.

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

Generally accepted information technology guidance endorses the development of well-designed and well-managed controls to protect computer systems and data.

Failure to implement and maintain adequate controls over security could result in inaccurate data and availability issues. (Finding Code No. 2017-011)

RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to implement suitable security controls over the computing environment supporting IES.

DEPARTMENTS' RESPONSE:

The Departments accept the recommendation. The security issues were previously identified by the Departments and a Plan of Action and Milestones were developed to track each issue, with the exception of two items which are tracked in the weekly infrastructure technical meeting. In addition, corrective action plans are in progress for each.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-012 (Applicant Social Security Information in IES Not Sufficiently Supported)

The Department of Human Services and the Department of Healthcare and Family Services (Departments) did not have adequate controls to ensure the social security information of applicants for human services programs was sufficiently supported.

The Departments have shared responsibility for various human service programs in the State, including the intake, processing, and approval of applications for benefits. The Departments have shared responsibility for internal control over manual and automated processes relating to eligibility for these programs.

As part of our testing of the Integrated Eligibility System (IES), we compared the applications approved utilizing IES to the Social Security Administration (SSA) Master Death Records. We noted 164 approved applicants had applied for services after the date of death associated with the Social Security Number (SSN) the applicant had provided. In addition, we noted 39 approved applicants had death dates associated with the SSN the applicants had provided that were prior to their birth dates within IES.

As part of the IES clearance process, the applicant's SSN is matched to the SSA in order to determine if the SSN is valid. We reviewed case information within IES for a sample of five cases, noting the case information documented the applicant's SSN as not being valid. However, it appeared each case had been overridden by the caseworker, thus allowing services. As a result, the Departments incurred expenditures of \$983,656 for applicants that may not have been eligible for the benefits received.

The Departments' management stated the errors were the result of caseworker error.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable laws and obligations and costs are in compliance with applicable law.

As a result of not properly validating the application's information, the Departments may be paying for services on behalf of ineligible recipients. (Finding Code No. 2017-012)

RECOMMENDATION:

We recommend the Department of Human Services work with the Department of Healthcare and Family Services to improve controls over caseworker involvement by refining supervisory oversight to confirm all applications are properly approved and caseworkers are properly obtaining and retaining documentation in IES to support eligibility. In addition, the Departments should seek reimbursement for improper payments.

DEPARTMENTS' RESPONSE:

The Departments accepts the recommendation. Over 1 million applications were approved using the IES system during FY16 and FY17. The 203 cases (0.019%) identified as having a social security number in question were entered into the system manually, and appear to have been entered incorrectly. These cases will be corrected and any improper payments identified will be recouped. IDHS will discuss with HFS whether more stringent edits or approvals should be implemented to eliminate the approval of cases with incorrect social security numbers.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-013 (Complete Population not Provided)

The Department of Human Services (Department) was unable to provide adequate records substantiating the completeness of populations for one or more laws, regulations, or other requirements selected for testing, as of the end of fieldwork. Due to these conditions, we concluded the Department's population records were not sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Department's compliance with the following:

- While testing compliance with awards and grants, we were unable to obtain adequate records substantiating a complete population of all state grants overseen by the Department.
- In order to obtain an understanding of how the Department tracks and monitors compliance with all applicable mandates governing the Department, we requested the Department provide a full listing of mandates applicable to the Department. The Department could not provide a complete Mandate Listing governing its operations.
- While testing compliance with the Community-Integrated Living Arrangements (CILA) Licensure and Certification Act (210 ILCS 135/4), we were unable to obtain an adequate listing to substantiate a complete population of Notices of Violation (NOV) for CILA community agencies.
- While testing compliance with various Mental Health and Developmental Disabilities Administrative Acts at the Ludeman Developmental Center (Ludeman), the following were noted:
 - For the Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/15d), Ludeman was unable to provide adequate records substantiating the population of clients released from the facility during the examination period.
 - For the Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/7), Ludeman was unable to provide adequate records substantiating the population of all recipients who were under the care of the facility during the examination period.
 - For the Mental Health and Developmental Disabilities Code (405 ILCS 5/2-108(g) thru 5/2-108(h)), Ludeman was unable to provide adequate records substantiating the population of restraints issued during the examination period.
 - For the Mental Health and Developmental Disabilities Code (405 ILCS 5/4-704), Ludeman was unable to provide adequate records substantiating the population of clients released from the facility during the examination period
- While testing compliance with the Mental Health and Developmental Disabilities Code (405 ILCS 5/2-113(a) through (f)), Alton Mental Health Center, Chester Mental Health Center, Choate Mental Health and Developmental Center, and Elgin Mental Health Center were unable to provide adequate records substantiating the population of individuals requesting information on residents' admissions.
- While testing compliance with the Mental Health and Developmental Disabilities Code (405 ILCS 5/4-203), the Ludeman Developmental Center was unable to provide adequate records substantiating the population of all clients who were under the care of the facility during the examination period.

Even given the population limitations noted above which hindered our ability to conclude whether the selected sample was representative of the population as a whole, we obtained the population provided by the Department for each of the areas above, selected a sample, and tested for compliance. For the samples tested, noncompliance was reported for the following: Finding 2017-014 for the CILA Act (210 ILCS 135/4); Finding 2017-018 for the Mental Health and Developmental Disabilities Administrative Act (20

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ILCS 1705/7); Finding 2017-015 for the Mental Health and Developmental Disabilities Code (405 ILCS 5/2-108(g) thru 5/2-108(h)); Finding 2017-017 for the Mental Health and Developmental Disabilities Code (405 ILCS 5/4-704), (405 ILCS 5/2-113(a) through (f)), and (405 ILCS 5/4-203).

According to the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35), when using information produced by the entity, the practitioner should evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, obtaining evidence about the accuracy and completeness of the information, and evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system of internal fiscal and administrative controls which provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management indicated that substantiating a complete population was difficult based on the nature of the populations.

Without the Department providing complete and adequate documentation to enable testing, we were impeded in completing our procedures and providing useful and relevant feedback to the General Assembly regarding the Department's compliance for the above areas. Further, the Department is unable to demonstrate it has met each compliance requirement it is subject to when sufficient records are not maintained. (Finding Code No. 2017-013)

RECOMMENDATION:

We recommend Department management and staff strengthen controls over records maintenance for each area in which a compliance requirement is present. To every extent possible, population records should be sequentially numbered.

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CURRENT FINDINGS (STATE COMPLIANCE)

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department provided information to auditors regarding awards and grants at the enacted appropriation level. The Department will work with auditors to provide the award and grant population needed.

Compiling data with all applicable mandates governing the Department would take months of effort and neither DHS-Legal nor DHS-Office of Legislation has the manpower to: (a) create the data or (b) to maintain it.

Appropriate staff at the Ludeman Center will be retrained on the proper input into the Clinical Inpatient System and ability to print appropriate e-reports to be able to correctly provide the Center's population. The Regional Management of the State Operated Developmental Centers (SODC) Operations will conduct random checks of these Center's reports to monitor compliance.

The Department agrees regarding providing a complete population of Notices of Violation (NOV) for CILA. The Bureau of Accreditation and Licensure (BALC) provided its written Survey Results forms as proof that the information was consistent with the reports reviewed by the auditors. BALC believes that the discrepancies were in the reports generated from the database.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-014 (Failure to Implement Integrated Living Rules and Adequately Monitor CILAs)

The Department of Human Services (Department) failed to finalize and implement certain community integrated living arrangement (CILA) rules. Further, the Department failed to adequately monitor CILA providers during the examination period.

Failure to Finalize and Implement Rules

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/9) states that by December 31, 2011, the Department shall adopt rules under the Illinois Administrative Procedure Act that govern the assignment and operations of monitors and receiverships for community-integrated living arrangements wherein the Department has identified systemic risks to individuals served. The rules are required to specify the criteria for determining the need for independent monitors and receivers, their conduct once established, and their reporting requirements to the Department. These monitors and receivers shall be independent entities appointed by the Department and not staff from State agencies.

During the examination period, we noted the Department had drafted but had not yet finalized and implemented rules related to the assignment and operations of monitors and receiverships for CILAs as required by the Act.

Department management stated the proposed, draft language for this rule amendment has been completed and reviewed by the DD Regulatory Advisory Board (Board); however, the proposed amendment is tied to other needed changes to the rule, which are still pending with the Board. Department management stated it is a statutory requirement (405 ILCS 80/11-1) that any Rule 115 revisions be reviewed and commented upon by this Board. According to the Department, the Board has not completed this due to competing priorities.

Failure to Follow-up on Substantiated Allegations and Publishing Testing Results on Website

The Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/4 (g-5)) states as determined by the Department, a disproportionate number or percentage of licensure complaints; a disproportionate number or percentage of substantiated cases of abuse, neglect, or exploitation involving an agency; an apparent unnatural death of an individual served by an agency; any egregious or life-threatening abuse or neglect within an agency; or any other significant event as determined by the Department shall initiate a review of the agency's license by the Department, as well as a review of its service agreement for funding. The Department shall adopt rules to establish the process by which the determination to initiate a review shall be made and the timeframe to initiate a review upon the making of such determination.

For 3 out of 3 (100%) community agencies which had substantiated allegations in FY2017, the Department could not provide supporting documentation that the community agencies had been subsequently reviewed by the Department, as of our testing date in December 2017.

In addition, the Community-Integrated Living Arrangements Licensure and Certification Act (210 ILCS 135/14) states that by July 1, 2012, the Department shall make available through its website information on each agency regarding licensure and quality assurance survey results; licensure and contract status; and substantiated findings of abuse, egregious neglect, and exploitation. The Department shall adopt rules regarding the posting of this information and shall inform individuals and guardians of its availability during the initial provider selection process.

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During the examination period, it was noted the oversight activities conducted by the Department were not published as of our testing date in December 2017.

Department management indicated insufficient staff resources were the cause for the delays.

Failure to adopt rules that govern the assignment and operations of monitors and receiverships for CILAs, follow-up on substantiated allegations, and publish oversight activities could adversely impact the care and treatment of each recipient and represents noncompliance with the Act. (Finding Code No. 2017-014)

RECOMMENDATION:

We recommend Department management comply with the law by completing and adopting rules related to the assignment and operations of monitors and receiverships for CILA arrangements as required by statute. In addition, we recommend the Department improve internal controls over providing timely reviews of substantiated allegations. Lastly, we recommend Department management adopt a reasonable date for providing information on its website for each agency regarding licensure and quality assurance survey results; licensure and contract status; and substantiated findings of abuse, egregious neglect, and exploitation, as specified in the applicable Act.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Bureau of Accreditation and Licensure (BALC) database manager will provide updated survey results quarterly to the Division of Developmental Disabilities personnel for posting on the Division of Developmental Disabilities (DDD) webpage. This practice began February 20, 2018 followed by an update on April 25, 2018.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-015 (Noncompliance with Statutory Requirements Regarding the Use of Restraints)

The Department of Human Services (Department) did not comply with statutory requirements regarding the use of restraints.

During fieldwork we performed on-site testing regarding the use of restraints at seven of the Department's State-operated facilities. Although we were unable to obtain a complete population of restraints issued at the Ludeman Developmental Center, across all seven facilities we sampled and tested a total of 73 employees who administered restraints and 73 residents who were placed in restraints, which resulted in the following exceptions at five of the Department's facilities:

Alton Mental Health Center

- Two out of 9 (22%) employees tested did not receive the required annual training in the safe and humane application of the type of restraint used and type of restraint that was authorized by the facility. Training was completed 24 to 221 days after the date the restraints were applied.
- For 6 out of 9 (78%) residents placed in restraints, the facility Director or designee was not informed in writing of the use of the restraint within 24 hours by the person who ordered the restraint.

Chester Mental Health Center

- For 3 out of 10 (30%) residents placed in restraints, facility staff did not obtain prior written authorization by the facility Director prior to employing the use of restraints again within 48 hours after restraints were first used.

Elgin Mental Health Center

- For 9 out of 9 (100%) residents placed in restraints, it could not be determined if the person who applied the restraint was appropriately trained in the use of restraints.
- For 3 out of 9 (33%) residents placed in restraints, the facility Director or designee was not informed in writing of the use of the restraint within 24 hours by the person who ordered the restraint.

Ann M. Kiley Developmental Center

- For 2 out of 9 (22%) residents placed in restraints, the facility Director or designee was not informed in writing of the use of the restraint within 24 hours by the person who ordered the restraint.

Ludeman Developmental Center

- For 1 out of 9 (11%) residents placed in restraints, adequate documentation was not maintained for a restraint order.
- For 2 out of 9 (22%) residents placed in restraints, adequate documentation was not maintained for the type of restraint used.
- For 3 out of 9 (33%) residents placed in restraints, adequate documentation was not maintained that the facility Director or designee was informed in writing of the use of the restraint within 24 hours by the person who ordered the restraint.
- For 2 out of 9 (22%) residents placed in restraints, adequate documentation was not maintained regarding the necessity of the restraint.
- Three out of 9 (33%) employees tested did not receive the required annual training in the safe and humane application of the type of restraint used and type of restraint that was authorized by the facility.

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The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-108(a)) requires a written order of a physician, clinical psychologist, clinical social worker, clinical professional counselor, or registered nurse with supervisory responsibilities to employ the use of restraint. Section (405 ILCS 5/2-108(c)) of the MH Code requires the person who ordered the restraint to inform the facility Director or his designee in writing of the use of the restraint within 24 hours. Section (405 ILCS 5/2-108(d)) of the MH Code requires the facility Director to review all restraint orders daily and inquire into reasons for the orders for restraint by any person who routinely orders them. Section (405 ILCS 5/2-108(e)) of the MH Code states that restraints may be employed during all or part of one 24-hour period, the period commencing with the initial application of the restraint. However, once restraint has been employed during one 24-hour period, it shall not be used again on the same resident during the next 48 hours without the prior written authorization of the facility director. Finally, Section (405 ILCS 5/2-108(g)) of the MH Code mandates all employees authorized to employ restraints on patients receive training in the safe and humane application of restraints and is required to maintain records detailing which employees have been trained and are authorized to apply restraint, the date of the training, and the type of restraint that the employee was trained to use.

Further, the Department's Mental Health Program Directive (02.02.06.030) requires staff receive restraint training on an annual basis. The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Department management indicated the situation was due to a combination of staff turnover and policies and procedures not being followed.

Failure to have adequate internal control over the use and application of restraints, and the training of persons administering restraints is noncompliance with the MH Code and could adversely affect the care and treatment of residents and could subject the State to unnecessary legal risks. Furthermore, failure to re-train personnel within 12-month periods represents noncompliance with the Department's Mental Health Program Directive. Failure to retain complete and accurate records represents noncompliance with the State Records Act. (Finding Code No. 2017-015, 2015-010, 2013-032, 11-17)

RECOMMENDATION:

We recommend Department management establish comprehensive Department-wide policies, procedures, and internal controls over compliance with State mandates regarding the use of restraints that is applicable to all Facilities. These policies, procedures, and internal controls should include requirements for training personnel on compliance requirements and should outline management oversight over compliance requirements.

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DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division of Mental Health (DMH) has revised its restraint policy to ensure the meeting of this standard, in line with our sister hospitals. The training of staff who are able to participate in restraints application has been at 99% since May, 2017. Appropriate staff at the Developmental Disabilities (DD) Centers will be retrained on Administrative Directive 02.02.06.030 for training staff and the statutory requirements regarding the use of restraints. The Department will work to develop and implement quality assurance checks at the DD Centers to ensure statutory requirements regarding facility director/designee notification and annual training requirements are complied with. The Regional Management of the State Operated Developmental Centers (SODC) Operations will develop a periodic quality assurance report requiring all centers to monitor and ensure compliance in these areas.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-016 (Noncompliance with Statutory Requirements Regarding the Monitoring of Facility Visitors.)

The Department of Human Services (Department) did not comply with statutory requirements regarding the monitoring of facility visitors.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/47) requires the facility's director to develop and implement written policies and procedures to insure that employees and visitors are properly identified at all times they are on the grounds of the facility.

During fieldwork, we performed on-site testing at seven of the Department's State-operated facilities regarding monitoring of facility visitors. We sampled and tested 64 entry logs across the seven facilities. Our testing of entry logs resulted in the following exceptions at two of the Department's facilities:

Ann M. Kiley Developmental Center

- For 6 out of 9 (67%) entry logs tested, switchboard sign-in sheets were not provided. In addition, 1 visitor signed in at the switchboard but did not sign in at the home of the individual being visited.

Ludeman Developmental Center

- Six out of 9 (67%) entry logs tested were incomplete. Dates, purpose of visit, time-in, or time-out information were missing on the entry logs.

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

Department management indicated the discrepancies noted were due to staff error and failure to update records.

Failure to enforce adequate policies and procedures to ensure compliance with the MH Act governing the identification of all visitors to a facility could result in unauthorized individuals' access to facility grounds, posing an increased risk to the safety of the residents and facility staff. (Finding Code No. 2017-016)

RECOMMENDATION:

We recommend Department management enforce adequate policies and procedures to ensure compliance with the MH Act regarding visitors to facilities. The policies and procedures should include training personnel on compliance requirements and implement management oversight over compliance requirements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. All staff at the Developmental and Disabilities (DD) Centers will be retrained on 20 ILCS 1705/47 & the Center's Visitor Policy. The department will also develop and implement Quality Assurance checks at the DD Centers to ensure monitoring and compliance of 20 ILCS 1705/47 and the Center's Visitor Policy. The Regional Management of the State Operated Developmental Centers (SODC) Operations will develop a periodic Quality Assurance Report requiring all Centers to monitor and verify compliance in this area.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-017 (Noncompliance with Statutory Requirements Regarding Residents' Admissions and Discharges)

The Department of Human Services (Department) did not comply with statutory requirements regarding residents' admissions and discharges.

Noncompliance with Resident Admission Rules and Regulations

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/2-113(a)) requires that upon admission, the facility inquire of the resident if a spouse, family member, friend or an agency is to be notified of their admission. Good internal control requires employees to complete an admission form and maintain a copy of the admission form in the resident's file. The form should be signed by the employee making the inquiry of the resident.

Additionally, the MH Code (405 ILCS 5/2-113(b)-(e)) states, "Any person may request information from a developmental disability or mental health facility relating to whether an adult recipient or minor recipient admitted pursuant to Section 3-502 has been admitted to the facility. Any parties requesting information must submit proof of identification and list their name, address, phone number, relationship to the recipient and reason for the request. The facility shall respond to the inquirer within 2 working days. If the recipient is located at the facility, the facility director shall inform the recipient of the request and shall advise the recipient that disclosure of his presence at the facility will not obligate the recipient to have contact with the inquirer. No information shall be disclosed unless the recipient consents in writing to the disclosure. If the recipient has consented to the release of information the facility shall inform the requesting party that the recipient is located at the facility. The facility shall, with the recipient's consent, tell the requesting party how to contact the recipient. When the recipient is not located at the facility or when the recipient does not consent in writing to release such information, the facility shall inform the consenting party that no information is available regarding that person."

During fieldwork, we performed on-site testing at seven of the Department's State-operated facilities regarding resident admissions. Although we were unable to obtain a complete population of individuals requesting information on residents' admissions from four facilities during the examination period (Alton Mental Health Center, Chester Mental Health Center, Elgin Mental Health Center and Clyde L. Choate Mental Health and Developmental Center), we sampled and tested 65 residents across the seven facilities which resulted in the following exceptions at four facilities:

Alton Mental Health Center

- For 2 out of 9 (22%) resident admissions tested, the intake notes were not properly completed. As a result, it could not be determined if the residents gave consent to release information concerning their admission or if an attempt was made by facility staff to contact at least two designated persons or agencies concerning their admission.

Chester Mental Health Center

- For 13 out of 13 (100%) requests for information tested, facility staff did not request proof of identification, address, relationship, or the reason for the request of any person requesting information regarding the admission of a recipient into the facility.
- For 12 out of 13 (92%) requests for information tested, facility staff did not respond to a person requesting information regarding the admission of a recipient into the facility within two working days.

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- For 12 out of 13 (92%) requests for information tested, facility staff did not note the requests for information in the patients' files.

Clyde L. Choate Mental Health and Developmental Center

- For 3 out of 9 (33%) requests for information, adequate documentation was not maintained to illustrate facility staff completed the inquiry of admission notification or to show that an attempt was made by facility staff to contact at least two designated persons or agencies concerning their admission.

Elgin Mental Health Center

- For 4 out of 9 (44%) requests for information tested, adequate documentation was not maintained indicating facility staff inquired of the recipient if a spouse, family member, friend or an agency was to be notified of the recipient's admission to the facility.
- For 9 out of 9 (100%) recipients tested, adequate documentation was not maintained indicating an attempt was made by facility staff to contact at least two designated persons or agencies concerning their admission.

Section (405 ILCS 5/4-201(a)) of the MH Code states, "A person with an intellectual disability shall not reside in a Department mental health facility unless the person is evaluated and is determined to be a person with mental illness and the facility director determines that appropriate treatment and habilitation are available and will be provided to such person in the unit. In all such cases the Department mental health facility director shall certify in writing within 30 days of the completion of the evaluation and every 30 days thereafter, that the person has been appropriately evaluated, that services specified in the treatment and habilitation plan are being provided, that the setting in which services are being provided is appropriate to the person's needs, and that provision of such services fully complies with all applicable federal statutes and regulations concerning the provision of services to persons with a developmental disability. A copy of the certification shall be given to the person, an attorney or advocate who is representing the person and the person's guardian."

Additionally, Section (405 ILCS 5/4-201(b)) of the MH Code requires any person admitted to a Department mental health facility to be evaluated within a reasonable period of time, but in no case should that period exceed 14 days after admission. The MH Code (405 ILCS 5/4-309(a)) further requires the facility to prepare a written habilitation plan consistent with the client's diagnosis and needs within 14 days of admission. Section (405 ILCS 5/4-309(b)) of the MH Code requires the habilitation plan to describe the habilitation goals; a projected timetable for their attainment; the services to be provided; the role of the family in the implementation of the plan; and the name of the person responsible for supervising the habilitation plan. Section (405 ILCS 5/4-309(c)) of the MH Code requires the habilitation plan shall be reviewed regularly, but at least once every calendar month, by the person responsible for its supervision. They shall be modified when necessary.

Section (405 ILCS 5/4-203(a)) of the MH Code requires every developmental disabilities facility to maintain adequate records which should include information regarding the section of the MH Code under which the resident was admitted, any subsequent change in the resident's status, and requisite documentation for such admission and status. Section (405 ILCS 5/4-203(b)) of the MH Code requires the Department to ensure that a monthly report is maintained for each Department mental health facility and each unit of a Department developmental disability facility for dually diagnosed persons. The monthly report should include information regarding whether or not there is a public or private guardian and whether the facility Director has certified that appropriate treatment and habilitation are available for and being provided to such person.

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During fieldwork, we performed on-site testing at five of the Department's State-operated facilities regarding residents with intellectual disabilities and mental illness. Although we were unable to obtain a complete population of residents under the care of the Ludeman Developmental Center during the examination period, we sampled and tested 60 residents across four facilities, which resulted in the following exceptions at five of the Department's facilities:

Alton Mental Health Center

- For 3 out of 15 (20%) residents tested, the residents were ruled out from having a mild or moderate intellectual disability during the period but were not removed from the facility's listing.
- For 2 out of 15 (13%) residents tested, the residents were diagnosed with a borderline intellectual disability, but were listed as having mild or moderate intellectual disabilities.
- For 2 out of 15 (13%) residents tested, adequate documentation was not maintained indicating if the initial certification was completed within 30 days of evaluation.
- For 7 out of 15 (47%) residents tested, adequate documentation was not maintained for the monthly certifications.
- For 2 out of 15 (13%) residents tested, the recipients had habilitation plans that were not written within 14 days of admission. The habilitation plans were written between 22 and 356 days late.
- For 11 out of 15 (73%) recipients tested, the recipients had habilitation plans that did not contain information on the role of the family/guardian in the implementation of the plan.

Chester Mental Health Center

- Facility staff did not adequately complete all monthly reports for dually diagnosed persons. Out of the four monthly reports tested, the following was noted: one instance of a dually diagnosed person not added to the monthly reports, one instance of a dually diagnosed person was removed from the monthly report a month early, one instance of a dually diagnosed person was removed from the monthly report a month late, and two instances of dually diagnosed persons with incorrect identification numbers.

Clyde L. Choate Mental Health and Developmental Center

- For 1 out of 15 (7%) residents tested, facility staff did not timely complete the evaluation of patients reasonably suspected of being mildly or moderately intellectually disabled and also have a mental illness. The evaluation was completed 1 day late.
- For 1 out of 15 (7%) residents tested, facility Director did not complete the certification of the evaluation of a patient admitted into the mental health facility who was reasonably suspected of being mildly or moderately intellectually disabled.

Elgin Mental Health Center

- For 5 out of 15 (33%) residents tested, the facility Director did not certify in writing within 30 days of the completion of the evaluation the recipient had been appropriately evaluated. The Director's certifications were completed between 2 and 34 days late.
- For 3 out of 15 (20%) residents tested, the facility Director certified in writing that the recipient had been appropriately evaluated prior to the evaluation occurring. The Director's certifications came between 1 and 3 days prior to the date of the evaluations.
- For 1 out of 15 (7%) residents tested, the evaluation notice of certification did not indicate the recipient of the monthly notice of certification.
- For 2 out of 15 (13%) residents tested, the residents were ruled out from having a mild or moderate intellectual disability during the examination period but were not removed from the facility's

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listing.

- For 3 out of 15 (20%) residents tested, facility staff did not maintain adequate documentation that a habilitation plan was implemented within 14 days from their date of admission.
- For 2 out of 15 (13%) residents tested, the resident's treatment plans did not have a timestamp or date of when the plan was made.
- For 5 out of 15 (33%) residents tested, the resident's treatment plan was not reviewed and updated every 30 days.
- For 5 out of 15 (33%) residents tested, the resident did not have a treatment plan in their records.
- For 14 out of 15 (93%) residents tested, the resident's habilitation plans were not reviewed at least once a month by the person responsible for its supervision and modified when necessary.

Ludeman Developmental Center

- For 1 out of 9 (11%) residents tested, adequate documentation was not maintained for the section of the MH Code under which the resident was admitted.

Noncompliance with Resident Discharge Rules and Regulations

The Mental Health and Developmental Disabilities Code (MH Code) (405 ILCS 5/4-704(a)) requires the facility Director to give written notice of the discharge to the resident, if he or she is 12 years of age or older, to the attorney and guardian, if any, to the person who executed the application for admission, and to the resident's school district when appropriate, at least 14 days prior to the discharge of a resident from a Department developmental disabilities facility under Section 4-701 or 4-702 of the MH Code. The notice, except that to the school district, should include the reason for the discharge and a statement of the right to object.

Additionally, Section (405 ILCS 5/3-903(a)) of the MH Code requires the facility Director to give written notice of discharge from a Department mental health facility to the recipient, his attorney, and guardian, if any, or in the case of a minor, to his attorney, to the parent, guardian, or person in loco parentis who executed the application for admission, to the resident school district when appropriate, and to the minor if he is 12 years of age or older. The notice, except that to the school district, should include the reason for discharge and a statement of the right to object. Whenever possible, the notice should be given at least 7 days prior to the date of intended discharge.

During fieldwork, we performed on-site testing at four of the Department's State-operated facilities regarding discharge rules and regulations. Although we were unable to obtain a complete population of residents discharged from the Ludeman Developmental Center during the examination period, we sampled and tested a total 60 of resident files across the four facilities, which resulted in the following exceptions at one of the Department's facilities:

Ludeman Developmental Center

- For 1 out of 15 (7%) files tested, the written notice of discharge form did not include the reason for the discharge.
- For 3 out of 15 (20%) files tested, the written notice of discharge form did not specify if the Notice of Discharge was given to the resident's attorney and guardian (if any), to the person who executed the application for admission, or the resident school district when appropriate.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions,

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procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Department's activities.

Department management indicated the discrepancies noted were due to staff error, the use of paper records, and failure to update records.

Failure to ensure conformity with statutory requirements regarding each recipient's admission to and discharge from Department facilities could adversely impact the care and treatment of each recipient, could hinder a recipient's interaction with parties external to the facility, may result in intellectually disabled persons not residing in a facility appropriate to their needs, and represents noncompliance with State law. (Finding Code No. 2017-017)

RECOMMENDATION:

We recommend Department management review its systems of internal control over compliance to ensure:

- 1) The Department's policies and procedures at each facility are up-to-date with current law and communicated to all staff;
- 2) Facility-level and Department-wide training on the Department's policies and procedures for areas with recurrent noncompliance or complexity are performed; and,
- 3) A monitoring process is functioning to timely identify areas of noncompliance with State laws and Department policies at the facilities and implement corrective action.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division of Mental Health (DMH) will implement the use of Notice of Admission forms and monitoring to ensure compliance. DMH hospitals have also made changes to training staff, as well as tracking and monitoring of compliance with requirements for patients.

Appropriate staff at the Division of Developmental (DD) Centers will be retrained on the statutory requirements (405 ILCS 5/2-113 & 405 ILCS 5/3-903) regarding Residents' Admissions and Discharges. The Division of Developmental Disabilities (DDD) will develop and implement quality assurance checks at the DD Centers to ensure compliance regarding these statutory requirements. The regional management of State Operated Developmental Centers (SODC) operations will develop a periodic quality assurance report requiring all centers to monitor and verify compliance in these areas.

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FINDING 2017-018 (Noncompliance with Statutory Requirements Regarding Residents' Dental, Mental, and Physical Examinations at Elgin Mental Health Center)

The Department of Human Services (Department) did not comply with statutory requirements regarding residents' dental, mental, and physical examinations at Elgin Mental Health Center.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/7) requires that all residents in a Department facility be given a dental examination by a licensed dentist or registered dental hygienist at least once every 18 months and be assigned to a dentist for such dental care and treatment as is necessary. In addition, Elgin Mental Health Center's policies and procedures (#1520 Assessment of Patients' Needs) states a comprehensive psychiatric evaluation should occur within 3 days of admission, and then annually. A physical examination should occur within 24 hours of admission, and then annually.

During fieldwork, we performed on-site testing at seven of the Department's State-operated facilities regarding resident dental, mental and physical examinations. Although we were unable to obtain a complete population of residents who were under the care of the Ludeman Developmental Center during the examination period, we sampled and tested 66 residents across the seven facilities, which resulted in the following exceptions at one of the Department's facilities:

Elgin Mental Health Center

- For 4 out of 9 (44%) residents tested, facility staff did not maintain adequate documentation to determine if dental examinations were completed every 18 months. For one of these residents, no dental treatment records were located in the resident's chart. For three of these residents, dental treatment records were located in the resident's charts, but the forms were blank.
- For 5 out of 9 (56%) residents tested, the residents did not have a dental examination performed at least once every 18 months.
- For 1 out of 9 (11%) residents tested, facility staff did not maintain adequate documentation to determine if a comprehensive psychiatric evaluation was completed on an annual basis during the examination period.
- For 1 out of 9 (11%) residents tested, facility staff did not maintain adequate documentation to determine if a physical examination was completed on an annual basis during the examination period.

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

Department management indicated the discrepancies noted were due to staff turnover and staff error.

Failure to obtain or retain a record of whether a resident received dental, mental, or physical examinations within the required time frame could adversely affect the care and treatment of the resident as well as impact the operations of the facilities. Further, it represents noncompliance with State law. (Finding Code No. 2017-018)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend the Department obtain and retain a record of all residents' medical care. Further, we recommend the Department establish comprehensive Department-wide internal controls over compliance with the MH Act regarding dental, mental, or physical examinations, which should include training personnel on compliance requirements and outline management oversight over compliance requirements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Center did not have a dentist for part of the period in question and contractual dental services were not adequate to meet requirements. The Center has hired a dentist who has been able to address backed-logged cases. In addition, the Department will implement a process to obtain and retain a record of all residents' medical care. The Department will also establish comprehensive Department-wide internal controls over compliance with the MH Act regarding dental, mental, or physical examinations, which will include training personnel on compliance requirements and ensuring management oversight over compliance requirements. In addition, the Department notes that the Office of the Auditor General's Audit Guide Exhibit 24-B incorporates AICPA Statement on Standards for Attestation Engagements Section 205.A18 (Standard) issued in April 2016 which provides qualitative and quantitative factors in assessing materiality.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-019 (Noncompliance with Statutory Requirements Regarding Administering Pregnancy Tests and Recording Resident's Menstrual Cycles)

The Department of Human Services (Department) did not comply with statutory requirements regarding administering pregnancy tests and recording resident's menstrual cycles.

The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/10.1) requires every woman of child-bearing age who is admitted to a facility under the jurisdiction of the Department, with her consent or the consent of her guardian, be tested for pregnancy upon admission and thereafter as indicated. Additionally, it requires for a resident who is admitted to and remains in a facility for more than 60 days a record of each such resident's menstrual cycles shall be maintained.

During fieldwork, we performed on-site testing at six of the Department's State-operated facilities. We sampled and tested 60 residents across the six facilities, which resulted in the following exceptions regarding resident records at four of the Department's facilities:

Our testing of resident files resulted in the following exceptions at four of the Department's facilities:

Alton Mental Health Center

- For 4 out of 9 (44%) residents tested, the resident's Menstruation Records (Form IL462-0034) were located in the resident's chart; however, they were not properly completed for all months during the resident's stay.
- For 4 out of 9 (44%) residents tested, facility staff did not maintain the Menstruation Record (Form IL462-0034) in the resident's file.

Elgin Mental Health Center

- For 9 out of 9 (100%) residents tested, adequate documentation was not maintained that facility staff obtained the resident's consent or the consent of the resident's guardian to test for pregnancy upon admission.
- For 1 out of 9 (11%) residents tested, facility staff did not maintain the Menstruation Record (Form IL462-0034) in the resident's file.

Ann M. Kiley Developmental Center

- For 4 out of 7 (57%) residents tested, a pregnancy test was administered before the guardian signed a consent form. The forms were signed 83 to 408 days after the pregnancy test was administered.

Ludeman Developmental Center

- For 1 out of 9 (11%) residents tested, adequate documentation was not maintained that facility staff obtained the resident's consent or the consent of the resident's guardian to test for pregnancy upon admission.
- For 6 out of 9 (67%) residents tested, facility staff did not maintain record of the resident's menstruation cycle.

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

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Department management indicated the discrepancies noted were due to staff error, staff turnover, and failure to update records.

Failure to obtain or retain a record of a signed consent form prior to administering a pregnancy test to a resident could result in a resident receiving unauthorized medical care and/or subject the State to unnecessary legal risks. Also, failure to perform or retain a record of a resident's menstrual cycle could adversely affect the care and treatment of the resident as well as impact the operations of the facilities. Further, it represents noncompliance with State law. (Finding Code No. 2017-019)

RECOMMENDATION:

We recommend the Department obtain and retain approval documentation for providing medical care to a resident prior to conducting the care. We also recommend the Department retain a record of all residents' medical care provided. Further, we recommend the Department establish comprehensive Department-wide internal controls over compliance with the MH Act regarding pregnancy testing and residents' menstrual cycles, which should include training personnel on compliance requirements and outline management oversight over compliance requirements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Appropriate staff at the Developmental Disabilities (DD) Centers will be retrained on the statutory requirements (20 ILCS 1705/10.1) regarding consent for pregnancy testing and properly documenting as well as the requirements for maintaining menstruation records. The Division of Mental Health (DMH) will retrain all Registered Nurses. Menstrual Record will be added to the monitoring tool to ensure compliance.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-020 (Inadequate Monitoring of Provider Agencies)

The Department of Human Services (Department) did not adequately monitor Independent Living Program provider agencies which were Division of Rehabilitation Services (DRS) grant recipients. Further, the Department did not comply with the Rehabilitation of Persons with Disabilities Act (Act) (20 ILCS 2405) regarding the annual Independent Living Council State Plan.

Programs administered through the Department's DRS accounted for \$79 million in FY2017 and \$39 million in FY2016. The Independent Living Program accounted for \$7.7 million during FY2017 and \$2.1 million during FY2016.

Inadequate Monitoring of Provider Agencies

During 2017, the Independent Living Unit within the DRS implemented an internal paper review process, where information was received from all its 22 provider agencies and combined for Federal Reporting purposes. Our review of this process indicated the Department had not developed formal processes and procedures to allow the Independent Living Unit to report back to the 22 provider agencies any deficiencies noted during its review process in a timely and systematic manner. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system of internal fiscal and administrative controls which provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management indicated they did not develop formal processes and procedures due to competing priorities.

Furthermore, our testing of the Department's monitoring of the Independent Living Program provider agencies revealed the following:

- Timely on-site compliance reviews were not conducted for 12 out of 22 providers (55%) in the Independent Living Program. According to the Department's Community Rehabilitation Program (CRP) Manual, the DRS Program Advisor is to perform on-site reviews of all contracted CRPs no less than every 3 years. One provider was last reviewed in September 2011, one in March 2006, one in May 2009, seven were last reviewed between April and September of 2011, and two were last reviewed in March and October of 2012.

Department management indicated staffing vacancies led to instances where on-site reviews were not completed timely.

- During FY2016 and FY2017, the Department performed nine on-site reviews at provider agencies. For 1 out of 2 (50%) provider reviews tested, the written report of the review was sent to the provider agency 39 days late. The on-site review was conducted on February 1, 2017 with a report issued on April 11, 2017. The Illinois Administrative Code (Code) (89 Ill. Admin. Code 530.10(e)) and the CRP Manual require a written report be sent to the providers within 30 calendar days after the evaluation.

Department management indicated staffing vacancies led to instances where reports were not completed timely.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Inadequacy in Filing the Annual State Plan

During the examination period, we noted the Department submitted an Independent Living Council State Plan that covered a three-year period. Per the Act (20 ILCS 2405/12a(a)), the Independent Living Council State Plan must be submitted by the Department to the Commissioner of the Rehabilitation Services Administration in the United States Department of Education on an annual basis.

Department management indicated a three-year plan was developed because of competing priorities.

Failure to adequately monitor provider agencies decreases the Department's accountability over these funds increasing the risk of fraud and abuse and results in noncompliance with the Code and the CRP Manual. Failure to submit an Independent Living Council State Plan annually is noncompliance with the Act. (Finding Code No. 2017-020, 2015-014, 2013-012)

RECOMMENDATION:

We recommend Department management allocate sufficient resources to improve compliance with the Code and the CRP Manual for monitoring provider agencies who were DRS grant recipients. We also recommend Department management submit the Independent Living Council State Plan annually. Lastly, we recommend Department management establish formal processes and procedures regarding timely communication of deficiencies identified from the internal paper review.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Additional staff has been hired for the unit to ensure monitoring is completed timely. In addition, the Department notes that the Office of the Auditor General's Audit Guide Exhibit 24-B incorporates AICPA Statement on Standards for Attestation Engagements Section 205.A18 (Standard) issued in April 2016 which provides qualitative and quantitative factors in assessing materiality. This new Standard had an impact in the repeat audit finding type being modified from a significant deficiency and noncompliance last year to a material weakness and material noncompliance this year.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-021 (Inadequate Execution of Interagency Agreements)

The Department of Human Services (Department) failed to adequately execute interagency agreements.

During the examination period, we noted the following:

- The Department did not have an interagency agreement with the Department of Healthcare and Family Services (HFS) to govern the administration of the Home Services Medicaid Trust Fund (Fund 0120). Total revenues and expenditures included in the Department's financial statements for Fund 0120 for the year ended June 30, 2017 were \$246,868,000 and \$234,727,000, respectively. Total revenues and expenditures included in the Department's financial statements for Fund 0120 for the year ended June 30, 2016 were \$237,651,000 and \$234,284,000, respectively.

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

Department management stated it has an interagency agreement with HFS, however it is out-of-date and not comprehensive.

- During testing of interagency agreements between the Department and multiple other State agencies, 6 out of 33 (18%) interagency agreements sampled were not signed before the effective date. These agreements were signed between 2 and 235 days after the effective date.

Good internal controls require the approval of agreements prior to the effective date. The Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.30) indicates a contract is reduced to writing when the contract is signed by the vendor and then by more than one authorized agency representative at the earliest dated signature.

Department management stated they believe the Department cannot control the internal processes by which other governmental agencies decide when and if to sign interagency agreements.

- The Department did not enter into intergovernmental agreements (IGAs) with all sheriff offices, in order to collect incarceration data to determine if those individuals were still eligible for benefits administered by the Department.

The Illinois Public Aid Code (Code) (305 ILCS 5/12-4.7b) requires the Department to enter into intergovernmental agreements to conduct monthly exchanges of information with the Illinois Department of Corrections, the Cook County Department of Corrections, and the office of the sheriff of every other county to determine whether any individual included in an assistance unit receiving public aid under the Code is an inmate in a facility operated by the Illinois Department of Corrections, the Cook County Department of Corrections, or a county sheriff.

Department management stated they believe the Department cannot control the internal processes by which other governmental agencies decide when and if to sign IGAs. Also, the exception (pertaining to IGAs with all sheriff offices) exists due to the non-cooperation or unwillingness of county sheriff's departments in agreeing to share data with the Department.

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

- The Department did not enter into an interagency with the Department of Children and Family Services (DCFS), HFS, the State Board of Education (ISBE), the Department of Juvenile Justice (DJJ), and the Department of Public Health (DPH) as of June 30, 2015, as required. The Department ultimately entered into the interagency agreement on April 19, 2016, 294 days late.

The Custody Relinquishment Prevention Act (20 ILCS 540/15) required the Department to enter into an interagency agreement with DCFS, HFS, ISBE, DJJ, and DPH by June 30, 2015 to establish an interagency clinical team to review children at risk of custody relinquishment to DCFS to connect the child and relatives with appropriate services, treatment, and support to address the child's serious mental illness or serious emotional disturbance.

Department management indicated the delay was due to the involvement of multiple agencies.

The Department enters into multiple agreements with other State agencies and other units of government. The purpose of the agreements is to assist the Department in fulfilling its mandated mission. In order to assess whether the agreement is reasonable, appropriate, and sufficiently documents the responsibilities of the appropriate parties, the agreement needs to be approved prior to the effective date. Additionally, failure to execute final agreements that are mandated by law the Department is in noncompliance with the applicable law and noncompliance could negatively impact those affected by the law. (Finding Code No. 2017-021, 2015-009)

RECOMMENDATION:

We recommend Department management execute all interagency agreements as required by law. In addition, all parties to the IGAs should sign the agreement prior to the effective date. Further, Department management should enter into interagency agreements with HFS, other State agencies, and the sheriffs' offices of every Illinois County which do not have signed agreements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. DHS is working with DoIT to create an internal/external tracking system to ensure that all deadlines are met in regards to intergovernmental agreements.

DHS will work to renew IGAs with the Department of Healthcare and Family Services (HFS) to govern the administration of the Home Services Medicaid Trust Fund (Fund 0120).

Although the Department has not been successful in entering into IGAs with all Illinois Sheriffs, we have performed the following in order to improve our success rate. In December, 2017, the Department's Bureau of Performance Management sent letters to each Illinois Sheriff, requesting their cooperation in identifying ineligible, incarcerated SNAP recipients by reviewing and signing an IGA. In addition, Department staff initiated and held a meeting with the Executive Director of the Illinois Sheriff's Association (ISA) in an effort to improve communication, clarify our goal in entering into the IGAs and obtain their support to assist in cooperation of the sheriffs. Also, the Department relies upon the county sheriffs to agree to cooperate however, the law does not require cooperation from the county sheriffs. The Department has requested a change to the state statute language from "...shall enter into IGAs with all Sheriffs", to "...may enter into IGAs with all Sheriffs." The proposed change did not progress through the 99th General Assembly. The Department will request a similar change of the 100th General Assembly later in 2018. The Department has also begun some discussion with DHS-Legal, in order to find ways that make the Intergovernmental Agreement process less formal and more accommodating, in an attempt to generate more participation and cooperation with county sheriffs.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-022 (Internal Control Weaknesses in the Home Services Program)

Internal control weaknesses were identified in the Department of Human Services' (Department) Home Services Program managed by the Department's Division of Rehabilitation Services. These weaknesses were first noted in a review of the Home Services Program that Department management had performed in FY2005.

The Home Services Program allows individuals with disabilities (customers) who are at risk of placement in a nursing home to remain in their homes. According to the Department, this is accomplished through the use of a variety of services, the most prevalent of which is the use of individual caregivers known as Personal Assistants. During FY2017 and FY2016, the Home Services Program maintained 45 field offices and, over the course of FY2017 and FY2016, on behalf of the customers, paid 39,713 Personal Assistants \$449,367,292 and 39,025 Personal Assistants \$439,983,207, respectively. There was an approximate 8% increase in the number of personal assistants since FY2015 (36,796). Personal Assistants are hired, supervised, and fired by the customer. Therefore, the Home Services Program relies on the customer under an "honor system" to guard against abuse and to ensure compliance. The customer is responsible for approving and signing their Personal Assistant's timesheets.

Through testing and discussions with Home Services Program personnel, we noted the following:

- There was insufficient monitoring of case files to ensure program objectives were being met. There was an average of 37 supervisors at 45 field offices to monitor Home Services Program activities. On average, each supervisor was responsible for approximately 792 case files during FY2017 and FY2016. During the previous examination period, the statewide average responsibility per supervisor was approximately 797 case files. There was an average of 135 counselors during FY2017 and 120 counselors during FY2016. There was an average of 217 case files per counselor during FY2017 and 244 during FY2016. For FY2015, the statewide average per counselor was approximately 202 case files.
- The customer receiving services is to be visited by the Case Counselor once annually and the counselor is to perform a redetermination of need. In circumstances of a traumatic brain injury, the customer is to be visited twice annually. Five out of 20 (25%) personal assistant payments tested, totaling \$4,809, were without a redetermined service plan. The services performed ranged from 64 to 754 days after the required redetermination period, as indicated on the customer service plan.

The Rehabilitation of Persons with Disabilities Act (20 ILCS 2405/3) establishes the Department's powers and duties for the Home Services Program. The Illinois Administrative Code (Code) (89 Ill. Admin. Code 682.410) establishes the redetermination time frames for customers served under standard Medicaid waivers. In addition, the Code (89 Ill. Admin. Code 682.410(a)) requires the redetermination to be performed at least every 12 months or whenever there is a change in condition or situation that may affect ongoing eligibility.

Department management indicated that staffing levels and the overall scale of the program contributed to the issues identified.

Lack of timely redeterminations for individuals in the Home Services Program combined with the size and decentralization of the program greatly increases the chance of fraud and abuse within this program. (Finding Code No. 2017-022, 2015-012, 2013-010, 11-12, 09-15, 07-7, 05-4)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend Department management and staff strengthen internal controls and compliance over the Home Services Program as follows:

- Increase monitoring by assigning additional staff resources or by enacting alternative means for monitoring program activities.
- Perform customer redeterminations in accordance with the Department's Administrative Rules governing the Home Services Program.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division of Rehabilitation Services will review procedures, staffing needs, and alternative means for monitoring to ensure compliance with program rules. In addition, the Department notes that the Office of the Auditor General's Audit Guide Exhibit 24-B incorporates AICPA Statement on Standards for Attestation Engagements Section 205.A18 (Standard) issued in April 2016 which provides qualitative and quantitative factors in assessing materiality. This new Standard had an impact in the repeat audit finding type being modified from a significant deficiency and noncompliance last year to a material weakness and material noncompliance this year.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-023 (Inadequate Controls Over the Department of Human Services Act)

The Department of Human Services (Department) did not have adequate internal controls to comply with certain provisions of the Department of Human Services Act (Act) (20 ILCS 1305).

In order to ensure the health, safety, and financial condition of individuals receiving services in Illinois due to mental illness, developmental disability, or both by protecting those persons from acts of abuse, neglect, or both by service providers, the Office of the Inspector General (OIG) for the Department of Human Services was created. OIG responsibilities include investigating and reporting on allegations of the abuse, neglect, or financial exploitation of individuals receiving services within mental health facilities, developmental disabilities facilities, and community agencies operated, licensed, funded or certified by the Department.

The Act (20 ILCS 1305/10-26) requires that the Department compile and maintain a cross-disability database of Illinois residents with a disability who are potentially in need of disability services funded by the Department.

During our testing, we noted the following noncompliance with the Act:

Approval of written responses

The Act (20 ILCS 1305/1-17(n) and (p)) requires that within 30 days from receipt of an OIG substantiated investigative report, or an investigative report which contains recommendations, absent a reconsideration request, the facility or agency must file a written response. The response includes the implementation and completion dates of the actions. If the written response is not filed within the allotted 30 calendar day period, the Secretary of the Department shall determine the appropriate corrective action to be taken. The Secretary of the Department is required by the Act to accept or reject the facility's or agency's written response.

- For 3 out of 25 (12%) investigative reports tested that required a written response from the facility, the written responses were not received within the required 30 days.
- For 3 out of 25 (12%) investigative reports tested that required a written response from facility, documentation of the date the OIG report was received by the facility was not maintained.

Department management stated that during the impasse, the Department did not have U.S. Postal Service (USPS) funds to send out substantiated case reports via USPS certified mail. The Department either sent the substantiated cases out via email, hand delivered (facility) or fax (agency) and some of the dates received were not tracked appropriately.

Dependents of Military Service Members

The Act (20 ILCS 1305/10-26(d)) states, "The Department shall allow legal residents who are dependents of a military service member and who are absent from the State due to the member's military service to be added to the cross-disability database to indicate the need for services upon return to the State."

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

- During the examination period, we noted the Department did not track military related identifier(s) in its cross-disability database and, therefore, could not identify dependents of military service members within its cross-disability database in order to determine needs for services upon return to the State.

Department management indicated the deficiency noted above was due to employee oversight.

Failure to comply with the Act could impact the safety and well-being of individuals receiving services. Additionally, dependents of military service members may not receive benefits they are entitled to if they are not indicated as eligible within the database. (Finding Code No. 2017-023, 2015-016, Program Audit of the Office of the Inspector General (December 2010))

RECOMMENDATION:

We recommend the Department comply with the written policies and procedures setting forth the circumstances under which a facility or agency response to an OIG investigative report is required and policies for documenting the dates investigative reports are provided to facility or agency personnel. Also, we recommend facility or agency management improve internal controls over providing timely written responses to OIG investigative reports. Finally, we recommend Department management add the required identifiers to its database to capture information on dependents of military service members who are absent from the State due to the member's military service.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division of Developmental Disabilities will request DOIT to make necessary changes to the Prioritization of Urgency of Need for Services (PUNS) database to capture information on dependents of military service. In addition, the Division of Mental Health concurs that it should improve internal controls over the OIG investigative reports and ensure that the necessary responses are prepared and filed in a timely manner. Specifically, the Director's office will establish a log of OIG investigative reports received, indicating the date received and whether a response is due and to which facility. The Director's office will also continue to monitor the responders to ensure responses are returned in a timely fashion and if not, the rationale for the delay. Finally, the Director's office will work with the OIG to ensure compliance with the policies and procedures. In addition, the Department notes that the Office of the Auditor General's Audit Guide Exhibit 24-B incorporates AICPA Statement on Standards for Attestation Engagements Section 205.A18 (Standard) issued in April 2016 which provides qualitative and quantitative factors in assessing materiality. This new Standard had an impact in the repeat audit finding type being modified from a significant deficiency and noncompliance last year to a material weakness and material noncompliance this year.

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-024 (Inadequate Administration of Locally Held Funds and Petty Cash)

The Department of Human Services (Department) inadequately administered locally held funds (bank accounts) during the examination period. Exceptions were noted regarding the administration, accounting, reconciliation, reporting, receipt and disbursement of these funds.

During fieldwork, we performed on-site testing of the Department's petty cash funds and quarterly reporting of receipts and disbursements of locally held funds at four of the Department's State-operated facilities. We sampled and tested a total of 110 Resident Trust Fund transactions and 120 petty cash transactions across the four facilities, which resulted in the following exceptions at four of the Department's facilities:

Elgin Mental Health Center

- The facility did not maintain adequate supporting documentation for receipts and disbursements. For 3 out of 30 (10%) Resident's Trust Fund transactions tested, totaling \$1,427, the amount per the receipts/disbursements journal did not agree to the supporting documentation provided by the facility, which resulted in a \$431 overstatement of disbursements and a \$99 understatement of receipts. For 3 out of 30 (10%) Other Special Trust Fund receipts tested, totaling \$225, the facility was not able to provide supporting documentation. In addition, for 1 out of 30 (3%) Other Special Trust Fund disbursements tested totaling \$300, the disbursement was not properly approved.
- The Burr Bequest Fund's Reports of Receipts and Disbursements (C-17s) did not reconcile to the facilities receipts journal. As a result, we noted the September 30, 2016 and December 31, 2016 C-17s were overstated by \$800.
- The Burr Bequest Fund's C-17s did not reconcile to the facility's General Ledger. As a result, we noted the September 30, 2015 C-17 had a variance of \$5,000 and the June 30, 2016 C-17 had a variance of \$15,000. The variances noted were due to data entry errors in the General Ledger and although the General Ledger errors were corrected by the facility, the C-17s were not corrected.
- The facility did not maintain adequate segregation of duties for receipt and disbursement processing in the Resident's Trust Fund. We determined that a single account clerk performed duties related to authorization, custody, and recordkeeping for the Resident's Trust Fund's receipts and disbursements.

Ann M. Kiley Developmental Center

- During testing of cash disbursements from locally held funds, it was noted that the facility paid sales tax when purchasing items which were in accordance with the mission of the Department. Specifically, in the Rehabilitation Fund (Fund 1144), sales tax totaling \$12 was paid on 9 of 20 (45%) disbursements tested.
- The facility does not reconcile its locally held funds' bank statements to the corresponding funds' General Ledger to ensure accurate reporting of locally held funds. Instead, the facility reconciles the bank statements to the check register but not the General Ledger.
 - For the Other Special Trusts Fund (Fund 1139), there was a difference of \$2 between the June 30, 2017 general ledger balance and the June 2017 bank statement reconciliation for the facility's money market account.
 - For the Resident's Trust Fund (Fund 1143), there was a difference of \$20 between the June 30, 2017 general ledger balance and June 2017 bank statement reconciliation for the facility's checking account.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

- The Petty Cash Internal Control Certification (C-86) was not properly completed. The C-86 covering both FY2016 and FY2017 was prepared and signed by the facility's petty cash fund custodian. The certification is supposed to be prepared by someone other than the custodian.

Elisabeth Ludeman Developmental Center

- For 1 out of 30 (3%) Resident's Trust Fund transactions tested, totaling \$2,679, the disbursement did not trace to the supporting documentation or the bank statement. This resulted in a \$1,042 overstatement of disbursements.
- For 7 out of 12 (58%) Resident's Trust Fund interest receipts tested, totaling \$235, the receipts were not recorded in the General Ledger timely. The receipts were recorded 35 to 126 days after the amounts were received.
- For 1 out of 12 (8%) Resident's Trust Fund interest receipts tested, totaling \$31, the receipt was recorded in the incorrect month in the General Ledger.
- For 8 out of 30 (27%) Other Special Trust Fund receipts tested, totaling \$1,560, the receipts were not recorded in the General Ledger timely. The amounts were recorded from 1 month to 10 months after the month the amount was collected.
- For 8 out of 30 (27%) Other Special Trust Fund disbursements tested, totaling \$2,914, the disbursements were not recorded in the General Ledger timely. The amounts were recorded from 1 month to 10 months after the month of the check date.
- Cash as reported in the facility's June 30, 2017 General Ledger did not reconcile to the June 30, 2017 bank reconciliation. For the Resident's Trust Fund, we noted an overstatement in the General Ledger compared to the bank reconciliation of \$5,833. For the Other Special Trust Fund, we noted an overstatement in the General Ledger compared to the bank reconciliation of \$1,781.
- The facility's June 30, 2017 General Ledger did not reconcile to the June 30, 2017 Report of Receipts and Disbursements (C-17). For the Resident's Trust Fund, we noted an overstatement on the C-17 compared to the General Ledger for receipts of \$8,410 and an overstatement of disbursements of \$2,271.
- Transactions in the Other Special Trust Fund were not timely posted to the General Ledger. Receipts totaling \$818 and disbursements totaling \$2,599 were noted on the C-17, but were not posted in the General Ledger.
- Disbursements on the facility's C-17s did not agree to the General Ledger. For the Other Special Trust Fund, the FY2016 C-17s had an overstatement of approximately \$132 and the FY2017 C-17's had an understatement of approximately \$614.
- The Resident's Trust Fund had a balance of \$420,614 at June 30, 2017; however, the facility did not accumulate interest on the excess funds as required by the Public Funds Deposit Act.

Shapiro Developmental Center

- For 3 out of 30 (10%) Other Special Trust Fund receipts tested, totaling \$14,304, amounts were not deposited timely. The deposits ranged from 8 to 19 business days late.
- The facility's Other Special Trust Fund does not have sufficient segregation of duties. The custodian of the imprest fund is responsible for entering transactions into the system, depositing receipts, and performing the reconciliations for the fund.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

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

The Department of Human Services' Program Directive (02.08.01.010) states that the Business Administrator is responsible for ensuring that adequate accounting controls exist over all locally held funds. This includes responsibility for: a) establishing and maintaining adequate and effective controls over cash; c) posting transactions onto the Locally Held Fund System timely and accurately to the proper accounts; d) reconciling bank accounts for locally held funds; f) ensuring that disbursements are properly authorized; h) providing Central Office with all information necessary to meet the Department's reporting requirements for locally held funds.

According to the Department's Administrative Directive (Directive) (01.09.01.020), expenditures from the petty cash fund must not include payments for sales tax. An employee may not be reimbursed for payment of sales tax as DHS is exempt from payment of sales taxes. The Directive requires the petty cash fund to be formally balanced and reconciled at least once a month by someone other than the custodian. Finally, the Directive requires the certification to be prepared and signed by someone other than the petty cash fund custodian.

The Statewide Accounting Management System (SAMS) Manual (Procedure 33.13.20) states the C-17 is used to report locally held fund activity. This form, which reflects Fiscal Year-to-date receipts and disbursements per the Department's records, contains accounts almost identical to the accounts used in processing receipt and disbursements for Treasurer-held funds.

According to the Public Funds Deposit Act (30 ILCS 225/1), where public funds are defined in the Public Funds Investment Act (30 ILCS 235/1) as current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to or in the custody of any public agency, any custodian of public funds may deposit such funds in a savings and loan association, savings bank, or State or national bank in this State, or deposit those funds into demand deposit accounts in accordance with Section 6.5 of the Public Funds Investment Act. Further, when such deposits become collected funds and are not needed for immediate disbursement, they shall be invested within 2 working days at prevailing rates or better.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal controls to provide assurance that funds, property and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management indicated that the cause of this finding was staff error.

It is important to properly administer locally held funds as they are not subject to appropriations, and are often in a fiduciary capacity, and are held outside the State Treasury. In addition, failure to adequately administer locally held funds could lead to fraud, theft, or overdraft charges. Inadequate administration also represents noncompliance with State statutes. Inadequate controls over the locally held and petty cash funds results in noncompliance with the Department's Administrative Directives, SAMS Manual procedures, and other requirements and could also result in errors or irregularities not being detected in the normal course of business. (Finding Code No. 2017-024, 2015-027, 2013-016, 11-23, 09-26)

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding locally held funds and petty cash, and follow the control system in place.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Appropriate staff at the Developmental Disabilities (DD) Centers will be retrained on Administrative Directives 02.08.01.010 and 01.09.01.020 as well as the Public Funds Deposit Act (30 ILCS 225/1) to ensure compliance with these areas. In addition, DD Centers will develop and implement Quality Assurance checks for bank statements reconciling with the General Ledger as well as quarterly C-17 reports at the DD Centers to ensure compliance. The Regional Management of State Operated Developmental Centers (SODC) Operations will require these checks reported to SODC Operations, Fiscal for oversight and monitoring. Staff handling Locally Held Funds and Petty Cash at the State Operated Hospital's (SOH) will receive additional training on current policies and procedures and increased supervision.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-025 (Noncompliance with Statutory Requirements Regarding Charging Residents for Services)

The Department of Human Services (Department) did not comply with statutory requirements regarding charging residents for services at the Rushville Treatment and Detention Facility (Facility).

Under the Sexually Violent Persons Commitment Act (Act) (725 ILCS 207/90), each person committed or detained under the Act who receives services provided directly or funded by the Department and the estate of the person is liable for the payment of sums representing charges for services to the person at a rate to be determined by the Department.

During our on-site facility testing at the Facility (which is the only State-operated facility this mandate is applicable to), we noted the Department has not implemented a policy and a corresponding rate structure for charging residents for services. Under the existing conditions, a resident may have access to assets to pay for services the facility provides, but the resident would not be required to pay without a documented policy in place.

As of June 30, 2017, the Facility had 566 residents. The facility's expenditures for FY2017 were approximately \$30,865,100. The facility's expenditures for FY2016 were approximately \$32,153,376.

Department management stated upon reviewing Title 59 Part 299, it was determined that the Rules required significant revision beyond that initially anticipated to implement the Act. Facility Administration, along with the Department's Division of Mental Health and the Office of General Counsel, convened to re-write the entirety of Part 299 to reflect the current state of the Facility and the evolution of its operating policies along with changes in the legal environment. The re-write of Part 299 is currently in process.

Failure to implement a policy and a corresponding rate structure represents noncompliance with the Act. Further, the Department has not recouped any costs of services provided. (Finding Code No. 2017-025)

RECOMMENDATION:

We recommend the Department implement a policy on charging residents for services and a corresponding rate structure to comply with the Act. We further recommend the Department take steps to determine whether any costs of services that were provided during the examination period can be recouped.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Treatment and detention Facility has developed a Rate Structure and Reimbursement Rule Draft in accordance with 725 ILCS 207/90 SVP Act in FY2015. Title 59 ILAC Part 299 is currently being rewritten. The Department will seek reimbursement after ruling has been adopted by JCAR process.

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-026 (Failure to Establish a System Sharing the Compassionate Use of Medical Cannabis Information)

The Department of Human Services (Department) failed to establish a system to electronically share information regarding a registered, qualifying patient's identification card information and certification that the individual is permitted to engage in the medical use of cannabis in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act (410 ILCS 130/60(e)) during the examination period.

Department management stated a required system to electronically share information regarding the Compassionate Use of Medical Cannabis Pilot Program Act has not yet been established due to understaffing.

Failure of the Department to establish a required system represents noncompliance with the Compassionate Use of Medical Cannabis Pilot Program Act and could impact decisions made by the Governor or General Assembly. Further, it lessens governmental oversight over the use of medical cannabis within the State of Illinois. (Finding Code No. 2017-026)

RECOMMENDATION:

We recommend Department management establish a system to electronically share information regarding a registered, qualifying patient's identification card information and certification that the individual is permitted to engage in the medical use of cannabis in accordance with the Compassionate Use of Medical Cannabis Pilot Program Act.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Prescription Monitoring Program (PMP) staff members have designed and built the web pages to display the medical marijuana data on the PMP website. PMP is waiting for a third party vendor to obtain the data from the Department of Public Health. The PMP will display the data on the website once the third party vendor securely sends the data to PMP.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-027 (Noncompliance with Statutory Requirements Relating to the Mental Health Services Strategic Planning Task Force)

The Department of Human Services (Department) did not comply with statutory requirements related to required actions and administrative support services of the Mental Health Services Strategic Planning Task Force in accordance with the Mental Health and Developmental Disabilities Administrative Act (MH Act).

During the examination period, we noted the Department could not provide documentation to support the Mental Health Services Strategic Planning Task Force's (Task Force) 5-year comprehensive strategic plan was submitted to the Governor or General Assembly, as required by the MH Act (20 ILCS 1705/18.6(g)). Further, the Department could not provide documentation, such as minutes or recordings, to support Task Force meetings had taken place during FY2016 and FY2017.

The MH Act (20 ILCS 1705/18.6(g)-(h)) requires the Task Force to present its 5-year comprehensive strategic plan for the State's mental health services to the Governor and the General Assembly no later than 18 months after the effective date of the amendatory Act, which would have been in February 2013. In addition, the Task Force is required to convene quarterly meetings during the implementation of the 5-year strategic plan to monitor progress, review outcomes, and make ongoing recommendations. Finally, the MH Act requires the Department to provide administrative and staff support to the Task Force.

Further, the Open Meetings Act (5 ILCS 120/2.06) requires the Task Force to keep written minutes of all its meetings.

Department management indicated the final report was finished on February 19, 2013. When the report was submitted, the correspondences from filing with the appropriate parties were either not saved or not returned to the Office of Legislation.

Failure to ensure timely submission of required reports represents noncompliance with the MH Act and could impact decisions made by the Governor or General Assembly. Further, by not preparing or retaining meeting minutes of the Task Force represents noncompliance with the Open Meetings Act. (Finding Code No. 2017-027)

RECOMMENDATION:

We recommend Department management establish procedures to timely submit required reports to the Governor or General Assembly and to ensure meeting minutes are maintained to document to the Task Force has convened quarterly as required by the MH Act.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department prepared the final report on February 19, 2013. The Division concurs that there should be a better system to document that the reports was sent to the required parties. The Division will work with the Office of the Legislative Liaison to document compliance better.

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CURRENT FINDINGS (STATE COMPLIANCE)

The Department stated that pursuant to statute, the Task Force was required to continue meeting quarterly once the final report was approved and authorized. The General Assembly did not approve the report or authorize continued meetings and there was no appropriation for continued meetings or to implement the strategic plan. The quarterly meetings of the Task Force were subject to appropriation [20 ILCS 1705/18.6(g)].

The Division of Mental Health has instituted a protocol of placing information that is subject to the Open Meetings Act on its internet site by listing the meeting by date, the agenda, the approved minutes and other documentation submitted.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-028 (Failure to Deposit Federal Funds in Accordance with Statute)

The Department of Human Services (Department) did not comply with statutory requirements relating to the depositing of federal funds in accordance with the Mental Health and Developmental Disabilities Administrative Act (MH Act). Specifically, we noted the Department did not directly deposit certain federal funds into the Community Developmental Disability Services Medicaid Trust Fund (Fund 0142) throughout the applicable Fiscal Year.

The MH Act (20 ILCS 1705/18.5(b)) requires that certain funds paid to the State by the federal government, under Title XIX or Title XXI of the Social Security Act, be deposited directly into Fund 0142 to pay for Medicaid-reimbursed community developmental disability services provided to eligible individuals.

During the examination period, it was the practice of the Department to have the Department of Healthcare and Family Services (HFS), as the federally designated Medicaid State agency, draw these amounts from the federal government throughout the Fiscal Year and deposit them into the General Fund. After Fiscal Year-end, HFS would calculate the Fiscal year's qualifying services amount; and then on a future federal draw, deposit that amount directly into Fund 0142.

After the FY2017 year end, the amounts calculated by HFS pertaining to FY2017's qualifying services were determined to be approximately \$42 million. Department officials stated the \$42 million deposit into Fund 0142 was made on April 4, 2018. After the FY2016 year end, the amounts calculated by HFS pertaining to FY2016's qualifying services were determined to be approximately \$49 million which were deposited into Fund 0142 on August 15, 2016.

Department management indicated that funds were not directly deposited into Fund 0142 because the amount pertaining to Fund 0142 cannot be measured until the end of the Fiscal Year.

Deposit of the federal draw amounts into the General Fund did not comply with the requirements of the MH Act and could result in insufficient amounts in Fund 0142 to pay for Medicaid-reimbursed community developmental disability services. Further, the noncompliance created financial statement reporting issues between HFS and DHS when the agencies were preparing their financial statements. See Finding 2017-002 for further details. (Finding Code No. 2017-028)

RECOMMENDATION:

We recommend Department management work with the HFS to deposit amounts under the MH Act directly into Fund 0142 throughout a given Fiscal Year, or work to obtain legislative relief from this requirement.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department of Human Services, in collaboration with the Department of Healthcare and Family Services, has provided Governor's Office of Management and Budget with language to amend the statute governing the 0142 fund regarding deposits.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-029 (Failure to Lead Establishment of Cross-Agency Prequalification Process and Master Service Agreement)

The Department of Human Services (Department) did not comply with a law requiring it to serve as the lead agency to establish a cross-agency prequalification process or master service agreement for contracting with human service providers.

During testing, we noted the Department in its role as “lead agency” did not work with each State human services agency to establish joint rules for the pre-qualification process for contracting with human service providers and did not establish cross-agency master service agreements of standard terms and conditions for contracting with human service providers.

The Department of Human Services Act (Act) (20 ILCS 1305/1-37a(c)) requires each State human services agency to collaboratively adopt joint rules to establish a cross-agency prequalification process for contracting with human service providers. The process should include a mechanism for the State human services agencies to collect information from human service providers including, but not limited to, provider organizational experience, capability to perform services, and organizational integrity in order for the agencies to screen potential human service providers as vendors to contract with the agencies.

In addition, the Act (20 ILCS 1305/1-37a(d)) requires each State human services agency to collaboratively adopt joint rules to establish a cross-agency master service agreement of standard terms and conditions for contracting with human service providers. The master service agreement will be awarded to prequalified providers as determined through the cross-agency prequalification process outlined in 20 ILCS 1305/1-37(c) of the Act.

Finally, the Act (20 ILCS 1305/1-37a(f)) states that the Department will serve as the lead agency on all matters provided in subsections 20 ILCS 1305/1-37(c) and 20 ILCS 1305/1-37(d).

Department management indicated it believes the responsibility of the initiative to establish joint rules for the pre-qualification process and cross-agency master service contracts with human service providers was transferred to the Governor’s Office of Management and Budget (GOMB) under the Grant Accountability and Transparency Act (30 ILCS 708).

Failure to serve as the lead agency in establishing rules for prequalification and master service agreements represents noncompliance with the Act and did not fulfill the General Assembly’s intent that human service providers can have standard contracting procedures across the various State human service agencies. (Finding Code No. 2017-029, 2015-022)

RECOMMENDATION:

We recommend Department management either comply with the law by serving as the lead agency or seek legislative remedy.

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DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department contends that the need for joint rules as required by this statute are no longer necessary in light of the Grant Accountability and Transparency Act, 30 ILCS 708 (effective 7/16/14). Therefore, the Department has sought a legislative remedy. This remedy is to repeal the provision concerning cross-agency master service agreements between State agencies and human service providers (repeal of 20 ILCS 1305/1-37a). Both Senate Bill 2902 and House Bill 5031 were filed on February 14, 2018. The content of each bill is identical and states as follows:

AN ACT concerning State government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

(20 ILCS 1305/1-37a rep.)

Section 5. The Department of Human Services Act is amended by repealing Section 1-37a.

Section 99. Effective date. This Act takes effect upon becoming law.

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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-030 (Failure to Ensure Medical Assistance Payments' Prompt Payment Interest were Accurately Calculated and Paid)

The Department of Human Services (Department) failed to ensure prompt payment interest that resulted from late medical assistance payments to vendors were accurately calculated and paid.

The Department makes certain medical assistance payments through the Department of Healthcare and Family Services (HFS) using the Medicaid Management Information System (MMIS). The Department submits information for medical services for eligibility determination and payment to HFS as the Statewide Medicaid agency for the State of Illinois. HFS enters the information into MMIS to determine if the individual expenditure for medical services is properly payable under federal Medicaid regulations. MMIS creates the payment vouchers from the Department's appropriations that are submitted by HFS for the eligible claims to the Illinois Office of the Comptroller (Comptroller). The voucher posts overnight at a summary level to Department appropriations when the payment vouchers are released to the Comptroller.

During testing, we determined the Department does not have a methodology to calculate prompt payment interest that results from late medical payments to vendors processed through MMIS and, therefore, it cannot determine if it accurately paid all such amounts going back to the year ended June 30, 2010.

The Department was unable to provide detailed supporting documentation for the medical assistance payments recorded against its appropriations. The Department does not have a process to track, and has not determined the amount of prompt payment interest owed for FY2017 and FY2016 related to the medical assistance payments. The Department provided support for the payment of \$222,298 for MMIS Prompt Payment Interest during FY2017 and FY2016. We were unable to determine the entire population of MMIS Prompt Pay Interest owed to vendors in order to determine if all amounts were paid.

Department management stated the Department only receives summary transactions data for entry into its Consolidated Accounting and Reporting System (CARS).

No liability is recorded for unpaid claims in the Department's financial statements because any demanded amounts paid after the lapse period would be paid outside of the Department, from the Court of Claims.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2) currently requires agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 90 days after receipt of a proper bill. Because the Department's failure to ensure prompt payment interest was accurately calculated and paid spanned multiple fiscal years, several changes have occurred in the Act over this period. Public Act 096-0959, effective July 1, 2010, established the requirement to automatically pay interest penalties amounting to \$50 or more as well as establishing requirements for amounts of less than \$50. Public Act 096-0802, effective January 1, 2010, increased the rate to 2.0% for medical payments under Article V of the Illinois Public Aid Code. Lastly, Public Act 097-0072, effective July 1, 2011 increased the late period to 90 days and decreased the rate for all interest payments back to 1.0%.

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The Statewide Accounting Management System (SAMS) Manual (Procedure 17.20.45) states it is the responsibility of each State agency to develop and implement internal procedures that will permit full compliance with the provisions of the State Prompt Payment Act (30 ILCS 540/1 et seq.) and the rules jointly promulgated by the State Comptroller and the Department of Central Management Services to govern the uniform application of that Act. SAMS Manual (Procedure 17.20.45) provides further guidance on the conditions to apply the Act, the type of written records which must be kept, and the calculation which must be performed to determine the appropriate interest payment to record and remit. According to SAMS Manual (Procedure 17.20.45), agencies must maintain written records reflecting the following date or dates on which: (1) the goods were received and accepted or the Services were rendered; (2) the Proper Bill was received by the State agency; (3) approval for payment of a bill was given by the Agency; (4) a vendor bill was disapproved, in whole or in part, based upon a defect or what the State agency believes to be a defect; and (5) the payment was issued by the Comptroller's Office.

Department management indicated a verbal agreement to pay and process MMIS interest payments was initiated back in FY2010 between the Department and HFS. However, no written interagency agreement has ever been in place to handle processing MMIS payments or paying interest. The Department also noted that because its access to MMIS data is limited, it felt it was impossible to calculate the full amount of eligible prompt payment interest.

Failure to ensure prompt payment interest is accurately calculated and paid results in noncompliance with the Act and the SAMS Manual. In addition, failure to properly calculate and pay the prompt payment interest in a timely manner could result in unpaid vendors needing to seek payment through the Illinois Court of Claims. (Finding Code No. 2017-030, 2015-021, 2013-006)

RECOMMENDATION:

We recommend Department management develop a methodology to calculate prompt payment interest that results from late medical payments to vendors processed through MMIS. The methodology should include the creation of an interagency agreement with HFS to obtain the necessary detailed documentation to allow the Department to determine that prompt payment interest is calculated and paid accurately as outlined in the Act and the SAMS Manual. We also recommend Department management estimate a liability for such contingency when preparing its financial statements, where applicable.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will consult with the Department of Healthcare and Family Services (HFS) to draft an interagency agreement regarding the calculation of Prompt Payment Interest (PPI) on Medical Assistance through the Medical Management Information System (MMIS). After the establishment of the interagency agreement, the Department will verify the accuracy of the HFS PPI calculation. The Department will also estimate a liability for this contingency when preparing its financial statements.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-031 (Late Submission of Required Reports)

The Department of Human Services (Department) did not submit required reports to the Governor, the General Assembly, and other officials in a timely manner as required by State Law.

During the examination period, the Department was required to submit various reports to the Governor, the General Assembly, and other officials. The topics of these reports include the Community Developmental Disability Services Medicaid Trust Fund (Trust Fund) – Fund 0142, the Williams v. Quinn consent decree, and the Code of Criminal Procedure of 1963. None of these reports were filed in a timely manner.

- The Mental Health and Developmental Disabilities Administrative Act (MH Act) (20 ILCS 1705/18.5(b-9)) requires the Department to annually report to the Governor and the General Assembly, by September 1, on both the total revenue deposited in the Trust Fund and the total expenditures made from the Trust Fund for the previous Fiscal Year. This report should include detailed descriptions of both revenues and expenditures regarding the Trust Fund from the previous Fiscal Year. In addition, the Act requires the Department to present the report to the House of Representatives and the Senate. The Department is to make the report available to the public and publish it on its website at least one week prior to the presentation of the report to the General Assembly.

During testing, we noted the Department did not prepare, submit, or publish the required reports during the examination period.

- The MH Act (20 ILCS 1705/73(a)(1)) requires that on December 31, 2015 the Department should have prepared and submitted an annual report to the General Assembly concerning the implementation of the Williams v. Quinn consent decree and other efforts to have moved persons with mental illnesses from institutional settings to community-based settings. In addition, the Act (20 ILCS 1705/73(a)(2)) requires that the reporting to the General Assembly will have been satisfied by filing copies of the report with the Speaker, Minority Leader, and Clerk of the House of Representatives; the President, Minority Leader, and Secretary of the Senate; and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and by filing additional copies with the State Government Report Distribution Center for the General Assembly as required under paragraph (t) of Section 7 of the State Library Act.

During testing, we noted the Department could not provide documentation that the required report was filed with the Speaker of the House of Representatives or the President of the Senate.

- The Department of Human Services Act (20 ILCS 1305/1-60) requires the Department to prepare a report on the impact, after January 1, 2014, of the provisions of subsection (c) of Section 104-18 of the Code of Criminal Procedure of 1963 (725 ILCS 5), regarding progress reports received by the courts of a defendant's fitness to stand trial as assessed by the defendant's treatment supervisors. The report shall be prepared and submitted to the Governor and the General Assembly on or before January 2, 2016. Each report shall be posted on the Department's website within a week of its submission.

During testing, we noted the Department prepared the report after we requested it, on November 28, 2017, 676 days late.

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CURRENT FINDINGS (STATE COMPLIANCE)

Department management indicated employee error contributed to the deficiencies identified above.

Failure to prepare, submit, or publish required reports to the Governor, General Assembly, and other officials in a timely manner is noncompliance with State law and could impact decisions made by the Governor, General Assembly, and other officials. (Finding Code No. 2017-031, 2015-019, 2013-033)

RECOMMENDATION:

We recommend Department management submit all reports on or before the due date as specified in the applicable State Law.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Division of Mental Health (DMH) will work with the Office of Legislation for a better system of collecting documentation when items are received. DMH will also create a tracking system maintained by our Legislative Liaison to ensure future compliance is met. The Division of Developmental Disabilities (DDD) has developed a process to submit all reports on or before the due date as specified in the applicable State Law.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-032 (Failure to Make Appointments in Accordance With State Law)

The Department of Human Services (Department) did not make appointments to State commissions, councils, and task forces as required.

During the examination period, we noted the Department lacked the following representation on commissions, councils, and task forces:

- Department division representatives for the Employment and Economic Opportunity for Persons with Disabilities Task Force.

The Employment and Economic Opportunity for Persons with Disabilities Task Force Act (20 ILCS 4095/10(c)) requires members of the Employment and Economic Opportunity for Persons with Disabilities Task Force to include representatives of each division of the Department, designated by the Secretary of Human Services.

Department management stated it is still working on making appointments due to changes in personnel.

- A Department housing office representative for the Commission on Environmental Justice.

The Environmental Justice Act (415 ILCS 155/10(a) (3)) requires one of the ex-officio members of the Commission on Environmental Justice to be a representative of the housing office of the Department appointed by the Secretary of Human Services.

Department management stated it was unaware of the vacancy, and was unable to acquire an appropriate appointee for the Commission.

- A Department representative for the Comprehensive Community-Based Youth Services (CCBYS) Program on the Mental Health Opportunities for Youth Diversion Task Force.

The Mental Health Opportunities for Youth Diversion Task Force Act (705 ILCS 415/10) states one representative from the Department's Mental Health and Juvenile Justice Program and one representative from the Department's Comprehensive Community-Based Youth Services Program should be appointed by the Secretary of Human Services to the Task Force.

Department management stated they believed the person who served on the Task Force as the Department's Mental Health and Juvenile Just Program representative represented both Department representatives required by the Mental Health Opportunities for Youth Diversion Task Force Act; however, the Department could not provide supporting documentation that the person was appointed by the Secretary of Human Services for both positions.

By failing to appoint representatives, the Department's interests and purposes are not being represented on these commissions and task forces. (Finding Code No. 2017-032)

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CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend Department management appoint the appropriate personnel to the commission and task forces and evaluate its processes to make statutorily required appointments to ensure they are made in a timely manner.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. DHS-Office of Legislation has developed a plan to ensure the Department makes timely appointments.

**STATE OF ILLINOIS
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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-033 (Contingency Planning Weaknesses)

The Department of Human Services' (Department's) Disaster Recovery Plan (Plan) did not reflect its current operational environment, and had not assured adequate recovery planning and testing had been performed at its facilities.

Although the Department's Plan was last updated in August 2015, we reviewed the Plan and noted the Plan:

- Made reference to an off-site storage location in St. Louis, MO, which is no longer in use.
- Discussed the use of physical "carts" in the back-up storage section. However, physical carts were replaced by a virtual backup system.
- Did not include recovery or business continuity information for the Department's facilities.

The Department participated in the annual comprehensive Disaster Recovery exercise on September 19 and 20, 2016. The Department considered the test to be successful; however, critical systems were recovered in approximately 31 hours rather than within the required 24-hour timeframe as specified within the Department's Disaster Recovery Plan. Additionally, not all of the Department's facilities performed adequate recovery planning and testing during the review period.

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) promotes the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and any associated documentation) verify that the plan, procedures, resources (including personnel) provide the capability to recover critical systems within the required timeframes. Ensuring adequate recovery capability is necessary to ensure recovery of critical systems and data within the required timeframes.

Department management indicated they believed the above items were current processes. Department management believed necessary facilities had established Disaster Recovery Plans (DRP) and were testing annually.

Failure to have an updated Disaster Recovery Plan and ensuring plans are adequately tested increases the risk of extended recovery timeline and system unavailability. (Finding Code No. 2017-033, 2015-031, 2013-027, 11-35, 09-30, 07-28, 05-24)

RECOMMENDATION:

We recommend the Department:

- Continually review and update its contingency plan to reflect the current operating environment and ensure all of its facilities have an adequately developed contingency plan.
- Annually participate in disaster recovery exercises and strive to recover critical systems within the 24-hour timeframe.
- Ensure facilities perform and document tests of their recovery capabilities at least once a year.

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DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Illinois Department of Human Services (DHS) Bureau of Information Security (BIS) will clarify with the Department of Innovation and Technology, Security and Compliance regarding information included in their Disaster Recovery. BIS will also update the DHS Disaster Recovery Plan (DRP) to include information regarding facilities need for DRP and testing.

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CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-034 (Inadequate Compliance with Procedures for Disposal of Confidential Information)

The Department of Human Services (Department) had not ensured compliance with procedures for disposal of documents containing confidential information.

The Department regularly collects and maintains various types of documents, including confidential and personally identifiable information, necessary for fulfilling its mission. Although the Department has established several administrative directives regarding the disposal of confidential information, procedures for properly disposing and securing of confidential information were not always being followed by Department employees.

During walkthroughs of various Department facilities, we found the following:

- Illinois School for the Visually Impaired – auditors found 39 instances of confidential information including protected health information (PHI) (SSNs, date of birth, address, emergency contact information, phone numbers, discipline report, medications, allergies, doctor’s names and medical diagnoses) found in a recycling bin located in the personnel office waiting area.
- Ludeman Developmental Center - auditors found documents containing PHI in three wastebaskets tested.
- Elgin Mental Health Center - auditors found a document containing PHI in a recycling bin.
- Central Office – Division of Rehab Services - auditors found an instance of a document with a patient’s SSN in a wastebasket.

Confidential, sensitive and personal identifiable information (including PHI) collected and maintained by the Department should be adequately secured at all times. The Department’s Directive (01.02.03.140) requires records to be secured when not in direct use by an employee who is authorized to have the records. As such, it is the Department’s responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. Inherent within this responsibility is the requirement of adequate disposition of all confidential information that is no longer needed.

Department management indicated that although staff were trained in regard to the secure disposal of confidential documents, the staff members did not comply with the established procedures.

Failure by the Department to enforce compliance with its procedures to protect and timely dispose of confidential information can lead to such information being compromised. (Finding Code No. 2017-034, 2015-032, 2013-009, 11-10, 09-12, 07-09, 05-25)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend the Department:

- Comply with the Directive and ensure confidential information is adequately protected.
- Review existing policies regarding the security and control of confidential information, and assure Department-wide procedures exist for ensuring confidential and personal information is adequately secured in both electronic and hardcopy format. Confidential and personal information in hardcopy format should be adequately secured at all times prior to shredding.
- Effectively communicate and enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information to all Department personnel, including facilities.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will re-enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-035 (Unsecured Confidential Information Transmitted Over the Internet)

The Department of Human Services (Department) regularly collects and maintains various types of documents, including confidential and personally identifiable information, necessary for fulfilling its mission.

In addition to administrative directives regarding the maintenance and safeguarding of confidential information, the Department was also required to comply with Acts that required the protection of personal information, including:

- Personal Information Protection Act (815 ILCS 530)
- Identity Protection Act (5 ILCS 179)
- Health Insurance Portability and Accountability Act (45 CFR § 164) and its implementing rules

Although required to protect personal and confidential information, the Department put such information at the risk of disclosure during the examination. In addition, at the entrance conference and at subsequent meetings, our staff informed Department staff about the importance of protecting such information, provided information on encryption resources, and specifically requested that personal information not be sent to our staff in unencrypted emails over the Internet.

Although the Department made improvements since the prior examination and notified employees of confidentiality policies and procedures, Department staff sent multiple unprotected emails to our staff during fieldwork that contained confidential, sensitive, or personally identifiable information.

In each case, our staff informed the sender of the infraction, asked the sender to refrain from sending such information in an email, and provided information on the availability of the State's encryption resources.

Confidential, sensitive and personally identifiable information collected and maintained by the Department should be adequately secured at all times. As such, it is the Department's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced.

Department management indicated that although staff were trained in regards to encryption policy and procedures, the staff member did not comply with established procedures.

Failure by the Department to ensure compliance with requirements to protect confidential information can lead to such information being compromised. (Finding Code No. 2017-035, 2015-033, 2013-026)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

RECOMMENDATION:

We recommend the Department:

- Comply with the Acts and ensure confidential information is adequately protected.
- Effectively communicate and enforce procedures for safeguarding, retaining, and communicating confidential information to all Department personnel, including facilities.
- Provide staff with training and information on available encryption resources such as those available from the Department of Innovation & Technology.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department of Innovation and Technology and Illinois Department of Human Services Bureau of Information Security will ensure Security and Privacy Awareness training includes information regarding secure transmission.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-036 (Inadequate Controls Over Personal Services)

The Department of Human Services (Department) did not maintain all necessary and required supporting documentation in employee payroll and personnel files. Also, the Department failed to timely administer employee performance evaluations and inaccurately calculated fringe benefits of employees. Finally, the Department did not maintain time records in compliance with the State Officials and Employees Ethics Act.

Employee File Testing

During testing of employee payroll and personnel files at the Central Office, we noted the following exceptions:

- For 2 out of 60 (3%) employee files sampled, the file lacked supporting documentation that an evaluation had been performed during the examination period.
- For 32 out of 60 (53%) employee files sampled, the employee did not receive an evaluation on a timely basis. The evaluations were completed between 1 and 679 days late.

Personnel rules issued by the Department of Central Management Services (80 Ill. Admin. Code 302.270) requires an evaluation of employee performance be prepared by the Department not less often than annually. Annual evaluations support administrative personnel decisions by documenting regular performance measures. The Department's Administrative Directive (01.02.04.020) requires evaluations to be permanently included in the employee's personnel file.

Fringe Benefit Testing

During testing of fringe benefits for employees with personally-assigned vehicles, we noted the following exception:

- For 2 out of 5 (40%) employees sampled, the reported personal use of an assigned vehicle indicated a larger benefit than the amount deducted on the employee's paycheck, totaling \$129.

The Department's Administrative Directive (01.05.05.070) states that employees operating a personally-assigned, State-owned vehicle are required to report each quarter the number of days the State vehicle was used for commuting purposes and are to be charged a fringe benefit in the amount of \$3.00 per day of use. Good internal controls require the amounts calculated to be accurate.

Employee Time Records Testing

During fieldwork, we performed on-site testing at nine of the Department's State-operated facilities. Our testing resulted in the following exceptions with employee Monthly Attendance Records (MARs) at three of the Department's facilities:

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CURRENT FINDINGS (STATE COMPLIANCE)

Facility	Number of MARs that could not be located	MARS did not include required signatures	MARs not completed timely by employee	MARs not Signed in the correct Order	Reviewed and Signed by Employee or Supervisor Late
Elgin Mental Health Center				13 of 84	3 of 84
Ann M. Kiley Developmental Center	2 of 90		1 of 90	1 of 90	2 of 90
Ludeman Developmental Center		2 of 90			34 of 90

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) requires the Department’s personnel policies to require its employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour. The Act further requires timesheets to be maintained by the fiscal office for at least two years.

Additionally, the Department’s Administrative Directive (01.02.02.170) requires a report which documents that employee time was spent on official State business to be reviewed and signed by the employee, timekeeper, and supervisor within 10 working days. The Directive also requires Department personnel to ensure the signed MARs are maintained in the employee’s official timekeeping file.

Department management indicated supervisors did not complete the evaluations timely due to competing priorities and the fringe benefit calculations and time record errors were due to staff error.

Annual performance evaluations are important to ensure all employees understand the duties and responsibilities assigned to them and that they are adequately performing the duties for which they are being compensated. Without performance evaluations there is no documented basis for promotion, demotion, discharge, layoff, recall, or reinstatement and current employment status. Further, failure to properly calculate fringe benefits subjects the State to unnecessary legal risks. Finally, by not maintaining appropriate time records, the Department is not in compliance with the Act and its Directive. (Finding Code No. 2017-036)

RECOMMENDATION:

We recommend Department management and staff comply with current processes and procedures regarding employee evaluations and properly calculate employee pay deductions. Further, we recommend Department management provide additional training to supervisors pertaining to its Administrative Directive and the Act and hold staff accountable for maintaining appropriate time records.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department of Human Services (DHS) will implement a process to ensure management and staff comply with the current processes and procedures regarding employee evaluations. DHS will continue to provide additional training to supervisors pertaining to its Administrative Directives (AD) and the Act, and hold staff accountable for maintaining appropriate time records.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-037 (Lack of Physical Control Over State Property)

The Department of Human Services (Department) did not have adequate control over State property inventories and recordkeeping.

As of June 30, 2017, the Department valued its State property at \$195.9 million.

During testing of property and equipment at the Central Office and Department State-operated facilities, we noted the following discrepancies:

Central Office and Central Office Site Locations:

- For 10 out of 33 (30%) obsolete equipment items sighted at the Decatur location, the Department had not prepared the disposal paperwork (Form IL444-0005A) to remove the item from its inventory listing.
- For 1 out of 10 (10%) equipment items sighted at the Peoria location, the property tag number for one item sampled (file cabinet) could not be traced to its inventory listing.
- For 2 out of 40 (5%) additions tested at the Central Office, totaling \$4,144, supporting documentation, such as an invoice, was not provided.
- While testing lease and installment purchase agreements, we noted the Department did not provide complete information within the Accounting for Leases – Lessee Forms (SCO-560) in accordance with Statewide Accounting Management System (SAMS) Manual (Procedure 27.20.60). Seven out of 7 (100%) SCO-560 forms did not include the required information for leases totaling \$705,841. All forms were missing appropriation codes and net lease information. Additional missing information included the asset type (4 exceptions), the estimated total economic life (3 exceptions), the estimated remaining economic life (3 exceptions), the total bargain purchase option amount (5 exceptions) and certificate of participation information (4 exceptions).

During fieldwork, we performed on-site testing at four of the Department's State-operated facilities regarding property and equipment. We sampled and tested 120 inventory items across the four facilities (sighted). Additionally we sampled and tested 60 equipment transactions (additions, deletions, adjustments and transfers). Our testing resulted in the following exceptions at four of the Department's facilities:

Elgin Mental Health Center

- For 1 out of 15 (7%) equipment disposals tested, totaling \$39,421, the item did not trace to appropriate documentation. The transaction was a transfer within the facility and the transfer sheet description was incorrect.
- For 1 out of 30 (3%) equipment items tested from the facility floor, totaling \$763, the item was not included in the inventory listing.
- For 1 out of 30 (3%) equipment items tested from the inventory listing, totaling \$134, the item could not be located at the facility.
- For 1 out of 30 (3%) equipment items tested from the inventory listing, totaling \$159, the item had been transferred out, but the documentation for the transfer was not complete as the receiving address information was missing.
- For 2 out of 30 (7%) equipment items tested, totaling \$5,573, the items were surplus and were no longer in use but were not removed from the inventory listing. Additionally, we sighted 6 items that appeared to be obsolete and were not properly disposed of.

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CURRENT FINDINGS (STATE COMPLIANCE)

- The “1 South” Building appears to be used as storage for unused equipment. Thirty equipment items (15 items with Department property tags and 15 items with Federal property tags) were tested from this building. All 30 (100%) equipment items appeared to be unused. Additionally, 8 (27%) of these equipment items did not trace to the inventory listing. Three of the Federal tagged equipment items traced to a listing maintained by the Department’s Central Office; however, were marked on the records as deleted. Furthermore, 9 out of 9 (100%) Federal tagged equipment items purchased after July 1, 2000, were not tagged with a Department inventory tag.
- For 2 buildings, the actual building conditions (occupancy) did not match the conditions documented on Elgin’s building inventory listing. This appears to be an internally developed listing which details the condition and status (unoccupied vs occupied) of each building.
- Elgin had an agreement with the Department of Corrections (DOC) for use of the facility’s Goldman building. This agreement was only a verbal agreement and was not a written agreement. Additionally, DOC made improvements to the Goldman building; however, the improvements were not reported on Elgin’s Real Property Listing.

Ann M. Kiley Developmental Center

- During the examination period, the facility was using seven homes for storage/warehouse purposes. During our tour of these homes, the homes appeared to have water damage and deterioration issues with the floors and ceilings. The homes contained several items that were in oversupply or appeared to be obsolete. Additionally, we noted the following noted:
 - For 4 out of 20 (20%) items tested at these homes, the items were not on the Warehouse Control System (WCS) inventory listing, and 1 out of 20 (5%) items tested, totaling \$1,905, was contained in an incorrect location on the Equipment Inventory System (EIS) inventory listing.
 - For 3 out of 20 (15%) items tested at these homes, totaling \$2,733, the items were not included on the listing of surplus equipment provided by the facility, while 4 out of 28 (14%) items, totaling \$1,339, noted in the prior year audit also were not on the listing of surplus equipment.
 - During the tour of buildings and grounds, Home 27 was not being utilized as reported. It was included on the unused property listing; however, it appeared to be utilized as a staff break room.
 - For 5 out of 28 (18%) surplus items tested in the prior examination, the items could not be traced to the inventory listings, and appropriate documentation could not be provided to determine whether these items had been sent to surplus. The current status and location of these items could not be determined from the information and records available.
 - For 5 out of 28 (18%) surplus items tested, totaling \$865, records maintained in WCS indicated the items were sent to surplus; however, no additional documentation was maintained or provided as required.
- During testing of equipment transactions (i.e. transfers in, transfers out, deletions, or adjustments), the facility could not provide appropriate documentation to support 8 out of 15 (53%) transactions tested, totaling \$11,163. Also, 2 out of 15 (13%) items tested, totaling \$4,400, did not have tag numbers noted in the inventory listing.
- For 4 out of 20 (20%) items tested, totaling \$967, the items were found in locations that did not match the locations listed on the inventory listing, and for 3 out of 10 (30%) items tested and physically observed at the facility, the items could not be located on the facility’s property listing.

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CURRENT FINDINGS (STATE COMPLIANCE)

- During a walkthrough of the facility, we noted donated items at the facility were not tagged and were not recorded in the inventory listing at their fair market value (or acquisition value) at the time of the donation.
- During cutoff testing of equipment items, 1 out of 20 (5%) items tested, totaling \$224, and purchased on June 29, 2016, was not included on the WCS inventory listing as of June 30, 2016. As a result, the facility's equipment inventory was understated by \$224 as of June 30, 2016.

Ludeman Developmental Center

- For 5 out of 30 (17%) equipment items tested from the inventory listings, totaling \$1,000, the item could not be located at the facility.
- For 5 out of 30 (17%) equipment items tested from the inventory listings, totaling \$2,687, the items were found in a location that did not match the location listed on the inventory listing.
- For 1 out of 30 (3%) equipment items tested from the inventory listings, totaling \$126, the item was not properly tagged.
- For 1 out of 15 (7%) equipment transactions tested, totaling \$11,850, the item was not properly disposed of by the facility. The equipment item was scrapped without the permission of the Department of Central Management Services (CMS) Property Control Division.

Shapiro Developmental Center

- For 1 out of 15 (7%) equipment transactions tested, totaling \$30,430, the item did not trace to appropriate documentation. The transaction was a transfer within the agency, and support provided only consisted of a Transaction File Display, but did not include a transfer sheet with appropriate sign-offs.
- For 6 building improvements noted on the Property Utilization Report, totaling \$244,822, the improvements were not listed on the Real Property Listing. The building improvements included window and roof replacements with \$118,302 and \$126,520 incurred in FY2016 and FY2017, respectively.
- Supporting documentation for 1 out of 15 (7%) equipment transactions tested did not agree amounts to other supporting documents. The item was a Passenger Van that had a cost of \$15,780 in the WCS, but a cost of \$15,165 on the Vehicle Acquisition and Change Report, which resulted in a difference of \$615.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all items under their jurisdiction.

The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.10) requires agencies to maintain detailed records of all property which includes the correct descriptions of the asset and correct information of its location. Additionally, agencies are required to identify assets that are obsolete, damaged, or no longer used in operations and, if necessary, remove them from asset records. The asset records should be reconciled with the results of inventory and updated accordingly.

The Department's Administrative Directive (01.05.06.010) states that equipment may not be disposed of without proper documentation and signed authorization. Additionally, equipment shall be disposed of if the non-EDP equipment is no longer useful to the Department, and is not marketable. The Department's Administrative Directive (01.05.06.040) requires the Department and facilities to keep current records of the location and upgrades of electronic data processing equipment and requires Department property tag numbers to be added.

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CURRENT FINDINGS (STATE COMPLIANCE)

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) states agencies shall adjust property records within 30 days of acquisition, change, or deletion of equipment items. The Code (44 Ill. Admin. Code 5010.620) requires State agencies to regularly survey inventories for transferable equipment that is no longer needed or useable by the agency and report the transferable equipment to the Department of Central Management Services.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

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

Department management indicated that insufficient headcount and an outdated and insufficient inventory system contributed to the discrepancies noted.

Failure to properly control and record State property is statutory noncompliance and increases the potential for possible loss or theft of State property. Failure to transfer or find a use for excess property does not allow the State to manage State assets in the most economical manner and could lead to unnecessary purchases by other State agencies. In addition, failure to properly record State property can lead to inaccurate financial information being reported. (Finding Code No. 2017-037, 2015-024, 2013-024, 11-30, 09-36, 07-14, 05-20)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding property and equipment, and follow the control system in place. Additionally, the Department should adequately maintain buildings and facilities to prevent further deterioration.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. We do agree that all staff must comply with the policies and procedures regarding property/inventory control. The Office of Business Services (OBS) will work with DHS Divisions to ensure compliance in the field through improved communication and timely submission of the required paperwork. OBS staff is working diligently to ensure the proposed ERP/SAP solution has the functionality necessary to correct the shortcomings of the current legacy inventory systems.

In addition, the Office of Business Services priority is to maintain buildings occupied with the residents and patients we serve. Buildings which are not occupied by individuals are maintained to in an effort to keep them water tight. As funding is made available, roofs are repaired that need replaced or the contents of the building are moved to another vacant building that does not have a current roof leak. The Department anticipates funding for some repair and maintenance work and roof repairs and replacements will be available in fiscal year 2019.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-038 (Inadequate Controls Over Accounts Receivable)

The Department of Human Services (Department) is in violation of its own policies and procedures as well as statutory requirements regarding the administration of accounts receivable.

During fieldwork, we performed on-site testing of accounts receivable at four of the Department's State-operated facilities. We sampled and tested 60 residents (with receivables) across the four facilities. Our testing resulted in the following exceptions regarding accounts receivable at two of the Department's facilities:

Elgin Mental Health Center

- For 5 out of 15 (33%) resident files tested with receivables, totaling \$1,014,542, the receivables went unpaid for over 180 days and were not submitted to the Department's Central Office Bureau of Collections (BOC) for collection.
- For 2 out of 15 (13%) resident files tested with receivables, totaling \$193,844, the residents were sent a Notice of Determination between 9 and 27 days after the recommended 60-day period.
- For 1 out of 15 (7%) resident files tested with receivables, totaling \$52,665, the receivable balance was not accurate. The resident filed for bankruptcy, but the charges existing up until the bankruptcy filing were not removed from the account balance as required.
- A majority of the accounts receivable (80%), totaling \$8,411,419, have been uncollected in excess of one year. The facility and the Department's Central Office did not appear to analyze the related financial history of these accounts receivable in order to determine the appropriateness of a potential write-off.
- The accounts receivable listing had two line items titled "Settlements," totaling (\$2,082,774). These negative amounts understate the total receivable. The facility was unable to provide support for these amounts.

Ludeman Developmental Center

- While testing accounts receivable at the facility, we noted the facility is not re-determining the cost of care for patients whose income levels (i.e. benefits amounts) change while under the care of the facility. During testing, we noted 14 out of 15 (93%) of the residents tested gave the facility permission to receive their benefits; thus, making the facility the payee. When the facility is the payee, the facility receives the resident's benefits directly. Of those benefits received directly, \$30 is applied to the patient's trust fund and the remainder is applied to the patient's account for cost of care. When benefits decrease, the amount applied to the cost of care is reduced. The amount owed will only be paid back if the benefits increase.
- For 10 out of 15 (67%) resident files tested with receivables, totaling \$7,893, the receivables went unpaid for over 180 days and were not submitted to the Department's Central Office Bureau of Collections (BOC) for collection.

The Illinois State Collection Act of 1986 (30 ILCS 210/2) mandates State agencies to capture receivable information and report receivables in accordance with rules established by the Comptroller. Further, the Illinois State Collection Act of 1986 (30 ILCS 210/3) states it is the public policy of this State to aggressively pursue the collection of accounts or claims due and payable to the State of Illinois through all reasonable means.

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DEPARTMENT OF HUMAN SERVICES
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

The Department of Human Services' Program Directive (02.08.01.040) states a Notice to Revenue Management Section of an Account Problem (IL462-0681) form is to be sent to the Bureau of Collections, Revenue Management Section (RMS) to request assistance in efforts to collect receivables with collection problems. Additionally, the Directive states facility resource staff generates the Notice of Determination (IL462-0612) form from the Reimbursements System II (RE-2), and mails the IL462-0612 form to the debtor in the first month that an individual enters a facility. The Directive offers further guidance stating that an individual account is not due until 90 days after the IL462-0612 form is mailed. Also, the Directive establishes that facility staff mail the Collection Activities Delinquent Notice (IL462-0642) form when the account becomes delinquent.

Based on the Department's Facilities - Accounts Receivable Collection Procedures (02.08.01.040), once the account has become past due for 180 days and when the debtor has refused to cooperate, the facility resource staff refer the amount to the Bureau of Collections, Revenue Management Section for further evaluation and action.

The Comptroller's Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.10) recommends the Department contact the debtor during the first 60 days that an account is established as a receivable. SAMS Manual (Procedure 26.40.20) requires the Department to place all debts over \$250 and more than 90 days past due in the Comptroller's Offset System. SAMS Manual (Procedure 26.20.10) requires State agencies to record and maintain accurate detail information related to each receivable. Further, SAMS Manual (Procedure 26.30.20) requires the correction of any errors or discrepancies to be reported as adjustments on the Quarterly Summary of Accounts Receivable Report (C-97) with corresponding explanations for the adjustments.

The Uncollected State Claims Act (30 ILCS 205) and the SAMS Manual (Procedure 26.40.80) outline the requirements of writing-off uncollectible accounts receivable. They state an agency may delete debts from its records that have been certified as uncollectible by either the agency when less than \$1,000, or the Attorney General, when greater than or equal to \$1,000.

The Mental Health and Developmental Disabilities Code (Code) (405 ILCS 5/5-108) states the Department may investigate the financial condition of each person liable, and make determinations of the ability of each person to pay sums representing service charges. Whenever an individual is covered, in part or in whole, under any type of insurance arrangement, private or public for services provided by the Department, the proceeds from such insurance shall be considered as part of the individual's ability to pay, notwithstanding that the insurance contract was entered into by a person other than the individual or notwithstanding that the premiums for such insurance were paid for by a person other than the individual.

The State Records Act (Act) (5 ILCS 160/8) requires the Secretary of Human Services to maintain adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the Department's activities.

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

Department management indicated that the cause of this finding was staff error.

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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Failure to make timely determinations of residents' ability to pay and follow-up on accounts receivable in a timely manner may result in the delay or loss of revenue. In addition, the lack of adherence to policies, procedures, and internal controls can lead to an understatement or overstatement of net collectible accounts receivable. (Finding Code No. 2017-038, 2015-025, 2013-013, 11-22, 09-23, 07-15)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding accounts receivable and follow internal control systems put in place at the facilities. Additionally, we recommend Department management and staff maintain detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. Department management and staff should consider writing off delinquent or uncollectible accounts to reflect only realizable amounts. Finally, we recommend Department management allocate sufficient staff so that job duties are performed as required and accounts receivable transactions are processed and accounts are properly maintained.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Due to lack of uniform procedures, antiquated systems, and staff turnover; State Operated Hospital's (SOH) were unable to track and follow up on each individual account receivable. The Reimbursement Officers (RO) will continue to receive training and guidance for proper billing in the Recipient Reimbursement (RE2) system. SOH's will continue to work with the DHS Central Office to alleviate errors in the RE2 system that are associated with this finding and ultimately establish uniform controls over SOH's Accounts Receivables.

In addition, appropriate staff at the Developmental Disabilities (DD) Centers will be retrained on the entry of rate changes timely and the monitoring of Aged Accounts Receivables. The Regional Management of State Operated Developmental Centers (SODC) Operations will continue to monitor compliance of Aged Accounts Receivables monthly via the Business Office Compliance Tool.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-039 (Voucher Processing, Policies, Approvals and Payment)

The Department of Human Services (Department) did not perform an adequate level of supervisory review over the processing, approval, and payment of vouchers as required by the Illinois Administrative Code and Department policy. Further, the Department did not maintain adequate internal controls over filing emergency purchase affidavits.

Voucher Processing and Payment Testing

Testing of 660 vouchers was performed across the following areas: personal services, contractual services, travel, commodities, printing, equipment and property, EDP, telecommunications, operation of automotive, awards and grants and lapse period.

During voucher testing, we noted the Department did not review each vendor's invoice and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the voucher in whole or in part, within 30 days after the receipt of the bill, as follows:

	No. of	Range of	Voucher
<u>Area:</u>	<u>Exceptions</u>	<u>Days</u>	<u>Sample</u>
Printing	8	16 to 67	\$ 48,849
Operation of Automotive	7	5 to 40	4,011
Lapse period	10	26 to 166	14,403
EDP	6	1 to 71	2,809,729
Travel	17	1 to 174	1,656
Telecommunication	25	2 to 196	15,081
Contractual services	8	6 to 41	40,552
Commodities	4	10 to 94	59,099
Property and equipment	12	1 to 57	77,857
Awards and grants	3	33 to 48	16,659
Total	100		
Total rate of occurrence	15.2%		

The Illinois Administrative Code (74 Ill. Admin. 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. Vendor bills denied during this 30-day period shall be assigned a new date of receipt when a corresponding proper bill is subsequently received. The Illinois Administrative Code (74 Ill. Admin Code 900.20) defines the date of approval of the vendor's bill as the date on which the Agency Head or designee signs the voucher requesting the Comptroller's Office to pay the bill. For agencies whose computer systems automatically record an approval date as a voucher is prepared, the "Date of Approval" shall be defined as the approval date recorded by the computer system.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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CURRENT FINDINGS (STATE COMPLIANCE)

Also, our voucher testing noted the following:

- For 18 out of 38 (47%) EDP vouchers tested, a requisition or other obligating document with the voucher support was not provided. The vouchers totaled \$39,536. Department policy requires internal approval by the Department of Management Information Systems (MIS) before EDP purchases are made.
- For 2 out of 60 (3%) travel vouchers tested, supporting documentation was not provided to determine compliance with travel policies. These vouchers totaled \$226.
- For 1 out of 60 (2%) lapse period vouchers tested, totaling \$524, supporting documentation was not provided.
- For 4 out of 60 (7%) operation of automotive vouchers tested, totaling \$4,080, supporting documentation was not provided.
- For 8 out of 60 (13%) telecommunications vouchers tested, the vouchers were improperly charged to an incorrect detail object code. These vouchers totaled \$13,002.

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

The Statewide Accounting Management System (SAMS) Manual (Procedure 11.10.60) requires the Department when preparing documentation for the State Comptroller to pay an invoice, determine which detail expenditure (object) code to use so the State Comptroller can report expenditure information at a refined level.

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

Emergency purchases

During testing of emergency purchases, 17 out of 22 (77%) emergency purchases tested, totaling approximately \$4.2 million, the Department filed affidavits late with the Procurement Policy Board and the Auditor General. Affidavits were filed between 1 to 538 days late.

The Illinois Procurement Code (30 ILCS 500, Sec 20-30c) requires that statements be filed with the Procurement Policy Board and the Auditor General within 10 calendar days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement.

Department management indicated that untimely approval of vendor invoices, lack of maintaining the supporting documentation, and untimely filings pertaining to emergency purchases is attributable to staff oversight and/or competing priorities.

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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Failure to review and approve vouchers timely, retain documentation supporting the invoice, and to timely file emergency purchase affidavits represents noncompliance with State laws, rules, and regulations and could lead to errors or other irregularities. (Finding Code No. 2017-039, 2015-017, 2013-017, 11-24)

RECOMMENDATION:

We recommend Department management increase the level of supervisory review of the voucher process. Supervisors should allocate adequate resources to the area and direct that staff follow established policies so that invoice vouchers are reviewed and approved in a timely manner. Further we recommend Department staff file emergency purchase affidavits timely.

DEPARTMENT RESPONSE:

The Department partially accepts the recommendation.

In reference to the voucher testing, the Department reviews each vendor bill after its receipt to determine if it is a proper bill and either approves the bill as proper or denies bills with defects, in whole or in part, within 30 days after receipt in accordance with the Illinois Administrative Code (74 Ill Admin. Code 900.70(b)). A proper bill is defined in the Illinois Administrative Code (74 Ill Admin. Code 900.20) as, "a bill or invoice containing sufficient and correct information necessary to process the payment for a liability of a State agency as provided in this Part, the Comptroller's Statewide Accounting Management System (SAMS) manual, or as otherwise specified by the State agency responsible for payment." The Department believes this is documented through the "level 1" approval in the Consolidated Accounting and Report System (CARS). DHS policy 01.09.02.020, Payment Voucher Approvals, defines the level 1 approval as, "An electronic approval in CARS which equates to the Receiving Officer signature on paper vouchers. This approval is a certification that the goods and services specified on the voucher were directly related to the objectives, functions, goals and policies of DHS and were furnished as specified in the purchase agreement or contractual agreement with the provider, if applicable."

In reference to the Emergency Purchases, the Procurement Office will review the list of emergencies monthly and set reminders on Outlook in order to ask for the actual cost amounts of the emergencies when the emergency ends.

AUDITOR'S COMMENT:

The Illinois Administrative Code states at 74 Ill. Admin. Code 900.70 (a) that a "State agency shall review in a timely manner each bill after its receipt to determine if the bill is a Proper Bill." No specific time limit is given in Section 900.70 (a) for this internal agency review. However, Section 900.70 (b) - which relates to the agency's approval of a bill following its review - does have a specific time limit. That section states that an "agency shall approve Proper Bills or deny bills with defects, in whole or in part, within 30 days after receipt." Further, Section 900.20 defines "Date of Approval of the Vendor's Bill" as "the date on which the Agency Head or designee signs the voucher requesting the Comptroller's Office to pay the bill. For agencies whose computer systems automatically record an approval date as a voucher is prepared, the 'Date of Approval' shall be defined as the approval date recorded by the computer system." In summary, the rules differentiate between internal reviews and voucher approvals. The latter constitutes the request to the Comptroller that the bill be paid and must happen within 30 days of receipt of a proper bill.

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

The Department apparently has multiple levels of internal reviews and maintains only the first internal review must occur within 30 days and subsequent levels of internal review and ultimate approval of the proper bill can occur at any time, with the only consequence being that interest on a proper bill begins accruing after 90 days. The Department's interpretation also does not reserve any time for processing approved bills through the State Comptroller. The auditors do not agree with the Department's interpretation and we encourage the Department to obtain a formal written opinion from the Attorney General if it continues to disagree with the finding.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-040 (Inadequate Controls Over Commodities)

The Department of Human Services (Department) does not maintain adequate oversight over commodities, resulting in inadequate controls. Inventory control includes responsibilities at the Department's State-operated facilities, multiple Central Office warehouses, and other Central Office locations.

The Department incurred commodities expenditures of \$36.563 million and \$25.642 million during FY2017 and FY2016, respectively. In addition, the Department recorded ending commodities inventories of \$7.526 million and \$7.044 million for the Fiscal Years ended June 30, 2017 and June 30, 2016, respectively.

During testing of inventory at the Central Office and Department State-operated facilities, we noted the following discrepancies:

Central Office and Central Office Site Locations:

- For 2 out of 30 (7%) pharmacy inventory items counted during the annual inventory, the physical counts did not agree with our test counts. The quantity differences were 120 units and 900 units and the differences totaled approximately \$4,800.
- For 3 out of 30 (10%) warehouse inventory items counted during the annual inventory, the physical counts did not agree with our test counts. The quantity differences were 1 to 2 units and totaled \$77.

During fieldwork, we performed on-site testing at four of the Department's State-operated facilities regarding inventory. We sampled and tested 100 inventory items across the four facilities (counted). Our testing resulted in the following exceptions at four of the Department's facilities:

Elgin Mental Health Center

- For 3 out of 25 (12%) pharmacy inventory items counted during the annual inventory, the facility's physical counts did not agree with our test counts. The discrepancy between counts ranged from 1 to 1,000 units and totaled \$148.
- For 4 out of 25 (16%) pharmacy inventory items counted during the annual inventory, the facility did not make the year-end inventory count adjustments on the final Inventory Valuation Report. This resulted in differences between the final counts and the Inventory Valuation Report between 24 and 1,487 units, totaling \$226.
- For 6 out of 27 (22%) general stores inventory requisitions tested, totaling \$453, the requisition was not properly approved.

Ann M. Kiley Developmental Center

- For 2 out of 25 (8%) pharmacy inventory items counted during the annual inventory, the facility's counts did not agree with our test counts. The quantity differences were 20 units and 28 units, respectively, and the differences resulted in a net \$70 understatement of pharmacy inventory.
- The facility did not follow the pharmacy inventory process guidelines distributed by Central Office pharmacy personnel. We noted the facility did not use labels or stickers to track the items already counted to avoid missing any items or to avoid double-counting any items during the year-end physical count process. We also observed that the counts performed by personnel were not conducted blindly, as the facility kept a running inventory count on each medication on display throughout the count process.

**STATE OF ILLINOIS
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

- In the facility's food commodities storeroom, we noted instances where more than one case of a given item was open, resulting in inaccurate counts as opened cases were not counted in inventory.
- The year-end counts of food and non-food commodities were not performed blindly. Sticky notes indicating quantities on hand were attached to each item. During the food commodities count, the independent counters simply wrote down the quantities listed on the sticky notes. They did not actually count each item.
- Department inventory procedures distributed for use in this process were incomplete. The procedures did not specify the counts should be performed blindly, nor did it direct personnel to isolate slow or obsolete items before performing counts. Lastly, it did not direct personnel to use markers or labels during inventory counts to track items counted and assist in locating slow moving items.
- Two of 50 (4%) food commodities tested were inaccurately counted by the facility. Differences noted were 20 and 105 units and resulted in an overstatement of inventory totaling \$1,192.
- For 1 out of 25 (4%) food and non-food items counted during the year-end inventory, the actual item did not match the item description recorded in the Commodity Control System.
- For 2 out of 63 (3%) adjustments included on the Monthly Commodity Status Report, the adjustments were not reflected on the facility's final count sheet (SA110017) resulting in an understatement of inventory balances of \$375.
- For 15 out of 63 (24%) food and non-food items tested, items were noted to have differences between the facility's count sheet (SA110018), facility's final count sheet (SA110017), and the Monthly Commodity Status Report, resulting in an understatement of inventory balances of \$5,620.
- Facility personnel could not provide explanations for variances of 20% or greater noted in the general and mechanical inventory year-end balances. As a result, we could not determine if the variances between the two years were reasonable.

Ludeman Developmental Center

- The facility did not physically count 100% of its inventory items located at Summit Frozen Storage during year-end inventory counts.
- The facility did not make the proper adjustment between the facility's pharmacy year-end inventory counts and the final Inventory Valuation Report. This resulted in a difference of 1 unit, totaling \$16.

Shapiro Developmental Center

- The Shapiro Developmental Center's General Store maintains a batch of emergency supplies and food that are kept off the General Store inventory listing. Instead, the items are tracked on a separate Excel spreadsheet which does not contain information regarding the valuation of the items. This resulted in an unknown understatement of the General Store's overall inventory valuation.

The Illinois Procurement Code (30 ILCS 500/50-55) requires the Department to inventory or stock no more than a 12-month need of equipment, supplies, commodities, articles, and other items, except as otherwise authorized by the Department's own regulations.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

The Statewide Accounting Management System (SAMS) Manual (Procedure 03.60.20) requires the Department to perform an annual physical count of inventory on hand and to reconcile the results to inventory records to ensure the completeness and accuracy of those records. Pharmacy inventory process guidelines distributed by Central Office pharmacy personnel recommend the use of circle labels or anything similar during the year-end inventory count to indicate which items have already been counted and to avoid missing any items or double-counting items.

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

Department management indicated that insufficient headcount, human error with miscounts, and an outdated and insufficient inventory system contributed to the discrepancies noted.

Lack of strong controls over commodities could lead to fraud, waste, and abuse of commodity items. (Finding Code No. 2017-040, 2015-026, 2013-023)

RECOMMENDATION:

We recommend Department management and staff comply with current policies and procedures regarding commodities and follow the control system in place.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department concurs that the potential for human error must be mitigated to the highest degree possible. The agency will work to ensure new staff are properly trained and that there is sufficient oversight to ensure consistent compliance with policies and procedures. The Department agrees that legacy systems may contribute to some of the discrepancies noted. Facility and Business Services staff are working diligently to ensure the proposed ERP/SAP solution has the functionality necessary to correct the shortcomings of the current legacy inventory systems.

State Operated Hospital's (SOH) staff will receive retraining in recording the various types of general stores packages containing different counts of items. In addition, all appropriate staff in the Developmental Disabilities (DD) Centers will be retrained on Administrative Directive 01.05.07.010 Annual Inventory Procedures and proper storage guidelines.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-041 (Lack of Compliance with Policies for Vehicles)

The Department of Human Services (Department) did not comply with reporting requirements pertaining to vehicle accidents and did not comply with Department of Central Management Services (DCMS) policies and procedures to ensure State vehicles were properly maintained and utilized.

During testing of the DCMS policies and procedures applicable to Department vehicles, we noted 5 out of 21 (24%) instances of accidents involving State owned vehicles used by Department employees during the examination period were not reported to DCMS within 7 calendar days as required. The reporting ranged from 1 to 7 days late.

Per the DCMS Vehicle Guide, the Illinois Form SR-1 “Motorist Report of Illinois Vehicles Accident” and Uniform Cover Letter is to be submitted to DCMS Risk Management no later than seven calendar days following the accident.

Further, the Department’s Administrative Directive (01.05.05.030), regarding reporting of motor vehicle accidents and insurance coverage requires that as a condition of coverage, employees involved in a motor vehicle accident are required to have a legible written report of the accident in the DCMS Division of Risk Management no later than seven (7) calendar days following the accident. Failure to comply with this important condition in the plan may result in forfeiture of insurance coverage to the employee.

Additionally, the Department did not comply with DCMS policies and procedures to ensure state vehicles are properly maintained and utilized. During testing of maintenance and utilization records for Department vehicles, we noted the following:

- For 31 out of 60 (52%) vehicles tested, oil changes were not done within maximum mileage and/or time requirements.
- For 4 out of 60 (7%) vehicles tested, there was no documentation supporting an oil change was performed.
- For 5 out of 60 (8%) vehicle tested, tires were not rotated as required during the fiscal year.
- For 5 out of 60 (8%) vehicles tested, there was no documentation supporting a tire rotation was performed.
- For 6 out of 60 (10%) vehicles tested, there was no documentation to support an annual inspection was performed.
- For 28 out of 60 (47%) vehicles tested, the vehicle was under-utilized. Usage for these passenger vehicles ranged from 382 to 13,586 miles over the 2-year period.

DCMS issued a Memorandum to agency vehicle coordinators on July 7, 2016 which outlines maintenance, lube, oil and filter change interval policies for passenger vehicles. Per this Memorandum, the standard lube, oil and filter change interval requirement for passenger fleet vehicles 2007 and older is 3,000 miles or 12 months, whichever comes first. For newer vehicles the policy is 5,000 miles or 12 months, whichever comes first. In addition, DCMS issued a Memorandum to agency heads and vehicle coordinators on May 7, 2015 which requires a specific explanation to justify their need when vehicles accumulate low annual miles. The foundation set, based on the Office of the Auditor General’s Performance Audit of DCMS fleet vehicles, is a minimum of 7,000 miles per year (14,000 miles for a two-year period).

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Department management indicated the travelers did not comply with the reporting procedures for accidents and maintenance due to error. For the under-utilized vehicles, management indicated certain vehicles are utilized by facilities and often do not leave facility grounds. Therefore, the vehicles will never surpass the miles, but still serve a valuable purpose at the facilities.

Failure to report accidents to DCMS in a timely manner may impact the State's ability to investigate and defend itself against resulting claims. Failure to maintain vehicles in accordance with DCMS policy could result in the vehicle not being operable though its estimated useful life and could result in costly repairs. Underutilization of a vehicle could indicate the vehicle is not needed by the Department and could more efficiently be used by another state agency. (Finding Code No. 2017-041)

RECOMMENDATION:

We recommend Department management enhance its processes and controls so that accidents are reported within the DCMS required time frame and vehicles are properly maintained in compliance with DCMS policies. Further, we recommend Department management assess whether underutilized vehicles are needed and either transfer unnecessary vehicles in accordance with DCMS policies or work with DCMS to obtain an exception provision to DCMS policy.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. We agree that there have been instances where travelers failed to comply with proper reporting procedures for accidents. Additionally, we agree that agency assigned vehicles domiciled outside of motor pool locations (Springfield, Chicago – Wells, Elgin MH, and Madden MH) sometimes fail to perform or report required maintenance timely.

All travelers utilizing agency assigned vehicles are provided with a packet detailing the steps for reporting an accident, and the timeframe in which this must be completed. Additionally, the Administrative Directive (01.05.05.030 updated 11/21/2017) for reporting vehicle accidents is available on IDHS OneNet for all employees. Currently, employees who fail to meet the reporting guidelines are subject to: 1) loss of the use of State maintained vehicles for 3 months; 2) forfeiture of state vehicle insurance provided to authorized employees using State maintained vehicle; and 3) full financial liability for all damages incurred within the accident. The Department contends that these controls are sufficient for ensuring compliance. In addition, the Department will implement a process to perform agency reminders on a quarterly basis to ensure new employees are aware of the policies and keep seasoned travelers aware of any changes (if any) to the established directive.

We continue to use an internal maintenance tracking log to ensure required maintenance is being performed and reported timely. Locations that fail to notify Fleet Management that maintenance has been performed are contacted directly along with their Divisional chain-of-command. Repeated failure to comply can result in the vehicle being removed from that assignment and repurposed within the agency.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

Quarterly assessments are performed by Fleet Management to ensure minimum utilization requirements are being met. Vehicles that are not properly utilized are flagged, and the location/driver is noticed that underutilization is occurring. If insufficient usage patterns continue, the vehicle is repurposed within the agency to locations with higher demand usage patterns. Facility assigned vehicles are assessed for operational use and may be determined that age/condition/model required it to be a “campus vehicle”. These vehicles are often late model trucks/cargo vans that have no motor pool viability for travelers but do serve as a work vehicle on the grounds of a facility or school. Lastly, Fleet Management is in the process of increasing the minimum usage for Individually Assigned Vehicles (IAV) from 7,000 miles annually to 15,000 miles annually. Drivers who do not travel the minimum required amount are subject to having the vehicle repurposed within the agency, as utilization under that amount does not warrant a vehicle assigned to only one person.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
June 30, 2017**

CURRENT FINDINGS (STATE COMPLIANCE)

FINDING 2017-042 (Inadequate Controls Over Refund Receipts)

The Department of Human Services (Department) lacked controls over the Department's refund process and did not deposit the refund receipts timely.

In 10 out of 60 (17%) refund receipts tested, totaling \$306,881, the refund receipts were not deposited timely. The deposits ranged between 4 to 235 days late.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)), requires the Department to deposit into the State Treasury individual receipts exceeding \$10,000 on the same day, an accumulation of receipts of \$10,000 or more within 24 hours, receipts valued between \$500 and \$10,000 within 48 hours, and cumulative receipts valued up to \$500 on the next first or fifteenth day of the month after receipt.

Department management indicated the exceptions were due to staffing vacancies and the lack of an integrated accounting system.

Failure to implement adequate internal controls over the processing of refund receipts increases the risks that errors or irregularities could occur and not be detected. (Finding Code No. 2017-042, 2015-030)

RECOMMENDATION:

We recommend Department management strengthen controls over the processing of refund receipts. This should include the timely deposit of refunds.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will implement controls to ensure the timely processing of and deposit of refunds.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2017**

PRIOR FINDINGS NOT REPEATED

- A. **FINDING** (Inadequate Supporting Detail Maintained for Division of Alcohol and Substance Abuse (DASA) Adjustments)

During the prior engagement, the Department of Human Services (Department) did not maintain sufficient detailed records in support of approved DASA adjustments and payments.

During the current engagement, the Department implemented, on June 1, 2017, a new process in which it reconciles the expenditure payments to the DASA Automated Reporting and Tracking System. (Finding Code No. 2016-002, 2015-005)

- B. **FINDING** (Lack of Control over the Integrated Eligibility System)

During the prior engagement, the Department of Healthcare and Family Services and the Department of Human Services (Departments) failed to implement adequate security, change management, and recovery controls over the State's Integrated Eligibility System (IES).

During the current engagement, we noted adequate controls still had not been implemented over security, change management, and recovery services. As such, the auditors reported the issues separately in Finding 2017-010 and Finding 2017-011. (Finding Code No. 2016-004, 2015-008)

- C. **FINDING** (Other Noncompliance with Statutory Requirements at Department Facilities)

During the prior examination, the Department of Human Services (Department) did not comply with various mandates applicable to its facilities for (1) administering pregnancy tests, (2) monitoring facility visitors, (3) resident admission, (4) resident discharge, (5) reporting residents' deaths, (6) providing dental examinations, and (7) charging residents for services.

During the current examination, this finding was split into different findings. First, we reported the issue identified in (1) above with other similar matters in Finding 2017-019. Second, we reported the issue identified in (2) above with other similar matters in Finding 2017-016. Third, we reported the issue identified in (3) above with other similar matters in Finding 2017-017. Fourth, we reported the issue identified in (4) above with other similar matters in Finding 2017-017. Fifth, we reported the issue identified in (6) above with other similar matters in Finding 2017-018. Finally, we reported the issue identified in (7) above with other similar matters in Finding 2017-025. Item (5) above is not repeated because testing disclosed no exceptions in this area during the current examination. (Finding Code No. 2015-011, 2013-032, 11-17)

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2017**

PRIOR FINDINGS NOT REPEATED

D. FINDING (Weaknesses in Processing Personal Assistants' Payments)

During the prior examination, the Department did not maintain adequate internal controls over processing its Rehabilitation Services' Personal Assistants timesheets, resulting in overpayments to personal assistants.

During the current examination, our sample testing indicated no overpayments above the established variance threshold of 5 hours were paid. (Finding Code No. 2015-013, 2013-011, 11-15)

E. FINDING (Weaknesses in Conducting Annual Eligibility Redeterminations for KidCare (ALL-KIDS))

During the prior examination, the Department did not have adequate controls over eligibility redeterminations and, as a result, failed to make annual redeterminations of eligibility for KidCare (ALL KIDS) services in compliance with the Children's Health Insurance Program.

During the current examination, our testing over all human services programs' eligibility redeterminations, including the ALL KIDS program, indicated eligibility redeterminations were not being performed annually Department-wide. As a result, we reported all untimely eligibility redetermination exceptions for human service programs in Findings 2017-008. (Finding Code No. 2015-015, 2013-036, 11-43, 09-39, 07-30, 05-34)

F. FINDING (Inadequate Recordkeeping for Payroll and Personnel Files)

During the prior examination, the Department did not maintain all necessary and required supporting documentation in employee payroll and personnel files. In addition, the Department did not file accurate agency workforce reports or enforce Economic Interest Statement requirements per statute.

During the current examination, we noted the Department significantly improved controls over its recordkeeping for payroll and personnel files. However, exceptions were again noted regarding fringe benefit testing. This condition has been combined with other personal services exceptions in Finding 2017-036. (Finding Code No. 2015-018, 2013-019, 11-26, 09-32, 07-21)

G. FINDING (Failure to Ensure Expenditure Reconciliations are Prepared Timely)

During the prior examination, the Department did not reconcile its expenditure balances with the Illinois Office of the Comptroller records in a timely manner.

During the current examination, we noted no instances of untimely expenditure reconciliations performed by the Department. (Finding Code No. 2015-020, 2013-018, 11-25)

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF FINDINGS
FOR THE TWO YEARS ENDED JUNE 30, 2017**

PRIOR FINDINGS NOT REPEATED

H. **FINDING** (Employee Performance Evaluations not Performed on a Timely Basis)

During the prior examination, the Department did not perform employee performance evaluations in a timely manner.

During the current examination, exceptions were again noted regarding untimely employee performance evaluations being performed. This condition has been combined with other personal service exceptions in Finding 2017-036. (Finding Code No. 2015-023, 2013-020, 11-27, 09-33, 07-22, 05-15)

I. **FINDING** (Failure to Transfer Remaining Fund Balance as Required by Illinois Public Aid Code)

During the prior examination, the Department failed to transfer the remaining balance in the DHS Recoveries Trust Fund (Fund 0921) to the General Revenue Fund (Fund 0001) as required by the Illinois Public Aid Code.

During the current examination, Public Act 100-059, effective January 1, 2018, eliminated the transfer requirement. (Finding Code No. 2015-028, 2013-007)

J. **FINDING** (Inadequate Controls Over Returned Checks)

During the prior examination, the Department did not maintain adequate internal controls over checks returned for non-sufficient funds. Specifically, support was not maintained to determine if collection attempts were made.

During the current examination, our sample testing indicated adequate support for returned checks was maintained by the Department. (Finding Code No. 2015-029, 2013-015)

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2017**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- **Fiscal Schedules and Analysis:**
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Fiscal Year 2017
 - Fiscal Year 2016
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) – Locally Held Funds

- **Analysis of Operations (Unaudited)**
 - Department Functions and Planning Program (Unaudited)
 - Analysis of Significant Variations in Expenditures (Unaudited)
 - Analysis of Significant Variations in Receipts (Unaudited)
 - Analysis of Significant Lapse Period Spending (Unaudited)
 - Analysis of Accounts Receivable (Unaudited)
 - Budget Impasse Disclosures (Unaudited)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)
 - Interest Costs on Fiscal Year 2016 and 2017 Invoices (Unaudited)
 - Comparative Schedule of Expenditures by Facility (Unaudited)
 - Schedule of Average Number of Employees (Unaudited)
 - Analysis of Employee Overtime (Unaudited)
 - Emergency Purchases (Unaudited)
 - Fiscal Year Ended June 30, 2017
 - Fiscal Year Ended June 30, 2016
 - Memorandums of Understanding (Unaudited)
 - Annual Cost Statistics (Unaudited)
 - Facility/School Statistics (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)
 - Schedule of Indirect Cost Reimbursements (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the accountant's opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The accountant's report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017
For the Fifteen Months Ended September 30, 2017
(expressed in thousands)

<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Appropriated Funds					
General Revenue Fund - 0001:					
Awards and Grants	\$ 376,201	\$ 230,579	\$ 30,757	\$ 261,336	\$ 114,865
Awards, Grants, Lump Sums and Other Purposes	2,364,466	1,807,890	252,385	2,060,275	304,191
Commodities	7,443	7,410	(11)	7,399	44
Contractual Services	53,770	44,632	5,973	50,605	3,165
Equipment	248	117	128	245	3
Funeral and Burial Expenses, Payments to Vendors	7,020	-	-	-	7,020
Interfund Cash Transfers	51,000	51,000	-	51,000	-
Lump-Sum Operations	12	-	-	-	12
Lump Sums and Other Purposes	506,424	450,850	29,343	480,193	26,231
Permanent Improvements, Lump Sums and Other Purposes	5,171	2,377	2,021	4,398	773
Personal Services	353,410	322,765	15,408	338,173	15,237
Printing	1,150	1,019	108	1,127	23
State Contributions for Social Security	27,452	23,524	1,095	24,619	2,833
Telecommunications	3,307	3,275	17	3,292	15
Travel	637	341	71	412	225
Total General Revenue Fund	\$ 3,757,711	\$ 2,945,779	\$ 337,295	\$ 3,283,074	\$ 474,637
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:					
Awards and Grants	\$ 76,000	\$ 59,250	\$ 7,677	\$ 66,927	\$ 9,073
Commodities	54	-	-	-	54
Contractual Services	1,228	354	70	424	804
Electronic Data Processing	300	-	-	-	300
Employer Contributions for Group Insurance	672	321	15	336	336
Equipment	14	1	3	4	10
Lump-Sum Operations	215	-	-	-	215
Operations of Automotive Equipment	20	1	1	2	18
Personal Services	2,787	1,486	66	1,552	1,235
Printing	35	-	-	-	35
Retirement	1,242	662	29	691	551
State Contributions for Social Security	237	124	6	130	107
Telecommunications	118	-	-	-	118
Travel	200	11	2	13	187
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	\$ 83,122	\$ 62,210	\$ 7,869	\$ 70,079	\$ 13,043

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Group Home Loan Revolving Fund - 0025:					
Awards and Grants	\$ 200	\$ 30	\$ -	\$ 30	\$ 170
Total Group Home Loan Revolving Fund	<u>\$ 200</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 170</u>
Illinois Veterans' Rehabilitation Fund - 0036:					
Awards and Grants	\$ 2,414	\$ 2,384	\$ 6	\$ 2,390	\$ 24
Commodities	6	-	-	-	6
Employer Contributions for Group Insurance	528	174	-	174	354
Equipment	7	-	-	-	7
Personal Services	1,875	610	-	610	1,265
Retirement	836	272	-	272	564
State Contributions for Social Security	143	45	-	45	98
Telecommunications	20	-	-	-	20
Travel	12	-	-	-	12
Total Illinois Veterans' Rehabilitation Fund	<u>\$ 5,841</u>	<u>\$ 3,485</u>	<u>\$ 6</u>	<u>\$ 3,491</u>	<u>\$ 2,350</u>
Mental Health Fund - 0050:					
Awards and Grants	\$ 9,966	\$ 45	\$ 2	\$ 47	\$ 9,919
Lump Sums and Other Purposes	17,144	3,086	4,260	7,346	9,798
Lump-Sum Operations	21,344	9,152	1,958	11,110	10,234
Other Refunds	2,000	-	-	-	2,000
Total Mental Health Fund	<u>\$ 50,454</u>	<u>\$ 12,283</u>	<u>\$ 6,220</u>	<u>\$ 18,503</u>	<u>\$ 31,951</u>
Group Special Olympics Fund - 0073:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ 825	\$ 175	\$ 1,000	\$ -
Total Group Special Olympics Fund	<u>\$ 1,000</u>	<u>\$ 825</u>	<u>\$ 175</u>	<u>\$ 1,000</u>	<u>\$ -</u>

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Vocational Rehabilitation Fund - 0081:					
Awards and Grants	\$ 59,186	\$ 38,253	\$ 4,946	\$ 43,199	\$ 15,987
Awards, Grants, Lump Sums and Other Purposes	7,459	3,622	734	4,356	3,103
Commodities	480	26	14	40	440
Contractual Services	17,583	5,599	1,469	7,068	10,515
Employer Contributions for Group Insurance	14,635	8,402	416	8,818	5,817
Equipment	769	24	4	28	741
Lump Sums and Other Purposes	153	96	7	103	50
Lump-Sum Operations	367	-	-	-	367
Operations of Automotive Equipment	37	6	2	8	29
Other Refunds	5	-	-	-	5
Personal Services	46,661	28,626	1,409	30,035	16,626
Printing	193	3	1	4	189
Retirement	20,792	12,761	628	13,389	7,403
State Contributions for Social Security	3,670	2,158	107	2,265	1,405
Telecommunications	4,270	473	359	832	3,438
Tort, Settlements and Similar Payments - Nontaxable	10	-	-	-	10
Travel	1,527	226	76	302	1,225
Total Vocational Rehabilitation Fund	\$ 177,797	\$ 100,275	\$ 10,172	\$ 110,447	\$ 67,350
Assistance to the Homeless Trust Fund - 0100:					
Awards, Grants, Lump Sums and Other Purposes	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Assistance to the Homeless Trust Fund	\$ 300	\$ -	\$ -	\$ -	\$ 300
Home Services Medicaid Trust Fund - 0120:					
Awards, Grants, Lump Sums and Other Purposes	\$ 246,000	\$ 229,588	\$ 5,199	\$ 234,787	\$ 11,213
Total Home Services Medicaid Trust Fund	\$ 246,000	\$ 229,588	\$ 5,199	\$ 234,787	\$ 11,213
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:					
Awards and Grants	\$ 1,050	\$ 17	\$ 487	\$ 504	\$ 546
Lump Sums and Other Purposes	150	-	-	-	150
Total Youth Alcoholism and Substance Abuse Prevention Fund	\$ 1,200	\$ 17	\$ 487	\$ 504	\$ 696

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
State Gaming Fund - 0129:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,030	\$ 439	\$ 207	\$ 646	\$ 384
Total State Gaming Fund	<u>\$ 1,030</u>	<u>\$ 439</u>	<u>\$ 207</u>	<u>\$ 646</u>	<u>\$ 384</u>
Specialized Services for Survivors of Human Trafficking Fund - 0132:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Specialized Services for Survivors of Human Trafficking Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Community DD Services Medicaid Trust Fund - 0142:					
Awards, Grants, Lump Sums and Other Purposes	\$ 50,000	\$ 48,553	\$ 1,422	\$ 49,975	\$ 25
Total Community DD Services Medicaid Trust Fund	<u>\$ 50,000</u>	<u>\$ 48,553</u>	<u>\$ 1,422</u>	<u>\$ 49,975</u>	<u>\$ 25</u>
Mental Health Reporting Fund - 0148:					
Lump Sums and Other Purposes	\$ 2,500	\$ 82	\$ 5	\$ 87	\$ 2,413
Total Mental Health Reporting Fund	<u>\$ 2,500</u>	<u>\$ 82</u>	<u>\$ 5</u>	<u>\$ 87</u>	<u>\$ 2,413</u>
Sexual Assault Services and Prevention Fund - 0158:					
Awards, Grants, Lump Sums and Other Purposes	\$ 600	\$ 444	\$ 156	\$ 600	\$ -
Total Sexual Assault Services and Prevention Fund	<u>\$ 600</u>	<u>\$ 444</u>	<u>\$ 156</u>	<u>\$ 600</u>	<u>\$ -</u>
Children's Wellness Charities Fund - 0178:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Children's Wellness Charities Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Housing for Families Fund - 0181:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Housing for Families Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
DHS Technology Initiative Fund - 0211:					
Lump Sums and Other Purposes	\$ 10,000	\$ 5,157	\$ 957	\$ 6,114	\$ 3,886
Total DHS Technology Initiative Fund	<u>\$ 10,000</u>	<u>\$ 5,157</u>	<u>\$ 957</u>	<u>\$ 6,114</u>	<u>\$ 3,886</u>
Autism Research Checkoff Fund - 0228:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Research Checkoff Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Drunk and Drugged Driving Prevention Fund - 0276:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,212	\$ 1,464	\$ 83	\$ 1,547	\$ 1,665
Total Drunk and Drugged Driving Prevention Fund	<u>\$ 3,212</u>	<u>\$ 1,464</u>	<u>\$ 83</u>	<u>\$ 1,547</u>	<u>\$ 1,665</u>
Illinois Affordable Housing Trust Fund - 0286:					
Awards and Grants	\$ 1,000	\$ 857	\$ 27	\$ 884	\$ 116
Awards, Grants, Lump Sums and Other Purposes	13,384	12,873	(9)	12,864	520
Total Illinois Affordable Housing Trust Fund	<u>\$ 14,384</u>	<u>\$ 13,730</u>	<u>\$ 18</u>	<u>\$ 13,748</u>	<u>\$ 636</u>
Care Provider Fund for Persons with a Developmental Disability Fund - 0344:					
Awards, Grants, Lump Sums and Other Purposes	\$ 45,000	\$ 27,616	\$ 5,429	\$ 33,045	\$ 11,955
Total Care Provider Fund for Persons with a Developmental Disability Fund	<u>\$ 45,000</u>	<u>\$ 27,616</u>	<u>\$ 5,429</u>	<u>\$ 33,045</u>	<u>\$ 11,955</u>
Employment and Training Fund - 0347:					
Awards and Grants	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Awards, Grants, Lump Sums and Other Purposes	485,000	364,866	24,515	389,381	95,619
Total Employment and Training Fund	<u>\$ 505,000</u>	<u>\$ 364,866</u>	<u>\$ 24,515</u>	<u>\$ 389,381</u>	<u>\$ 115,619</u>
Health and Human Services Medicaid Trust Fund - 0365:					
Awards and Grants	\$ 3,383	\$ 3,382	\$ -	\$ 3,382	\$ 1
Awards, Grants, Lump Sums and Other Purposes	34,450	15,869	1,960	17,829	16,621
Total Health and Human Services Medicaid Trust Fund	<u>\$ 37,833</u>	<u>\$ 19,251</u>	<u>\$ 1,960</u>	<u>\$ 21,211</u>	<u>\$ 16,622</u>
Drug Treatment Fund - 0368:					
Awards and Grants, Lump Sums and Other Purposes	\$ 5,106	\$ 2,300	\$ 602	\$ 2,902	\$ 2,204
Other Refunds	5	-	-	-	5
Total Drug Treatment Fund	<u>\$ 5,111</u>	<u>\$ 2,300</u>	<u>\$ 602</u>	<u>\$ 2,902</u>	<u>\$ 2,209</u>
Sexual Assault Services Fund - 0389:					
Awards and Grants	\$ 100	\$ 100	\$ -	\$ 100	\$ -
Total Sexual Assault Services Fund	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>
Autism Care Fund - 0399:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Care Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,517	\$ 368	\$ 30	\$ 398	\$ 3,119
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	<u>\$ 3,517</u>	<u>\$ 368</u>	<u>\$ 30</u>	<u>\$ 398</u>	<u>\$ 3,119</u>
DHS Special Purposes Trust Fund - 0408:					
Awards and Grants	\$ 7,258	\$ 2,862	\$ 3,059	\$ 5,921	\$ 1,337
Awards, Grants, Lump Sums and Other Purposes	307,829	196,154	53,425	249,579	58,250
Contractual Services	200	-	186	186	14
Lump Sums and Other Purposes	10,784	2,447	256	2,703	8,081
Total DHS Special Purposes Trust Fund	<u>\$ 326,071</u>	<u>\$ 201,463</u>	<u>\$ 56,926</u>	<u>\$ 258,389</u>	<u>\$ 67,682</u>
Autism Awareness Fund - 0458:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ 81	\$ -	\$ 81	\$ 19
Total Autism Awareness Fund	<u>\$ 100</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 19</u>
Old Age Survivors Insurance Fund - 0495:					
Awards and Grants	\$ 25,000	\$ 16,644	\$ 676	\$ 17,320	\$ 7,680
Commodities	379	84	32	116	263
Contractual Services	14,480	6,493	710	7,203	7,277
Employer Contributions for Group Insurance	11,040	8,651	359	9,010	2,030
Equipment	1,601	1	-	1	1,600
Personal Services	35,753	27,223	1,095	28,318	7,435
Printing	384	99	68	167	217
Retirement	15,932	12,135	488	12,623	3,309
State Contributions for Social Security	3,347	2,219	92	2,311	1,036
Telecommunications	1,405	266	102	368	1,037
Travel	198	77	6	83	115
Total Old Age Survivors Insurance Fund	<u>\$ 109,519</u>	<u>\$ 73,892</u>	<u>\$ 3,628</u>	<u>\$ 77,520</u>	<u>\$ 31,999</u>
Early Intervention Services Revolving Fund - 0502:					
Awards, Grants, Lump Sums and Other Purposes	\$ 180,000	\$ 122,575	\$ 37,683	\$ 160,258	\$ 19,742
Other Refunds	300	258	35	293	7
Total Early Intervention Services Revolving Fund	<u>\$ 180,300</u>	<u>\$ 122,833</u>	<u>\$ 37,718</u>	<u>\$ 160,551</u>	<u>\$ 19,749</u>

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
DHS Community Services Fund - 0509:					
Awards, Grants, Lump Sums and Other Purposes	\$ 40,000	\$ 28,875	\$ 858	\$ 29,733	\$ 10,267
Total DHS Community Services Fund	<u>\$ 40,000</u>	<u>\$ 28,875</u>	<u>\$ 858</u>	<u>\$ 29,733</u>	<u>\$ 10,267</u>
Domestic Violence Abuser Services Fund - 0528:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Domestic Violence Abuser Services Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Juvenile Accountability Incentive Block Fund - 0581:					
Awards, Grants, Lump Sums and Other Purposes	\$ 10,000	\$ 169	\$ 22	\$ 191	\$ 9,809
Total Juvenile Accountability Incentive Block Fund	<u>\$ 10,000</u>	<u>\$ 169</u>	<u>\$ 22</u>	<u>\$ 191</u>	<u>\$ 9,809</u>
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes	\$ 43,779	\$ 10,257	\$ 2,121	\$ 12,378	\$ 31,401
Lump-Sum Operations	6,004	881	126	1,007	4,997
Other Refunds	25	-	-	-	25
Total DHS Federal Projects Fund	<u>\$ 49,808</u>	<u>\$ 11,138</u>	<u>\$ 2,247</u>	<u>\$ 13,385</u>	<u>\$ 36,423</u>
Special Olympics Illinois Fund - 0623:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ 13	\$ 13	\$ 87
Total Special Olympics Illinois Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 87</u>
DHS State Projects Fund - 0642:					
Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Lump-Sum Operations	368	-	-	-	368
Total DHS State Projects Fund	<u>\$ 1,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,368</u>

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<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	Expenditure Authority (Net after Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1, 2017 to September 30, 2017	Total Expenditures	Balances Lapsed
Commitment to Human Services Fund - 0644:					
Awards and Grants	\$ 72,076	\$ 71,693	\$ 153	\$ 71,846	\$ 230
Awards, Grants, Lump Sums and Other Purposes	197,728	179,758	1,206	180,964	16,764
Funeral and Burial Expenses, Payments to Vendors	8,775	1,398	723	2,121	6,654
Lump Sums and Other Purposes	185	-	-	-	185
Lump-Sum Operations	25,014	24,527	387	24,914	100
Total Commitment to Human Services Fund	\$ 303,778	\$ 277,376	\$ 2,469	\$ 279,845	\$ 23,933
Alcoholism and Substance Abuse Fund - 0646:					
Awards, Grants, Lump Sums and Other Purposes	\$ 25,500	\$ 5,989	\$ 1,013	\$ 7,002	\$ 18,498
Total Alcoholism and Substance Abuse Fund	\$ 25,500	\$ 5,989	\$ 1,013	\$ 7,002	\$ 18,498
Budget Stabilization Fund - 0686:					
Lump-Sum Operations	\$ 25,000	\$ 24,536	\$ 251	\$ 24,787	\$ 213
Total Budget Stabilization Fund	\$ 25,000	\$ 24,536	\$ 251	\$ 24,787	\$ 213
Private Resource Fund - 0690:					
Lump Sums and Other Purposes	\$ 326	\$ -	\$ -	\$ -	\$ 326
Total Private Resource Fund	\$ 326	\$ -	\$ -	\$ -	\$ 326
U.S.D.A. Women Infants and Children Fund - 0700:					
Awards and Grants	\$ 1,400	\$ 1,131	\$ 49	\$ 1,180	\$ 220
Awards, Grants, Lump Sums and Other Purposes	70,549	45,568	5,343	50,911	19,638
Contractual Services	117	-	-	-	117
Employer Contributions for Group Insurance	72	26	1	27	45
Medical Preparation and Food Supplies for Free Distribution	251,000	195,972	5,322	201,294	49,706
Other Refunds	200	-	-	-	200
Personal Services	332	147	12	159	173
Retirement	148	66	5	71	77
State Contributions for Social Security	26	11	-	11	15
Total U.S.D.A. Women Infants and Children Fund	\$ 323,844	\$ 242,921	\$ 10,732	\$ 253,653	\$ 70,191

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Hunger Relief Fund - 0706:					
Awards and Grants	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Hunger Relief Fund	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>
Community Mental Health Medicaid Trust Fund - 0718:					
Awards, Grants, Lump Sums and Other Purposes	\$ 102,902	\$ 53,712	\$ 792	\$ 54,504	\$ 48,398
Total Community Mental Health Medicaid Trust Fund	<u>\$ 102,902</u>	<u>\$ 53,712</u>	<u>\$ 792</u>	<u>\$ 54,504</u>	<u>\$ 48,398</u>
Tobacco Settlement Recovery Fund - 0733:					
Awards and Grants	\$ 250	\$ -	\$ -	\$ -	\$ 250
Awards, Grants, Lump Sums and Other Purposes	1,139	-	-	-	1,139
Total Tobacco Settlement Recovery Fund	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,389</u>
Local Initiative Fund - 0762:					
Awards, Grants, Lump Sums and Other Purposes	\$ 22,729	\$ 14,751	\$ 3,313	\$ 18,064	\$ 4,665
Contractual Services	25	-	24	24	1
Total Local Initiative Fund	<u>\$ 22,754</u>	<u>\$ 14,751</u>	<u>\$ 3,337</u>	<u>\$ 18,088</u>	<u>\$ 4,666</u>
Healthcare Provider Relief Fund - 0793:					
Awards, Grants, Lump Sums and Other Purposes	\$ 390,000	\$ -	\$ -	\$ -	\$ 390,000
Total Healthcare Provider Relief Fund	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,000</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:					
Lump-Sum Operations	\$ 1,384	\$ 644	\$ 56	\$ 700	\$ 684
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>\$ 1,384</u>	<u>\$ 644</u>	<u>\$ 56</u>	<u>\$ 700</u>	<u>\$ 684</u>
Farmers' Market Shelter and Services Fund - 0864:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ 4	\$ -	\$ 4	\$ 996
Total Farmers' Market Shelter and Services Fund	<u>\$ 1,000</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 996</u>
Domestic Violence Shelter and Service Fund - 0865:					
Awards, Grants, Lump Sums and Other Purposes	\$ 952	\$ 413	\$ 126	\$ 539	\$ 413
Total Domestic Violence Shelter and Service Fund	<u>\$ 952</u>	<u>\$ 413</u>	<u>\$ 126</u>	<u>\$ 539</u>	<u>\$ 413</u>

(Continued)

STATE OF ILLINOIS
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Expenditure Authority for Fiscal Year 2017
For the Fifteen Months Ended September 30, 2017
(expressed in thousands)

<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Maternal and Child Health Services Block Grant Fund - 0872:					
Awards, Grants, Lump Sums and Other Purposes	\$ 9,401	\$ 2,201	\$ 849	\$ 3,050	\$ 6,351
Contractual Services	40	-	-	-	40
Lump-Sum Operations	458	-	-	-	458
Other Refunds	5	-	-	-	5
Total Maternal and Child Health Services Block Grant Fund	<u>\$ 9,904</u>	<u>\$ 2,201</u>	<u>\$ 849</u>	<u>\$ 3,050</u>	<u>\$ 6,854</u>
Community Mental Health Services Block Grant Fund - 0876:					
Awards and Grants	\$ 20,367	\$ 18,537	\$ -	\$ 18,537	\$ 1,830
Commodities	5	-	-	-	5
Contractual Services	119	10	4	14	105
Employer Contributions for Group Insurance	120	37	2	39	81
Equipment	5	-	-	-	5
Personal Services	512	128	6	134	378
Retirement	228	57	4	61	167
State Contributions for Social Security	39	10	1	11	28
Travel	10	2	-	2	8
Total Community Mental Health Services Block Grant Fund	<u>\$ 21,405</u>	<u>\$ 18,781</u>	<u>\$ 17</u>	<u>\$ 18,798</u>	<u>\$ 2,607</u>
Youth Drug Abuse Prevention Fund - 0910:					
Awards and Grants	\$ 530	\$ 530	\$ -	\$ 530	\$ -
Other Refunds	30	-	-	-	30
Total Youth Drug Abuse Prevention Fund	<u>\$ 560</u>	<u>\$ 530</u>	<u>\$ -</u>	<u>\$ 530</u>	<u>\$ 30</u>
Juvenile Justice Trust Fund - 0911:					
Awards, Grants, Lump Sums and Other Purposes	\$ 4,000	\$ 1,142	\$ 549	\$ 1,691	\$ 2,309
Total Juvenile Justice Trust Fund	<u>\$ 4,000</u>	<u>\$ 1,142</u>	<u>\$ 549</u>	<u>\$ 1,691</u>	<u>\$ 2,309</u>
DHS Recoveries Trust Fund - 0921:					
Contractual Services	\$ 300	\$ 291	\$ 9	\$ 300	\$ -
Interfund Cash Transfers	5,000	-	-	-	5,000
Lump-Sum Operations	16,263	10,070	493	10,563	5,700
Total DHS Recoveries Trust Fund	<u>\$ 21,563</u>	<u>\$ 10,361</u>	<u>\$ 502</u>	<u>\$ 10,863</u>	<u>\$ 10,700</u>
Total Appropriated Funds	<u>\$ 6,976,339</u>	<u>\$ 4,930,674</u>	<u>\$ 524,912</u>	<u>\$ 5,455,586</u>	<u>\$ 1,520,753</u>

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STATE OF ILLINOIS
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Expenditure Authority for Fiscal Year 2017
For the Fifteen Months Ended September 30, 2017
(expressed in thousands)

<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>NON-APPROPRIATED FUNDS</u>					
Vocational Rehabilitation Fund - 0081:					
Refunds of Federal and Other Grants		\$ 869	\$ -	\$ 869	
Total Vocational Rehabilitation Fund		<u>\$ 869</u>	<u>\$ -</u>	<u>\$ 869</u>	
Hansen-Therkelsen Memorial Fund - 0123:					
Awards and Grants to Students		\$ 4	\$ -	\$ 4	
Total Hansen-Therkelsen Memorial Fund		<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>	
Electronic Benefits Transfer Fund - 0540:					
Awards and Grants		\$ 117,034	\$ -	\$ 117,034	
Total Electronic Benefits Transfer Fund		<u>\$ 117,034</u>	<u>\$ -</u>	<u>\$ 117,034</u>	
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes		\$ 297	\$ 175	\$ 472	
Lump Sums and Other Purposes		-	14	14	
Total DHS Federal Projects Fund		<u>\$ 297</u>	<u>\$ 189</u>	<u>\$ 486</u>	
DHS State Projects Fund - 0642:					
Permanent Improvements, Lump Sums and Other Purposes		\$ -	\$ 231	\$ 231	
Total DHS State Projects Fund		<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 231</u>	
DHS Private Resources Fund - 0690:					
Awards and Grants, Lump Sums and Other Purposes		\$ 1	\$ 150	\$ 152	
Lump-Sum Operations		4	-	4	
Total DHS Private Resources Fund		<u>\$ 5</u>	<u>\$ 150</u>	<u>\$ 156</u>	
DHS Recoveries Trust Fund - 0921:					
Awards and Grants		\$ 1,462	\$ 26	\$ 1,488	
Other Refunds		239	3	241	
Refunds of Federal and Other Grants		1,204	470	1,674	
Total DHS Recoveries Trust Fund		<u>\$ 2,905</u>	<u>\$ 499</u>	<u>\$ 3,403</u>	
Total Non-Appropriated Funds		<u>\$ 121,114</u>	<u>\$ 1,069</u>	<u>\$ 122,183</u>	
Total All Funds		<u>\$ 5,051,788</u>	<u>\$ 525,981</u>	<u>\$ 5,577,769</u>	

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STATE OF ILLINOIS
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Expenditure Authority for Fiscal Year 2017
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(expressed in thousands)

<u>PUBLIC ACTS 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2017</u>	<u>Lapse Period Expenditures July 1, 2017 to September 30, 2017</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
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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. Expenditures include refunds.

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: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supersede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, since the Department never received enacted personal services appropriations for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2017. In addition, SEIU was a plaintiff to this order and the Comptroller was required to pay wages to individual providers covered by SEIU. These included individual providers of Home Services Programs and Child Care Home Care Services Program. In November 2015, the order was amended to cover payments to the SEIU health fund as well.

Note 4: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to make payments necessary to comply with the following consent decrees and implementation plans; *Stanley Ligas, et. al. vs. Felicia Norwood, et. al.*, (Case No. 05 C 4331); *Bogard vs. Bradley*, (99 CV 2414); *Williams vs. Rauner* (05 CV 4673); *Colbert vs. Rauner* (07 CV 4673).

Note 5: Public Act 99-524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The appropriations from the Commitment to Human Services Fund, Budget Stabilization Fund and General Revenue Fund for the Department were for services incurred by 12/31/2016. The other State funds and federal fund appropriations were for all of Fiscal Year 2017. 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 to be submitted against its Fiscal Year 2017 appropriation.

Note 6: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to process and make all Fiscal Year 2016 Medicaid payments to providers statewide who serve Illinois Medicaid patients, including programs administered by the Department of Healthcare and Family Services (DHFS), and Medicaid payments made in programs administered by state agencies other than DHFS (e.g. Medicaid Home and Community Based Services Waiver Program and Early Intervention Program) (*Memisovski vs. Maram* (No 92 C 1982); *Becks vs. Bradley* (No 92 C 4204)).

Note 7: Circuit Court of Cook County, Illinois County Department, Chancery Division, *People of the State of Illinois vs. Leslie G. Munger* agreed Interim Order (15 CH 10243) required the Comptroller to pay for all services, programs, vendors, contractors and state personnel at the level necessary to comply with the consent decrees. Those impacting the Department are: *B.H. vs. Tate*; *Becks vs. Bradley*; *Ligas vs. Norwood*; *Benson vs. Blaser*; *Williams vs. Rauner*; *Colbert vs. Rauner*; *Memisovski Vs. Wright*.

Note 8: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-021 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.

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
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<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Appropriated Funds					
General Revenue Fund - 0001:					
Awards and Grants	\$ 327,322	\$ 270,751	\$ 3,345	\$ 274,096	\$ 53,226
Awards, Grants, Lump Sums and Other Purposes	2,276,120	1,847,024	147,277	1,994,301	281,819
Commodities	5,800	5,741	1	5,742	58
Contractual Services	50,947	41,530	7,792	49,322	1,625
Lump Sums and Other Purposes	479,798	439,930	22,842	462,772	17,026
Personal Services	352,777	325,326	15,931	341,257	11,520
Printing	1,150	761	118	879	271
State Contributions for Social Security	26,234	23,590	1,121	24,711	1,523
Travel	30	6	-	6	24
Total General Revenue Fund	\$ 3,520,178	\$ 2,954,659	\$ 198,427	\$ 3,153,086	\$ 367,092
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:					
Awards and Grants	\$ 73,500	\$ 63,345	\$ 5,476	\$ 68,821	\$ 4,679
Commodities	54	3	-	3	51
Contractual Services	1,228	333	76	409	819
Electronic Data Processing	300	-	-	-	300
Employer Contributions for Group Insurance	644	334	14	348	296
Equipment	14	-	-	-	14
Lump-Sum Operations	215	-	-	-	215
Operations of Automotive Equipment	20	2	1	3	17
Personal Services	2,787	1,536	67	1,603	1,184
Printing	35	-	-	-	35
Retirement	1,271	703	31	734	537
State Contributions for Social Security	213	130	5	135	78
Telecommunications	118	-	-	-	118
Travel	200	8	2	10	190
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	\$ 80,599	\$ 66,394	\$ 5,672	\$ 72,066	\$ 8,533
Group Home Loan Revolving Fund - 0025:					
Awards and Grants	\$ 200	\$ -	\$ -	\$ -	\$ 200
Total Group Home Loan Revolving Fund	\$ 200	\$ -	\$ -	\$ -	\$ 200

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STATE OF ILLINOIS
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<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Illinois Veterans' Rehabilitation Fund - 0036:					
Awards and Grants	\$ 2,414	\$ -	\$ 2,403	\$ 2,403	\$ 11
Commodities	6	-	-	-	6
Employer Contributions for Group Insurance	506	3	-	3	503
Equipment	7	-	-	-	7
Personal Services	1,875	10	-	10	1,865
Retirement	855	5	-	5	850
State Contributions for Social Security	144	1	-	1	143
Telecommunications	19	-	-	-	19
Travel	12	-	-	-	12
Total Illinois Veterans' Rehabilitation Fund	<u>\$ 5,838</u>	<u>\$ 19</u>	<u>\$ 2,403</u>	<u>\$ 2,422</u>	<u>\$ 3,416</u>
Mental Health Fund - 0050:					
Awards, Grants, Lump Sums and Other Purposes	\$ 9,966	\$ -	\$ -	\$ -	\$ 9,966
Lump Sums and Other Purposes	17,145	3,477	634	4,111	13,034
Lump-Sum Operations	21,344	12,068	780	12,848	8,496
Other Refunds	2,000	-	26	26	1,974
Total Mental Health Fund	<u>\$ 50,455</u>	<u>\$ 15,545</u>	<u>\$ 1,440</u>	<u>\$ 16,985</u>	<u>\$ 33,470</u>
Group Special Olympics Fund - 0073:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ 700	\$ -	\$ 700	\$ 300
Total Group Special Olympics Fund	<u>\$ 1,000</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 300</u>

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STATE OF ILLINOIS
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<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Vocational Rehabilitation Fund - 0081:					
Awards and Grants	\$ 59,237	\$ 37,556	\$ 10,708	\$ 48,264	\$ 10,973
Awards, Grants, Lump Sums and Other Purposes	6,323	2,887	689	3,576	2,747
Commodities	383	76	3	79	304
Contractual Services	16,611	6,044	1,229	7,273	9,338
Employer Contributions for Group Insurance	14,367	9,726	446	10,172	4,195
Equipment	801	36	23	59	742
Lump Sums and Other Purposes	153	115	13	128	25
Lump-Sum Operations	367	86	1	87	280
Operations of Automotive Equipment	51	8	1	9	42
Other Refunds	5	-	-	-	5
Personal Services	47,139	32,750	1,549	34,299	12,840
Printing	163	6	1	7	156
Retirement	21,488	14,936	707	15,643	5,845
State Contributions for Social Security	3,606	2,451	114	2,565	1,041
Telecommunications	4,283	882	160	1,042	3,241
Tort, Settlements and Similar Payments - Nontaxable	10	-	-	-	10
Travel	1,551	223	46	269	1,282
Total Vocational Rehabilitation Fund	\$ 176,538	\$ 107,782	\$ 15,690	\$ 123,472	\$ 53,066
Assistance to the Homeless Fund - 0100:					
Awards, Grants, Lump Sums and Other Purposes	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Assistance to the Homeless Fund	\$ 300	\$ -	\$ -	\$ -	\$ 300
Home Services Medicaid Trust Fund - 0120:					
Awards, Grants, Lump Sums and Other Purposes	\$ 246,000	\$ 228,943	\$ 5,438	\$ 234,381	\$ 11,619
Total Home Services Medicaid Trust Fund	\$ 246,000	\$ 228,943	\$ 5,438	\$ 234,381	\$ 11,619
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:					
Awards and Grants	\$ 1,050	\$ -	\$ 475	\$ 475	\$ 575
Lump Sums and Other Purposes	150	-	-	-	150
Total Youth Alcoholism and Substance Abuse Prevention Fund	\$ 1,200	\$ -	\$ 475	\$ 475	\$ 725
State Gaming Fund - 0129:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,030	\$ 131	\$ 366	\$ 497	\$ 533
Total State Gaming Fund	\$ 1,030	\$ 131	\$ 366	\$ 497	\$ 533

(Continued)

STATE OF ILLINOIS
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Specialized Services for Survivors of Human Trafficking Fund - 0132:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Specialized Services for Survivors of Human Trafficking Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Community DD Services Medicaid Trust Fund - 0142:					
Awards, Grants, Lump Sums and Other Purposes	\$ 50,000	\$ 47,870	\$ 1,636	\$ 49,506	\$ 494
Total Community DD Services Medicaid Trust Fund	<u>\$ 50,000</u>	<u>\$ 47,870</u>	<u>\$ 1,636</u>	<u>\$ 49,506</u>	<u>\$ 494</u>
Mental Health Reporting Fund - 0148:					
Lump Sums and Other Purposes	\$ 2,500	\$ 159	\$ 4	\$ 163	\$ 2,337
Total Mental Health Reporting Fund	<u>\$ 2,500</u>	<u>\$ 159</u>	<u>\$ 4</u>	<u>\$ 163</u>	<u>\$ 2,337</u>
Sexual Assault Services & Prevention Fund - 0158:					
Awards, Grants, Lump Sums and Other Purposes	\$ 600	\$ -	\$ 600	\$ 600	\$ -
Total Sexual Assault Services & Prevention Fund	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ -</u>
Children's Wellness Charities Fund - 0178:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Children's Wellness Charities Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Housing for Families Fund - 0181:					
Awards and Grants	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Housing for Families Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
DHS Technology Initiative Fund - 0211:					
Lump Sums and Other Purposes	\$ 10,000	\$ 519	\$ 3,861	\$ 4,380	\$ 5,620
Total DHS Technology Initiative Fund	<u>\$ 10,000</u>	<u>\$ 519</u>	<u>\$ 3,861</u>	<u>\$ 4,380</u>	<u>\$ 5,620</u>
Autism Research Checkoff Fund - 0228:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Research Checkoff Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

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<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Drunk and Drugged Driving Prevention Fund - 0276:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,212	\$ 681	\$ 937	\$ 1,618	\$ 1,594
Total Drunk and Drugged Driving Prevention Fund	<u>\$ 3,212</u>	<u>\$ 681</u>	<u>\$ 937</u>	<u>\$ 1,618</u>	<u>\$ 1,594</u>
Illinois Affordable Housing Trust Fund - 0286:					
Awards and Grants	\$ 1,000	\$ -	\$ 865	\$ 865	\$ 135
Awards, Grants, Lump Sums and Other Purposes	12,384	-	11,033	11,033	1,351
Total Illinois Affordable Housing Trust Fund	<u>\$ 13,384</u>	<u>\$ -</u>	<u>\$ 11,898</u>	<u>\$ 11,898</u>	<u>\$ 1,486</u>
Care Provider Fund for Persons with a Developmental Disability Fund - 0344:					
Awards, Grants, Lump Sums and Other Purposes	\$ 45,000	\$ 29,640	\$ 3,180	\$ 32,820	\$ 12,180
Total Care Provider Fund for Persons with a Developmental Disability Fund	<u>\$ 45,000</u>	<u>\$ 29,640</u>	<u>\$ 3,180</u>	<u>\$ 32,820</u>	<u>\$ 12,180</u>
Employment and Training Fund - 0347:					
Awards and Grants	\$ 20,000	\$ 1,983	\$ -	\$ 1,983	\$ 18,017
Awards, Grants, Lump Sums and Other Purposes	485,000	378,997	31,879	410,876	74,124
Total Employment and Training Fund	<u>\$ 505,000</u>	<u>\$ 380,980</u>	<u>\$ 31,879</u>	<u>\$ 412,859</u>	<u>\$ 92,141</u>
Health and Human Services Medicaid Trust Fund - 0365:					
Awards and Grants	\$ 3,383	\$ -	\$ 3,248	\$ 3,248	\$ 135
Awards, Grants, Lump Sums and Other Purposes	34,450	5,215	22,996	28,211	6,239
Total Health and Human Services Medicaid Trust Fund	<u>\$ 37,833</u>	<u>\$ 5,215</u>	<u>\$ 26,244</u>	<u>\$ 31,459</u>	<u>\$ 6,374</u>
Drug Treatment Fund - 0368:					
Awards, Grants, Lump Sums and Other Purposes	\$ 5,106	\$ 742	\$ 3,206	\$ 3,948	\$ 1,158
Other Refunds	5	-	-	-	5
Total Drug Treatment Fund	<u>\$ 5,111</u>	<u>\$ 742</u>	<u>\$ 3,206</u>	<u>\$ 3,948</u>	<u>\$ 1,163</u>
Sexual Assault Services Fund - 0389:					
Awards and Grants	\$ 100	\$ -	\$ 100	\$ 100	\$ -
Total Sexual Assault Services Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:					
Awards, Grants, Lump Sums and Other Purposes	\$ 3,517	\$ 1,206	\$ 4	\$ 1,210	\$ 2,307
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	<u>\$ 3,517</u>	<u>\$ 1,206</u>	<u>\$ 4</u>	<u>\$ 1,210</u>	<u>\$ 2,307</u>

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DHS Special Purposes Trust Fund - 0408:					
Awards and Grants	\$ 7,258	\$ 5,671	\$ 682	\$ 6,353	\$ 905
Awards, Grants, Lump Sums and Other Purposes	285,972	207,620	44,236	251,856	34,116
Contractual Services	200	49	-	49	151
Lump Sums and Other Purposes	10,784	2,973	342	3,315	7,469
Total DHS Special Purposes Trust Fund	<u>\$ 304,214</u>	<u>\$ 216,313</u>	<u>\$ 45,260</u>	<u>\$ 261,573</u>	<u>\$ 42,641</u>
Autism Awareness Fund - 0458:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Autism Awareness Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
Old Age Survivors Insurance Fund - 0495:					
Awards and Grants	\$ 25,000	\$ 17,008	\$ 636	\$ 17,644	\$ 7,356
Commodities	379	7	-	7	372
Contractual Services	14,480	6,607	487	7,094	7,386
Employer Contributions for Group Insurance	10,580	8,237	367	8,604	1,976
Equipment	1,601	21	-	21	1,580
Personal Services	35,753	27,975	1,358	29,333	6,420
Printing	384	146	15	161	223
Retirement	16,303	12,767	620	13,387	2,916
State Contributions for Social Security	2,735	2,274	111	2,385	350
Telecommunications	1,405	275	85	360	1,045
Travel	198	77	8	85	113
Total Old Age Survivors Insurance Fund	<u>\$ 108,818</u>	<u>\$ 75,394</u>	<u>\$ 3,687</u>	<u>\$ 79,081</u>	<u>\$ 29,737</u>
Early Intervention Services Revolving Fund - 0502:					
Awards, Grants, Lump Sums and Other Purposes	\$ 180,000	\$ 143,778	\$ 16,855	\$ 160,633	\$ 19,367
Other Refunds	300	-	150	150	150
Total Early Intervention Services Revolving Fund	<u>\$ 180,300</u>	<u>\$ 143,778</u>	<u>\$ 17,005</u>	<u>\$ 160,783</u>	<u>\$ 19,517</u>
DHS Community Services Fund - 0509:					
Awards, Grants, Lump Sums and Other Purposes	\$ 40,000	\$ 3,988	\$ 4,045	\$ 8,033	\$ 31,967
Total DHS Community Services Fund	<u>\$ 40,000</u>	<u>\$ 3,988</u>	<u>\$ 4,045</u>	<u>\$ 8,033</u>	<u>\$ 31,967</u>
Domestic Violence Abuser Services Fund - 0528:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ -	\$ -	\$ 100
Total Domestic Violence Abuser Services Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
For the Fifteen Months Ended September 30, 2016
(expressed in thousands)

Schedule 2

<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Juvenile Accountability Incentive Block Fund - 0581:					
Awards, Grants, Lump Sums and Other Purposes	\$ 10,000	\$ 817	\$ 222	\$ 1,039	\$ 8,961
Total Juvenile Accountability Incentive Block Fund	<u>\$ 10,000</u>	<u>\$ 817</u>	<u>\$ 222</u>	<u>\$ 1,039</u>	<u>\$ 8,961</u>
DHS Federal Projects Fund - 0592:					
Awards, Grants, Lump Sums and Other Purposes	\$ 43,778	\$ 9,366	\$ 1,955	\$ 11,321	\$ 32,457
Other Refunds	25	-	-	-	25
Lump-Sum Operations	6,004	518	79	597	5,407
Total DHS Federal Projects Fund	<u>\$ 49,807</u>	<u>\$ 9,884</u>	<u>\$ 2,034</u>	<u>\$ 11,918</u>	<u>\$ 37,889</u>
Special Olympics Illinois Fund -0623:					
Awards, Grants, Lump Sums and Other Purposes	\$ 100	\$ -	\$ 59	\$ 59	\$ 41
Total Special Olympics Illinois Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>	<u>\$ 41</u>
DHS State Projects Fund - 0642:					
Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Lump-Sum Operations	368	-	-	-	368
Total DHS State Projects Fund	<u>\$ 1,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,368</u>
Alcoholism and Substance Abuse Fund - 0646:					
Awards and Grants, Lump Sums and Other Purposes	\$ 17,500	\$ 7,142	\$ 1,256	\$ 8,398	\$ 9,102
Total Alcoholism and Substance Abuse Fund	<u>\$ 17,500</u>	<u>\$ 7,142</u>	<u>\$ 1,256</u>	<u>\$ 8,398</u>	<u>\$ 9,102</u>
Private Resource Fund - 0690:					
Awards, Grants, Lump Sums and Other Purposes	\$ 316	\$ -	\$ -	\$ -	\$ 316
Lump Sums and Other Purposes	10	-	-	-	10
Total Private Resource Fund	<u>\$ 326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
For the Fifteen Months Ended September 30, 2016
(expressed in thousands)

Schedule 2

<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
U.S.D.A. Women Infants and Children Fund - 0700:					
Awards and Grants	\$ 1,400	\$ 1,079	\$ 80	\$ 1,159	\$ 241
Awards, Grants, Lump Sums and Other Purposes	70,549	46,741	5,788	52,529	18,020
Commodities	117	-	-	-	117
Employer Contributions for Group Insurance	69	36	1	37	32
Medical Preparation and Food Supplies for Free Distribution	251,000	204,787	3,234	208,021	42,979
Other Refunds	200	-	-	-	200
Personal Services	332	221	6	227	105
Retirement	151	101	2	103	48
State Contributions for Social Security	25	16	1	17	8
Total U.S.D.A. Women Infants and Children Fund	<u>\$ 323,843</u>	<u>\$ 252,981</u>	<u>\$ 9,112</u>	<u>\$ 262,093</u>	<u>\$ 61,750</u>
Hunger Relief Fund - 0706:					
Awards and Grants	\$ 300	\$ -	\$ -	\$ -	\$ 300
Total Hunger Relief Fund	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>
Community Mental Health Medicaid Trust Fund - 0718:					
Awards, Grants, Lump Sums and Other Purposes	\$ 122,902	\$ 49,665	\$ 7,629	\$ 57,294	\$ 65,608
Total Community Mental Health Medicaid Trust Fund	<u>\$ 122,902</u>	<u>\$ 49,665</u>	<u>\$ 7,629</u>	<u>\$ 57,294</u>	<u>\$ 65,608</u>
Tobacco Settlement Recovery Fund - 0733:					
Awards and Grants	\$ 250	\$ -	\$ -	\$ -	\$ 250
Awards, Grants, Lump Sums and Other Purposes	1,139	-	-	-	1,139
Total Tobacco Settlement Recovery Fund	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,389</u>
Local Initiative Fund - 0762:					
Awards, Grants, Lump Sums and Other Purposes	\$ 22,729	\$ 16,665	\$ 2,288	\$ 18,953	\$ 3,776
Contractual Services	25	-	-	-	25
Total Local Initiative Fund	<u>\$ 22,754</u>	<u>\$ 16,665</u>	<u>\$ 2,288</u>	<u>\$ 18,953</u>	<u>\$ 3,801</u>
Healthcare Provider Relief Fund - 0793:					
Awards, Grants, Lump Sums and Other Purposes	\$ 390,000	\$ -	\$ -	\$ -	\$ 390,000
Total Healthcare Provider Relief Fund	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,000</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:					
Lump-Sum Operations	\$ 1,384	\$ 765	\$ 72	\$ 837	\$ 547
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>\$ 1,384</u>	<u>\$ 765</u>	<u>\$ 72</u>	<u>\$ 837</u>	<u>\$ 547</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
For the Fifteen Months Ended September 30, 2016
(expressed in thousands)

Schedule 2

<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
Farmers' Market Shelter and Services Fund - 0864:					
Awards, Grants, Lump Sums and Other Purposes	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Total Farmers' Market Shelter and Services Fund	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Domestic Violence Shelter and Service Fund - 0865:					
Awards, Grants, Lump Sums and Other Purposes	\$ 952	\$ 400	\$ 143	\$ 543	\$ 409
Total Domestic Violence Shelter and Service Fund	<u>\$ 952</u>	<u>\$ 400</u>	<u>\$ 143</u>	<u>\$ 543</u>	<u>\$ 409</u>
Maternal and Child Health Services Block Grant Fund - 0872:					
Awards, Grants, Lump Sums and Other Purposes	\$ 9,401	\$ 2,877	\$ 346	\$ 3,223	\$ 6,178
Contractual Services	40	-	-	-	40
Lump-Sum Operations	458	48	-	48	410
Other Refunds	5	-	-	-	5
Total Maternal and Child Health Services Block Grant Fund	<u>\$ 9,904</u>	<u>\$ 2,925</u>	<u>\$ 346</u>	<u>\$ 3,271</u>	<u>\$ 6,633</u>
Community Mental Health Services Block Grant Fund - 0876:					
Awards and Grants	\$ 20,367	\$ 20,055	\$ 7	\$ 20,062	\$ 305
Commodities	5	-	-	-	5
Contractual Services	119	29	18	47	72
Employer Contributions for Group Insurance	115	71	3	74	41
Equipment	5	-	-	-	5
Personal Services	512	286	8	294	218
Retirement	234	131	3	134	100
State Contributions for Social Security	39	21	1	22	17
Travel	10	1	-	1	9
Total Community Mental Health Services Block Grant Fund	<u>\$ 21,406</u>	<u>\$ 20,594</u>	<u>\$ 40</u>	<u>\$ 20,634</u>	<u>\$ 772</u>
Youth Drug Abuse Prevention Fund - 0910:					
Awards and Grants	\$ 530	\$ -	\$ 250	\$ 250	\$ 280
Other Refunds	30	-	-	-	30
Total Youth Drug Abuse Prevention Fund	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 310</u>
Juvenile Justice Trust Fund - 0911:					
Awards, Grants, Lump Sums and Other Purposes	\$ 4,000	\$ 1,277	\$ 313	\$ 1,590	\$ 2,410
Total Juvenile Justice Trust Fund	<u>\$ 4,000</u>	<u>\$ 1,277</u>	<u>\$ 313</u>	<u>\$ 1,590</u>	<u>\$ 2,410</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
For the Fifteen Months Ended September 30, 2016
(expressed in thousands)

Schedule 2

<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
DHS Recoveries Trust Fund - 0921:					
Contractual Services	\$ 300	\$ -	\$ 296	\$ 296	\$ 4
Interfund Cash Transfers	5,000	-	1,175	1,175	3,825
Lump-Sum Operations	16,263	9,820	486	10,307	5,956
Total DHS Recoveries Trust Fund	<u>\$ 21,563</u>	<u>\$ 9,820</u>	<u>\$ 1,957</u>	<u>\$ 11,778</u>	<u>\$ 9,785</u>
Total Appropriated Funds	<u>\$ 6,394,585</u>	<u>\$ 4,653,593</u>	<u>\$ 409,178</u>	<u>\$ 5,062,772</u>	<u>\$ 1,331,813</u>
<u>NON-APPROPRIATED FUNDS</u>					
DHS Special Purposes Trust Fund - 0408:					
Awards, Grants, Lump Sums and Other Purposes		\$ 91	\$ 6	\$ 97	
Total DHS Special Purposes Trust Fund		<u>\$ 91</u>	<u>\$ 6</u>	<u>\$ 97</u>	
Electronic Benefits Transfer Fund - 0540:					
Awards and Grants		\$ 149,592	\$ -	\$ 149,592	
Total Electronic Benefits Transfer Fund		<u>\$ 149,592</u>	<u>\$ -</u>	<u>\$ 149,592</u>	
DHS Federal Projects Fund - 0592:					
Awards and Grants		\$ 625	\$ 208	\$ 833	
Total DHS Federal Projects Fund		<u>\$ 625</u>	<u>\$ 208</u>	<u>\$ 833</u>	
DHS State Projects Fund - 0642:					
Awards and Grants, Lump Sums and Other Purposes		\$ 73	\$ -	\$ 73	
Total DHS State Projects Fund		<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 73</u>	
DHS Private Resources Fund - 0690:					
Lump-Sum Operations		\$ 1	\$ 1	\$ 2	
Total DHS Private Resources Fund		<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	
DHS Recoveries Trust Fund - 0921:					
Awards and Grants		\$ 1,147	\$ -	\$ 1,147	
Other Refunds		81	15	96	
Refunds of Federal and Other Grants		1,279	683	1,962	
Total DHS Recoveries Trust Fund		<u>\$ 2,507</u>	<u>\$ 698</u>	<u>\$ 3,205</u>	
Total Non-Appropriated Funds		<u>\$ 152,889</u>	<u>\$ 913</u>	<u>\$ 153,802</u>	
Total All Funds		<u>\$ 4,806,482</u>	<u>\$ 410,091</u>	<u>\$ 5,216,574</u>	

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
For the Fifteen Months Ended September 30, 2016
(expressed in thousands)**

<u>PUBLIC ACTS 99-0491; 99-0409; 99-0524; 100-0021 and Court Ordered Expenditures</u>	<u>Expenditure Authority (Net after Transfers)</u>	<u>Expenditures Through June 30, 2016</u>	<u>Lapse Period Expenditures July 1, 2016 to September 30, 2016</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
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- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Department records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.
- Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." In addition, SEIU was a plaintiff to this order and the Comptroller was required to pay wages to individual providers covered by SEIU. These included individual providers of Home Services Programs and Child Care Home Services Program. In November 2015, the order was amended to cover payments to the SEIU health fund as well.
- Note 4: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to make payments necessary to comply with the following consent decrees and implementation plans; *Stanley Ligas, et. al. vs. Felicia Norwood, et. al.*, (Case No. 05 C 4331); *Bogard vs. Bradley*, (99 CV 2414); *Williams vs. Rauner* (05 CV 4673); *Colbert vs. Rauner* (07 CV 4673).
- Note 5: Public Act 99-524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The appropriations from the Commitment to Human Services Fund, Budget Stabilization Fund and General Revenue Fund for the Department were for services incurred by 12/31/2016. The other State funds and federal fund appropriations were for all of Fiscal Year 2017. 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 to be submitted against its Fiscal Year 2017 appropriation.
- Note 6: U.S. District Court for the Northern District of Illinois - Eastern Division, required the Illinois Office of the Comptroller to process and make all Fiscal Year 2016 Medicaid payments to providers statewide who serve Illinois Medicaid patients, including programs administered by the Department of Healthcare and Family Services (DHFS), and Medicaid payments made in programs administered by state agencies other than DHFS (e.g. Medicaid Home and Community Based Services Waiver Program and Early Intervention Program) (*Memisovski vs. Maram* (No 92 C 1982); *Becks vs. Bradley* (No 92 C 4204)).
- Note 7: Circuit Court of Cook County, Illinois County Department, Chancery Division, *People of the State of Illinois vs. Leslie G. Munger* agreed Interim Order (15 CH 10243) required the Comptroller to pay for all services, programs, vendors, contractors and state personnel at the level necessary to comply with the consent decrees. Those impacting the Department are: *B.H. vs. Tate*; *Becks vs. Bradley*; *Ligas vs. Norwood*; *Benson vs. Blaser*; *Williams vs. Rauner*; *Colbert vs. Rauner*; *Memisovski Vs. Wright*.

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2017, 2016 and 2015
(expressed in thousands)

	Fiscal Year		
	2017	2016	2015
	PA 99-0524, 100-0021 and Court Ordered Expenditures	PA 99-0491, 99-0409, 99-0524, 100-0021 and Court Ordered Expenditures	PA 98-0642, 98-0675, 98-0680 99-0001
ALL FUNDS			
Appropriations (net after transfers):	\$ 6,976,339	\$ 6,394,585	\$ 6,428,793
Expenditures:			
Awards and Grants	\$ 612,655	\$ 597,295	\$ 870,737
Awards and Grants to Students	4	-	4
Awards, Grants, Lump Sums and Other Purposes	3,579,191	3,348,918	3,804,605
Commodities	7,555	5,831	5,918
Contractual Services	65,824	64,490	136,470
Employer Contributions for Group Insurance	18,404	19,238	18,291
Equipment	278	80	938
Funeral and Burial Expenses, Payments to Vendors	2,121	-	6,372
Interfund Cash Transfers	51,000	1,175	1,175
Lump Sums and Other Purposes	496,560	474,869	508,714
Lump-Sum Operations	73,085	24,726	31,142
Medical Preparation and Food Supplies for Free Distribution	201,294	208,021	222,049
Operation of Automotive Equipment	10	12	487
Other Refunds	534	272	701
Permanent Improvements, Lump Sums and Other Purposes	4,629	-	1,293
Personal Services	398,981	407,023	421,291
Printing	1,298	1,047	1,562
Refunds of Federal and Other Grants	2,543	1,962	3,275
Retirement	27,107	30,006	29,938
State Contributions for Social Security	29,392	29,836	30,829
Student, Member or Inmate Compensation	-	-	22
Telecommunications	4,492	1,402	10,041
Tort, Settlements and Similar Payments - Nontaxable	-	-	608
Travel	812	371	1,400
Total Expenditures	5,577,769	5,216,574	6,107,862
Less Non-Appropriated Expenditures	122,183	153,802	216,615
Appropriated Expenditures	5,455,586	5,062,772	5,891,247
Reappropriated Balances	-	-	100
Lapsed Balances	\$ 1,520,753	\$ 1,331,813	\$ 537,446
State Officers' Salaries			
Expenditures			
Secretary	\$ 150	\$ 150	\$ 116
Assistant Secretaries	46	-	175
Total Expenditures	\$ 196	\$ 150	\$ 291

Note 1: Expenditures are classified according to major object codes listed in the Statewide Accounting Management System (SAMS) manual and include appropriated and non-appropriated funds.

Note 2: All data on this schedule was obtained from Comptroller records.

Note 3: The expenditures in the 2015 column have been reclassified to conform to the 2017 and 2016 presentation.

Note 4: See footnotes to Schedules 1 and 2.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Years Ended June 30, 2016 and 2017**

Schedule 4

	Equipment	Land and Land Improvements	Buildings and Building Improvements	Site Improvements	Capital Lease Equipment	Total
Balance at July 1, 2015	\$ 96,758,237	\$ 3,415,140	\$ 574,221,589	\$ 82,196,184	\$ 825,455	\$ 757,416,605
Additions	5,097,720	-	-	-	238,938	5,336,658
Deletions	2,612,171	-	2,820	-	139,495	2,754,486
Net Transfers	(3,016,725)	-	4,181,954	21,014	-	1,186,243
Balance at June 30, 2016	<u>\$ 96,227,061</u>	<u>\$ 3,415,140</u>	<u>\$ 578,400,723</u>	<u>\$ 82,217,198</u>	<u>\$ 924,898</u>	<u>\$ 761,185,020</u>
Balance at July 1, 2016	\$ 96,227,061	\$ 3,415,140	\$ 578,400,723	\$ 82,217,198	\$ 924,898	\$ 761,185,020
Additions	5,431,402	-	-	-	-	5,431,402
Deletions	5,768,029	-	38,663	-	90,355	5,897,047
Net Transfers	(2,312,770)	-	1,941,326	-	(128,701)	(500,145)
Balance at June 30, 2017	<u>\$ 93,577,664</u>	<u>\$ 3,415,140</u>	<u>\$ 580,303,386</u>	<u>\$ 82,217,198</u>	<u>\$ 705,842</u>	<u>\$ 760,219,230</u>

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller.

This summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016, AND 2015
(expressed in thousands)

Schedule 5

	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenue Fund - 0001			
Miscellaneous collections from facilities/General Office	\$ 538	\$ 255	\$ 216
Reimbursement - Emergency Revolving Fund, jury duty, locally held funds, petty cash and miscellaneous	285	286	195
Federal - U.S. Dept. of HHS - Refugee Entrants Program	4,820	2,892	5,067
Federal - U.S. Department of Health and Human Services	58	-	643
Federal - U.S. Department of Agriculture - Food Stamps	90,842	106,430	102,812
Federal - U.S. Department of Justice	67	85	49
Federal - USDA Supplies/Commodities	170	102	-
Federal - Indirect cost reimbursements	-	-	82
Original and renewal license fees	57	98	103
State offset claims	1,800	1,409	279
Funeral and Burial Recoveries	4	15	-
Federal - Temporary Assistance to Needy Families grant	60,000	-	-
Refugee Entrants Program	5	5	5
Total General Revenue Fund	<u>158,646</u>	<u>111,577</u>	<u>109,451</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013			
Federal - U.S. Department of Health and Human Services	<u>67,837</u>	<u>72,556</u>	<u>66,072</u>
Group Home Loan Revolving Fund - 0025			
Loan repayment	<u>14</u>	<u>20</u>	<u>26</u>
Mental Health Fund - 0050			
Miscellaneous collections from facilities/General Office	1	10	-
Patient care reimbursements and miscellaneous collections	16,896	19,060	17,683
Other Illinois State Agencies and local units	4,270	1,704	3,592
Federal - Medicare Part D	7,182	6,720	6,608
Total Mental Health Fund	<u>28,349</u>	<u>27,494</u>	<u>27,883</u>
Vocational Rehabilitation Fund - 0081			
Randolph Sheppard vendors	66	154	126
Federal - U.S. Department of Education	112,312	101,128	117,062
Federal - U.S. Department of Health and Human Services	7,534	10,705	9,481
Federal - Indirect cost reimbursements	2,659	3,044	8,042
Reimbursement/recovery - jury duty, repayments due to law	2	12	1
State offset claims	-	1	3
Miscellaneous	1	10	-
Total Vocational Rehabilitation Fund	<u>122,574</u>	<u>115,054</u>	<u>134,715</u>
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123			
State offset claims	-	1	-
Bequest to State	-	1	-
Loan repayments	5	18	2
Total Hansen-Therkelsen Memorial Deaf Student College Fund	<u>5</u>	<u>20</u>	<u>2</u>
Specialized Services for Survivors of Human Trafficking Fund - 0132			
Circuit Clerk - Fines and violations	<u>1</u>	<u>-</u>	<u>-</u>
DHS Technology Initiative Fund - 0211			
DHS Recoveries Trust Fund	1,175	1,175	-
Other Illinois state agencies - framework program	1,441	819	8,031
Total DHS Technology Initiative Fund	<u>2,616</u>	<u>1,994</u>	<u>8,031</u>
DCFS Children's Services Fund - 0220			
Federal - Temporary Assistance to Needy Families grant	<u>68,800</u>	<u>68,800</u>	<u>68,800</u>
Income Tax Refund Fund - 0278			
Federal - Temporary Assistance to Needy Families grant	<u>46,034</u>	<u>51,292</u>	<u>42,661</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016, AND 2015
(expressed in thousands)

Schedule 5

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal National Community Services Fund - 0343			
Federal - National Community Services grants	\$ -	\$ -	\$ 767
Employment and Training Fund - 0347			
Federal - U.S. Dept. of Health and Human Services			
Federal - Temporary Assistance to Needy Families grant	397,510	419,586	473,376
Federal stimulus package	-	5,016	4,277
Total Employment and Training Fund	<u>397,510</u>	<u>424,602</u>	<u>477,653</u>
DHS Special Purposes Trust Fund - 0408			
Federal - U.S. Department of Health and Human Services (HHS)	8,750	8,449	10,253
Federal - U.S. Dept. of Labor			
Federal - U.S. Department of Agriculture - multiple grants	19,493	19,150	20,018
Federal from other State Agencies			
Federal - U.S. Department of Education - Illinois State Board of Education	9,851	13,385	10,514
Federal - U.S. Dept. HHS - Family Violence Prevention and Services	3,040	3,059	3,452
Federal - U.S. Dept. HHS - Refugee Entrant Assistance	6,879	6,820	7,429
Federal - U.S. Dept. HHS - Child Care and Development	188,075	171,305	210,179
Federal - Migrant Head Start grant	2,546	3,405	2,788
Other Illinois State Agency - Illinois State Board of Education	-	-	500
Private organizations	67	156	311
Total DHS Special Purposes Trust Fund	<u>238,701</u>	<u>225,729</u>	<u>265,444</u>
Old Age Survivors Insurance Fund - 0495			
Federal - U.S. Department of Health and Human Services	<u>77,584</u>	<u>79,224</u>	<u>79,000</u>
Early Intervention Services Revolving Fund - 0502			
General Revenue Fund transfer	64,500	82,500	95,911
Federal - U.S. Department of Education	13,855	16,584	16,891
Parent fees	4,511	4,116	4,119
State offset claims	15	10	18
Other Illinois state agency - Illinois Dept. of Healthcare and Family Services	-	-	54
Repayment pursuant to law	5	5	5
Total Early Intervention Services Revolving Fund	<u>82,886</u>	<u>103,215</u>	<u>116,998</u>
DHS Community Services Fund - 0509			
Other Illinois State Agencies - Illinois Dept. of Healthcare and Family Services and the Illinois Dept. of Aging	<u>3,000</u>	<u>6,000</u>	<u>2,568</u>
Electronic Benefits Transfer Fund - 0540			
Other Agency funds - Aid to the Aged, Blind, and Disabled (AABD)	21,559	23,258	26,487
Other Agency funds - Aid to Families with Dependent Children (AFDC)	92,164	131,381	171,944
Other Agency funds - Employability Development Services	1,989	2,868	4,307
Other Agency funds - Refugee	1,310	1,514	1,653
Other Agency funds - Food Stamp Employment and Training	12	5	9
Total Electronic Benefits Transfer Fund	<u>117,034</u>	<u>159,026</u>	<u>204,400</u>
Juvenile Accountability Incentive Block Grant Fund - 0581			
Federal - U.S. Department of Justice	<u>-</u>	<u>-</u>	<u>20</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016, AND 2015
(expressed in thousands)

Schedule 5

	<u>2017</u>	<u>2016</u>	<u>2015</u>
DHS Federal Projects Fund - 0592			
Federal - U.S. Department of Health and Human Services	\$ 8,564	\$ 7,813	\$ 11,272
Federal - U.S. Department of Housing and Urban Development	4,329	4,802	2,903
Federal - U.S. Department of Justice	201	255	380
Federal - Social Security Administration	-	16	274
Federal monies via Other States	-	1,063	43
State offset claims	-	-	7
Private organizations or individuals	137	137	573
Total DHS Federal Projects Fund	<u>13,231</u>	<u>14,086</u>	<u>15,452</u>
DHS State Projects Fund - 0642			
State offset claims	-	3	-
Other Illinois State Agency - Illinois Department of Commerce and Economic Opportunity	10,000	-	-
Other Illinois State Agency - Illinois Department of Labor	-	-	6,500
Total DHS State Projects Fund	<u>10,000</u>	<u>3</u>	<u>6,500</u>
Commitment to Human Services Fund - 0644			
General Revenue Fund Transfer	<u>11,000</u>	<u>-</u>	<u>-</u>
Alcoholism and Substance Abuse Fund - 0646			
Federal - U.S. Department of Health and Human Services	7,189	8,041	6,655
Federal - U.S. Department of Justice	-	-	38
Other Illinois State Agency - Illinois Department of Revenue	28	-	14
Private organizations or individuals	169	135	135
Total Alcoholism and Substance Abuse Fund	<u>7,386</u>	<u>8,176</u>	<u>6,842</u>
Private Resource Fund - 0690			
Private organizations or individuals	<u>121</u>	<u>175</u>	<u>145</u>
U.S.D.A. Women Infants and Children Fund - 0700			
Federal - U.S. Department of Agriculture	184,790	197,728	215,500
WIC program vendors	27	55	55
Infant formula rebates	68,641	69,465	73,251
State offset claims	1	1	-
Total U.S.D.A. Women Infants and Children Fund	<u>253,459</u>	<u>267,249</u>	<u>288,806</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798			
Federal - U.S. Department of Agriculture - Illinois State Board of Education	123	133	197
Federal - U.S. Department of Education - Illinois State Board of Education	266	233	180
Local governments - School district	304	371	204
Private organizations or individuals	-	-	13
Other Illinois State Agency - Illinois State Board of Education	7	76	80
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>700</u>	<u>813</u>	<u>674</u>
Farmer's Market Technology Improvement Fund - 0864			
Federal - U.S. Department of Agriculture - Food Nutrition Services	<u>-</u>	<u>-</u>	<u>2</u>
Maternal and Child Health Services Block Grant Fund - 0872			
Federal - U.S. Department of Health and Human Services Block Grant	2,640	3,902	5,707
State offset claims	-	-	22
Total Maternal and Child Health Services Block Grant Fund	<u>2,640</u>	<u>3,902</u>	<u>5,729</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016, AND 2015
(expressed in thousands)

Schedule 5

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Community Mental Health Services Block Grant Fund - 0876			
Federal - U.S. Department of Health and Human Services Block Grant	\$ 18,825	\$ 20,388	\$ 15,092
Youth Drug Abuse Prevention Fund - 0910			
Fines, penalties or violations	312	334	387
Juvenile Justice Trust Fund - 0911			
Federal - U.S. Department of Justice	1,488	1,958	2,464
DHS Recoveries Trust Fund - 0921			
IRS collections non-public assistance clients	7,141	6,005	4,493
Recipient collection - administrative support	342	475	643
Recipient collection - excess assistance	4,158	3,830	4,499
Recipient collection - food stamps	4,311	4,237	3,708
Non-medical	371	450	437
State offset claims	593	587	673
Federal - U.S. Dept. of Health and Human Services - Supplemental Security Income Interim Assistance	1,419	1,335	1,141
Federal Monies via Other States	-	33	-
Federal - Indirect cost reimbursements	198	552	79
Total DHS Recoveries Trust Fund	<u>18,533</u>	<u>17,504</u>	<u>15,673</u>
Social Services Block Grant Fund - 0935			
Federal - U.S. Dept. of Health and Human Services - Title XX Block Grant	52,138	63,699	63,980
Federal - Temporary Assistance to Needy Families Grant	1,200	1,200	1,200
Total Social Services Block Grant Fund	<u>53,338</u>	<u>64,899</u>	<u>65,180</u>
Total Receipts Per Department Records	<u>\$ 1,802,624</u>	<u>\$ 1,846,090</u>	<u>\$ 2,027,437</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

(expressed in thousands)

	General Revenue Fund - 0001	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013	Group Home Loan Revolving Fund - 0025	Mental Health Fund - 0050	Vocational Rehabilitation Fund - 0081	Hansen- Therkelsen Memorial Deaf Student College Fund - 0123	Specialized Services for Survivors of Human Trafficking Fund - 0132
TOTAL 2017 RECEIPTS PER DEPARTMENT RECORDS	\$ 158,646	\$ 67,837	\$ 14	\$ 28,349	\$ 122,574	\$ 5	\$ 1
Deposits in transit, beginning of period	386	-	-	1,230	21	2	-
Deposits in transit, end of period	(67)	-	-	(953)	-	-	-
Adjustments to be made to Department records - miscellaneous	(29)	-	-	(57)	11	(1)	-
TOTAL 2017 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 158,936</u>	<u>\$ 67,837</u>	<u>\$ 14</u>	<u>\$ 28,569</u>	<u>\$ 122,606</u>	<u>\$ 6</u>	<u>\$ 1</u>
TOTAL 2016 RECEIPTS PER DEPARTMENT RECORDS	\$ 111,577	\$ 72,556	\$ 20	\$ 27,494	\$ 115,054	\$ 20	\$ -
Deposits in transit, beginning of period	18	-	-	2,717	-	-	-
Deposits in transit, end of period	(386)	-	-	(1,230)	(21)	(2)	-
Adjustments to be made to Department records - miscellaneous	26	-	-	(909)	87	-	-
TOTAL 2016 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 111,235</u>	<u>\$ 72,556</u>	<u>\$ 20</u>	<u>\$ 28,072</u>	<u>\$ 115,120</u>	<u>\$ 18</u>	<u>\$ -</u>

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

(expressed in thousands)

	DHS Technology Initiative Fund - 0211	DCFS Children's Services Fund - 0220	Drunk and Drugged Driving Prevention Fund - 0276	Income Tax Refund Fund - 0278	Employment and Training Fund - 0347	DHS Special Purposes Trust Fund - 0408	Old Age Survivors Insurance Fund - 0495
TOTAL 2017 RECEIPTS PER DEPARTMENT RECORDS	\$ 2,616	\$ 68,800	\$ -	\$ 46,034	\$ 397,510	\$ 238,701	\$ 77,584
Deposits in transit, beginning of period	-	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	2	-	-	-	-
TOTAL 2017 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 2,616</u>	<u>\$ 68,800</u>	<u>\$ 2</u>	<u>\$ 46,034</u>	<u>\$ 397,510</u>	<u>\$ 238,701</u>	<u>\$ 77,584</u>
TOTAL 2016 RECEIPTS PER DEPARTMENT RECORDS	\$ 1,994	\$ 68,800	\$ -	\$ 51,292	\$ 424,602	\$ 225,729	\$ 79,224
Deposits in transit, beginning of period	-	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	5	-	-	-	-
TOTAL 2016 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 1,994</u>	<u>\$ 68,800</u>	<u>\$ 5</u>	<u>\$ 51,292</u>	<u>\$ 424,602</u>	<u>\$ 225,729</u>	<u>\$ 79,224</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

Schedule 6

(expressed in thousands)

	Early Intervention Services Revolving Fund - 0502	DHS Community Services Fund - 0509	Electronic Benefits Transfer Fund - 0540	DHS Federal Projects Fund - 0592	DHS State Projects Fund - 0642	Commitment to Human Services Fund - 0644
TOTAL 2017 RECEIPTS PER DEPARTMENT RECORDS	\$ 82,886	\$ 3,000	\$ 117,034	\$ 13,231	\$ 10,000	\$ 11,000
Deposits in transit, beginning of period	6	-	9,970	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	21,247	-	(9,970)	-	-	-
TOTAL 2017 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 104,139</u>	<u>\$ 3,000</u>	<u>\$ 117,034</u>	<u>\$ 13,231</u>	<u>\$ 10,000</u>	<u>\$ 11,000</u>
TOTAL 2016 RECEIPTS PER DEPARTMENT RECORDS	\$ 103,215	\$ 6,000	\$ 159,026	\$ 14,086	\$ 3	\$ -
Deposits in transit, beginning of period	-	-	-	-	-	-
Deposits in transit, end of period	(6)	-	(9,970)	-	-	-
Adjustments to be made to Department records - miscellaneous	4,825	-	536	208	-	-
TOTAL 2016 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 108,034</u>	<u>\$ 6,000</u>	<u>\$ 149,592</u>	<u>\$ 14,294</u>	<u>\$ 3</u>	<u>\$ -</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

(expressed in thousands)

	Alcoholism and Substance Abuse Fund - 0646	Private Resource Fund - 0690	U.S.D.A. Women Infants and Children Fund - 0700	Rehabilitation Services Elementary and Secondary Education Act Fund - 0798	Maternal and Child Health Services Block Grant Fund - 0872	Community Mental Health Services Block Grant Fund - 0876	Youth Drug Abuse Prevention Fund - 0910
TOTAL 2017 RECEIPTS PER DEPARTMENT RECORDS	\$ 7,386	\$ 121	\$ 253,459	\$ 700	\$ 2,640	\$ 18,825	\$ 312
Deposits in transit, beginning of period	-	-	2	6	-	-	58
Deposits in transit, end of period	-	-	-	(22)	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	(2)	12	-	-	(4)
TOTAL 2017 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 7,386</u>	<u>\$ 121</u>	<u>\$ 253,459</u>	<u>\$ 696</u>	<u>\$ 2,640</u>	<u>\$ 18,825</u>	<u>\$ 366</u>
TOTAL 2016 RECEIPTS PER DEPARTMENT RECORDS	\$ 8,176	\$ 175	\$ 267,249	\$ 813	\$ 3,902	\$ 20,388	\$ 334
Deposits in transit, beginning of period	-	-	-	16	-	-	10
Deposits in transit, end of period	-	-	(2)	(6)	-	-	(58)
Adjustments to be made to Department records - miscellaneous	-	-	1	-	-	-	-
TOTAL 2016 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 8,176</u>	<u>\$ 175</u>	<u>\$ 267,248</u>	<u>\$ 823</u>	<u>\$ 3,902</u>	<u>\$ 20,388</u>	<u>\$ 286</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

(expressed in thousands)

	Juvenile Justice Trust Fund - 0911	DHS Recoveries Trust Fund - 0921	Social Services Block Grant Fund - 0935	Total All Funds
TOTAL 2017 RECEIPTS PER DEPARTMENT RECORDS	\$ 1,488	\$ 18,533	\$ 53,338	\$ 1,802,624
Deposits in transit, beginning of period	-	1,218	-	12,899
Deposits in transit, end of period	-	(207)	-	(1,249)
Adjustments to be made to Department records - miscellaneous	-	82	-	11,291
TOTAL 2017 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 1,488</u>	<u>\$ 19,626</u>	<u>\$ 53,338</u>	<u>\$ 1,825,565</u>
TOTAL 2016 RECEIPTS PER DEPARTMENT RECORDS	\$ 1,958	\$ 17,504	\$ 64,899	\$ 1,846,090
Deposits in transit, beginning of period	-	840	-	3,601
Deposits in transit, end of period	-	(1,218)	-	(12,899)
Adjustments to be made to Department records - miscellaneous	-	13	-	4,792
TOTAL 2016 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 1,958</u>	<u>\$ 17,139</u>	<u>\$ 64,899</u>	<u>\$ 1,841,584</u>

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS
For the Years Ended June 30, 2017 and 2016

Schedule 7

	2017	2016
<u>DHS Other Special Trusts Fund - 1139</u>		
Beginning Balance	\$ 1,136,960	\$ 1,331,554
Receipts	509,596	536,123
Disbursements	(663,993)	(730,717)
Ending Balance	<u>\$ 982,563</u>	<u>\$ 1,136,960</u>
<u>DHS Commissary Funds Fund - 1140</u>		
Beginning Balance	\$ 7,670	\$ 9,924
Receipts	52,026	51,148
Disbursements	(51,200)	(53,402)
Ending Balance	<u>\$ 8,496</u>	<u>\$ 7,670</u>
<u>DHS Resident's Trust Fund - 1143</u>		
Beginning Balance	\$ 2,254,463	\$ 2,147,825
Receipts	15,696,284	15,002,030
Disbursements	(15,682,215)	(14,895,392)
Ending Balance	<u>\$ 2,268,532</u>	<u>\$ 2,254,463</u>
<u>DHS Rehabilitation Fund - 1144</u>		
Beginning Balance	\$ 52,584	\$ 47,071
Receipts	204,746	208,954
Disbursements	(203,697)	(203,441)
Ending Balance	<u>\$ 53,633</u>	<u>\$ 52,584</u>
<u>DHS/DORS Agency Fund - 1147</u>		
Beginning Balance	\$ (16,519)	\$ (10,844)
Receipts	178,262	122,659
Disbursements	(178,326)	(128,334)
Ending Balance	<u>\$ (16,583)</u>	<u>\$ (16,519)</u>
<u>DHS/DORS Special Revenue Fund - 1149</u>		
Beginning Balance	\$ 247,860	\$ 207,982
Receipts	321,887	332,540
Disbursements	(375,132)	(292,662)
Ending Balance	<u>\$ 194,615</u>	<u>\$ 247,860</u>
<u>DHS/DORS Permanent Trust Fund - 1150</u>		
Beginning Balance	\$ 383,614	\$ 408,893
Receipts	45,722	34,034
Disbursements	(33,391)	(59,313)
Ending Balance	<u>\$ 395,945</u>	<u>\$ 383,614</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS
For the Years Ended June 30, 2017 and 2016

Schedule 7

	2017	2016
<u>Living Skills Program Fund - 1214</u>		
Beginning Balance	\$ 24,449	\$ 28,908
Receipts	119,540	84,502
Disbursements	(114,110)	(88,961)
Ending Balance	<u>\$ 29,879</u>	<u>\$ 24,449</u>
<u>Food Stamp and Commodity Fund - 1245</u>		
Beginning Balance	\$ -	\$ -
Receipts	2,985,948,183	3,122,937,083
Disbursements	(2,985,948,183)	(3,122,937,083)
Ending Balance	<u>\$ -</u>	<u>\$ -</u>
<u>Patient's Travel Trust Fund - 1247</u>		
Beginning Balance	\$ 9,422	\$ 29,322
Receipts	120,189	8,521
Disbursements	(94,742)	(28,421)
Ending Balance	<u>\$ 34,869</u>	<u>\$ 9,422</u>
<u>Women Infant and Children Redemption Fund - 1271</u>		
Beginning Balance	\$ 2,963,908	\$ 4,945,798
Receipts	156,674,958	150,404,188
Disbursements	(153,660,061)	(152,386,078)
Ending Balance	<u>\$ 5,978,805</u>	<u>\$ 2,963,908</u>
<u>Burr Request Fund - 1272</u>		
Beginning Balance	\$ 989,854	\$ 1,003,508
Receipts	6,150	438
Disbursements	(1,283)	(14,092)
Ending Balance	<u>\$ 994,721</u>	<u>\$ 989,854</u>
<u>Emergency Revolving Fund - 1346</u>		
Beginning Balance	\$ 125,967	\$ 126,634
Receipts	694	199
Disbursements	(2,381)	(866)
Ending Balance	<u>\$ 124,280</u>	<u>\$ 125,967</u>
<u>Vending Facility Program for the Blind Fund - 1385</u>		
Beginning Balance	\$ 166,384	\$ 176,134
Receipts	1,393,945	1,328,903
Disbursements	(1,304,285)	(1,338,653)
Ending Balance	<u>\$ 256,044</u>	<u>\$ 166,384</u>

(Concluded)

Note: This schedule is presented on the cash basis of accounting.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Illinois House Bill 2632 created the Illinois Department of Human Services (Department) which on July 1, 1997 consolidated the Departments of Alcoholism and Substance Abuse, Mental Health, Developmental Disabilities and Rehabilitation Services, along with the client-centered services provided through the Departments of Children and Family Services, Healthcare and Family Services and Public Health. The Department established as its primary mission to assist Illinois residents to achieve self-sufficiency, independence and health, to the maximum extent possible, by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes, in partnerships with communities. The current Secretary for the Department of Human Services is James T. Dimas.

The Department's mission is carried out through the following divisions: Alcoholism and Substance Abuse, Developmental Disabilities, Family and Community Services, Mental Health and Rehabilitation Services. The Department of Human Services is the largest agency in the State of Illinois with a headcount of 13,036 for the period ending June 30, 2017.

Department's Mission Statement

Strengthening Illinois by building up lives and communities

The Department's Vision Statement

Healthy, independent people of Illinois living in safe, strong communities

The Department's Value Statement

Human Dignity

- We believe that self-sufficiency meets human needs in ways dependency cannot
- We want to serve people in the least restrictive way possible that promotes independence and relationships within the community
- We serve people where they are, with empathy, dignity, respect, and cultural competence

Teamwork

- We work together so that there is no wrong door/desk for our customers. We take personal responsibility for helping or connecting customers to the right person that can help
- We are accountable to each other for quality and results

Learning

- We make decisions based on evidence and data and change our assumptions when the facts don't support them
- We value business processes that are simple, efficient and user friendly

Integrity

- We are good stewards of public resources and accountable to the public to optimize social and economic benefits for the people of Illinois
- We conduct ourselves with integrity and honesty and will swiftly act against any behavior that enriches a person at the expense of public trust

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

The Department's Motto

Committed to treating people the way we wish to be treated

The Department's Strategic Initiatives

- Increasing employment and self-sufficiency for individuals served in IDHS programs
- Improving system waiting time through higher throughput, diversion and more capacity
- Reducing the impact of the current opioid crisis

Executive Offices

Office of the Secretary

The Office of the Secretary is responsible for all duties and responsibilities regarding all aspects of the Department's programs and services related to the four program divisions, special programs and operations. The executive level communication, decision making and daily operations of the Department are housed in the Office of the Secretary. The following administrative units report directly to the Office of the Secretary and receive direction and guidance from the Chief of Staff: The Offices of Equal Employment Opportunity and Affirmative Action; Communications; General Counsel; Grants Administration; Hispanic and Latino Affairs; Human Resources; Innovation, Strategy and Performance; Inspector General; Internal Audit; Labor Relations; and Legislation.

Office of the Equal Employment Opportunity & Affirmative Action Officer

The Equal Employment Opportunity and Affirmative Action Officer (EEO/AA Officer) serves as the confidential advisor to the agency on matters relating to its affirmative action and equal employment practices and policies. Additionally, the EEO/AA Officer chairs the Recruitment Hiring and Discipline Committee, which meets monthly to discuss, strategize and plan the goals and objectives of the agency's affirmative action plan and equal employment opportunity performance. The EEO/AA Officer also serves as a monitor of Department wide hiring and employment practices to ensure accordance with State and Federal laws, executive orders and court decisions. The Chief EEO/AA Officer serves as the Department's liaison to the Illinois Department of Human Rights, the Department's affirmative action and equal employment opportunity monitoring agency. Additionally, the EEO/AA Officer reviews, analyzes and prepares the Department's annual Affirmative Action Plan required by the Illinois Department of Human Rights. Lastly, the EEO/AA Officer reviews and analyzes the discipline within all Department Mental Health and Developmental Disability Centers for any disparities and ensures that the Facilities and Centers are in compliance with all applicable State and Federal laws.

The Americans with Disabilities Act (ADA) program is coordinated through the *Bureau of Accessibility and Job Accommodation* (BAJA). The Bureau Chief of the Bureau of Accessibility and Job Accommodation serves as the Department's ADA/Section 504 Coordinator who monitors compliance with the Titles of the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act, to investigate related grievances, and to provide information, training and technical assistance to entities on accessibility provisions.

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Office of Communications

The Office of Communications is charged with outreach to several audiences: staff members, more than 1,700 contracted providers, advocates, trade associations, the business community, legislators, media and the Department's 2.5 million customers. The Office's mission is to promote public awareness and use of the Department's programs and services, and to work with Department divisions to foster relationships of goodwill with Department staff, external partners, customers, and elected officials.

Office of the General Counsel

The Office of the General Counsel (OGC) is subdivided into several areas. The structure of the OGC, where possible, mirrors the organizational structure of the Department and includes representation as "in-house" counsel to the programmatic and administrative areas. Responsibilities for the Freedom of Information Act (FOIA) Officer, the Ethics Officer, and the Legal Privacy Officer for the Department are also housed within the OGC.

Bureau of Hearings and Bureau of Administrative Rules: The Bureau of Hearings is responsible for maintaining a system of administrative appeals to ensure the Department's compliance with the administrative hearings provisions of the Illinois Administrative Procedure Act. These hearings pertain to all Department program areas, including public assistance, and services for mental health, developmental disabilities, rehabilitation and alcohol and substance abuse. The Bureau of Administrative Rules is responsible for maintaining the Department's compliance with the administrative rulemaking provisions of the Illinois Administrative Procedures Act. It works with the program areas to propose, amend and repeal administrative rules as necessary to properly implement all Department programs. It also works closely with staff of the Joint Committee on Administrative Rules (JCAR) to ensure conformance to its policies and procedures.

The Bureau of Policy and the Bureau of Civil Affairs is also part of the OGC. The Bureau of Civil Affairs strives to create an environment free from discrimination and harassment for both Department employees and its customers. Through its investigations, the Bureau ensures adherence to Federal and State non-discrimination and anti-harassment laws. The Bureau is also responsible for compiling the Department's annual Affirmative Action Plan for the Illinois Department of Human Rights as well as ensuring that all Department hires and promotions meet the guidelines enumerated in both Federal and State laws. The Bureau also provides technical assistance to Department staff and provides leadership to the Department's Recruitment, Hiring and Discipline Committee to ensure compliance with laws regarding discrimination and harassment.

The *Bureau of Policy* assists in the development of Administrative Directives and Program Directives by working with staff from all parts of the Department. The Bureau oversees the drafting of the Directives and coordinates their review and approval.

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Office of Grants Administration

The major functions of the Office of Grants Administration (Grants) include the timely identification and acquisition of non-General Revenue Fund funding opportunities for the expansion and enhancement of human services throughout the State of Illinois; the development and maintenance of web based technologies that support identification of funding and the dissemination of information to ensure sustainability and replication of evidence-based practices. Grants provides technical assistance and training workshops in the critical areas of grant writing, program planning, and development to community organizations.

Office of Hispanic and Latino Affairs

The Office of Hispanic/Latino Affairs (OHLA) is largely defined by the tasks mandated in the Quinones and Perdomo consent decrees. The Department recognizes the growing Latino population in the State of Illinois and OHLA is committed to evaluating, monitoring and assisting in decision making to maintain Core Human Service plans and integrate Human Services Delivery within the State. OHLA's primary functions are to: maintain and continue building partnerships with Department units, businesses and Community and Faith Based Organizations that service the Hispanic community; translate vital documents, brochures, materials and interpret for the Latino community and LEP assistance seeking applicants by utilizing the Department's Language Bank. Immigrant Family Resource Program (IFRP) Partners and OHLA staff assist the Department's Office of Human Resources and Civil Affairs in the recruitment initiatives designed to provide employment information for Hispanic candidates through community outreach in the State of Illinois; and conduct an annual survey/assessment of State-wide Department service delivery offices to ensure that human service delivery access effectively serves the Limited English Proficient (LEP) customers.

Office of Human Resources

The Office of Human Resources (OHR) functions include: Employee Services – responsible for personnel transactions and leave administration; Payroll and Benefits – responsible for the Department's payroll processing, insurance, deferred compensation, Family & Medical Leave Act (FMLA), Victims' Economic Security and Safety Act (VESSA), retirement and compensation issues as well as payroll processing for five other state agencies (Department of Children and Family Services (DCFS), Department of Veterans Affairs (DVA), Department of Corrections (DOC), Department of Juvenile Justice (DJJ), Department of Natural Resources (DNR) Recruitment and Selection – responsible for recruiting, interviewing and selecting qualified candidates to fill the Department's vacancies; Training and Support Services – responsible for administration of professional development training, employee assistance, volunteer services, employee recognition, and Ethics training compliance.

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Office of Innovation, Strategy and Performance

The Office of Innovation, Strategy and Performance (OISP) works with all divisions of IDHS to develop strategy and then align innovation and execution to deliver on outcomes. Specifically, the office is responsible for the department strategic plan which includes the mission, vision and values; key strategies, specific initiatives and goals. The department also manages a performance management process that identifies lead and lag metrics and then monitors performance and facilitates corrective action when necessary. Within this office, the Chief Strategy and Innovation Officer is responsible for the strategic plan and the innovation portfolio; the Chief Results Officer (CRO) works closely with the Governor's Office and the Office of Management and Budget (GOMB) to advance the implementation of Budgeting for Results (BFR); and the Chief Accountability Officer (CAO) is responsible for the implementation of GATA and provider accountability.

Office of the Inspector General

The Office of the Inspector General (OIG) assists the Department and its community partners in ensuring the health, safety, and financial condition of individuals who have mental illnesses, developmental disabilities or physical disabilities. They do this by investigating and reporting on alleged incidents of abuse, neglect and financial exploitation in Department facilities, community agency programs providing mental health or development disability services. OIG also conducts other related statutory responsibilities to foster humane, competent, respectful and caring treatment of persons with disabilities. This includes preventing abuse and neglect through the written response compliance and site visit processes.

Office of Internal Audit

The Office of Internal Audit (OIA) is mandated by the Fiscal Control and Internal Auditing Act (30 ILCS 10). OIA performs internal audits of the Department's various programs and operations. The two-year audit plan is developed annually by the Chief Internal Auditor based on a documented risk assessment and is approved by the Department Secretary no later than June 30th. The OIA promotes a proactive risk control environment based on accountability, professionalism, expertise, open communication and trust. OIA's primary objective is to provide management with the information needed to effectively discharge their responsibilities. The Chief Internal Auditor reports to the Department's Secretary.

Office of Labor Relations

The Office of Labor Relations (OLR) functions include as follows: administering the grievance procedure throughout the Department, developing the collective bargaining strategies of the Department including the proposals for the Master Agreement bargaining, negotiating the Department's Supplemental Agreements with the various unions and Labor Relations Training and Contract Administration. The Office of Labor Relations activities include Master Collective Bargaining Agreement Negotiations. The negotiation process involves all the Executive Branch agencies. The size of the Department dictates extensive resource involvement in the creation of the State's proposals and the negotiations of the Master Collective Bargaining Agreement.

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Office of Legislation

Along with the Secretary, the Office of Legislation (OOL) is the primary contact between the Department and members of the Illinois General Assembly, members of the U.S. Congress and Constitutional Officers. OOL represents the Department in legislative and budgetary matters to members of the Illinois General Assembly, members of U.S. Congress and Constitutional Officers. OOL coordinates the distribution and review of all bills within the Department, establishes who will be witness in committee and represents the Department's position to the members of the Illinois General Assembly.

Operations Offices

Office of the Chief Financial Officer

The Office of the Chief Financial Officer oversees the Budget and Financial Services offices.

Office of the Budget

The Office of Budget consists of three bureaus: Operations, Transitional Services, and Community Programs. The Office is responsible for all aspects of the Department's budget development and implementation. The Office works closely with the Secretary, top executive leadership, and each area within the Department to determine budget needs; develops budget briefing documents used throughout the budget process; and works with Governor's Office of Management and Budget and legislative staff to develop appropriation bills. Once the budget is enacted, the Office works closely with each program area and central administrative offices to develop and implement balanced spending plans, and to monitor those plans throughout the Fiscal Year. The Office is a major contributor to ensuring that spending is within the language and intent of each appropriation line. Office analysts also act as outside financial consultants to program and administrative areas, providing additional insight and guidance on various projects planned or undertaken by the program and administrative areas. To streamline and improve the budget development and implementation process, the Department continues a periodic review of budget issues, which helps identify budget issues sooner, allowing more time to implement management decisions.

Office of Fiscal Services

The Office of Fiscal Services (OFS) functions include: the Help Desk and System maintenance for the Consolidated Accounting and Reporting System (CARS) accounting system; the collection of receivables for the Department; expenditure accounting processes; monitoring and reporting on Department disbursements; establishing, reviewing and coordinating expenditure accounting policy, procedures and processes; completion of federal reporting and its related functions; General Accounting; reports from the CARS information warehouse; the contractual payroll schedule and General Revenue Fund processing dates at the Illinois Office of the Comptroller.

Office of the Chief Information Officer

The Chief Information Officer oversees the office of Management Information Services

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Office of Management Information Services

The mission of the Office of Management Information Services (MIS) is to provide timely, reliable and user friendly computer systems to enable staff to better serve the customers and providers of the Department.

Office of the Chief Operating Officer

The Chief Operating Officer oversees the offices of Business Services, Clinical, Administrative and Program Support, Contract Administration, Procurement and Security and Emergency Preparedness.

Office of Business Services

The Office of Business Services (OBS) serves as the Department's primary operations arm, outside of the State-operated facilities. In this role, OBS provides help and assistance in a variety of ways intended to assist the various divisions within the Department in their efforts to be efficient and effective. OBS includes: Mailroom; Print Shop; Chicago/Springfield Warehouse; Commodities Purchasing; Property Control; Fleet Management/Car Pool; Travel Guidance; Facilities Management; Move Coordination.

Office of Clinical, Administrative and Program Support

The Office of Clinical, Administrative, and Program Support (OCAPS) is composed of two bureaus or organizational units: *The Bureau of Pharmacy and Clinical Support Services (BPCSS)* and *the Bureau of Accreditation, Licensure, and Certification (BALC)*. The BPCSS is responsible for the provision of pharmacy and laboratory services for inpatients in the facilities operated by the Department under the Divisions of Mental Health and Developmental Disabilities. BPCSS is also responsible for a number of other important programs including chairing the Department Central Office Pharmacy & Therapeutics Committee. The Pharmacy & Therapeutics Committee provides direction for all clinical policy development and oversight of clinical activities including management of the Department formulary. BPCSS administers the electronic Prescription Monitoring Program affecting practitioners who write prescriptions and retailers that dispense Schedule II, II, IV and V controlled substances in the community. The BALC is responsible for the licensure surveys of Community Integrated Living Arrangement (CILA) programs. BALC also conducts certification surveys of Developmental Training (DT) and Medicaid Community Mental Health (MCMH) programs. BALC monitors compliance with national accreditation requirements for DRS and DMH community agencies.

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Office of Contract Administration

The Office of Contract Administration (OCA) is responsible for assisting program areas in preparing and processing contracts as well as Level I Contract Approval. Recovery of lapsed funds and on-site provider reviews are conducted by OCA to ensure fiscal and administrative compliance. OCA also administers the Central Repository Vault (CRV), a multi-agency portal for providers to upload and store required documentation. OCA oversees the Contract Compliance unit which is responsible for performing desk reviews of the audit/financial reports submitted by the Department-funded community service providers, in accordance with *89 Ill. Adm. Code 507*; analyzing audit/financial reports for compliance with applicable federal, State and Department financial reporting requirements; analyzing budgets for all Department service agreements and analyzing Indirect Cost Rate proposals related to the payment of general and administrative costs paid to Department providers.

Procurement Office

The Department's Procurement Office is responsible for the procurement of goods and services to obtain the best total cost value and quality for the State of Illinois. The Office continues to work on greater procurement process efficiencies while trying to reduce costs on the supplies and services. It oversees solicitations in order for the State to receive the best value for taxpayers' money and give the Department better supplies, services and systems. The Office is also responsible for providing training and updated procurement information to Department staff. The Office serves as the point of contact for the Chief Procurement Officer and their designee, the State Purchasing Officer, Executive Ethics Commission, the Procurement Policy Board, the Department of Central Management Services (DCMS) and GOMB in all procurement matters.

Office of Security and Emergency Preparedness

The Office of Security and Emergency Preparedness (OSEP) formalizes and centralizes the following functions: (1) Workplace Safety, (2) Workplace Violence/Internal Investigations (3) Agency Security, and Emergency Preparedness and Response. OSEP promotes the continued safety and security of DHS staff and customers and Continuity of Operations/Continuity of Government (COOP/COG) in the event of an emergency. The office also investigates workplace violence complaints from staff and recommends a course of action and/or resolution to the situation.

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Program Divisions

Office of the Assistant Secretary of Program Divisions

The Office of the Assistant Secretary of Program Divisions (OAS) is responsible for Department programs and services related to the five program divisions as well as the following key areas: 1) Implementation cross-divisional projects supporting the Illinois Health and Human Services Behavioral Health Transformation, 2.) Work directly with the Department of Healthcare and Family Services on the design and implementation of the state's Medicaid 1115 Demonstration Waiver specifically focused on improving access to substance use and mental health services in Illinois; 3). Represent DHS on the Illinois 1115 Waiver Advisory Council, which provides ongoing feedback and guidance on service delivery for behavioral health services proposed in the state's 1115 waiver; 4). Lead the DHS divisions in assisting DHS providers and customers in the transition to Health Choice Illinois, the state's Medicaid managed care network. Supervise the training and technical assistance provided by all DHS divisions with regard to Health Choice Illinois; 5) Work closely with other state agencies on the Governor's Opioid Task Force and coordinate DHS division work necessary to implement the DHS goals and objectives included in the state's Opioid Action Plan.

Division of Alcoholism and Substance Abuse

Administrative responsibilities for publicly-funded substance-related disorder intervention and treatment services fall under the Division of Alcoholism and Substance Abuse (DASA). DASA is the designated lead agency for all substance-related disorder intervention and treatment for the State of Illinois. DASA is recognized as the Illinois Single State Authority (SSA) for substance-related disorders by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). As such, DASA is responsible for development and submission of annual applications for Federal Substance Abuse Treatment and Prevention Block Grant funding, and the distribution of awarded funds. In accordance with this responsibility, DASA is charged with the planning, development, funding, monitoring, and licensing of a statewide system of coordinated prevention, intervention, treatment, and recovery support services. These administrative functions extend to the distribution and monitoring of funds and supported services that are funded by State of Illinois General Revenue, Medicaid, and funds from other special and discretionary State-regulated sources.

The Illinois substance-related disorder services delivery system is designed to provide a network of community intervention, early intervention, treatment and recovery support of individuals with a wide range of substance related disorders. Treatment and recovery support involves a complex interaction of medical, psychological, and other therapies administered by trained substance related disorders counselors, peer coaches and other health care professionals. The system offers a broad range of services to address the needs of persons with substance related disorders and to afford opportunities for individuals to contribute to their own recovery.

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As a response to the national trend toward performance measurement and documentation of program results, DASA created a performance monitoring system for its funded providers in SFY'08. This system produces annual reports on the performance of each provider with regard to measures of patient engagement and retention in treatment and clients' continuity of care in treatment. Providers are required to submit performance goals on individual measures as part of their services contract with DASA. Over 140 community-based providers offer comprehensive services that include early intervention, treatment, case management and continuing care. All treatment services are provided through licensed facilities, which are governed by physical safety and clinical requirements.

Division of Developmental Disabilities

Persons with developmental disabilities are those who have an intellectual disability or a related condition. Intellectual disability refers to significant sub-average general intellectual functioning existing concurrently with deficits in adaptive behavior; it must be in evidence before the age of 18. Related conditions may be attributable to cerebral palsy, epilepsy, autism, or any other condition that results in impairment similar to that caused by an intellectual disability and requires treatment or services similar to those required for those persons. Related conditions must be in evidence before the age of 22, be expected to last indefinitely, and result in substantial functional limitations in 3 or more of 6 major life activity areas. These major life activity areas include self-care, language, learning, mobility, self-direction and capacity for independent living. In order to be clinically eligible for most services from the Department's Division of Developmental Disabilities (DDD), individuals must also require Active Treatment for the developmental disability. Eligibility screening is provided by local Independent Service Coordination agencies funded by the DDD.

Individuals who are seeking services are entered into a database called the Prioritization of Unmet Need for Services (PUNS). Based on available funding, individuals are selected from the PUNS database according to specific criteria, such as age, level of urgency of need and length of time on the database. The purpose of Department-funded support services for persons with developmental disabilities is to maximize informed choice in services and supports and independent living for persons with developmental disabilities, offer and link individuals to appropriate services and supports in the community, thereby enhancing their independence in the major life skill areas. Ultimately this allows the person to continue to reside in their home communities and prevent unnecessary institutionalization.

The Department is committed to ensuring that local service providers make available to individuals and their families a full array of quality, outcome-based, person- and community-centered services and supports. Personal outcomes include: being active and valued participants at home, at school, at work, and in the community; having lasting and meaningful relationships with family, friends, and neighbors; having informed choice about his/her life and determining where and with whom to live, work, and socialize; developing and exercising one's own abilities and gifts; and having personal security and individual rights. It is essential that support services are functional, outcome-oriented and tailored to the service needs of the individual.

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Division of Family and Community Services

The Division of Family and Community Services (DFCS) provides basic supports to ensure the availability of a safety net for the most vulnerable populations throughout the State of Illinois. Division programs are also designed to help families maintain or attain economic independence through a range of work support services. Program services are provided in the following areas: 1) Cash assistance; 2) Food and Nutrition; 3) Employment and Training Supports; 4) Homelessness and Housing Assistance; 5) Refugee and Immigrant Integration; 6) Child Care; and 7) Title XX Social Services Block Grants.

Division of Mental Health

As the Federally designated State Mental Health Authority (SMHA), the Division of Mental Health (DMH) is responsible for assuring that children, adolescents and adults throughout Illinois, have the availability of and access to, recovery-oriented, evidence-based community-focused publicly-funded mental health services. Service delivery in the DMH is provided through five geographically organized service Regions, specifically Metropolitan Chicago (North, West and South) and Greater Illinois Suburban, North Central, Central and South. Within these five service Regions, service delivery is provided by approximately 195 contracted community mental health providers and seven DMH-operated psychiatric hospitals; the State hospitals are comprised of both civil and forensic beds. Through the Regional service structure, the DMH contracts for services utilizing a fee-for-service mechanism to purchase crisis and psychiatric services, community-based case management and support services, assertive community treatment, supported and supervised residential services, permanent supportive housing and psychosocial rehabilitation programs, among other services.

Division of Rehabilitation Services

The Division of Rehabilitation Services (DRS) operates 45 offices in communities throughout the State, as well as three residential schools serving students with disabilities, and a residential training facility for adults who are blind or visually impaired. The major programs offered through DRS are the Vocational Rehabilitation (VR) program, and the Home Services program (HSP). DRS also administer the Disability Determination Services (DDS) program on behalf of the federal Social Security Administration (SSA). DDS is operationally independent from the rest of the division. Field operations are supervised by two bureaus within the Department - The Bureau of Field Services (BFS) and the Bureau of Blind Services (BBS). The Bureau of Home Services is a separate administrative unit, but the local office staff providing Home Services is supervised through the Bureau of Field Services. Bureau of Blind Services staff are located in several of the same field offices as BFS and HSP staff, but are supervised by BBS. The Educational Services unit has supervisory responsibility for staff in the three residential schools for children.

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(Unaudited)**

A summary of expenditures by major object code for both appropriated funds and nonappropriated funds are presented in Schedule 3, Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in expenditures greater than \$2,000,000 and 15% of total expenditures in that category as presented in Schedule 3 are detailed below.

Fiscal Year 2017 compared to Fiscal Year 2016

Funeral and Burial Expenses, Payments to Vendors

The funeral and burial program was suspended in Fiscal Year 2016, but reinstated in Fiscal Year 2017.

Interfund Cash Transfers

Monies were transferred to Fund 0644 due to P.A. 99-0524 Article 219 which included a \$51 million General Revenue Fund (GRF) appropriation to DHS to for deposit into the Commitment to Human Services Fund. The Department did not have an appropriation to make deposits into the Commitment to Human Services Fund in Fiscal Year 2015 or Fiscal Year 2016.

Lump-Sum Operations

Expenditures from Lump-Sum Operations increased in Fiscal Year 2017 due to a \$25 million appropriation from the Commitment to Human Services Fund and another \$25 million appropriation from the Budget Stabilization Fund. These lump-sums were appropriated to the Department for operational expenses, but not including personal services.

Permanent Improvements, Lump-Sums and Other Purposes

The Department did not have a permanent improvement, lump sum and other purposes appropriation in Fiscal Year 2016 due to the budget impasse.

Telecommunications

Due to the budget impasse, the Department did not receive appropriations for all of its telecommunication expenditures in Fiscal Year 2016. Public Act 99-0524 gave the Department the ability to pay the telecommunication Fiscal Year 2016 bills during 2017. As a result, the expenditure amounts increased as it contained two Fiscal Year expenditures.

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Fiscal Year 2016 compared to Fiscal Year 2015

Awards and Grants

The expenditures were decreased from Fiscal Year 2015. The decrease was due to not paying any “awards and grants” that were not covered under court order during Fiscal Year 2016 budget impasse. Examples of awards and grants not paid in Fiscal Year 2016 include Child & Adolescent MH Services, Grant Best Buddies, Grant to Autism Program, Addiction Treatment, and Sexual Assault.

Contractual Services

Fiscal Year 2015 to Fiscal Year 2016 decrease in expenditures was due to the budget impasse. The Department GRF contractual expenditures were limited to those associated with a court order. The majority of the decrease attributable to lease payments and statistical and tabulating services payments not made to Central Management Services during budget impasse.

Funeral and Burial Expenses, Payments to Vendors

The funeral and burial program was suspended in Fiscal Year 2016 due to choices made to balance the budget.

Lump-Sum Operations

The decrease in expenditures from Fiscal Year 2016 as compared to Fiscal Year 2015 was due to less spending on medical, scientific and laboratory supplies. Spending varies depending on inventories and usage. The Department had sufficient inventory to support client needs.

Telecommunications

Due to the budget impasse, the Department did not receive appropriations for all of its telecommunication expenditures in Fiscal Year 2016. As a result, expenditures decreased.

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A summary of cash receipts by fund by source is presented in Schedule 5, Comparative Schedule of Cash Receipts. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in cash receipts greater than \$2,000,000 and 15% of total receipts by type of receipt in each fund as presented in Schedule 5 are detailed below.

Fiscal Year 2017 compared to Fiscal Year 2016

General Revenue Fund (0001)

Receipts for Federal – Temporary Assistance to Needy Families (TANF) grant increased due to TANF funds being drawn into fund. This was necessitated due to the lack of Fiscal Year 2017 appropriation until late in the Fiscal Year. Due to declining liability in the Child Care Program, the Department deposited \$60 million of the TANF Block grant into the General Revenue Fund (GRF) instead of drawing into the Employment and Training Fund (Fund 0347) to pay for Child Care liabilities.

Mental Health Fund (0050)

Receipts from Other Illinois State Agencies and local units increased between Fiscal Year 2016 and Fiscal Year 2017 due to agencies paying the Department for Fiscal Year 2016 and Fiscal Year 2017 bills in Fiscal Year 2017. Due to budget impasse in Fiscal Year 2016, other Illinois state agencies could not make Fiscal Year 2016 payments to the Department in Fiscal Year 2016.

Vocational Rehabilitation Fund (0081)

Receipts for Federal – U.S. Department of Health and Human Services increased between Fiscal Year 2016 and Fiscal Year 2017 due to the Fiscal Year 2016 budget impasse. During Fiscal Year 2016, in the absence of a budget, the Department could not expend required matching funds in order to draw in federal U.S. Department of Health and Human Services into the Vocational Rehabilitation Fund (Fund 0081). Once the budget was enacted, the Department was able to expend state matching funds and draw more federal dollars for deposit into the 0081 Fund in Fiscal Year 2017.

Employment and Training Fund (0347)

Federal – TANF grant decreased due to declining liability in the Child Care Program. The Department deposited more of the TANF Block grant into the GRF instead of drawing into Fund 0347.

DHS Special Purposes Trust Fund (0408)

Receipts for Federal – U.S. Department of Education – Illinois State Board of Education decreased due to the Race to the Top grant ending during Fiscal Year 2017.

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Fiscal Year 2017 compared to Fiscal Year 2016 (Continued)

Early Intervention Services Revolving Fund (0502)

Receipts for GRF transfer decreased due to transfers in from GRF at Fiscal Year 2017 year-end being held due to cash management at the Illinois Office of the Comptroller (IOC).

Receipts for Federal – U.S. Department of Education decreased due to the receivable being previously overstated and an adjustment was posted to the Fiscal Year 2017 fourth quarter receivable report to appropriately reduce receivables.

DHS Community Services Fund (0509)

The Fiscal Year 2016 transfer from the Illinois Department of Aging (Aging) to the Department to comply with the Colbert Consent decree exceeded the liability incurred by the Department in Fiscal Year 2016. As a result, fewer dollars were needed to be transferred in Fiscal Year 2017 from Aging to cover all the Colbert Consent decree related expenditures.

Electronic Benefits Transfer Fund (0540)

Receipts for Other Agency funds – Aid to Families with Dependent Children (AFDC) decreased due to caseload being reduced. Nationally, there is a trend with decreasing caseloads because of the expanding economy. As the program has focused on customer engagement programs that provide them with jobs; thus getting out of the program.

DHS State Projects Fund (0642)

Receipts for the Department of Commerce and Economic Opportunity (DCEO) increased due to a new grant being received from DCEO for energy conservation at Ludemann Developmental Center.

Commitment to Human Services Fund (0644)

Receipts for GRF increased due to a one time transfer due to the budget impasse. Monies were transferred to the Commitment to Human Services Fund (Fund 0644) due to P.A. 99-0524 Article 219 which included a \$51 million GRF appropriation to the Department for deposit into Fund 0644.

Social Services Block Grant Fund (0935)

Receipts for Federal – U.S. Department of Health and Human Services - Title XX Block Grant decreased due to fewer expenditures claimed as State match resulting in a reduction in the amount drawn.

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Fiscal Year 2016 compared to Fiscal Year 2015

General Revenue Fund (0001)

Receipts for Federal – U.S. Department of Health & Human Services Refugee Entrants Program were less during Fiscal Year 2016 due to the timing of expenditures and the resulting draw of federal funds.

Vocational Rehabilitation Fund (0081)

Receipts for Federal – Indirect cost reimbursements decreased due to the lack of Fiscal Year 2016 appropriation until late in Fiscal Year 2017. Additionally, less revenues were received due to case closure receivables not being recorded. Lastly, less beneficiary claims were received for Vocational Rehabilitation.

DHS Technology Initiative Fund (0211)

Receipts for Other Illinois State Agencies – Framework Program are down due to the Department of Innovation & Technology not billing other state agencies for Framework expenses.

Income Tax Refund Fund (0278)

Receipts for Federal – Temporary Assistance to Needy Families grant increased from Fiscal Year 2015 to Fiscal Year 2016 due to the amendment to the Income Tax Act with income earned January 1, 2015 and later being taxed at 3.75% instead of 5.00%. Fiscal Year 2016 refunds were higher as taxpayers were slow to adjust estimated and withholding payments in response to the tax rate change.

DHS Special Purposes Trust Fund (0408)

Receipts for Federal – U.S. Department of Education – Illinois State Board of Education (ISBE) increased due to timing of reimbursements from ISBE, and the amount due from other funds increased.

Receipts for Child Care and Development decreased from Fiscal Year 2015 to Fiscal Year 2016 due to subrecipient eligibility changes implemented during Fiscal Year 2016 which resulted in draws for mandatory and matching funds being three months behind at June 30, 2016.

DHS Community Services Fund (0509)

Receipts for Other Illinois State Agencies – Illinois Department of Healthcare and Family Services and the Illinois Department of Aging increased due to the \$14.7M transfer related to a discretionary transfer that the Governor’s Office of Management and Budget (GOMB) can make from bed tax revenues. GOMB has \$20M that they can transfer to the Department of Public Health (DPH) or the Department. More was allocated to the Department in Fiscal Year 2016.

Electronic Benefits Transfer Fund (0540)

Receipts for Other Agency funds – Aid to Families with Dependent Children (AFDC) decreased due to caseload being reduced.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIANCES IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Fiscal Year 2016 compared to Fiscal Year 2015 (Continued)

DHS Federal Projects Fund (0592)

Receipts for Federal – U.S. Department of Health and Human Services decreased from Fiscal Year 2015 to Fiscal Year 2016 due to the timing of Federal Draws for Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA# 93.243).

DHS State Projects Fund (0642)

Receipts for Other Illinois State Agency – Illinois Department of Labor decreased from Fiscal Year 2015 to Fiscal Year 2016 due to the dissolution of the Youth Employment Program in Fiscal Year 2015.

Community Mental Health Services Block Grant Fund (0876)

Receipts for Federal – U.S. Department of Health and Human Services Block Grant increased from Fiscal Year 2015 to Fiscal Year 2016 due to additional federal funding drawn for community agency operations.

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)**

The Illinois Department of Human Services' (Department) explanations for significant lapse period spending as presented in Schedules 1 and 2 are detailed below. For the purposes of this analysis, significant lapse period spending is defined as \$2,000 and 10% or more of the total fund expenditures for the respective Fiscal Year.

Fiscal Year 2017

General Revenue Fund (0001)

Lapse period spending totaled \$337,295 or 10% of the total expenditures for Fiscal Year 2017. P.A. 100-0021 was signed into law on July 6, 2017. This act included Fiscal Year 2017 and Fiscal Year 2018 appropriations. The increase in lapse period expenditures was due to the appropriations becoming available during lapse period.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund (0013)

Lapse period spending totaled \$7,869 or 11% of the total expenditures for Fiscal Year 2017. The spending for this fund related to the Block Grant for Prevention and Treatment of Substance Abuse. This spending consists of payments to providers and is dependent on the timing of year-end billings.

Mental Health Fund (0050)

Lapse period spending totaled \$6,220 or 34% of the total expenditures for Fiscal Year 2017. The Department paid for lump-sum operations and other purposes. Due to the budget impasse, a backlog of bills needed to be paid from Fiscal Year 2016, this delayed the payment of Fiscal Year 2017 expenses and necessitated payments during the lapse period.

Care Provider Fund for Persons with a Developmental Disability Fund (0344)

Lapse period spending totaled \$5,429 or 16% of the total expenditures for Fiscal Year 2017. The lapse period payments were due to the timing of the last deposit by the Department of Healthcare and Family Services at the end of June resulting in vouchers not being process until July lapse.

DHS Special Purposes Trust Fund (0408)

Lapse period spending totaled \$56,926 or 22% of the total expenditures for Fiscal Year 2017. The Department paid for lump-sum operations and other purposes. Due to the budget impasse, a backlog of bills needed to be paid from Fiscal Year 2016, this delayed the payment of Fiscal Year 2017 expenses and necessitated payments during the lapse period.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)**

Fiscal Year 2017 (Continued)

Early Intervention Services Revolving Fund (0502)

Lapse period spending totaled \$37,718 or 23% of the total expenditures for Fiscal Year 2017. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period. Additionally, due to the budget impasse, a backlog of bills needed to be paid from Fiscal Year 2016, this delayed the payment of Fiscal Year 2017 expenses and necessitated payments during the lapse period.

DHS Federal Projects Fund (0592)

Lapse period spending totaled \$2,247 or 17% of the total expenditures for Fiscal Year 2017. Due to the budget impasse, a backlog of bills needed to be paid from Fiscal Year 2016, this delayed the payment of Fiscal Year 2017 expenses and necessitated payments during the lapse period.

Local Initiative Fund (0762)

Lapse period spending totaled \$3,337 or 18% of the total expenditures for Fiscal Year 2017. The Social Services Block Grant activity is reported in this fund and providers submit the May and June billings during July and August.

Fiscal Year 2016

Illinois Veterans' Rehabilitation Fund (0036)

Lapse period spending totaled \$2,403 or 99% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

Vocational Rehabilitation Fund (0081)

Lapse period spending totaled \$15,690 or 13% of the total expenditures for Fiscal Year 2016. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)

Fiscal Year 2016 (Continued)

DHS Technology Initiative Fund (0211)

Lapse period spending totaled \$3,861 or 88% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

Illinois Affordable Housing Trust Fund (0286)

Lapse period spending totaled \$11,898 or 100% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

Care Provider Fund for Persons with a Developmental Disability Fund (0344)

Lapse period spending totaled \$3,180 or 10% of the total expenditures for Fiscal Year 2016. The lapse period payments were due to the timing of the last deposit by the Department of Healthcare and Family Services at the end of June resulting in vouchers not being process until July lapse.

Health and Human Services Medicaid Trust Fund (0365)

Lapse period spending totaled \$26,244 or 83% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

Drug Treatment Fund (0368)

Lapse period spending totaled \$3,206 or 81% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

DHS Special Purposes Trust Fund (0408)

Lapse period spending totaled \$45,260 or 17% of the total expenditures for Fiscal Year 2016. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)

Fiscal Year 2016 (Continued)

Early Intervention Services Revolving Fund (0502)

Lapse period spending totaled \$17,005 or 11% of the total expenditures for Fiscal Year 2016. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining Fiscal Year billings during the lapse period.

DHS Community Services Fund (0509)

Lapse period spending totaled \$4,045 or 50% of the total expenditures for Fiscal Year 2016. Illinois only had authorization to pay bills based on court orders in Fiscal Year 2016. Public Act 99-0524 was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of the rest in Fiscal Year 2017.

DHS Federal Projects Fund (0592)

Lapse period spending totaled \$2,034 or 17% of the total expenditures for Fiscal Year 2016. Agencies only had authorization to pay bills based on court order in Fiscal Year 2016. A budget was passed during lapse that gave authority to pay some Fiscal Year 2016 bills and authorized the payment of bills in Fiscal Year 2017.

Community Mental Health Medicaid Trust Fund (0718)

Lapse period spending totaled \$7,629 or 13% of the total expenditures for Fiscal Year 2016. The lapse period payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

Local Initiative Fund (0762)

Lapse period spending totaled \$2,288 or 12% of the total expenditures for Fiscal Year 2016. The Social Services Block Grant activity is reported in this fund and providers submit the May and June billings during July and August.

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Expressed in thousands)
(Unaudited)**

Receivables of the Illinois Department of Human Services (Department) consist of reimbursements or formula allocation amounts due to the Department for administration of federal grant awards, recoveries of public assistance grant funds, recipient services and rebates. The principal federal grantor agencies are the U.S. Department of Health and Human Services, Education, Agriculture, and the Social Security Administration. In addition to routine collection processes, the Department utilizes private collection services and the Comptroller's Treasury Offset System to collect receivables.

Allowance for uncollectibles are included in the following net amounts recorded below (expressed in thousands) for Fiscal Years 2017 and 2016, respectively: Taxes Receivables \$3 and \$75; Due from other governments – federal \$13,125 and \$11,514; Other receivables \$321,083 and \$365,881. The amounts due from other funds and component units are amounts due from other State agencies and related organizations and they are all considered fully collectible.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2017 and 2016, respectively.

	Total June 30, 2017	Total June 30, 2016
Taxes Receivable, net	\$ 160	\$ 205
Due from other governments – federal, net	141,096	223,867
Due from other governments - local	223	328
Other receivables, net	189,698	161,136
Due from other State funds	50,881	8,255
Due from component units	-	5
Loans and notes receivable	494	445
Totals	\$ 382,552	\$ 394,241

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
BUDGET IMPASSE DISCLOSURES
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Illinois Department of Human Services (Department) to pay Fiscal Year 2016 costs using the Department's Fiscal Year 2017 appropriations for non-payroll expenditures. The following chart shows how the Department spent its Fiscal Year 2017 appropriations to cover its Fiscal Year 2016 costs:

Department of Human Services

Summary of Fiscal Year 2016 Costs Paid From Fiscal Year 2017 Appropriations

Fund #	Fund Name	Amount	Number of Vendors
0001	General Revenue Fund	\$4,220,655	1,423
0644	Commitment to Human Services Fund	\$180,493,365	14,691
0686	Budget Stabilization Fund	\$24,507,232	12,806
0408	DHS Special Purposes Trust Fund	\$244,589	30
All Other Funds		\$710,158	60
		<u>\$210,175,999</u>	<u>29,010</u>

In addition, the Department lacked sufficient expenditure authority in Fiscal Year 2016, from either court-ordered expenditures or enacted appropriations, to cover its Fiscal Year 2016 costs within the General Revenue Fund (0001). The Department, as of the end of fieldwork, was holding 199 Fiscal Year 2016 invoices, totaling \$21,092,938.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
BUDGET IMPASSE DISCLOSURES
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Summary of Fiscal Year 2017 Costs Paid From Fiscal Year 2018 Appropriations

Public Act 100-0021 authorized the Department to pay Fiscal Year 2017 costs using the Department's Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows how the Department spent its Fiscal Year 2018 appropriations to cover its Fiscal Year 2017 costs.

Fund	Fund Name	Expended YTD	Number of Vendors
0001	General Revenue Fund	\$8,383,057	550
0013	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	\$106,482	1
0050	Mental Health Fund	\$127,691	86
0081	Vocational Rehabilitation Fund	\$3,060	4
0120	Home Services Medicaid Trust Fund	\$5,021	26
0211	DHS Technology Initiative Fund	\$47,585	6
0276	Drunk and Drugged Driving Prevention Fund	\$30,252	106
0365	Health and Human Services Medicaid Trust Fund	\$574,657	280
0368	Drug Treatment Fund	\$11,513	9
0408	DHS Special Purposes Trust Fund	\$46,377	2
0502	Early Intervention Services Revolving Fund	\$9,811	141
0509	DHS Community Services Fund	\$894	6
0592	DHS Federal Projects Fund	\$125,546	8
0921	DHS Recoveries Trust Fund	\$4,322	4
Grand Total		\$9,476,268	1,229

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS
AND PROGRAMS TO ADDRESS UNTIMELY
PAYMENTS TO VENDORS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Transactions Involving the Illinois Finance Authority

The Illinois Department of Human Services (Department) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 and Fiscal Year 2017.

Vendor Payment Program (VPP)

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

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

During Fiscal Year 2016 and Fiscal Year 2017, none of the Department's vendors participated in the VPP.

Vendor Support Initiative Program (VSI)

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

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS
AND PROGRAMS TO ADDRESS UNTIMELY
PAYMENTS TO VENDORS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)

Vendor Support Initiative Program (VSI) (Continued)

During Fiscal Year 2016, the Department of Human Services had 10 vendors participate in VSI for 1,131 invoices, totaling \$1,675,332. A summary of the amount of transactions by qualified purchaser follows:

TRANSACTIONS BY QUALIFIED PURCHASER	
Qualified Purchaser	Total
A	\$1,675,332

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
INTEREST COSTS ON FISCAL YEAR 2016 AND 2017 INVOICES
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

The Illinois Department of Human Services (Department) plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and 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 2016 and Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2016 and June 30, 2017, by fund:

**Prompt Payment Interest Incurred
Year Ended June 30, 2016**

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	380	374	\$312,190
050	Mental Health Fund	156	23	\$96,859
120	Home Services Medicaid Trust Fund	70	12	\$4,823
211	DHS Technology Initiative fund	4	4	\$46,037
276	Drunk & Drugged Driving Prevention Fund	494	106	\$30,387
344	DD Care Provider Fund	15	8	\$13,657
365	Health & Human Services Medicaid Trust	364	281	\$581,199
368	Drug Treatment Fund	10	9	\$11,513
502	Early Intervention Services Revolving Fund	8	8	\$5,743
644	Commitment to Human Services Fund	1,119	963	\$2,450,635
686	Budget Stabilization Fund	833	665	\$761,574
718	Community Mental Health Medicaid	2	2	\$1,443
921	DHS Recoveries Trust Fund	2	2	\$1,389
		<u>3,457</u>	<u>2,457</u>	<u>\$4,317,449</u>

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
INTEREST COSTS ON FISCAL YEAR 2016 AND 2017 INVOICES
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

**Prompt Payment Interest Incurred
Year Ended June 30, 2017**

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	1,266	965	\$985,166
050	Mental Health Fund	157	67	\$30,999
120	Home Services Medicaid Trust Fund	20	16	\$556
211	DHS Technology Initiative fund	2	2	\$1,549
276	Drunk & Drugged Driving Prevention Fund	2	1	\$13
344	DD Care Provider Fund	1	1	\$483
365	Health & Human Services Medicaid Trust	3	3	\$313
502	Early Intervention Services Revolving Fund	147	141	\$4,168
509	DHS Community Services	6	6	\$894
644	Commitment to Human Services Fund	6	6	\$1,755
686	Budget Stabilization Fund	6	6	\$1,470
718	Community Mental Health Medicaid	2	2	\$136
921	DHS Recoveries Trust Fund	3	2	\$261
		<u>1,621</u>	<u>1,218</u>	<u>\$1,027,763</u>

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF EXPENDITURES BY FACILITY
FOR THE YEARS ENDED JUNE 30, 2017, 2016 and 2015
(Unaudited)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Alton Mental Health Center	\$ 24,590,968	\$ 19,976,448	\$ 23,510,588
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	5,010,433	3,856,900	4,768,200
Illinois School for the Visually Impaired	8,938,194	7,341,149	8,309,301
Illinois School for the Deaf	16,882,663	14,147,759	17,239,632
Andrew McFarland Mental Health Center	25,181,438	19,856,638	23,354,250
Chester Mental Health Center	43,148,670	35,218,504	39,297,087
Gov. Samuel H. Shapiro Developmental Center	73,522,782	75,018,244	77,172,494
Elgin Mental Health Center	67,602,398	59,834,475	67,412,719
John J. Madden Mental Health Center	31,243,107	28,216,004	31,969,821
Chicago-Read Mental Health Center	28,621,600	24,083,670	27,859,851
Elisabeth Ludeman Developmental Center	56,152,778	55,292,838	59,320,936
William W. Fox Developmental Center	17,374,236	18,373,761	18,482,958
Warren G. Murray Developmental Center	34,574,898	35,944,150	27,924,610
Ann M. Kiley Developmental Center	33,017,844	33,712,610	33,765,632
Clyde L. Choate Mental Health and Developmental Center	41,229,477	43,438,153	42,461,941
Jack Mabley Developmental Center	14,591,230	13,692,853	14,341,779
Total	<u>\$ 521,682,716</u>	<u>\$ 488,004,156</u>	<u>\$ 517,191,799</u>

All expenditure data on this schedule was obtained from Department records.

Fiscal Year 2017 data includes expenditures for services in both Fiscal Year 2016 and Fiscal Year 2017. Expenditures from Fiscal Year 2016 were paid in Fiscal Year 2017 because of a lack of a State budget for Fiscal Year 2016 and because the expenditures did not fall into the "court-ordered" category, they could not be paid without a State budget.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF AVERAGE NUMBER OF EMPLOYEES
FOR THE YEARS ENDED JUNE 30, 2017, 2016 and 2015
(Unaudited)

Average number of full-time equivalent (FTE) employees by division are presented as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Administration and Program Support			
Administration & Program Support	470	468	485
Office of Inspector General	63	57	55
Management Information Services	122	132	138
Clinical Administration & Program Support	107	109	109
Total Administration and Program Support	<u>762</u>	<u>766</u>	<u>787</u>
Division of Alcohol and Substance Abuse	39	42	44
Total Division of Alcohol and Substance Abuse	<u>39</u>	<u>42</u>	<u>44</u>
Division of Rehabilitation Services			
Disability Determination Services	417	395	424
Client Assistance Project	1	1	2
Community and Residential Services Blind & Visually Impaired	12	14	15
Home Services	316	292	260
Illinois Center for Rehabilitation and Education	48	49	54
Illinois School for the Deaf	202	200	207
Illinois School for the Visually Impaired	112	110	114
Rehabilitation Services Bureau	433	444	437
Total Division of Rehabilitation Services	<u>1,541</u>	<u>1,505</u>	<u>1,513</u>
Division of Developmental Disabilities			
Developmental Disabilities Central Administration	95	95	103
Clyde L. Choate Mental Health and Developmental Center	525	557	529
William W. Fox Developmental Center	234	252	250
Jacksonville Developmental Center	-	-	-
Ann M. Kiley Developmental Center	447	464	443
Elisabeth Ludeman Developmental Center	710	724	741
Jack Mabley Developmental Center	192	184	192
Warren G. Murray Developmental Center	486	498	494
Gov. Samuel H. Shapiro Developmental Center	1,079	1,126	1,144
Total Division of Developmental Disabilities	<u>3,768</u>	<u>3,900</u>	<u>3,896</u>

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF AVERAGE NUMBER OF EMPLOYEES
FOR THE YEARS ENDED JUNE 30, 2017, 2016 and 2015
(Unaudited)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Division of Mental Health			
Mental Health Central Administration	92	89	95
Alton Mental Health Center	243	240	241
Chester Mental Health Center	474	487	470
Chicago-Read Mental Health Center	279	276	272
Elgin Mental Health Center	678	713	689
John J. Madden Mental Health Center	286	299	303
Andrew McFarland Mental Health Center	225	233	235
H. Douglas Singer Mental Health Center	-	-	-
Treatment and Detention Facility	233	238	240
Total Division of Mental Health	<u>2,510</u>	<u>2,575</u>	<u>2,545</u>
Division of Family and Community Services	<u>3,880</u>	<u>3,970</u>	<u>4,140</u>
Total Division of Family and Community Services	<u>3,880</u>	<u>3,970</u>	<u>4,140</u>
 GRAND TOTAL	 <u>12,500</u>	 <u>12,758</u>	 <u>12,925</u>

Note: This schedule includes the average number of full-time equivalent (FTE) employees for the entire Illinois Department of Human Services.

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016
(Unaudited)

The following table, prepared from Illinois Department of Human Services (Department) records, presents the paid overtime incurred during fiscal years 2017 and 2016.

Year Ended June 30, 2017

Central Office / Division	Value of Overtime Hours Paid	Value of Other Compensatory Time Used
Administration & Program Support	\$ 959,821	\$ 524,194
Management Information Service	256,938	132,111
Disability Determination Services Bureau	505,628	3,837
Home Services Program	326,366	58,695
Mental Health Administration	72,327	106,765
Inspector General	129,885	50,767
Developmental Disabilities Administration	8,053	46,940
Addiction Treatment	3,375	21,035
Rehabilitation Services Bureaus	93,669	69,397
Clinical Administration and Program Support	60,257	25,529
Community and Resident Services for Blind and Visually Impaired	19,517	14,353
Family and Community Services	4,216,778	256,697
Total central office	<u>\$ 6,652,614</u>	<u>\$ 1,310,320</u>
Facilities		
Jack Mabley Developmental Center	\$ 1,641,116	\$ 71,964
Alton Mental Health Center	1,853,823	183,694
Clyde L. Choate Mental Health and Developmental Center	4,272,646	267,148
Chicago - Read Mental Health Center	2,125,076	339,102
Treatment and Detention	1,018,436	383,054
Ann M. Kiley Developmental Center	3,418,189	2,000
Illinois School for the Deaf	496,301	707,245
Illinois School for the Visually Impaired	305,006	329,012
John J. Madden Mental Health Center	2,390,795	543,251
Warren G. Murray Developmental Center	3,605,780	106,568
Elgin Mental Health Center	4,108,201	283,336
Chester Mental Health Center	5,055,608	249,693
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	101,105	64,585
Andrew McFarland Mental Health Center	1,817,912	203,508
Gov. Samuel H. Shapiro Developmental Center	5,834,774	11,807
William W. Fox Developmental Center	1,693,580	11,807
Elisabeth Ludeman Developmental Center	8,167,506	317,783
Total Facilities	<u>47,905,854</u>	<u>4,075,557</u>
Total for Department for Fiscal Year 2017	<u><u>\$ 54,558,468</u></u>	<u><u>\$ 5,385,877</u></u>

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016
(Unaudited)**

Year Ended June 30, 2016

Central Office / Division	Value of Overtime Hours Paid	Value of Other Compensatory Time Used
Administration & Program Support	\$ 803,340	\$ 475,572
Management Information Service	248,016	119,069
Disability Determination Services Bureau	1,630,819	10,748
Home Services Program	22,051	44,299
Mental Health Administration	16,282	45,642
Inspector General	63,860	41,638
Developmental Disabilities Administration	8,598	51,658
Addiction Treatment	2,565	11,917
Rehabilitation Services Bureaus	89,945	98,790
Clinical Administration and Program Support	88,793	29,455
Community and Resident Services for Blind and Visually Impaired	34,206	18,948
Family and Community Services	2,447,123	191,688
Total central office	<u>\$ 5,455,598</u>	<u>\$ 1,139,424</u>
<u>Facilities</u>		
Jack Mabley Developmental Center	\$ 1,222,368	\$ 51,456
Alton Mental Health Center	1,479,060	180,668
Clyde L. Choate Mental Health and Developmental Center	3,963,212	262,872
Chicago - Read Mental Health Center	1,994,313	309,119
Treatment and Detention	853,685	355,792
Ann M. Kiley Developmental Center	3,019,230	833
Illinois School for the Deaf	462,058	762,954
Illinois School for the Visually Impaired	294,109	378,047
John J. Madden Mental Health Center	2,110,718	568,604
Warren G. Murray Developmental Center	3,205,809	107,257
Elgin Mental Health Center	4,369,635	313,150
Chester Mental Health Center	2,904,347	179,888
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	102,828	88,708
Andrew McFarland Mental Health Center	1,501,965	214,068
Gov. Samuel H. Shapiro Developmental Center	4,479,568	27,129
William W. Fox Developmental Center	1,658,415	13,846
Elisabeth Ludeman Developmental Center	5,992,228	132,494
Total Facilities	<u>\$ 39,613,548</u>	<u>\$ 3,946,885</u>
Total for Department for Fiscal Year 2016	<u>\$ 45,069,146</u>	<u>\$ 5,086,309</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016
(Unaudited)**

FOR THE YEAR ENDED JUNE 30, 2017

Division	Facility	Description	Amount	Estimated
Developmental Disabilities	Mabley	Mabley Structural Posts	\$ 306,787	Actual
Mental Health	N/A	MH Admin Service Organization	744,000	Estimate
Mental Health	Alton	Alton Floor Replacement	236,452	Actual
Rehabilitation Services	N/A	State Plan for Independent Living	104,700	Actual
Developmental Disabilities	Ludeman	Ludeman Electrical Lines	33,340	Actual
MIS/DoIT	N/A	Digital Records Software	100,908	Actual
Developmental Disabilities	Shapiro	Shapiro Cool System Dietary	189,000	Actual
Developmental Disabilities	Murray	Electrical Motors	10,173	Actual

FOR THE YEAR ENDED JUNE 30, 2016

Division	Facility	Description	Amount	Actual/ Estimated
Developmental Disabilities	Ludeman	Ludeman Roof Replacement	\$ 60,600	Actual
Developmental Disabilities	Shapiro	Shapiro Roof replacement	125,900	Actual
Developmental Disabilities	Fox	Fox Elevator Repair	27,778	Actual
Developmental Disabilities	Mabley	Mabley Residential/Utility Roofs	143,660	Actual
Mental Health	Elgin	Elgin MCH Goldman Temporary Chiller	110,380	Actual
Mental Health	Elgin	Elgin MHC FTP Roof Damage Repairs	1,674,840	Actual
Mental Health	Madden	Madden Boiler Feed Tank System	146,700	Actual
CFO	N/A	Single Audit	74,750	Actual
Developmental Disabilities	Mabley	Mabley Bathroom Repairs	10,754	Actual
Developmental Disabilities	Shapiro	Shapiro Engineering Building Roof Repairs	68,800	Actual
Developmental Disabilities	Shapiro	Shapiro Emergency Cutter/Mixer Purchase	13,286	Actual
Mental Health	Madden	Madden Absorber & Chiller Repair	212,350	Actual
Mental Health/ Developmental Disabilities	Choate	Choate Turbine Repair	529,821	Actual
CFO	N/A	GAAP Assistance	116,286	Actual
Mental Health	TDF	TDF Food Service	88,094	Actual
Family Community Services	N/A	WIC and Family Case Management Training	818,195	Actual
Developmental Disabilities	Murray	Murray Laundry	54,934	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)

Division / Office	Parties Involved Other than the Department	Dates Involved	Description of Memorandum Requirements
DMH	HFS	10/1/2015 -to- 9/30/2016	Agreement between DHS/DMH, DHS/DASA, and HFS re: collaboration on required activities performed under CCHCB Federal Grant
DRS	City of Quincy	2/2/2016 -to- 2/2/2026	Blind Vendors agreement with City of Quincy re: vending facilities at Amtrak Station
DRS	Illinois State Toll Highway Authority	9/9/2015 -to- continuous	Blind Vendors agreement with Illinois State Toll Highway Authority re: vending facilities at ISTHA
DMH	Catholic Charities	5/12/2016 -to- 6/30/2016	Agreement with Catholic Charities re: rental payments under IHDA supportive housing grant
OCAPS	National Association of Boards of Pharmacy	3/25/2016 -to- 7/1/2018	National Association of Boards of Pharmacy (NABP) agreement for Prescription Monitoring Program Interconnect System services to DHS
MSC	CMS, DoIT, DCFS, HHS, DCEO, DOC, IDES, HFS, DVA, ISBE, DPH, DJJ	5/16/2016 -to- continuous	Agreement with Aging, CMS, DoIT, DCFS, HHS, DCEO, DOC, IDES, HFS, DVA, ISBE, DPH, DJJ re: Enterprise MOU (secure sharing of data)
FCS	Mathematica Policy Research Inc.	5/12/2016 -to- 3/31/2021	Agreement with Mathematica Policy Research, Inc. Re: SNAP E & T Pilot project
DRS	Illinois Department of Juvenile Justice, Harrisburg Youth Center	7/18/2016 -to- continuous	Blind Vendors agreement with Illinois Department of Juvenile Justice, Harrisburg Youth Center re: vending facilities at Cent
DRS	Lincoln Tower (Springfield, IL)	9/29/16 - to - continuous	Blind Vendors agreement with Lincoln Tower (Springfield, IL) re: vending facilities at the Tower
DRS	Morton Buildings	12/7/2016 -to- continuous	Blind Vendors agreement with Morton Buildings re: vending facilities on its premises
DRS	Getz Fire Equipment	10/18/2016 -to- continuous	Blind Vendors agreement with Getz Fire Equipment re: vending facilities on its premises
DRS	Brother James Court	10/18/2016 -to- continuous	Blind Vendors agreement with Brother James Court re: vending facilities on its premises
DRS	Lutheran Social Services	11/10/2016 -to- continuous	Blind Vendors agreement with Lutheran Social Services re: vending facilities on its premises
DRS	Springfield College	4/17/2017 -to- continuous	Blind Vendors agreement with Springfield College re: vending facilities on its premises
DRS	The Farnsworth Group	2/5/2018 -to- continuous	MOU agreement with The Farnsworth Group re: Blind Vendor vending facilities on its premises
DRS	Gerald Auto Group	1/27/2017 -to- continuous	MOU agreement with Gerald Auto Group re: Blind Vendor vending facilities on its premises
DRS	Blind Vendor	3/20/2017 -to- continuous	MOU Blind Vendor vending facilities agreement at Wm M. Fox Developmental Center
DRS	The Grove Apartments (Peoria)	2/15/2017 -to- continuous	Agreement with The Grove Apartments (Peoria) re: Blind Vendor vending facilities on its premises
FCS	Illinois State Board of Education and Governor's Office of Early Childhood Development	7/13/2017 -to- 9/30/2018	Agreement with Illinois State Board of Education and Governor's Office of Early Childhood Development re: implementation of the Illinois Maternal, Infant, and Early Childhood Home Visiting program
FCS	Illinois Department of Public Health and Governor's Office of Early Childhood Development	7/13/2017 -to- 9/30/2018	Agreement with Illinois Department of Public Health and Governor's Office of Early Childhood Development re: implementation of the Illinois Maternal, Infant, and Early Childhood Home Visiting program
FCS	Illinois Department of Children and Family Services and Governor's Office of Early Childhood Development	7/13/2017 -to- 9/30/2018	Agreement with Illinois Department of Children and Family Services and Governor's Office of Early Childhood Development re: implementation of the Illinois Maternal, Infant, and Early Childhood Home Visiting program
DORS/DMH2017-166-MOU-DORS Pullman	Blind Vendor	3/1/2017 -to- continuous	MOU agreement with Elgin MHC re: Blind Vendor vending facilities on its premises
DRS	DS Container	3/2/2017 -to- continuous	Agreement with DS Container re: Blind Vendor vending facilities on its premises
DRS	UIC, Division of Specialized Care for Children	1/29/2018 -to- continuous	Agreement with UIC, Division of Specialized Care for Children re: Blind Vendor vending facilities on its premises

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANNUAL COST STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016
(Unaudited)**

The annual cost statistics below have been accumulated for the years ended June 30, 2017 and 2016 (all amounts are in thousands except for average cost per day).

The chart shows how the average cost per day is determined by using the accumulated costs and subtracting the cost of extramural services and clothing, the value of donated commodities and any miscellaneous income received by the facilities. This amount is then divided by the number of patient days at the facilities to determine the average daily cost for each patient. The amount is used for billing private insurance companies, responsible relatives and private pay patients.

	Mental Health		Development Disabilities		Total	
	2017	2016	2017	2016	2017	2016
Accumulated costs	\$ 385,303	\$ 389,720	\$ 363,853	\$ 384,115	\$ 749,156	\$ 773,835
Allocated overhead	-	16,882	-	19,206	-	36,088
Less:						
Extramural services	760	1,037	-	-	760	1,037
Clothing	179	136	53	30	232	166
Donated commodities	-	159	6	-	6	159
Miscellaneous income	118	116	33	24	151	140
Total costs	384,246	405,154	363,761	403,267	748,007	808,421
Patient days	489	495	529	536	1,018	1,031
Average cost per day	<u>\$ 786</u>	<u>\$ 818</u>	<u>\$ 688</u>	<u>\$ 752</u>	<u>\$ 735</u>	<u>\$ 784</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016 AND 2015
(Unaudited)

	2017			
	Average Number of Employees [^]	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	234	96	\$ 294,781	2.44 to 1
Ann M. Kiley Developmental Center	447	156	294,220	2.87 to 1
Elisabeth Ludeman Developmental Center	710	353	241,485	2.01 to 1
Jack Mabley Developmental Center	192	100	232,203	1.92 to 1
Warren G. Murray Developmental Center	486	180	288,341	2.70 to 1
Gov. Samuel H. Shapiro Developmental Center	1,079	466	267,791	2.32 to 1
Subtotal	3,148	1,351		
Mental Health Centers				
Chester Mental Health Center	474	270	250,792	1.76 to 1
Chicago-Read Mental Health Center	279	116	381,286	2.40 to 1
Elgin Mental Health Center	678	379	271,851	1.79 to 1
John J. Madden Mental Health Center	286	106	416,889	2.70 to 1
Andrew McFarland Mental Health Center	225	132	275,004	1.70 to 1
Alton Mental Health Center	243	118	307,964	2.06 to 1
Treatment & Detention Facility***	233	551	83,147	0.42 to 1
Subtotal	2,418	1,672		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	525	205	323,313	2.56 to 1
Subtotal	525	205		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	48	54	92,786	0.89 to 1
Illinois School for the Visual Impaired	112	119	75,111	0.94 to 1
Illinois School for the Deaf	202	205	82,354	0.98 to 1
Subtotal	362	378		
Grand Total	6,453	3,606		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed by taking the average of 12 months of census.

[^] The average number of employees is computed by taking the average of the 24 payrolls of each fiscal year.

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016 AND 2015
(Unaudited)

	2016			
	Average Number of Employees	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	252	105	\$ 305,304	2.40 to 1
Ann M. Kiley Developmental Center	463	178	309,712	2.60 to 1
Elisabeth Ludeman Developmental Center	724	391	240,739	1.85 to 1
Jack Mabley Developmental Center	184	103	230,593	1.79 to 1
Warren G. Murray Developmental Center	498	204	306,917	2.44 to 1
Gov. Samuel H. Shapiro Developmental Center	1,126	482	276,553	2.34 to 1
Subtotal	3,247	1,463		
Mental Health Centers				
Chester Mental Health Center	487	264	242,694	1.84 to 1
Chicago-Read Mental Health Center	276	114	375,375	2.42 to 1
Elgin Mental Health Center	714	397	263,349	1.80 to 1
John J. Madden Mental Health Center	299	110	436,914	2.72 to 1
Andrew McFarland Mental Health Center	233	135	255,985	1.73 to 1
Alton Mental Health Center	240	123	296,319	1.95 to 1
Treatment & Detention Facility***	238	551	31,172	0.43 to 1
	2,487	1,694		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	556	212	352,294	2.62 to 1
	556	212		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	49	54	71,428	0.91 to 1
Illinois School for the Visual Impaired	110	120	62,570	0.91 to 1
Illinois School for the Deaf	200	205	70,663	0.98 to 1
Subtotal	359	379		
Grand Total	6,649	3,748		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. Only Court Ordered Expenditures
In addition, the average number of residents/students was computed by taking the average of 12 months of census.

^ The average number of employees is computed by taking the average of the 24 payrolls of each fiscal year.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2016 AND 2015
(Unaudited)**

	2015			
	Average Number of Employees	Average Number of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	250	110	\$ 295,776	2.28 to 1
Howe Developmental Center	-			
Ann M. Kiley Developmental Center	443	190	302,138	2.33 to 1
Elisabeth Ludeman Developmental Center	741	401	244,584	1.85 to 1
Jack Mabley Developmental Center	192	99	245,153	1.93 to 1
Warren G. Murray Developmental Center	494	211	307,115	2.34 to 1
Gov. Samuel H. Shapiro Developmental Center	1,144	500	270,663	2.29 to 1
Subtotal	<u>3,264</u>	<u>1,511</u>		
Mental Health Centers				
Chester Mental Health Center	470	248	263,802	1.89 to 1
Chicago-Read Mental Health Center	272	111	412,721	2.45 to 1
Elgin Mental Health Center	689	387	285,541	1.78 to 1
John J. Madden Mental Health Center	303	117	426,278	2.60 to 1
Andrew McFarland Mental Health Center	235	131	283,465	1.80 to 1
Alton Mental Health Center	242	120	327,110	2.02 to 1
Treatment & Detention Facility***	240	539	61,194	0.45 to 1
Subtotal	<u>2,451</u>	<u>1,653</u>		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	529	230	313,987	2.3 to 1
Subtotal	<u>529</u>	<u>230</u>		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	54	27	174,380	1.99 to 1
Illinois School for the Visual Impaired	114	111	74,626	1.02 to 1
Illinois School for the Deaf	207	225	76,462	0.92 to 1
Subtotal	<u>375</u>	<u>363</u>		
Grand Total	<u>6,619</u>	<u>3,757</u>		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed utilizing the beginning and ending figures from each fiscal year.

^ The average number of employees was computed utilizing the beginning and ending figures from each

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

The mission of the Illinois Department of Human Services (Department) is strengthening Illinois by building up lives and communities.

The Department improves the quality of life of thousands of Illinois families by providing an array of comprehensive, coordinated services through: programs for persons with developmental disabilities, mental illness, or substance abuse problems, employment, training, and independent living programs for persons with disabilities, and financial support, employment and training programs, community health and prevention programs, child care, and other family services for low-income families. The Department serves Illinois families through the following main programs:

Substance-Related Disorder Services - The Department is charged with providing a system of care along the continuum of prevention, intervention, treatment and recovery support where individuals with substance-related disorders, those in recovery and those at risk are valued and treated with dignity and where stigma, accompanying attitudes, discrimination, and other barriers to recovery are eliminated.

Developmental Disabilities Services - An extensive array of services and supports are provided for individuals with developmental disabilities to enable them to reside with their families or in other community living situations, and to develop functional and occupational skills. The Department funds contracts with 323 community service agencies, approximately 220 private Intermediate Care Facilities, and operates 7 State-operated developmental centers that provide residential services and offer services and supports to individuals in community living environments.

Family and Community Services - The Division emphasizes a structure that provides services along a continuum of care from birth to death and represents a comprehensive approach to meeting the basic needs of Department customers: access to food, nutrition education, prenatal care, housing assistance, quality child care, youth services, income assistance, employment and training and other supportive services. The Division's staff help clients find services provided by other DHS divisions, State agencies and local communities.

Mental Health Services - Inpatient services are provided in 7 accredited State hospitals, and 1 treatment detention facility operated by the Division of Mental Health (DMH). DMH purchases community mental health services from approximately 195 certified vendors/providers whose staff include credentialed mental health professionals, such as licensed physicians, board-certified psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed counselors, registered nurses and certified recovery support specialists. All services are intended to identify and treat individuals who are diagnosed with mental illnesses/emotional disorders and co-occurring mental illnesses and substance abuse disorders with the goal of supporting individuals' movement toward recovery.

Rehabilitation Services - The Division of Rehabilitation Services is the State's lead agency serving individuals with disabilities. The Division works in partnership with people with disabilities and their families to assist them in making informed choices to achieve full community participation through employment, education, and independent living opportunities.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Addiction Treatment and Related Services

Mission Statement: The human suffering and social and economic losses caused by addictions exceed \$6 billion in Illinois each year. These losses can be prevented or reduced through the implementation of appropriate public policy and a comprehensive coordinated strategy. The Division of Alcoholism and Substance Abuse (DASA) is responsible for planning, funding and coordination of prevention, intervention, treatment and recovery support services including the identification of service needs, coordination of all State program efforts, the maximization of new and existing resources, and the expansion of accessible and appropriate community-based prevention, intervention and treatment efforts to meet the needs of the citizens of this State.

Program Goals:

Objectives:

1. Meet the Needs of Illinois Citizens - Support prevention, intervention and treatment services in whole or in part so individuals, families and communities may reduce the negative impact caused by abuse and addiction.
 - a. By June 30, 2017, provide treatment services for a minimum of 45,000 individuals.
2. Provide a Performance Results Strategy - Evaluate the performance of substance abuse treatment services delivered to Illinois citizens by geographic area and level of care.
 - a. By June 30, 2017, complete provider reports for fiscal year 2016 detailing performance on the following output measures: client engagement, retention, and continuity of care as well as client outcome measures related to alcohol and other drug use.
3. Implement quarterly provider performance reports and performance-based contracting.
 - a. By June 30, 2017, include provider performance quarterly analysis and corrective action plans as standard fiscal year 2018 contract language for DASA-funded treatment providers.

Source of Funds: General Revenue Fund, Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund, Drunk and Drugged Driving Prevention Fund, Drug Treatment Fund, Alcoholism and Substance Abuse Fund, Youth Drug Abuse Prevention Fund

Statutory Authority: Public Act 85-965, Chap. 111

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Addiction Treatment and Related Services

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 187,188.6	\$ 109,942.1	\$ 190,832.7	\$ 155,153.5	\$ 207,108.5
Total expenditures - state appropriated funds (in thousands)	\$ 187,188.6	\$ 109,942.1	\$ 190,832.7	\$ 155,153.5	\$ 207,108.5
Average monthly full-time equivalents	56.0	57.0	57.0	57.0	53.0
<u>Output Indicators</u>					
1 Number of clients discharged from alcohol and other drug treatment (transfers, completions, etc.)	66,327	58,610	58,610	51,198	45,000
2 Number of clients discharged from alcohol and other drug treatment who successfully completed treatment services (transfers, completions, etc.)	37,143	33,126	33,126	29,439	25,650
3 Percentage of clients discharged from alcohol and other drug treatment who successfully completed treatment services (final and transfer discharged)	56%	56.5%	57%	57.5%	57%
<u>Outcome Indicators</u>					
1 Percentage of clients discharged from alcohol and other drug treatment who are abstinent from alcohol use at discharge (final and transfer discharged)	72%	72%	72%	73%	72%
2 Percentage of clients discharged from alcohol and drug treatment who are abstinent from illegal drug use at discharge (final and transfer discharged)	69%	69%	70%	69%	69%

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Developmental Disabilities – Community & Facility Services

Mission Statement: Supporting people to attain their wants, needs and dreams. – Competitive Employment – Making Decisions – Contributing to the Community – Health and Safety – Relationships with Family and Friends.

Program Goals:

Objectives:

1. Provide comprehensive service and supports to individuals with developmental disabilities and their families to encourage active participation in life choices at home, school, work and in recreational activities in their community.
 - a. By June 30, 2017, identify individuals living in State-Operated Developmental Centers (SODCs) who would be more appropriately served in community settings, and offer them the option of community residential alternatives, reducing the statewide SODC census to 1,625.
 - b. By June 30, 2017, maintain the number of individuals in the Medicaid waiver from 22,920 to 23,420.
2. Improve on an ongoing basis the quality of services and supports provided.
 - a. By June 30, 2017, maintain statewide staffing ratios at SODCs to at least 2.1:1.

Source of Funds: General Revenue Fund, Mental Health Fund, Care Provider Fund for Persons with Development Disability

Statutory Authority: 20 ILCS 1705/1502 & 40 ILCS 30/3

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Developmental Disabilities – Community & Facility Services

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 1,542,293.3	\$ 1,562,682.9	\$ 1,628,397.6	\$ 1,561,807.5	\$ 1,716,593.3
Total expenditures - state appropriated funds (in thousands)	\$ 1,542,293.3	\$ 1,562,682.9	\$ 1,628,397.6	\$ 1,561,807.5	\$ 1,716,593.3
Average monthly full-time equivalents	4,199.2	4,199.4	4,199.4	4,199.4	4,013.9
<u>Output Indicators</u>					
1 Number of individuals served in waiver settings	22,592	22,920	23,420	23,387	23,787
2 Number of individuals served in private Intermediate Care Facilities and Mental Retardation facilities (ICF/MR), including skilled nursing facility/pediatrics	5,078	4,904	4,854	4,682	4,662
3 Number of individuals served in SODCs	1,685	1,653	1,625	1,660	1,630
<u>Outcome Indicators</u>					
1 Percent reduction in end-of-year census in large state Mental Retardation/Developmental Disabilities (MR/DD) facilities (a)	3.8%	1.9%	1.7%	0.0%	1.7%
2. Persons receiving developmental disability services as a percent of the estimated number of persons with a diagnosis of a developmental disability	18%	14%	18%	14%	18%
<u>Efficiency/Cost-Effective Indicators</u>					
1 Medicaid claiming as a percentage of total Division of Developmental Disabilities spending	91.4%	93%	93%	92.4%	93%
<u>External benchmarks</u>					
1 Staff to resident ratio (#:1)	2.1	2.2	2.1	2.4	2.1

Footnotes

a Reporting as zero since there was not a reduction in the end-of-year census.

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Family and Community Services – Basic Family Supports

Mission Statement: To help families and individuals achieve self-sufficiency.

Program Goals:

Objectives:

1. Implement Temporary Assistance for Needy Families (TANF) work training programs according to TANF Reauthorization Requirements.
 - a. By June 30, 2017, Illinois DHS will have canceled a monthly average of 4% of the Available-to-Work (ATW) caseload due to earnings.
 - b. By September 30, 2017, Illinois DHS will meet or surpass the Federal Work Participation rate of 50% for TANF clients working and/or engaged in the required number of average countable activities per week.
 - c. Through June 30, 2017, maintain the percentage of TANF clients working (of clients available to work) at or above 32%.
 - d. Through September 30, 2017, maintain the percentage of TANF clients engaged in the required number of average countable activities per week at or above 50.0%.
2. Improve Food Stamp Participation.
 - a. By October 1, 2017, maintain the Federal Q.C. Food Stamp Payment Accuracy (FFY) rate at 96.5%.
3. Support families and children by improving the quality of child care and by decreasing the number of families for which child care is a barrier to work.
 - a. By June 30, 2017, increase the current average number of children receiving child care subsidy to 133,000 per month.
 - b. By June 30, 2017, promote quality care by providing wage bonuses to 4,000 child care workers who stay in their jobs and receive training or education beyond their required licensing standard.

Source of Funds: General Revenue Fund

Statutory Authority: 305 ILCS 5/4-1, 51; 20 ILCS 505

(Continued)

**STATE OF ILLINOIS
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FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Family and Community Services – Basic Family Supports (Continued)

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
Input Indicators					
Total expenditures - all sources (in thousands)	\$ 1,793,543.7	\$ 1,445,872.8	\$ 1,970,543.9	\$ 1,418,579.1	\$ 1,819,543.5
Total expenditures - state appropriated funds (in thousands)	\$ 1,793,543.7	\$ 1,445,872.8	\$ 1,970,543.9	\$ 1,418,579.1	\$ 1,819,543.5
Average monthly full-time equivalents	4,336.4	4,374.4	4,371.4	4,371.4	4,153.4
Output Indicators					
1 Total number of Family Health Plan applications disposed timely	796,356	775,345	700,000	679,846	650,000
2 Total number of Family Health Plan applications approved	616,468	492,895	500,000	441,766	450,000
3 Total number of Medical Assistance No Grant (MANG) Aid to the Aged, Blind and Disabled (AABD) applications approved	98,501	87,723	90,000	85,599	85,000
4 Total number of MANG AABD applications disposed timely	103,776	96,444	100,000	90,916	90,000
5 Total number of TANF customers canceled due to earnings	8,712	8,660	9,000	7,446	7,000
6 Average number of TANF families engaged each month (Fed. participation rate)	5,272	4,203	4,500	2,945	2,900
7 Average monthly TANF Available to Work (ATW) caseload	16,567	10,590	11,000	6,845	6,500
8 Total average monthly TANF caseload	47,215	38,261	40,000	29,743	30,000
9 The average number of cases/families served through the Child Care program per month	92,700	73,755	78,235	74,256	76,571
10 Number of children served through the Child Care program - average month	179,315	127,708	133,000	131,310	134,000
11 Total number of customers served through the Refugee Social Service program	6,450	6,717	6,000	7,108	5,940
12 Total number of refugees and immigrants receiving citizenship assistance (a)	7,138	N/A	6,700	6,374	6,055
13 Total number of refugees and immigrants receiving outreach and interpretation services (a)	64,403	607	66,000	71,837	68,245
14 Total number of nights in shelters (in thousands)	2,271	2,007	2,100	1,956	2,000
15 Total number of children served through the Crisis Nursery program	1,068	917	900	962	900
16 Total number of seniors accessing services through the Donated Funds Initiative program	7,496	10,144	8,000	10,252	8,000

(Continued)

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Family and Community Services – Basic Family Supports (Continued)

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Outcome Indicators</u>					
1 Timely local office disposition of Family Health Plan applications	76.4%	86.7%	85.0%	87.0%	85.0%
2 Timely disposition of MANG AABD applications	74.5%	80.4%	80.0%	76.4%	75.0%
3 Federal Q.C. Food Stamp payment error rate (FFY)	3.5%	4.39%	4.0%	5.8%	4.0%
4 Average monthly percentage of the TANF ATW caseload canceled due to earnings	4.4%	3.6%	4.0%	5.7%	5.0%
5 Percent of TANF clients working and/or engaged in the required number of average countable activities per week	68.8%	69.4%	50.0%	69.1%	50.0%
6 Percent of families eligible for child care services served	100.0%	100.0%	100.0%	100.0%	100.0%
7 Percent of working families receiving child care services	91.4%	94.0%	94.0%	95.0%	95.0%
8 Percent of children receiving child care services that are in licensed care	64.1%	70.0%	70.0%	72.0%	72.0%
9 Percentage of TANF clients working (of clients available to work)	42.3%	36.5%	32.0%	38.4%	35.0%
10 Number of child care practitioners that received wage supplements	3,732	3,253	4,000	3,667	4,000
11 Number of credentials issued to child care practitioners	6,774	7,897	7,400	11,755	9,500
<u>External Benchmarks</u>					
1* Federal work participation rate for all families	50.0%	50.0%	50.0%	50.0%	50.0%
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Federal Q.C. Food Stamp Payment Accuracy (FFY)	96.50%	95.61%	96.00%	94.23%	96.00%
2 Average cost per Child Care case/family - avg. month (in dollars)	\$ 925	\$ 945	\$ 945	\$ 882	\$ 882
3 Average Child Care cost per child - per month (in dollars)	\$ 478	\$ 546	\$ 546	\$ 495	\$ 495
4 Homeless Prevention - Avg. quarterly cost per household (b) (in dollars)	\$ 1,035	N/A	\$ 1,000	\$ 799	\$ 800

Footnote

- a. There was no funding for immigration services in fiscal year 2016.
b. There was no funding for homeless prevention in fiscal year 2016.

(Continued)

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Family and Community Services – Family Wellness

Mission Statement: The office of Family Wellness improves the health and well-being of families and individuals and promotes self-sufficiency and integrity of families by administering community-based programs that assure adequate and quality prenatal and primary pediatric care, offer support services to ensure access to care, provide nutrition information, education, assessment, surveillance, counseling and supplemental foods to reduce infant mortality, ensure proper growth and development of infants and children up to age 5 and improve the food security of low income seniors.

Program Goals:

Objectives:

1. Reduce infant mortality and morbidity
 - a. By June 30, 2017, increase the percentage of Medicaid eligible pregnant women that are active in Family Case Management (FCM) in first trimester to 82.5%.
 - b. By June 30, 2017, increase the percentage of 12 to 18 month olds who are on FCM who are fully immunized to 85%.
 - c. By June 30, 2017, increase the percentage of infants exclusively breastfed at age 3 months to 20%.
 - d. By June 30, 2017, increase the percentage of infants currently breastfed at age 6 months to 35%.
 - e. By June 30, 2017, increase the percentage of Women, Infants, and Children (WIC) caseload served to 90% of assigned.

Source of Funds: General Revenue Fund, Wellness Charities Fund, DHS Federal Projects Fund, DHS State Projects Fund, USDA Women, Infants and Children Fund, Maternal and Child Health Services Block Grant Fund

Statutory Authority: 20 ILCS 1305/10-25

(Continued)

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Family and Community Services – Family Wellness (Continued)

	Fiscal Year 2015 Actual*	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 310,456.6	\$ 281,366.9	\$ 374,900.5	\$ 275,457.2	\$ 374,900.5
Total expenditures - state appropriated funds (in thousands)	\$ 310,456.6	\$ 281,366.9	\$ 374,900.5	\$ 275,457.2	\$ 374,900.5
Average monthly full-time equivalents	90.0	93.0	93.0	73.0	69.0
<u>Output Indicators</u>					
1 Number of pregnant women and infants enrolled in FCM	202,804	172,885	200,000	140,952	148,000
2 Number of 0-2 year olds who received immunizations	298,406	302,154	296,370	299,421	314,392
3 Number of FCM participant births	48,687	39,619	45,798	32,506	25,500
4 Number of WIC participant births	57,831	51,229	55,632	46,485	42,000
5 Number of WIC food coupons issued	10,203,289	9,361,846	10,017,000	8,697,016	8,897,047
<u>Outcome Indicators</u>					
1 Proportion of clients receiving prenatal care in the first trimester - WIC and FCM	78.0%	77.8%	77.7%	76.9%	80.0%
2 Proportion of post-partum clients breast- feeding exclusively at 12 weeks	10.4%	9.9%	20.0%	9.3%	20.0%
3 Proportion of WIC mothers who continue to breast-feed their infants at six months of age	19.0%	17.9%	35.0%	17.6%	35.0%
4 Proportion of FCM one-year old recipients that are fully immunized	83.8%	84.7%	84.2%	85.3%	90.0%
5 Infant mortality rate per 1,000 births	6.0%	6.6%	6.4%	6.0%	5.8%
6 Very low birth weight rate per 1,000 births	1.5%	1.5%	1.5%	1.5%	1.5%
<u>External Benchmarks</u>					
1 National 1st trimester goal	77.9%	77.9%	77.9%	77.9%	77.9%
2 National infant mortality rate per 1,000 births	5.9%	5.8%	6.1%	6.0%	6.0%
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Dollars saved in medical care by providing prenatal care (FCM & WIC) (a) (in millions)	\$ 100.2	\$ 189.7	\$ 166.2	N/A	N/A

Footnote

a Data for SFY 2017 is not available at this time and without it, the Target/Projected for SFY 2018 is also not available.

* Balances for 2015 have changed from the previous presentation to reflect the most accurate information now available.

(Continued)

**STATE OF ILLINOIS
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(Unaudited)**

Family and Community Services – Community and Positive Youth Development

Mission Statement: Improve the health and well-being of families and individuals through partnerships and services that build community competence.

Program Goals:

Objectives:

1. Effect a positive change in the lives of youth that will prevent them from becoming involved in the child welfare and/or juvenile justice system; to assist them in achieving family preservation, reunification or independence.
 - a. By June 30, 2017, maintain the percent of Comprehensive Community-Based Youth Services (CCBYS) recipients' cases closed due to family reunification at 88.5% or higher.
 - b. By June 30, 2017, maintain the percent of CCBYS recipients that are referred by law enforcement organizations at 40% or higher.
 - c. By June 30, 2017, 70% of Transitional Living Homeless Youth (HY) recipients will exit the program to stable housing.
2. Effect a positive change in the lives of youth that will enable them to achieve self-sufficiency, education and career goals leading to self-sufficiency.
 - a. By June 30, 2017, 90% or more Teen Reach (TR) youth will be promoted to the next grade level or graduation from high school.
 - b. By June 30, 2017, 80% or more of Community Youth Employment Program (CYEP) youth will maintain their initial employment placement for a minimum of 3 months.
 - c. By June 30, 2017, 65% of Transitional Living Homeless Youth (HY) recipients will be employed and/or enrolled in an educational program, upon exiting the program.
3. Reduce the teen birth rate (women ages 15 to 17).
 - a. By June 30, 2017, decrease the percentage of teens 15 to 17 years old who give birth to 11.7% or less.

Source of Funds: General Revenue Fund, Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund, Youth Alcoholism and Substance Abuse Prevention Fund, Illinois Affordable Housing Trust Fund, Gaining Early Awareness and Readiness for Undergraduate Programs Fund, DHS Special Purpose Trust Fund, Juvenile Accountability Incentive Block Grant Fund, DHS Federal Projects Fund, Alcoholism and Substance Abuse Fund, Juvenile Justice Trust Fund
Statutory Authority: 325 ILCS 27/410 ILCS 212/15

(Continued)

**DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
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(Unaudited)**

Family and Community Services – Community and Positive Youth Development (Continued)

	Fiscal Year 2015 Actual*	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 74,879.3	\$ 27,144.9	\$ 76,456.1	\$ 78,811.0	\$ 117,860.7
Total expenditures - state appropriated funds (in thousands)	\$ 74,879.3	\$ 27,144.9	\$ 76,456.1	\$ 78,811.0	\$ 117,860.7
Average monthly full-time equivalents	18.0	4.0	4.0	4.0	4.0
<u>Output Indicators</u>					
1 Number of Teen REACH participants (a)	12,935	N/A	5,500	7,288	7,000
2 Number of CCBYS recipients	7,020	5,713	6,000	4,660	6,000
3 Number of Re-Deploy IL Youth recipients (b,c)	540	607	400	332	400
4 Number of CYEP recipients (d)	N/A	N/A	2,050	2,487	2,000
<u>Outcome Indicators</u>					
1 Proportion of 10th grade children reporting use of marijuana in the past month	16.6%	14.0%	16.0%	N/A	N/A
2 Proportion of 10th grade children reporting use of alcohol in the past month	27.4%	25.0%	26.0%	N/A	N/A
3 Proportion of CCBYS recipients that are referred by law enforcement organizations	46.5%	47.6%	40.0%	45.6%	40.0%
4 Proportion of CCYBS recipients whose cases are closed due to family reunification (or successful completion)	92.4%	92.8%	88.5%	91.4%	88.5%
5 Birth rate per 1,000 females ages 15-17	11.8%	10.4%	8.5%	9.8%	9.5%
6 Percent of live births to 15-17 year olds as a percent of births to women of all ages	1.98%	1.7%	1.5%	1.6%	1.5%
7 Proportion of TR recipients who have been promoted to the next grade level of graduation from high school (a)	98.3%	N/A	90.0%	93.2%	90.0%
8 Proportion of CYEP recipients that maintain employment placement for a minimum of 3 months (d)	N/A	N/A	80.0%	65.0%	80.0%
9 Proportion of Transitional Living HY recipients that exit program, employed and/or enrolled in education program	68.0%	72.3%	65.0%	78.3%	65.0%
10 Proportion of Transitional Living HY recipients that exit program into stable housing	72.0%	77.0%	70.0%	87.8%	70.0%
<u>External Benchmarks</u>					
1 National proportion of 10th grade children reporting use of marijuana in the past month (e)	16.6%	14.8%	14.0%	N/A	N/A
2 National proportion of 10th grade children reporting use of alcohol in the past month €	23.5%	21.5%	21.0%	N/A	N/A
3 National birth rate of teen-aged women (15-17 years of age)	12.3%	10.9%	10.0%	9.9%	9.5%
<u>Efficiency/Cost Effectiveness</u>					
1 CCBYS: percent of youth served diverted from Department of Children and Family Services	97.5%	97.9%	95.0%	97.7%	95.0%
2 CCBYS: percent of youth served diverted from Illinois Department of Juvenile Justice	99.7%	99.1%	95.0%	98.6%	95.0%
3 Redeploy: percent reduction in IDJJ commitments compared to baseline (b,c)	63%	58%	50%	N/A	50%

Footnotes:

- a The Teen REACH program was eliminated in fiscal year 2016 and 2017; therefore, there is no data to report for those two years. It was re-instated in mid fiscal year 2017. Performance data reflects 6 months of programming rather than 9 months.
- b Data reflects lack of payment in fiscal year 2017 and fiscal year 2016.
- c. Re-Deploy commitment reduction data lags by approximately one year.
- d. The CYEP program did not exist in mid fiscal year 2017. CYEP data for fiscal year 2017 reflects partial year implementation and is self-reported.
- e Effective July 1, 2017, the Substance Abuse Prevention program was transferred from DFCS to the Division of Alcohol and Substance Abuse (DASA). Due to this, the Illinois Youth Survey (IYS) data, and the National Benchmark data will not be reported for 2017 or for 2018. Further, there was no 2017 data for the ISY since it is a biennial survey and the data even if it were to be reported, would not be available until 2018.
- * Balances for 2015 have changed from the previous presentation to reflect the most accurate information now available.

(Continued)

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Family and Community Services – Early Intervention

Mission Statement: Improves the health and well-being of families and individuals through partnerships and services that build community competence and provide resources and supports that assist families who have infants and toddlers, birth to age three, with diagnosed disabilities, developmental delays or substantial risks of developmental delays to maximize their child’s development, while respecting the diversity of families and communities.

Program Goals:

Objectives:

1. Reach as many infants and toddlers with disabilities and developmental delays as possible at the youngest age possible.
 - a. By June 30, 2017, the percent of children currently receiving Early Intervention (EI) services that are under age 1 will be at least 1.28%.

Source of Funds: General Revenue Fund, DHS Special Purpose Trust Fund, Early Intervention Services Revolving Fund

Statutory Authority: 40 ILCS 212/1-25/410 ILCS 21

(Continued)

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Family and Community Services – Early Intervention (Continued)

	Fiscal Year 2015 Actual*	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 306,008.7	\$ 293,059.4	\$ 347,177.8	\$ 318,414.0	\$ 351,177.8
Total expenditures - state appropriated funds (in thousands)	\$ 306,008.7	\$ 293,059.4	\$ 347,177.8	\$ 318,414.0	\$ 351,177.8
Average monthly full-time equivalents	17.0	37.0	37.0	37.0	28.0
<u>Output Indicators</u>					
1 Family fees collected by EI (in thousands)	\$ 4,367.6	\$ 4,426.5	\$ 4,500.0	\$ 4,511.0	\$ 4,435.0
2 Number of EI service coordinators in provider agencies	405.8	412.2	435.0	419.2	511.6
3 Amount of federal reimbursement received by EI Individuals with Disabilities Education Act (IDEA) Part C (in thousands)	\$ 16,890.3	\$ 16,583.7	\$ 17,181.4	\$ 17,181.4	\$ 16,996.8
4 Amount of federal Medicaid reimbursement received by EI (in thousands)	\$ 49,378.6	\$ 50,763.9	\$ 55,000.0	\$ 45,796.6	\$ 48,646.4
5 Number of new initial EI IFSP's (Individualized Family Service Plans) developed	20,388	19,580	19,500	20,606	21,000
6 Number of children who have EI IFSP's	21,182	20,689	21,000	21,206	22,000
<u>Outcome Indicators</u>					
1 Percentage of children living in Illinois who are under age 3 who are served by EI (a)	4.45%	3.3%	4.5%	N/A	3.97%
2 Percentage of children living in Illinois under age 1 who are served by EI (a)	1.54%	1.24%	2.00%	N/A	1.29%
3 Percentage of children who are leaving at age 3 who are special education eligible or getting other referral from EI (a)	81.81%	83.70%	100.00%	N/A	100.00%
4 Percentage of children receiving EI services who are under age 1 (a)	11.37%	9.3%	13.0%	N/A	14.0%
5 Percentage of children living in Illinois receiving EI services, including referral-active IFSP, who are under age 1 (a)	0.0%	21.5%	22.0%	N/A	23.0%
<u>External Benchmarks</u>					
1 Percentage of children under age 1 who are served by EI	1.2%	1.2%	1.6%	1.6%	1.6%
2 National percentage of children under the age of 3 who are served by EI	2.95%	3.2%	4.5%	4.8%	4.8%

Footnote

a Not available yet due to SFY17 data being pulled now as data validation time is now complete.

* Balances for 2015 have changed from the previous presentation to reflect the most accurate information now available.

(Continued)

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Mental Health – Community & Facility Services

Mission Statement: The Division of Mental Health envisions a well-resourced transformed mental health system that is consumer directed, community focused, and provides a continuum of culturally inclusive programs which are integrated, effective, and provide a range of services that support health and lifelong development through equal access, promotion of recovery and resilience.

Program Goals:

Objectives:

1. Foster the continual development of a comprehensive public mental health system of care.
 - a. By June 30, 2017, for all individuals admitted, the continuity of care between State Hospital and community services will be maintained as reflected by a re-admission rate within 30 days of discharge of less than or equal to 7.5%.
 - b. By June 30, 2017, maintain the quality of state hospital services by maintaining an average staff to patient ratio of at least 1.9:1.

Source of Funds: General Revenue Fund, DHS Federal Projects Fund, Community Mental Health Services Block Grant Fund

Statutory Authority: 20 ILCS 1705 et. al.

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 586,397.0	\$ 363,753.4	\$ 559,569.7	\$ 558,154.1	\$ 588,116.0
Total expenditures - state appropriated funds (in thousands)	\$ 586,397.0	\$ 363,753.4	\$ 559,569.7	\$ 558,154.1	\$ 588,116.0
Average monthly full-time equivalents	2,537.2	2,542.2	2,542.2	2,542.2	2,359.1
<u>Output Indicators</u>					
1 Number of individuals served in DHS/DMH Assertive Community Treatment (ACT) program	1,075	1,201	1,200	776	800
2 Number of juveniles found eligible for mental health juvenile justice services	311.0	338.0	340.0	214.0	250.0
<u>Outcome Indicators</u>					
1 Percent of re-admissions to state hospitals within 30 days of discharge	14.0%	7.4%	7.5%	9.1%	9.0%
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Staff to patient ratio in state hospitals (#:1)	1.9	1.9	1.9	1.9	1.9

(Continued)

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(Unaudited)**

Mental Health – Sexually Violent Persons Program

Mission Statement: The mission of the Treatment and Detention Facility (TDF) is to provide residents with intensive, specialized sex offender treatment within a safe, secure environment necessary to protect residents, facility staff, and the community.

Program Goals:

Objectives:

1. Manage a highly secure environment for the protection of program staff and visitors, court-ordered detainees, and civilly committed sexually violent persons, as well as state and personal property.
 - a. By June 30, 2017, manage the Treatment and Detention Program to achieve an average annual cost per detainee/sexually violent person of \$65,194 or less.
2. Through the provision of effective treatment, reduce victimization, protect the survivors of sexual violence, and make transition to communities safer.
 - a. By June 30, 2017, complete evaluations of all referrals from the Department of Corrections and admit those as appropriate, resulting in a census of 600 or less at the Treatment and Detention Facility.
 - b. Through June 30, 2017, ensure successful transition to the community of all individuals who are conditionally discharged from the Treatment and Detention Facility resulting in no more than five (5) readmissions/returns to the facility.

Source of Funds: General Revenue Fund

Statutory Authority: 725 ILCS207

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 31,745.9	\$ 17,005.1	\$ 39,930.0	\$ 39,312.1	\$ 36,361.9
Total expenditures - state appropriated funds (in thousands)	\$ 31,745.9	\$ 17,005.1	\$ 39,930.0	\$ 39,312.1	\$ 36,361.9
Average monthly full-time equivalents	250.4	250.4	250.4	250.4	244.0
<u>Output Indicators</u>					
1 Number of detainees and sexually violent persons in the TDF	546.0	593.0	600.0	603.0	605.0
<u>Outcome Indicators</u>					
1 Number of detainees revoked from conditional release and returned to the TDF	8	5	6	2	5
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Annual cost per detainee/sexually violent person in the TDF (in dollars)	\$ 56,702	\$ 28,926	\$ 66,550	\$ 65,194	\$ 64,978

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Rehabilitation Services Home Services

Mission Statement: The mission of the Division of Rehabilitation Services is to assist individuals with disabilities in achieving their goals in the areas of employment, education and independent living.

Program Goals:

Objectives:

1. Provide World Class Customer services and supports to individuals with disabilities assisting them in achieving their independent living goals.
 - a. By June 30, 2017, increase the number of persons receiving needed in-home services by 1% over the number for fiscal year 2016.
 - b. By June 30, 2017, assist 166 persons in moving out of nursing homes into community residences.
 - c. By June 30, 2017, develop new service plans for 3,800 individuals needing in-home care.

Source of Funds: General Revenue Fund

Statutory Authority: 20 ILCS 2405/3

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 603,285.7	\$ 602,434.2	\$ 636,134.7	\$ 608,275.0	\$ 627,190.1
Total expenditures - state appropriated funds (in thousands)	\$ 603,285.7	\$ 602,434.2	\$ 636,134.7	\$ 608,275.0	\$ 627,190.1
Average monthly full-time equivalents	334.0	334.0	334.0	334.0	259.7
<u>Output Indicators</u>					
1 Persons with disabilities receiving in-home services to prevent institutionalization	29,595	29,325	29,925	29,379	29,400
2 New service plans developed	3,769	3,726	3,800	3,778	3,925
<u>Outcome Indicators</u>					
1 Persons moved out of nursing homes	129	125	125	54	166
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Average monthly cost of in-home services per client (in dollars)	\$ 1,502	\$ 1,538	\$ 1,555	\$ 1,573	\$ 15,900

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Rehabilitation Services Vocational Rehabilitation

Mission Statement: The Division of Rehabilitation Services assists individuals with disabilities in achieving their goals in the areas of employment, education and independent living.

Program Goals:

Objectives:

1. Provide World Class Customer services and supports to individuals with disabilities, assisting them in achieving their employment goals.
 - a. By June 30, 2017, increase the number of persons in supported employment to 1,500.
 - b. By June 30, 2017, increase the rehabilitation rate (success rate) to 52.5.
 - c. By June 30, 2017, increase the number of new applications taken to 16,450.
 - d. By June 30, 2017, increase the average hourly wage earned by customers to \$11.0085.

Source of Funds: General Revenue Fund, Illinois Veterans' Rehabilitation Fund, Vocational Rehabilitation Fund

Statutory Authority: 20 ILCS 2405

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Target/Projected	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected
<u>Input Indicators</u>					
Total expenditures - all sources (in thousands)	\$ 123,874.0	\$ 110,731.1	\$ 166,432.2	\$ 118,231.1	\$ 168,244.3
Total expenditures - state appropriated funds (in thousands)	\$ 123,874.0	\$ 110,731.1	\$ 166,432.2	\$ 118,231.1	\$ 168,244.3
Average monthly full-time equivalents	250.4	567.8	567.8	567.8	563.8
<u>Output Indicators</u>					
1 New applications taken	15,054	14,961	16,450	14,013	16,185
2 New service plans developed	11,293	11,625	12,450	10,848	12,255
<u>Outcome Indicators</u>					
1 Persons in supported employment	1,168	1,211	1,500	1,260	1,450
2 Persons competitively employed	5,442	5,538	5,985	4,990	5,600
3 Rehabilitation rate (success rate)	52.1	50.1	52.2	51.6	53.0
4 Average hourly wage earned by Vocational Rehabilitation customers (in dollars)	\$ 10.34	\$ 10.42	\$ 11.00	\$ 11.01	\$ 11.35
<u>Efficiency/Cost-Effectiveness Indicators</u>					
1 Average lifetime cost per rehabilitation (in dollars)	\$ 4,904	\$ 5,001	\$ 5,000	\$ 5,202	\$ 5,350

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

The Illinois Department of Human Services claims indirect costs for the grant programs in two different ways. The Department has two cost plans. One is a Public Assistance Cost Allocation Plan (PACAP) approved by the U.S. Department of Health and Human Services, Division of Cost Allocation effective for State fiscal year 2017. This plan represents the direct costs for the Department. The second cost plan is a Department Indirect Cost Allocation Plan (DICAP) approved by the U.S. Department of Health and Human Services effective for State fiscal year 2017. The implementation of both cost plans assures that cost recovery for federal grants is maximized.

The DICAP is compiled for a given State fiscal year after the close of the State fiscal year. The costs from the annual DICAP are added to the PACAP allocations each quarter. The PACAP allocations reflect the current quarter expenditures and charges to the respective grant programs.

The process for indirect cost recovery is as described above for all Department grant programs except the Social Security Administration Disability Determination Program and the Division of Rehabilitation Services Vocational Rehabilitation Program. The costs compiled in the DICAP attributable to these two areas/programs are converted to an indirect rate and applied to the direct personal services cost pool to derive the indirect costs for these two respective areas. The federal agencies responsible for these two areas of the Department have required indirect rates rather than indirect amounts as calculated in the above described process.

The Maternal and Child Health Block Grant (SSA, Title V) was moved to the Illinois Department of Public Health; therefore, there was nothing to report for the Department of Human Services.

The following are the indirect cost reimbursements deposited by the Department for the fiscal years ended June 30, 2017 and 2016:

Fiscal Year 2017

<u>Program</u>	
Food Stamp Program	\$ 16,528,053
Temporary Assistance for Needy Families (TANF)	2,679,373
Child Care Development Fund	4,461,956
Social Service Block Grant (SSA, Title XX)	276,746
Supplemental Nutrition Program for Women, Infants and Children (WIC)	1,207,294
Social Security Disability Program (SSA, sec. 221(b))	2,659,355
Vocational Rehabilitation	6,248,454

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2017
(Unaudited)**

Fiscal Year 2016

Program

Food Stamp Program	\$ 15,990,427
Temporary Assistance for Needy Families (TANF)	3,072,788
Child Care Development Fund	3,431,047
Social Service Block Grant (SSA, Title XX)	294,618
Supplemental Nutrition Program for Women, Infants and Children (WIC)	1,215,923
Social Security Disability Program (SSA, sec. 221(b))	3,043,595
Vocational Rehabilitation	6,818,203

(Concluded)