

**STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS**

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

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

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STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
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AGENCY OFFICIALS

AGENCY OFFICIALS – CENTRAL OFFICE

Director (through 7/9/14)	Ms. Erica Borggren
Acting Director (7/10/14 - 1/11/15)	Mr. Rodrigo Garcia
Interim Director (1/12/15 - 2/16/15)	Mr. Harry Sawyer
Director (2/17/15 - present)	Ms. Erica Jeffries
Assistant Director (through 7/9/14)	Mr. Rodrigo Garcia
Assistant Director (7/10/14 - present)	Vacant
Chief of Staff	Mr. Simon Wlodarski
Chief Legal Counsel (through 5/31/14)	Mr. Jaime Martinez
Acting Chief Legal Counsel (6/1/14 - 6/30/14)	Ms. Patricia McGill
Chief Legal Counsel (7/1/14 - 2/16/15)	Ms. Patricia McGill
Acting Assistant Director (2/17/15 - present)	Mr. Harry Sawyer
Chief Fiscal Officer	Ms. Deborah Miller
Sr. Home Administrator (9/4/12 - 12/15/14)	Ms. Joy Ward
Acting Sr. Home Administrator (12/16/14 - present)	Mr. Bruce Vaca
Chief Internal Auditor (through 5/31/14)	Mr. H. Jay Wagner
Chief Internal Auditor (6/1/14 - 7/31/14)	Vacant
Chief Internal Auditor (8/1/14 - present)	Ms. Leighann Brown

Department offices are located at:

833 S. Spring Street
P.O. Box 19432
Springfield, Illinois 62794-9432

James R. Thompson Center
100 W. Randolph
Suite 5-570
Chicago, Illinois 60601-3219

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT ANNA

Home Administrator (through 4/15/13)	Mr. Robert Emling
Acting Home Administrator (4/16/13 - 9/8/13)	Mr. Lenard Winnicki
Home Administrator (9/9/13 - present)	Ms. Angela Simmons
Business Administrator (through 7/16/12)	Ms. Christy Butler
Acting Business Administrator (7/17/12 - 10/31/12)	Ms. Debbie Dillon
Business Administrator (11/1/12 - 2/28/13)	Mr. Don Burke
Acting Business Administrator (3/1/13 - 6/15/13)	Ms. Debbie Dillon
Business Administrator (6/16/13 - present)	Ms. Erin Siebert
Adjutant (through 10/31/14)	Mr. Donnie Houghland
Adjutant (11/1/14 - present)	Vacant

The Home is located at:

792 North Main Street
Anna, Illinois 62906

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT LASALLE

Home Administrator (through 12/31/14)	Mr. John Koehler
Home Administrator (1/1/15 - present)	Mr. Lenard Winnicki
Business Administrator (through 6/28/13)	Mr. Raymond Schneider
Acting Business Administrator (6/29/13 - 3/9/14)	Ms. Lisa Fellows
Business Administrator (3/10/14 - present)	Mr. John Graham
Adjutant	Ms. Luann Pierard

The Home is located at:

1015 O’Connor Avenue
LaSalle, Illinois 61301

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT MANTENO

Home Administrator (through 7/31/13)	Mr. Reginald Booker
Home Administrator (8/1/13 - 9/19/13)	Vacant
Acting Home Administrator (9/20/13 - 12/5/13)	Mr. Lenard Winnicki
Home Administrator (12/6/13 - present)	Mr. Lester Robertson
Business Administrator	Mr. Stanley Stam
Adjutant	Mr. Lenard Winnicki

The Home is located at:

1 Veterans Drive
Manteno, Illinois 60950

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT QUINCY

Home Administrator	Mr. Bruce Vaca
Business Administrator	Mr. John McPherson
Adjutant	Ms. Dawn Whitcomb

The Home is located at:

1707 North 12th Street
Quincy, Illinois 62301



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

100 W. RANDOLPH STREET, SUITE 5-570, CHICAGO, IL 60601-3219
TELEPHONE: 312/814-2460* FAX: 312/814-2764 * TDD: 217/524-4645

BRUCE RAUNER
GOVERNOR

ERICA L. JEFFRIES
DIRECTOR

MANAGEMENT ASSERTION LETTER

April 22, 2015

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

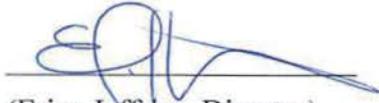
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2014 and June 30, 2013, the Department has materially complied with the assertions below.

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

Yours truly,

Department of Veterans' Affairs

A handwritten signature in blue ink, appearing to read 'Erica Jeffries', written over a horizontal line.

(Erica Jeffries, Director)

A handwritten signature in blue ink, appearing to read 'Deborah Miller', written over a horizontal line.

(Deborah Miller, Chief Fiscal Officer)

A handwritten signature in blue ink, appearing to read 'Patricia McGill', written over a horizontal line.

(Patricia McGill, General Counsel)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	11	22
Repeated findings	9	18
Prior recommendations implemented or not repeated	13	7

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2014-001	12	Inadequate controls over the purchase, recording and reporting of State Property	Material Weakness and material noncompliance
2014-002	15	Inadequate controls over travel expenditures	Noncompliance and Significant Deficiency
2014-003	17	Inaccurate compilation and reporting of field service office activities and information	Noncompliance and Significant Deficiency
2014-004	19	Inadequate controls over emergency purchases	Noncompliance and Significant Deficiency

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2014-005	21	Inadequate control over contractual agreements	Noncompliance and Significant Deficiency
2014-006	22	Inadequate control over employee attendance records and personnel functions	Noncompliance and Significant Deficiency
2014-007	24	Employee performance evaluations not performed timely	Noncompliance and Significant Deficiency
2014-008	25	Noncompliance with Holocaust and Genocide Commission Act	Noncompliance and Significant Deficiency
2014-009	26	Inaccurate Agency Workforce Reports	Noncompliance and Significant Deficiency
2014-010	28	Inadequate controls over locally held funds and related reporting	Noncompliance and Significant Deficiency
2014-011	31	Inadequate documentation of resident personal property	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

<u>No.</u>	<u>Page</u>	<u>Description</u>
A.	33	Inadequate documentation maintained
B.	33	Improper management of waiting lists, admissions, and applications
C.	33	Improper use of Members' Benefit Fund
D.	33	Failure to properly notify applicants
E.	33	Corrective action not taken
F.	34	Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program
G.	34	Inaccurate reporting of direct patient care statistics
H.	34	Inadequate controls over grant agreements and related reporting
I.	34	Inadequate control over receipts and refunds
J.	35	Inaccurate recording and reporting of accounts receivable
K.	35	Excessive quantity of refunds processed
L.	35	Inadequate control over commodities inventories
M.	35	Inadequate control over voucher processing

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 16, 2015. Attending were:

DEPARTMENT OF VETERANS' AFFAIRS

Erica Jeffries, Director
Deborah Miller, Chief Fiscal Officer
Leighann Brown, Chief Internal Auditor
Patricia McGill, General Counsel

OFFICE OF THE AUDITOR GENERAL

Courtney Dzierwa, Audit Manager

SIKICH LLP

Joe Kulek, Partner
Andy Lascody, Partner

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Department of Veterans' Affairs' (Department) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2014. The management of the Department is responsible for compliance with these 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; and, accordingly, included examining, on a test basis, evidence about the Department's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Department's compliance with specified requirements.

As described in item 2014-001 in the accompanying schedule of findings, the Department did not comply with requirements regarding all applicable laws and regulations, including the State uniform accounting system in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Department complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2014-002 through 2014-011.

Internal Control

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Department's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the 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 requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or 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 item 2014-002 through 2014-011 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 findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2014 and June 30, 2013, in Schedules 1 through 15 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 15. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 3, 4, 6, 7, 8, 10, 11 and 12 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and Department management and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Springfield, Illinois
April 22, 2015

SCHEDULE OF FINDINGS

CURRENT FINDINGS – State Compliance

2014-001. FINDING (Inadequate controls over the purchase, recording and reporting of State property)

The Department of Veterans' Affairs (Department) did not exercise adequate control over the purchase, recording and reporting of State property. We noted the following during our review of the Department's equipment records and controls over property:

- The Department was unable to produce a property listing updated more recently than October 2013 for the examination period ending June 30, 2014. Therefore, several additions and deletions were not included in the property listing provided to auditors. According to the Illinois Office of the Comptroller's (IOCs) records the Department has had \$526,372 in additions since this date. According to the Department's records there have been \$115,568 in deletions since this date. During equipment voucher testing, we noted 12 vouchers for equipment purchased after October 2013 not entered into the property records. There were 52 items totaling \$61,078 not entered. Furthermore, 19 items totaling \$52,473 exceeded \$500 but were not reported to the Department of Central Management Services (CMS). The State Property Control Act (30 ILCS 605/4) requires responsible officers of the State maintain accountability for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets. Further, the Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires the Department to update its property records within 30 days of acquisition, change, or deletion of equipment items. In addition, the Illinois Administrative Code (44 Ill. Adm. Code 5010.220) requires all equipment with an acquisition value of \$500 or more be reported to CMS by the holding agency.
- Nine of 28 (32%) equipment vouchers processed prior to October 2013 were not entered in the Department's property records. There were a total of 42 pieces of equipment totaling \$23,625 not entered. The State Property Control Act (30 ILCS 605/4) requires responsible officers of the State to maintain accountability for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets.
- Three of 28 (11%) equipment vouchers processed prior to October 2013 contained additions exceeding \$500 that were not reported to CMS. There were a total of 5 items totaling \$13,432 not reported. The Illinois Administrative Code (44 Ill. Adm. Code 5010.220) requires all equipment with an acquisition value of \$500 or more be reported to CMS by the holding agency.
- One of 40 (3%) equipment vouchers tested were for furniture exceeding \$500 per item, but the Department did not file a new furniture affidavit. One of 1 (100%) furniture vouchers were not accompanied by a new furniture affidavit. The State Property Control Act (30 ILCS 605/7a) states if an agency finds that it is unable to use the surplus property, the agency shall file an affidavit with the administrator prior to any purchase, specifying the types of new furniture to be bought, the quantities of each type of new furniture, the cost per type, and the total cost per category.

- One of 2 (50%) leases tested required a Form SCO-560 (Accounting for Leases-Lessee) to be filed when the lease was executed; however, it was not. Additionally, the lease should have been classified as capital and reported on the quarterly Agency Report of State Property (Form C-15) as such, but it was not. Statewide Accounting Management System (SAMS) (Procedure 27.20.60) states this form is to be completed on a transaction by transaction basis as new lease agreements are initiated and sent to the IOC. This form only needs to be prepared if the fair market value of the new asset being leased is greater than \$5,000. The completion of this form will enable the IOC to determine if a leased asset should be considered a capital lease asset. When an asset is determined to be a capital lease item, the Form SCO-560 is used by the IOC to determine the cost of the asset to be recorded on the agency's books, including the Agency Report of State Property (Form C-15).
- During our testing of Agency Report of State Property forms (Forms C-15), we noted the Department inaccurately reported additions on 8 of 8 (100%) quarters. We noted \$532,719 entered in the wrong quarter. Additionally, property additions totaling \$91,617 were excluded from the Form C-15. Furthermore, \$53,793 in additions were included on the Form C-15 for two separate quarters. Additions were understated by \$16,684 and \$726 in fiscal years 2013 and 2014, respectively. SAMS (Procedure 29.20.10) provides instructions for preparing the "Agency Report of State Property." The State Records Act (5 ILCS 160/9) states the head of each agency shall establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.
- During our testing of Forms C-15, we noted the Department inaccurately reported deletions on 5 of 8 (63%) quarters. We noted \$77,578 entered in the wrong quarter. Additionally, there was a total of \$886 that should not have been included in deletions. SAMS (Procedure 29.20.10) provides instructions for preparing the "Agency Report of State Property." The State Records Act (5 ILCS 160/9) states the head of each agency shall establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. In addition, good internal controls require the Department to maintain adequate segregation of authorization, record keeping and custody duties.

Department management stated cited conditions were due to unforeseen difficulties encountered with implementation of a new fixed asset tracking system.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate property reporting reduces the reliability of statewide property information. (Finding Code 2014-001, 12-9, 10-9, Central Office – 08-15, Anna – 08-2, LaSalle – 08-2, Manteno 08-2)

RECOMMENDATION

We recommend the Department strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommend the Department follow proper procedures when entering into new leases for property and when procuring furniture.

DEPARTMENT RESPONSE

Accepted. The Department has entered property transactions and is continuing with new inventory system implementation after unforeseen difficulties.

2014-002. FINDING

(Inadequate controls over travel expenditures)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its travel expenditures. We noted the following:

- Eight of 80 (10%) vouchers contained instances where employees were not reimbursed within the travel reimbursement allowance. The amount above the allowable reimbursement totals \$2,050. Illinois Administrative Code (80 Ill. Adm. Code 2800 Appendix A) establishes the allowable reimbursement rates for State employee travel.
- The Department does not have a written policy on when an employee has to submit a travel voucher for reimbursement. Auditors considered submission of a travel voucher to a supervisor past 30 days of the last travel date on the voucher to be late. Nineteen of 80 (24%) vouchers were not submitted for approval for reimbursement by the supervisor within 30 days. The vouchers ranged from 1 to 143 days late. Good internal controls require travel vouchers be submitted timely. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to maintain a system of internal and administrative controls.
- Three of 80 (4%) vouchers contained instances where the employee received reimbursement for travel between their residence and headquarters. Additionally, the headquarters on these travel vouchers did not agree with the headquarters as listed in the employee's personnel file. The amount reimbursed for mileage on these vouchers was \$531. The Illinois Administrative Code (80 Ill. Adm. Code 3000.220) states "as a condition of employment, employees expect to incur commuting expenses between their residence and headquarters. These expenses are not reimbursable. Meals, lodging, and per diem are not reimbursable at headquarters or at residence." Good internal controls require employees to accurately report their headquarters on the travel voucher. The Illinois Administrative Code (80 Ill. Adm. Code 3000.210) requires the Department to designate the employee's headquarters.
- Twenty-nine of 80 (36%) vouchers contained instances where the employee did not get proper prior approval for travel. The Department's internal policy states "one (1) week prior to the planned travel for the work related business trip the employee shall complete the Internal Travel Request form which must include all direct billed expenditures."

Department management stated the conditions noted were due to Fiscal staff being unaware of travel voucher technical requirements for temporarily assigned employees and out of state lodging at conference sites. Additionally, senior staff did not receive written approval for travel due to oversight. They received verbal instead of written travel approval, concentrating on fulfilling the mission of the agency and delaying completion of travel vouchers.

Delays in travel voucher submission increases the risk of processing errors and may result in untimely and inaccurate information on agency obligations. Inadequate control over travel expenditures result in overpayments to travelers and are an inefficient use of State resources. (Finding Code 2014-002, 12-10, 10-18, Central Office – 08-01)

RECOMMENDATION

We recommend the Department strengthen its review of travel vouchers to ensure reimbursements are in accordance with all applicable statutes, rules, and regulations. We also recommend the Department establish a policy for timely travel voucher submission and seek reimbursement from the people who were overpaid.

DEPARTMENT RESPONSE

Accepted. The Department is revising its travel policy.

2014-003. FINDING (Inaccurate compilation and reporting of field service office activities and information)

The Department of Veterans' Affairs (Department) inaccurately compiled and reported activities and information of its field service offices staffed by Veteran Service Officers (VSOs).

The Department operates field service offices in counties throughout the State on either a full-time or itinerant basis to provide veterans with local access to information regarding federal and State benefits associated with their military service. VSOs are employed in these locations to answer questions, provide assistance with filing paperwork, address telephone calls, and issue hunting/fishing and camping licenses. The VSOs prepare daily, weekly, and monthly records of the number of veterans served in-person, requests handled by U.S. mail, and telephone call questions received, in addition to a categorized breakdown of the types of services and information provided.

We tested 13 field offices operated by the Department. At these field offices, we noted the following:

- For two of 72 (3%) months selected for testing, the weekly statistical reports could not be provided by the Department. In addition, for six of 72 (8%) months selected for testing, the daily sign-in sheets could not be provided by the Department.
- Eight of 78 (10%) weekly statistical reports were not signed by the VSO.
- For five of 78 (6%) weekly statistical reports tested, information did not trace to underlying documentation.

We also noted:

- For two of 71 (3%) hunting, fishing, and camping licenses selected for testing, we were unable to determine if the veteran met all of the criteria to be issued licenses due to missing documentation.
- We reviewed weekly itineraries as submitted by the regional division field office supervisors and noted various discrepancies. We noted the itineraries did not match the supervisor sign-in records for six of 96 (6%) visits tested.

Good business practices require sufficient documentation and maintenance of records in order to report accurate information.

The Department of Veterans Affairs Act (20 ILCS 2805/3) requires the Department to maintain case files containing records of services rendered to each applicant, progress cards, and a follow-up system to facilitate the completion of each request.

Department Management stated discrepancies were due to oversight.

Failure to accurately compile and retain data regarding services provided by VSOs at field offices results in inaccurate data for use by the Department upon which to base decisions. (Finding Code 2014-003, 12-17, 10-19, Central Office – 08-8, Central Office – 06-7)

RECOMMENDATION

We recommend the Department strengthen controls and enforce procedures to ensure VSOs and their supervisors maintain accurate and complete records.

DEPARTMENT RESPONSE

Accepted. The Department began the use of a new database application during the audit period which has helped increase accuracy.

2014-004. FINDING

(Inadequate controls over emergency purchases)

The Department of Veterans' Affairs (Department) did not exercise adequate control over the reporting of emergency purchases. We noted the following:

The Department was granted 7 extensions for emergency purchases during Fiscal Years 2013 and 2014. Two of 7 (29%) extensions were not published in the procurement bulletin (Bulletin) in accordance with the Illinois Procurement Code (Code) (30 ILCS 500/20-30(b)). An estimated cost and actual cost of the 2 extensions were not published in the online electronic Bulletin until 460 days after the contract ended. Furthermore, the Office of the Auditor General (OAG) was not notified of the estimated and actual costs until 460 days after the contract ended. The Department did not publish the estimated and actual price of the extensions until auditors made the Department aware it had not been published.

The Department also made 10 emergency purchases that were not extensions. Auditors noted in 4 of 10 (40%) emergency purchases, the Department did not publish information about the actual cost of emergency purchases in the procurement bulletin as required by the Code (30 ILCS 500/20-30(b)). Additionally, the OAG was not notified timely of the actual cost for these purchases. The actual costs were not published in the procurement bulletin from 174 to 229 days after the contracts ended. The OAG was not notified of the actual costs until 174 to 233 days after the contracts ended.

The OAG was not notified of the estimated cost within 10 days after the procurement for 1 of 10 (10%) of emergency purchases. The emergency purchase contract was established on May 21, 2014, but the OAG was not notified until September 10, 2014 - 112 days after the contract was established.

The Code (30 ILCS 500/20-30(b)) states that before the next appropriate volume of the Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin, a copy of each written description and reasons and the total cost of the emergency procurement made during the previous month. When only an estimate of the total cost is known at the time of publication, the estimate shall be identified as an estimate and published. As required by Code (30 ILCS 500/20-30(c)), when the actual total cost is determined, it shall also be published in like manner before the 10th day of the next succeeding month.

Department management stated the conditions cited were due to a substantial increase in Department contract volume to obtain necessary items for the care of veterans at the Veterans Homes caused by the absence of Department of Central Management Services (CMS) master contracts. The Department has limited procurement staff to absorb such an increase in procurements.

Failure to timely record emergency purchase information in the Procurement Bulletin and timely notify the OAG is noncompliance with the Code. Additionally, it limits information to the general public and vendors interested in contracting with the State. (Finding Code 2014-004)

RECOMMENDATION

We recommend the Department publish extensions, estimated costs and actual costs of emergency purchases in the Bulletin timely in accordance with the Code (30 ILCS 500/20-30(b)). In addition, we recommend the Department file affidavits of emergency purchases with the OAG noting estimated and actual costs timely in accordance with the Code (30 ILCS 500/20-30(c)).

DEPARTMENT RESPONSE

Accepted. The Department will ensure emergency purchases are posted to the Bulletin and filed with the OAG timely.

2014-005. FINDING (Inadequate control over contractual agreements)

The Department of Veterans' Affairs (Department) did not ensure its contractual agreements met all requirements.

During our testing of contractual agreements, we noted 6 contracts were valued at \$250,000 or more in a fiscal year. Two of the 6 (33%) contractual agreements were not approved in writing by the Director, chief legal counsel, and chief fiscal officer.

The State Finance Act (30 ILCS 105/9.02) requires any new contract or contract renewal in the amount of \$250,000 or more in a fiscal year to be signed or approved in writing by the chief executive officer of the agency (Director), and shall also be signed or approved in writing by the agency's chief legal counsel and chief fiscal officer.

In addition, one of 40 (3%) contract obligation documents (CODs) tested contained the wrong award code. Statewide Accounting Management System (SAMS) (Procedure 15.20.10) requires the Department to enter the applicable award code on the COD. The Illinois Procurement Code (30 ILCS 500/20-20) states any individual procurement of supplies or services other than professional or artistic services, not exceeding \$10,000 may be made without competitive sealed bidding. The \$10,000 limitation is a threshold adjusted every year by the consumer price index. In fiscal year 2013, the small purchases threshold was \$35,000. The contract for the noted exception was for the amount of \$595,625 and was classified as a small purchase on the COD. However, we were able to verify the contract did go through competitive selection.

Department management stated that the conditions cited were due to staff oversight.

Failure to require the Director, chief legal counsel, and chief fiscal officer to sign contracts exceeding \$250,000 reduces the amount of oversight on large purchases and could result in the misuse of Department funds. In addition, including the wrong information on the COD results in inaccurate information being provided to the Comptroller, which may be used for reporting purposes. (Finding Code 2014-005, 12-11, 10-11)

RECOMMENDATION

We recommend the Department implement procedures to require all contracts in the amount of \$250,000 or more in a fiscal year be reviewed and signed by the Director and signed or approved in writing by the chief legal counsel and the chief financial officer. In addition, we recommend the Department follow SAMS procedures for the proper completion of CODs.

DEPARTMENT RESPONSE

Accepted. The Department will ensure all contracts in the amount of \$250,000 or more will be reviewed and signed by required management.

2014-006. FINDING (Inadequate control over employee attendance records and personnel functions)

The Department of Veterans' Affairs (Department) did not exercise adequate control over employee attendance records and other personnel functions.

We tested 60 employees' attendance records for 4 months during the examination period and we noted the following:

- Timesheets for 14 of 60 (23%) employees tested contained discrepancies. Problems noted included the following:
 - Ten of the 14 (71%) employee timesheets tested required corrections for discrepancies between the timesheets and the payroll system (i.e. employee used sick time initially and should have used vacation time, personal time was used instead of sick time, etc.). The Department did not correct these discrepancies until auditors brought it to the Department's attention.
 - Four of the 14 (29%) employee timesheets tested contained five instances where inaccurate data was entered into the payroll system. These employees posted additional time to the timesheet based on scheduled work, but the adjustments were not reflected in the payroll system.
 - Two of the 14 (14%) employee timesheets tested contained three instances where the time codes for absences were incorrectly entered into the payroll system. The employees were compensated at their normal pay rate; however, the incorrect code was entered.
- We also noted 3 of 60 (5%) employee applications tested did not include the position for which the applicant was applying, the applicant's signature, and the date.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 303.340) implemented and authorized by the Personnel Code (20 ILCS 415/1) states each operating agency shall maintain accurate, daily attendance records. The State Records Act (5 ILCS 160/8) requires the head of each agency ensure records are prepared and maintained which contain documentation of the agency's essential transactions.

Department personnel stated that due to the oversight of the personnel department years ago, various applications were filled out inappropriately. Timesheet errors are related to timekeeper oversight and lack of proper training on the process of correcting changes to timesheets.

Failure to maintain adequate controls over employee attendance and attendance records increases the risk of the Department paying for services not rendered by employees. Failure to maintain complete personnel files limits the Department's ability to verify and document qualifications and the propriety of the hiring process. (Finding Code 2014-006, 12-18, 10-23, Central Office – 08-2)

RECOMMENDATION

We recommend the Department implement controls to ensure employees accurately complete and enter the time sheets and agree those records to the Department's absence history report to ensure accrued absence balances are accurate. We further recommend the Department strengthen controls to ensure employee personnel files are complete.

DEPARTMENT RESPONSE

Accepted. The Department has scheduled training for staff to prevent future discrepancies on accrued absences and will continue to increase efforts to ensure personnel files are complete.

2014-007. FINDING (Employee performance evaluations not performed timely)

The Department of Veterans' Affairs (Department) did not complete annual employee performance evaluations timely.

During the examination period, the Department did not timely complete annual evaluations for 15 of 60 (25%) employees tested. Employee evaluations were completed from 17 to 195 days late. In addition, 5 of 60 (8%) employees tested did not sign the evaluation to confirm it had been discussed with them. Lastly, 1 evaluation was not approved by the Director.

The Department's Employee Handbook states performance evaluations take place annually and are to be discussed with employees, unless otherwise specified under Personnel Rules. The Department of Central Management Services evaluation form 201 IL 401-0569 (form) is utilized by the Department. The form requires the Agency Head to sign the evaluation indicating he or she has reviewed it.

Department personnel stated that due to other Departmental priorities the timeliness of evaluation completion suffered.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Furthermore, it is critical that the evaluation includes the required signatures to show the employee, supervisor and Director are aware of the employee's performance and expectations for future performance. (Finding Code 2014-007, 12-19, 10-22, Central Office – 08-9, LaSalle – 08-3, Manteno – 08-3)

RECOMMENDATION

We recommend the Department take appropriate measures to ensure performance evaluations are conducted timely and contain the required signatures as required by policy.

DEPARTMENT RESPONSE

Accepted. The Department continues to reduce the number of late evaluations and has implemented a new tracking procedure in order to be more timely.

2014-008. FINDING (Noncompliance with Holocaust and Genocide Commission Act)

The Department of Veterans' Affairs (Department) could not provide documentation of participation in quarterly meetings of the Illinois Holocaust and Genocide Commission (Commission) as required by the Illinois Holocaust and Genocide Commission Act (Act) (20 ILCS 5010/10 through 5010/55).

During the examination period, the Department did not maintain documentation to support participation in 8 of 8 (100%) meetings of the Commission.

The Act requires that the Director or their designee of the Department attend quarterly meetings of the Commission as an ex-officio member. Furthermore, the State Records Act (5 ILCS 160/9) mandates the head of each agency to establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.

Department personnel stated the Director's appointee to the commission was deployed for all but two of the commission meetings during examination period.

Failure to appoint or attend the quarterly meetings of the Holocaust and Genocide Commission is noncompliance with the Act. (Finding Code 2014-008)

RECOMMENDATION

We recommend the Department maintain documentation the Director or their designee attended the Commission's meetings.

DEPARTMENT RESPONSE

Accepted. The Department will maintain attendance documentation for the Commission's meetings.

2014-009. FINDING (Inaccurate Agency Workforce Reports)

The Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (report) with the Office of the Governor and the Office of the Secretary of State. We tested both of the reports required to be filed during the examination period and noted the following:

- Documentation provided for the fiscal year 2012 and 2013 reports did not support the amounts reported in 6 categories, across 4 different salary ranges.
- The fiscal year 2013 report was not filed timely. The report was filed 2 days late with the Governor's Office and 7 days late with the Secretary of State.
- Documentation could not be provided to support the number of employees reported in 9 different categories for the fiscal year 2012 report; and,
- The fiscal year 2012 and 2013 reports contained clerical errors. The total number of employees, females and minorities across 4 different salary ranges did not total accurately. The report contained inaccurate percentages of employee calculations under various reportable employee groups.

In addition, as reported in the prior year examination report as Finding Code No. 12-20, it was noted that the Department's report for fiscal year 2011 contained clerical errors and the Department was required to file a corrected fiscal year 2011 report. The Department did not timely file this corrected report. The corrected report was submitted 9 and 25 days late to the Office of the Governor and the Secretary of State, respectively.

The State Employment Records Act (5 ILCS 410) requires State agencies to collect, classify, maintain and report certain employment statistics for women, disabled and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed by January 1 each year for the preceding fiscal year with the Office of the Secretary of State and with the Office of the Governor.

The Illinois State Auditing Act (30 ILCS 5/3-2.2) requires State agencies to file corrected reports with the Office of the Governor and the Office of the Secretary of State within 30 days after release of the audit.

Department management stated the errors noted were due to oversight, turnover, and a lack of a centralized database with current personnel information.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of the Governor prevents fulfillment of the purpose of the State Employees Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code 2014-009, 12-20, 10-16)

RECOMMENDATION

We recommend the Department prepare accurate and complete reports and file them with the Office of the Secretary of State and the Office of the Governor. Further, the Department should also file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act.

DEPARTMENT RESPONSE

Accepted. The Department will ensure via a review process, agency workforce reports are completed timely and accurately.

2014-010. FINDING (Inadequate controls over locally held funds and related reporting)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its locally held funds and related reporting at its Veterans' Homes.

Anna Home

The Illinois Veterans' Home at Anna (Anna) conducts activities in 3 locally held funds: the Members' Trust Fund, Members' Benefit Fund, and Anna Clearing Account. During testing of Anna's locally held funds, we noted the following:

- Four of 8 (50%) Members' Trust Fund C-17s incorrectly reported total receipts and total disbursements due to Anna, including amounts for cash on hand in the receipt and disbursement totals. Receipts were overstated by \$109 and disbursements were understated by \$339 as of June 30, 2013.
- Three of 40 (8%) receipts tested, totaling \$4,031, were not deposited timely. Deposits were made from 4 to 7 days after the date of receipt.
- Anna did not maintain adequate segregation of duties over the handling of cash for the Members' Trust Fund. We noted the same individual responsible for receiving and recording cash was also responsible for preparing the cash for deposit and depositing the cash at the bank.

LaSalle Home

The Illinois Veterans' Home at LaSalle (LaSalle) conducts activities in 3 locally held funds: the Members' Trust Fund, Members' Benefit Fund, and LaSalle Clearing Account. During testing of LaSalle's locally held funds, we noted the following:

- Six of 40 (15%) receipts tested, totaling \$1,119, did not have proper documentation; therefore, the auditor could not determine if the receipts were deposited timely.
- Eight of 40 (20%) disbursements tested, totaling \$1,322, did not have proper documentation. As a result, the auditor could not determine if the expenditures were an appropriate use of funds.
- One of 40 (3%) receipts tested, totaling \$2,000, was reported on the Members' Trust Fund C-17 as a receipt, but should have been reported as a disbursement. This error resulted in receipts being overstated by \$2,000 and disbursements being understated by \$2,000 on 4 of 4 (100%) fiscal year 2013 C-17 reports.

Manteno Home

The Illinois Veterans' Home at Manteno (Manteno) conducts activities in 3 locally held funds: the Members' Trust Fund, Members' Benefit Fund, and Manteno Clearing Account. During testing of Manteno's locally held funds, we noted the following:

- One of 40 (3%) receipts tested, totaling \$12,500, was not deposited timely. The deposit was made 27 days after the date of receipt.

- Eight of 8 (100%) Clearing Account C-17s incorrectly reported total receipts and total disbursements due to improperly including electronic deposits in the Treasury Held Manteno Home Fund. This error resulted in receipts being overstated by \$513 and \$36,118 and disbursements being overstated by \$513 and \$35,793 as of June 30, 2013 and 2014, respectively.

Prince Home

The Prince Home at Manteno (Prince) conducts activities in 2 locally held funds: the Members' Trust Fund and Members' Benefit Fund. During testing of Prince's locally held funds, we noted the following:

- Eleven of 20 (55%) receipts tested, totaling \$4,610, were not deposited timely. Deposits were made between 2 and 36 days after the date of receipt.

Quincy Home

The Illinois Veterans' Home at Quincy (Quincy) conducts activities in 5 locally held funds: the Members' Trust Fund, Members' Benefit Fund, Quincy Clearing Account, Protestant Chapel Fund, and St. Lawrence Chapel Fund. During testing of Quincy's locally held funds, we noted the following:

- Two of 40 (5%) disbursements tested, totaling \$1,055, did not have proper documentation. As a result, the auditor could not determine if the expenditures were an appropriate use of funds.
- Three of 40 (8%) receipts tested, totaling \$40,937, were not deposited timely. Deposits were made 2 to 5 days after the date of receipt.
- Quincy personnel are not performing surprise cash counts on the bank's cash drawer to ensure the banker is not mishandling cash.
- A former Quincy employee was listed as an authorized signer on the signature cards at the bank for the Members' Trust Fund, Members' Benefit Fund, Petty Cash Account, Change Fund Account, St. Lawrence Chapel Savings Account, and Chapel Fund Checking Account. The employee retired in December 2012 and retained signature authority until at least October 2014.

Statewide Accounting Management System (SAMS) (Procedure 33.13.20) requires each agency to submit accurate quarterly reports of receipts and disbursements of all locally held funds to the Office of the State Comptroller via the "Report of Receipts and Disbursements for Locally Held Funds" (C-17).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data.

Good internal controls require the Department to maintain adequate segregation of record keeping and custody duties.

The State Records Act (Act) (5 ILCS 160/8) requires the Department to preserve records containing adequate and proper documentation of the essential transaction of the Department to protect the legal and financial rights of the State.

Good business practices require only persons employed by the Department be listed as authorized signers on the bank's signature card.

Department management attributed issues to staff turnover, staffing shortages, and oversight.

Failure to correctly and consistently report receipts and disbursements limits the usefulness of management reports. In addition, the lack of supporting documentation and proper approval reduces the overall control over expenditures and receipts and may lead to inappropriate expenditures and inaccurate Statewide financial reporting. (Finding Code 2014-010, 12-12, 10-15)

RECOMMENDATION

We recommend the Department strengthen controls over locally held fund transactions and reporting.

DEPARTMENT RESPONSE

Accepted. The Department has decreased the number of locally held funds and will increase efforts to improve the management of locally held funds and related reporting.

2014-011. FINDING

(Inadequate documentation of resident personal property)

The Department of Veterans' Affairs (Department) did not maintain adequate documentation of resident personal property upon admission and/or discharge.

The Department of Veterans Affairs Act (Act) (20 ILCS 2805/2.01a) requires any articles of personal property belonging to any resident separated by death, discharge, or unauthorized absence from an Illinois Veterans' Home, with the exception of clothing left in the custody of officers, if unclaimed for a period of 2 years, be sold and the money deposited into the Members Benefit Fund for the special comfort, pleasure, and amusement of residents. The Act also states clothing left at a Veterans' Home by residents at the time of separation may be used as determined by the Veterans' Home if unclaimed by the resident or legal representatives thereof within 30 days after notification.

During our testing at the Illinois Veterans' Homes (Homes) at Anna, LaSalle, and Manteno, we noted the Homes did not maintain a detailed inventory sheet or properly document the final disposition of the residents' personal property or clothing at the time of separation for 30 of 55 (55%) residents tested who separated from these Homes.

In addition, Manteno Internal Policy 6.37 requires an account of the member's personal belongings be maintained through the utilization of the Inventory Sheet for Personal Belongings, including currency. This sheet is to be completed by nursing personnel when a member is admitted and/or discharged from the facility. As a result of inadequate documentation, auditors were unable to determine whether the Home complied with the disposition of resident's cash according to requirements outlined in Manteno Internal Policy 6.37.

Department management stated issues noted at Anna were due to administrative staff that complete the personal property inventory sheet do not work evenings or weekends. Non-administrative staff working evenings or weekends were not aware of the proper procedures to be followed when family members retrieve the resident's personal property. Furthermore, issues at LaSalle and Manteno were due to oversight.

Failure to maintain documentation limits the Home's ability to substantiate compliance with State statute and increases the risk of claims for the replacement of property which the Home will be unable to dispute. (Finding Code 2014-012, 12-4)

RECOMMENDATION

We recommend the Department and Homes remind staff of the importance of maintaining accurate and up-to-date inventory records of resident personal property, including cash.

DEPARTMENT RESPONSE

Accepted. The Department has implemented new procedures to complete resident personal property inventory documentation.

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Inadequate documentation maintained)

During the prior compliance examination, the Department of Veterans' Affairs' (Department's) did not maintain adequate documentation of the outcome of its application process to document compliance with the operating policies of the Prince Home at Manteno program.

During the current compliance examination, our testing indicated significant progress had been made in addressing the issues noted in the finding; however, the Department still had not implemented adequate controls over the documentation of the application process. This finding has been moved to the Department's Report of Immaterial Findings. (Finding Code No. 12-1)

B. **FINDING** (Improper management of waiting lists, admissions and applications)

During the prior compliance examination, the Department of Veterans' Affairs' (Department's) did not maintain proper documentation to substantiate compliance with requirements governing the admission of veterans into the Illinois Veterans' Homes operated by the Department.

During the current compliance examination, our testing indicated significant progress had been made in addressing the issues noted in the finding; however, the Department still had not implemented adequate controls over the admission requirements and waiting lists. This finding has been moved to the Department's Report of Immaterial Findings. (Finding Code No. 12-2)

C. **FINDING** (Improper use of Member's Benefit Fund)

During the prior compliance examination, the Prince Home at Manteno (Home) improperly utilized its Members' Benefit Fund to subsidize operations.

During the current compliance examination, the Department discontinued the use of the fund for commodities and homelessness prevention assistance, and funds were properly utilized. (Finding Code No. 12-3)

D. **FINDING** (Failure to properly notify applicants)

During the prior compliance examination, the Department of Veterans' Affairs' (Department) did not properly notify denied applicants of their potential eligibility for care in other facilities.

During the current compliance examination, the Department implemented denial letters which include referral information as required by the Administrative Code (95 Ill Adm Code 107.10(c)). (Finding Code No. 12-5)

E. **FINDING** (Corrective action not taken)

During the prior compliance examination, the Department of Veterans' Affairs' (Department) did not take corrective action to prevent future inappropriate involvement by employees in residents' personal finances.

During the current compliance examination, the Department updated the employee handbook to prohibit employee involvement in resident finances. (Finding Code No. 12-6)

F. **FINDING** (Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program)

During the prior compliance examination, the Department of Veterans' Affairs (Department) failed to implement a Post-Traumatic Stress Disorder Outpatient Counseling Program (Program) as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/8).

During the current compliance examination, the Department did not receive an appropriation for the Program. The Act only requires the Department to implement the Program if they receive appropriations. (Finding Code No. 12-7, 10-6)

G. **FINDING** (Inaccurate reporting of direct patient care statistics)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not accurately report direct patient care statistics to the General Assembly as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2.07).

During the current compliance examination, Department reduced the number of errors in their direct patient care statistics reporting. Therefore, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 12-8)

H. **FINDING** (Inadequate controls over grant agreements and related reporting)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not exercise adequate controls over its Veterans' Assistance Program agreements.

During the current compliance examination, the Department adopted new procedures for the administration for this grant in fiscal year 2014. No issues were noted with the administration of grant agreements since these procedures were adopted. Since issues were noted in fiscal year 2013 only and the Department has implemented new policies and procedures to improve grant agreement administration, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 12-13, 10-25, Central Office – 08-13, Manteno – 08-5)

I. **FINDING** (Inadequate control over receipts and refunds)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not exercise adequate controls over receipts and refunds and related reporting.

During the current compliance examination, our testing indicated the Department exercised adequate controls over the reporting of receipts and refunds for the sample of transaction reports tested. (Finding Code No. 12-14, 10-12)

J. **FINDING** (Inaccurate recording and reporting of accounts receivable)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not accurately record and report accounts receivable on its Quarterly Summary of Accounts Receivable Reports (Reports).

During the current compliance examination, the Department increased oversight over the accounts receivable process and appeared to accurately record and report accounts receivable on its Reports for the sample of accounts tested. (Finding Code No. 12-15, 10-14)

K. **FINDING** (Excessive quantity of refunds processed)

During the prior compliance examination, the Department of Veterans' Affairs (Department) received and processed an excessive quantity of refunds.

During the current compliance examination, the Department made several process improvements to help reduce the number of refunds processed. This resulted in a decrease from 140 to 87 in total refunds processed between compliance examination periods. This is an overall decrease of 53 or 38%. (Finding Code No. 12-16, 10-13)

L. **FINDING** (Inadequate control over commodities inventories)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not exercise adequate control over commodities inventories at the Illinois Veterans' Homes

During the current compliance examination, our testing indicated significant progress had been made in addressing the issues noted in the finding; however, the Department still had not implemented adequate controls over commodities inventories and records. This finding has been moved to the Department's Report of Immaterial Findings. (Finding Code No. 12-21)

M. **FINDING** (Inadequate control over voucher processing)

During the prior compliance examination, the Department of Veterans' Affairs (Department) did not exercise adequate control over voucher processing.

During the current compliance examination, the Department made several improvements concerning voucher processing. This resulted in a decrease in the amount and frequency of exceptions noted. Therefore, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 12- 22, 10-20, Central Office Finding Code 08-14; Manteno Finding Code 08-4, 06-2, 04-2)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances

- Fiscal Year 2014

- Fiscal Year 2013

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances –

- By Object

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances –

- By Fund

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

- For the Year Ended June 30, 2014

- For the Year Ended June 30, 2013

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts

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

- Comptroller

- Year Ended June 30, 2014

- Year Ended June 30, 2013

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Accounts Receivable

- June 30, 2014

- June 30, 2013

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Average Number of Employees (Not Examined)

- Annual Statistics (Not Examined)

- Emergency Purchases (Not Examined)

- Memorandums of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

- Schedule of Indirect Cost Reimbursements (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 supplementary information in Schedules 1 through 15. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2014	Lapse Period Expenditures		Total Expenditures	Balances	
			July 1, 2013 to August 31, 2014	August 31, 2014		Lapsed	
<u>Public Act 98-0027</u>							
Appropriated Funds							
General Revenue Fund - 0001	\$ 68,265,300	\$ 66,520,840	\$ 1,080,280	\$ 67,601,120	\$ 664,180		
Illinois Veterans' Homes - 0102	150,000	82,041	42,985	125,026	24,974		
Illinois Veterans' Assistance - 0236	8,300,000	1,684,046	19,803	1,703,849	6,596,151		
LaSalle Veterans' Home - 0272	12,091,500	6,486,979	1,406,324	7,893,303	4,198,197		
Anna Veterans' Home - 0273	2,882,800	1,024,073	104,236	1,128,309	1,754,491		
Illinois Affordable Housing Trust - 0286	223,000	178,625	-	178,625	44,375		
G.I. Education - 0447	1,567,200	1,111,357	48,043	1,159,400	407,800		
Quincy Veterans' Home - 0619	23,122,500	15,389,749	2,883,601	18,273,350	4,849,150		
Illinois Military Family Relief - 0725	250,000	-	-	-	250,000		
Veterans' Affairs Federal Projects - 0897	348,200	267,993	7,382	275,375	72,825		
Manteno Veterans' Home - 0980	19,732,100	13,726,376	2,160,940	15,887,316	3,844,784		
Total Appropriated Funds	\$ 136,932,600	\$ 106,472,079	\$ 7,753,594	\$ 114,225,673	\$ 22,706,927		
Non-Appropriated Funds							
Veterans' Affairs State Projects - 0501		\$ 6,367	\$ 578	\$ 6,945			
Veterans' Affairs Library Grant - 0775		32,271	17,729	50,000			
Total Non-Appropriated Funds		\$ 38,638	\$ 18,307	\$ 56,945			
Grand Total All Funds		\$ 106,510,717	\$ 7,771,901	\$ 114,282,618			

*

Note: The expenditure amounts are taken directly from the records of the State Comptroller and were reconciled with Department records. The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures		Total Expenditures	Balances	
			July 30, 2012 to August 31, 2013	August 31, 2013		Lapsed	
<u>Public Act 97-0030</u>							
Appropriated Funds							
General Revenue Fund - 0001	\$ 62,998,600	\$ 60,349,254	\$ 875,516	\$ 61,224,770	\$ 1,773,830		
Illinois Veterans' Homes - 0102	150,000	-	-	-	150,000		
Illinois Veterans' Assistance - 0236	8,575,000	1,191,859	412,403	1,604,262	6,970,738		
LaSalle Veterans' Home - 0272	11,281,900	7,586,544	1,575,619	9,162,163	2,119,737		
Anna Veterans' Home - 0273	2,647,600	1,681,878	452,337	2,134,215	513,385		
Illinois Affordable Housing Trust - 0286	223,000	90,000	-	90,000	133,000		
G.I. Education - 0447	1,309,600	997,157	56,956	1,054,113	255,487		
Quincy Veterans' Home - 0619	22,959,400	17,596,475	3,167,520	20,763,995	2,195,405		
Illinois Military Family Relief - 0725	250,000	12,000	-	12,000	238,000		
Disabled Veterans Property Tax Relief - 0880	150,000	-	68,129	68,129	81,871		
Veterans' Affairs Federal Projects - 0897	384,800	311,844	12,017	323,861	60,939		
Manteno Veterans' Home - 0980	17,394,100	11,330,137	2,585,424	13,915,561	3,478,539		
Total Appropriated Funds	<u>\$ 128,324,000</u>	<u>\$ 101,147,148</u>	<u>\$ 9,205,921</u>	<u>\$ 110,353,069</u>	<u>\$ 17,970,931</u>		
Non-Appropriated Funds							
Veterans' Affairs Library Grant - 0775		\$ 18,625	\$ 31,375	\$ 50,000			
Total Non-Appropriated Funds		<u>\$ 18,625</u>	<u>\$ 31,375</u>	<u>\$ 50,000</u>			
Grand Total All Funds		<u>\$ 101,165,773</u>	<u>\$ 9,237,296</u>	<u>\$ 110,403,069</u>			

* Note: The expenditure amounts are taken directly from the records of the State Comptroller and were reconciled with Department records. The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
General Revenue Fund - 0001			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ 68,265,300	\$ 6,686,500	\$ 6,336,100
Expenditures			
Personal services	-	3,245,689	3,165,816
State contribution to social security	-	242,090	234,831
Contractual services	-	526,201	476,775
Travel	-	24,592	19,181
Commodities	-	4,516	4,089
Printing	-	8,362	5,267
Electronic data processing	-	455,197	530,249
Telecommunications services	-	54,967	48,343
Operation of automotive equipment	-	10,810	17,724
Operational expenses	67,153,020	-	-
Illinois Warrior Assistance Program	-	224,294	223,993
Grant for bonus payments to War Veterans and Peacetime Crisis Survivors	166,400	164,213	179,500
Grant For Providing Educational Opportunities for Children of Certain Veterans, as provided by law	40,750	42,500	54,750
Grant for Cartage and Erection of Veterans' Headstones	240,950	342,400	361,500
Total expenditures	<u>67,601,120</u>	<u>5,345,831</u>	<u>5,322,018</u>
Lapsed balances	<u>\$ 664,180</u>	<u>\$ 1,340,669</u>	<u>\$ 1,014,082</u>
<i>Veterans' Field Office (Division 15)</i>			
Appropriations (net after transfers)	\$ -	\$ 5,217,000	\$ 5,174,800
Expenditures			
Personal services	-	4,126,087	4,129,421
State contribution to social security	-	305,960	305,759
Contractual services	-	273,820	217,154
Travel	-	70,011	54,805
Commodities	-	6,373	7,221
Printing	-	6,355	5,892
Telecommunications services	-	105,231	104,021
Operation of automotive equipment	-	17,281	24,673
Total expenditures	<u>-</u>	<u>4,911,118</u>	<u>4,848,946</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 305,882</u>	<u>\$ 325,854</u>
<i>Anna Veterans' Home (Division 18)</i>			
Appropriations (net after transfers)	\$ -	\$ 3,682,500	\$ 3,213,200
Expenditures			
Personal services	-	3,308,890	2,936,521
State contribution to social security	-	244,991	218,429
Contractual services	-	64,242	10,000
Commodities	-	35,090	45,998
Total expenditures	<u>-</u>	<u>3,653,213</u>	<u>3,210,948</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 29,287</u>	<u>\$ 2,252</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<i>Quincy Veterans' Home (Division 20)</i>			
Appropriations (net after transfers)	\$ -	\$ 22,578,500	\$ 23,617,300
Expenditures			
Personal services	-	20,888,922	21,838,360
State contribution to social security	-	1,534,247	1,604,288
Contractual services	-	152,527	117,831
Total expenditures	-	22,575,696	23,560,479
Lapsed balances	\$ -	\$ 2,804	\$ 56,821
<i>LaSalle Veterans' Home (Division 23)</i>			
Appropriations (net after transfers)	\$ -	\$ 8,224,900	\$ 8,945,300
Expenditures			
Personal services	-	7,646,936	8,316,720
State contribution to social security	-	566,412	613,570
Total expenditures	-	8,213,348	8,930,290
Lapsed balances	\$ -	\$ 11,552	\$ 15,010
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net after transfers)	\$ -	\$ 16,609,200	\$ 16,862,800
Expenditures			
Personal services	-	15,007,526	15,088,225
State contribution to social security	-	1,098,339	1,105,225
Operation of a program for homeless veterans at the Manteno Veterans' Home	-	419,699	613,617
Total expenditures	-	16,525,564	16,807,067
Lapsed balances	\$ -	\$ 83,636	\$ 55,733
<u>Illinois Veterans' Home Fund - 0102</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ 150,000	\$ 150,000	\$ 150,000
Expenditures			
Lump sums and other purposes to enhance the operations of veterans' homes in Illinois	125,026	-	-
Total expenditures	125,026	-	-
Lapsed balances	\$ 24,974	\$ 150,000	\$ 150,000

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<u>Illinois Veterans' Assistance Fund - 0236</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ 8,300,000	\$ 8,300,000	\$ 3,500,000
Expenditures			
Grants for funding additional services, or conducting additional research projects relating to veterans' post-traumatic stress disorder; veterans' homelessness; the health insurance cost of veterans; veterans' disability	1,703,849	1,332,069	2,704,478
Total expenditures	<u>1,703,849</u>	<u>1,332,069</u>	<u>2,704,478</u>
Lapsed balances	<u>\$ 6,596,151</u>	<u>\$ 6,967,931</u>	<u>\$ 795,522</u>
<u>Manteno Veterans' Home (Division 25)</u>			
Appropriations (net after transfers)	\$ -	\$ 275,000	\$ -
Expenditures			
Operation of a program for homeless veterans at the Manteno Veterans' Home	-	272,193	-
Total expenditures	<u>-</u>	<u>272,193</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 2,807</u>	<u>\$ -</u>
<u>LaSalle Veterans' Home Fund - 0272</u>			
<i>LaSalle Veterans' Home (Division 23)</i>			
Appropriations (net after transfers)	\$ 12,091,500	\$ 11,281,900	\$ 9,564,600
Expenditures			
Personal services	3,260,989	4,347,347	3,031,917
State contributions to state employees' retirement system	1,314,983	1,653,258	1,036,989
State contribution to social security	239,211	322,697	224,726
Contractual services	1,744,685	1,569,094	2,030,946
Travel	4,260	3,802	2,628
Commodities	1,125,409	1,147,573	1,058,070
Printing	9,217	7,013	5,351
Equipment	62,362	10,813	56,639
Electronic data processing	12,767	19,642	23,567
Telecommunications services	50,826	34,968	32,693
Operation of automotive equipment	13,154	15,968	24,398
Permanent improvements	9,820	-	1,697
Refunds	45,620	29,988	81,239
Total expenditures	<u>7,893,303</u>	<u>9,162,163</u>	<u>7,610,860</u>
Lapsed balances	<u>\$ 4,198,197</u>	<u>\$ 2,119,737</u>	<u>\$ 1,953,740</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<u>Anna Veterans' Home Fund - 0273</u>			
<i>Anna Veterans' Home (Division 18)</i>			
Appropriations (net after transfers)	\$ 2,882,800	\$ 2,647,600	\$ 2,647,600
Expenditures			
Personal services	-	737,684	1,032,638
State contributions to state employees' retirement system	-	280,969	356,525
State contribution to social security	-	54,839	77,290
Contractual services	670,392	665,560	685,285
Travel	11,316	14,166	5,467
Commodities	352,730	322,416	297,504
Printing	2,847	1,816	2,791
Equipment	13,577	9,087	10,095
Electronic data processing	11,685	11,086	11,023
Telecommunications services	17,023	15,888	13,013
Operation of automotive equipment	9,235	6,831	8,565
Permanent improvements	9,360	8,944	9,622
Refunds	30,144	4,929	39,011
Total expenditures	1,128,309	2,134,215	2,548,829
Lapsed balances	\$ 1,754,491	\$ 513,385	\$ 98,771
<u>Illinois Affordable Housing Trust Fund - 0286</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ 223,000	\$ 223,000	\$ 223,000
Expenditures			
Lump sums and other purposes for specially adapted housing for veterans	178,625	90,000	60,000
Total expenditures	178,625	90,000	60,000
Lapsed balances	\$ 44,375	\$ 133,000	\$ 163,000
<u>G.I. Education Fund - 0447</u>			
<i>State Approving Agency (Division 30)</i>			
Appropriations (net after transfers)	\$ 1,567,200	\$ 1,309,600	\$ 1,236,100
Expenditures			
Personal services	626,714	570,355	592,812
State contributions to state employees' retirement system	252,972	217,067	203,034
State contribution to social security	46,211	42,756	44,240
Employer contribution to group insurance	129,696	121,877	101,338
Contractual services	38,442	41,594	38,715
Travel	20,233	27,685	19,648
Commodities	1,062	947	951
Printing	2,589	185	1,594
Equipment	3,912	774	-
Electronic data processing	11,192	9,983	1,274
Telecommunications services	11,012	11,768	11,102
Operation of automotive equipment	15,365	9,122	14,208
Total expenditures	1,159,400	1,054,113	1,028,916
Lapsed balances	\$ 407,800	\$ 255,487	\$ 207,184

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<u>Quincy Veterans' Home Fund - 0619</u>			
<i>Quincy Veterans' Home (Division 20)</i>			
Appropriations (net after transfers)	\$ 23,122,500	\$ 22,959,400	\$ 21,396,200
Expenditures			
Personal services	7,253,757	9,281,035	7,828,362
For member compensation	17,284	15,182	27,738
State contributions to state employees' retirement system	2,928,959	3,531,779	2,682,627
State contribution to social security	530,974	689,138	580,208
Contractual services	2,656,861	2,653,309	2,704,047
Travel	2,132	2,363	3,416
Commodities	4,424,808	4,312,413	4,480,319
Printing	21,019	23,436	18,737
Equipment	106,068	28,452	54,867
Electronic data processing	40,774	47,298	57,661
Telecommunications services	99,135	84,563	78,222
Operation of automotive equipment	50,983	53,396	76,228
Permanent improvements	13,957	-	5,974
Refunds	126,639	41,631	209,988
Total expenditures	<u>18,273,350</u>	<u>20,763,995</u>	<u>18,808,394</u>
Lapsed balances	<u>\$ 4,849,150</u>	<u>\$ 2,195,405</u>	<u>\$ 2,587,806</u>
<u>Illinois Military Family Relief Fund - 0725</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
Lump sums and other purposes for specially adapted housing for veterans	-	12,000	21,000
Total expenditures	<u>-</u>	<u>12,000</u>	<u>21,000</u>
Lapsed balances	<u>\$ 250,000</u>	<u>\$ 238,000</u>	<u>\$ 229,000</u>
<u>Disabled Veterans Property Tax Relief Fund - 0880</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net after transfers)	\$ -	\$ 150,000	\$ 150,000
Expenditures			
Property tax relief for disabled veterans	-	68,129	-
Total expenditures	<u>-</u>	<u>68,129</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 81,871</u>	<u>\$ 150,000</u>
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net after transfers)	\$ 125,000	\$ 120,000	\$ 120,000
Expenditures			
Operation of a program for homeless veterans at the Manteno Veterans' Home	113,709	110,125	118,008
Total expenditures	<u>113,709</u>	<u>110,125</u>	<u>118,008</u>
Lapsed balances	<u>\$ 11,291</u>	<u>\$ 9,875</u>	<u>\$ 1,992</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<i>State Approving Agency (Division 30)</i>			
Appropriations (net after transfers)	\$ 223,200	\$ 264,800	\$ 250,000
Expenditures			
Troops to Teachers Program	161,666	213,736	202,054
Total expenditures	<u>161,666</u>	<u>213,736</u>	<u>202,054</u>
Lapsed balances	<u>\$ 61,534</u>	<u>\$ 51,064</u>	<u>\$ 47,946</u>
<u>Manteno Veterans' Home Fund - 0980</u>			
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net after transfers)	\$ 19,732,100	\$ 17,394,100	\$ 18,995,500
Expenditures			
Personal services	5,622,031	4,834,263	4,316,724
For member compensation	23,925	17,995	16,949
State contributions to state employees' retirement system	2,270,778	1,838,155	1,476,128
State contribution to social security	410,589	356,717	316,946
Contractual services	5,856,479	5,220,255	5,305,236
Travel	6,926	4,435	4,679
Commodities	1,116,955	1,233,804	1,489,568
Printing	17,550	6,182	13,690
Equipment	246,329	142,974	278,737
Electronic data processing	32,340	28,662	47,763
Telecommunications services	92,386	91,422	90,471
Operation of automotive equipment	56,663	43,488	88,206
Operation of a program for homeless veterans at the Manteno Veterans' Home	15,464	23,716	5,219
Permanent improvements	35,246	-	47,092
Refunds	83,655	73,493	153,597
Total expenditures	<u>15,887,316</u>	<u>13,915,561</u>	<u>13,651,005</u>
Lapsed balances	<u>\$ 3,844,784</u>	<u>\$ 3,478,539</u>	<u>\$ 5,344,495</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
<u>NON-APPROPRIATED FUNDS</u>			
<u>G.I. Education Fund - 0447</u>			
<i>State Approving Agency (Division 30)</i>			
Expenditures			
Refunds	\$ -	\$ -	\$ 7,323
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,323</u>
<u>Veterans' Affairs State Projects - 0501</u>			
<i>Central Office (Division 01)</i>			
Expenditures			
Licensing Qualify Vets	\$ 6,945	\$ -	\$ -
Total expenditures	<u>\$ 6,945</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
<i>Anna Veterans' Home (Division 18)</i>			
Expenditures			
Library Expenses Grant	\$ 2,612	\$ 964	\$ 4,070
Total expenditures	<u>\$ 2,612</u>	<u>\$ 964</u>	<u>\$ 4,070</u>
<i>Quincy Veterans' Home (Division 20)</i>			
Expenditures			
Library Expenses Grant	\$ 19,276	\$ 17,771	\$ 14,800
Total expenditures	<u>\$ 19,276</u>	<u>\$ 17,771</u>	<u>\$ 14,800</u>
<i>LaSalle Veterans' Home (Division 23)</i>			
Expenditures			
Library Expenses Grant	\$ 15,606	\$ 16,485	\$ 13,789
Total expenditures	<u>\$ 15,606</u>	<u>\$ 16,485</u>	<u>\$ 13,789</u>
<i>Manteno Veterans' Home (Division 25)</i>			
Expenditures			
Library Expenses Grant	\$ 12,506	\$ 14,780	\$ 14,500
Total expenditures	<u>\$ 12,506</u>	<u>\$ 14,780</u>	<u>\$ 14,500</u>
TOTAL NON-APPROPRIATED FUNDS EXPENDITURES	<u>\$ 56,945</u>	<u>\$ 50,000</u>	<u>\$ 54,482</u>
GRAND TOTAL ALL FUNDS EXPENDITURES	<u>\$114,282,618</u>	<u>\$110,403,069</u>	<u>\$ 109,487,774</u>

* Note: Fiscal year 2012 expenditures and lapsed balances do not reflect interest payments approved and submitted after August.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY FUND**

For the Fiscal Years Ended June 30, 2014, 2013 and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0027	P.A. 97-0730	P.A. 97-0070
APPROPRIATED FUNDS			
Appropriations (net after transfers)	\$ 136,932,600	\$ 128,324,000	\$ 122,632,500
Expenditures			
General Revenue Fund - 0001	67,601,120	61,224,770	62,679,748
Illinois Veterans' Homes - 0102	125,026	-	-
Illinois Veterans' Assistance - 0236	1,703,849	1,604,262	2,704,478
LaSalle Veterans' Home - 0272	7,893,303	9,162,163	7,610,860
Anna Veterans' Home - 0273	1,128,309	2,134,215	2,548,829
Illinois Affordable Housing Trust - 0286	178,625	90,000	60,000
G.I. Education - 0447	1,159,400	1,054,113	1,028,916
Quincy Veterans' Home - 0619	18,273,350	20,763,995	18,808,394
Illinois Military Family Relief - 0725	-	12,000	21,000
Disabled Veterans Property Tax Relief - 0880	-	68,129	-
Veterans' Affairs Federal Projects - 0897	275,375	323,861	320,062
Manteno Veterans' Home - 0980	15,887,316	13,915,561	13,651,005
Total expenditures - appropriated funds	<u>114,225,673</u>	<u>110,353,069</u>	<u>109,433,292</u>
Total lapsed balances	<u>\$ 22,706,927</u>	<u>\$ 17,970,931</u>	<u>\$ 13,199,208</u>
NON-APPROPRIATED FUNDS			
Expenditures			
G.I. Education (Refunds) - 0447	\$ -	\$ -	\$ 7,323
Veterans' Affairs State Projects - 0501	6,945	-	-
Veterans' Affairs Library Grant - 0775	50,000	50,000	47,159
Total expenditures - non-appropriated funds	<u>\$ 56,945</u>	<u>\$ 50,000</u>	<u>\$ 54,482</u>
Total expenditures all funds	<u>\$ 114,282,618</u>	<u>\$ 110,403,069</u>	<u>\$ 109,487,774</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS AFFAIRS
**SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**

(Expressed In Thousands)

For the Year Ended June 30, 2014

Fund Number	Fund Name	Cash Balance July 1, 2013	Receipts	Disbursements	Cash Balance June 30, 2014
1311	Anna Clearing Account	\$ -	\$ 844,410	\$ 844,410	\$ -
1339	Members' Benefit Fund - Anna	31,483	48,671	53,963	26,191
1348	Members' Trust Fund - Anna	125,844	876,415	961,659	40,600
1261	Residents' Benefit Fund - LaSalle	240,844	110,546	82,976	268,414
1260	Residents' Trust Fund - LaSalle	365,366	3,314,135	3,330,597	348,904
1317	LaSalle Clearing Account	-	3,156,815	3,156,815	-
1219	Members' Benefit Fund - Manteno	567,112	210,337	126,487	650,962
1220	Members' Trust Fund - Manteno	1,347,777	5,031,586	5,385,297	994,066
1318	Manteno Clearing Account	5	5,221,606	5,221,604	7
1397	Members' Benefit Fund - Prince Homeless Program	18,398	6,170	9,322	15,246
1399	Members' Trust Fund - Prince Homeless Program	24,633	53,166	45,585	32,214
1152	Members' Benefit Fund - Quincy	336,357	148,376	176,148	308,585
1158	Protestant Chapel Fund - Quincy	42,714	8,018	10,394	40,338
1159	St. Lawrence Chapel Fund - Quincy	26,368	12,128	9,484	29,012
1246	Members' Trust Fund - Quincy	1,889,736	8,162,181	7,864,267	2,187,650
1316	Quincy Clearing Account	-	7,557,085	7,556,980	105
Total Locally Held Funds		<u>\$ 5,016,637</u>	<u>\$ 34,761,645</u>	<u>\$ 34,835,988</u>	<u>\$ 4,942,294</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS AFFAIRS
**SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**
(Expressed In Thousands)

For the Year Ended June 30, 2013

Fund Number	Fund Name	Cash Balance July 1, 2012	Receipts	Disbursements	Cash Balance June 30, 2013
1311	Anna Clearing Account	\$ -	804,758	804,758	-
1339	Members' Benefit Fund - Anna	36,125	50,702	55,344	31,483
1348	Members' Trust Fund - Anna	110,756	835,060	819,972	125,844
1261	Residents' Benefit Fund - LaSalle	239,857	87,970	86,983	240,844
1260	Residents' Trust Fund - LaSalle	360,488	2,856,582	2,851,704	365,366
1317	LaSalle Clearing Account	-	2,722,114	2,722,114	-
1219	Members' Benefit Fund - Manteno	532,181	233,787	198,856	567,112
1220	Members' Trust Fund - Manteno	1,679,173	4,632,770	4,964,166	1,347,777
1318	Manteno Clearing Account	24	4,779,740	4,779,759	5
1397	Members' Benefit Fund - Prince Homeless Program	18,405	8,303	8,310	18,398
1399	Members' Trust Fund - Prince Homeless Program	40,983	86,580	102,930	24,633
1152	Members' Benefit Fund - Quincy	340,941	157,611	162,195	336,357
1158	Protestant Chapel Fund - Quincy	46,984	8,819	13,089	42,714
1159	St. Lawrence Chapel Fund - Quincy	27,291	11,615	12,538	26,368
1246	Members' Trust Fund - Quincy	2,040,544	7,004,760	7,155,568	1,889,736
1316	Quincy Clearing Account	-	6,712,192	6,712,192	-
Total Locally Held Funds		<u>\$ 5,473,752</u>	<u>\$ 30,993,363</u>	<u>\$ 31,450,478</u>	<u>\$ 5,016,637</u>

* This fund was not included in the fiscal year 2011 and 2012 compliance report. The June 30, 2012 C-17 for this fund showed a balance of \$24. Therefore, \$24 was entered as the beginning balance as of July 1, 2012.

** Per review of the Department's C-17 for the period ended June 30, 2012, we noted the balance for this account should have been \$1,679,173. The fiscal year 2011 and 2012 compliance report showed a balance of \$1,683,606. The cash balance reported as of July 1, 2012 was revised to match the balance shown on the Department's records.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2013 and 2014

	<u>Land</u>	<u>Site Improvements</u>	<u>Building</u>	<u>Equipment*</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance at July 1, 2012	\$ 911,541	\$ 7,830,064	\$ 114,905,838	\$ 16,373,883	\$ -	\$ 140,021,326
Additions	-	35,070	91,010	530,120	-	656,200
Deletions	-	-	-	196,740	-	196,740
Net Transfers	-	2,400	1,272,742	(346,978)	-	928,164
Balance at June 30, 2013	<u>\$ 911,541</u>	<u>\$ 7,867,534</u>	<u>\$ 116,269,590</u>	<u>\$ 16,360,285</u>	<u>\$ -</u>	<u>\$ 141,408,950</u>
Balance at July 1, 2013	\$ 911,541	\$ 7,867,534	\$ 116,269,590	\$ 16,360,285	\$ -	\$ 141,408,950
Additions	-	14,815	72,734	745,717	-	833,266
Deletions	-	-	50,707	96,779	-	147,486
Net Transfers	-	-	1,954,080	(408,758)	-	1,545,322
Balance at June 30, 2014	<u>\$ 911,541</u>	<u>\$ 7,882,349</u>	<u>\$ 118,245,697</u>	<u>\$ 16,600,465</u>	<u>\$ -</u>	<u>\$ 143,640,052</u>

*Note: This schedule cannot be reconciled to property records (C-15 Agency Report of State Property) submitted to the Office of the Comptroller due to the issues noted in finding number 2014-001. This schedule was created by the accountants from the Department's records.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
<u>General Revenue Fund - 0001</u>			
Central Office Miscellaneous Receipts	\$ 17	\$ 347	\$ 221
Manteno Veterans' Home miscellaneous receipts	393	-	93
Quincy Veterans' Home miscellaneous receipts	142	61	209
LaSalle Veterans' Home miscellaneous receipts	166	-	-
Anna Veterans' Home miscellaneous receipts	-	82	-
Field services	2,276	594	147
Repayment to State	500	-	-
Prior year refunds	-	-	4,550
	<u>3,494</u>	<u>1,084</u>	<u>5,220</u>
<u>Illinois Veterans Assistance Fund - 0236</u>			
Grantee interest income	-	82	-
Private organization or individual donation	6,735	50	-
Prior year refunds	-	-	59,144
	<u>6,735</u>	<u>132</u>	<u>59,144</u>
<u>LaSalle Veterans' Home Fund - 0272</u>			
Third Party Liability (Medical reimbursements)	9,521	12,976	9,166
Health & Human Services (Medicare)	55,235	92,123	90,694
VA reimbursements	7,128,928	6,403,242	7,913,913
Copy fees	356	809	545
Patient fees (Members maintenance)	3,090,717	2,614,851	2,325,368
Miscellaneous	-	85	1,703
Repayment pursuant to law	-	46	174
Meal tickets	820	1,225	1,385
	<u>10,285,577</u>	<u>9,125,355</u>	<u>10,342,947</u>
<u>Anna Veterans' Home Fund - 0273</u>			
Home Fund - Third party insurance	313	1,228	1,151
Patient Medicare	4,302	8,500	8,341
VA reimbursements	2,283,640	2,066,640	1,945,401
Patient fees (Members maintenance)	831,778	789,295	665,805
Private organization or individual donation	3,232	4,289	3,630
Jury duty	110	-	35
Miscellaneous	4,675	1,446	2,579
	<u>3,128,050</u>	<u>2,871,398</u>	<u>2,626,942</u>
<u>G.I. Education Fund - 0447</u>			
VA reimbursements	1,597,354	669,136	1,336,079
	<u>1,597,354</u>	<u>669,136</u>	<u>1,336,079</u>
<u>Veterans' Affairs State Projects Fund - 0501</u>			
Private Organizations or Individuals	18,500	-	-
	<u>18,500</u>	<u>-</u>	<u>-</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
<u>Quincy Veterans' Home Fund - 0619</u>			
Health and Human Services (Medicare)	\$ 542,320	\$ 648,467	\$ 693,145
VA reimbursements	14,000,091	15,154,087	11,667,521
Copy fees	547	457	85
Patient fees (Members maintenance)	6,881,261	5,913,372	5,321,786
Miscellaneous	2,331	3,672	4,973
Third party liability (Medical reimbursements)	101,205	116,141	110,284
Rental Income - miscellaneous	19,557	19,681	19,557
Rental Income - property	5,515	5,565	5,570
Jury duty and personal phone calls employees	23	50	62
Shipping charges	95	136	8
Private organization or individual donation	3,945	4,612	4,869
Outdated drugs	39	-	134
	<u>21,556,929</u>	<u>21,866,240</u>	<u>17,827,994</u>
<u>Veterans' Affairs Library Grant - 0775</u>			
Secretary of State receipts	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
Department of Defense receipts	177,025	202,237	182,547
Housing and Urban Development receipts	122,189	74,232	122,639
	<u>299,214</u>	<u>276,469</u>	<u>305,186</u>
<u>Manteno Veterans' Home Fund - 0980</u>			
Health & Human Services (Medicare)	267,097	270,759	252,512
VA reimbursements	11,858,170	10,551,598	13,160,311
Patient fees (Members maintenance)	4,804,553	4,383,201	4,055,737
Private organization individual receipts	95,985	60,213	69,464
Third party liability (Medical reimbursements)	53,920	65,241	45,417
Jury duty reimbursements	49	321	430
Prior year refunds	-	-	627
	<u>17,079,774</u>	<u>15,331,333</u>	<u>17,584,498</u>
	<u>54,025,627</u>	<u>50,191,147</u>	<u>50,138,011</u>
Total All Funds	<u>\$ 54,025,627</u>	<u>\$ 50,191,147</u>	<u>\$ 50,138,011</u>

STATE OF ILLINOIS
 DEPARTMENT OF VETERANS' AFFAIRS
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 For the Year Ended June 30, 2014

Fund	Receipts per Department Records	Deposits in-transit			Receipts per Comptroller's Records
		Plus Deposits in Transit Beginning of Year	Less Deposits in Transit End of Year		
General Revenue Fund - 0001	\$ 3,494	\$ -	\$ -	\$	3,494
Veterans Assistance Fund - 0236	6,735	50	200		6,585
LaSalle Veterans' Home Fund - 0272	10,285,577	27,549	6,573		10,306,553
Anna Veterans' Home Fund - 0273	3,128,050	7,435	1,375		3,134,110
G.I. Education Fund - 0447	1,597,354	-	-		1,597,354
Veterans' Affairs State Projected Fund - 0501	18,500	-	-		18,500
Quincy Veterans' Home Fund - 0619	21,556,929	87,524	78,212		21,566,241
Veterans' Affairs Library Grant Fund - 0775	50,000	-	-		50,000
Veterans' Affairs Federal Project Fund - 0897	299,214	-	-		299,214
Manteno Veterans' Home Fund - 0980	17,079,774	120,993	25,999		17,174,768
Total All Funds	\$ 54,025,627	\$ 243,551	\$ 112,359	\$	\$ 54,156,819

STATE OF ILLINOIS
 DEPARTMENT OF VETERANS' AFFAIRS
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 For the Year Ended June 30, 2013

Fund	Receipts per Department Records	Deposits in-transit			Receipts per Comptroller Records
		Plus Deposits in Transit Beginning of Year	Less Deposits in Transit End of Year		
General Revenue Fund - 0001	\$ 1,084	\$ -	\$ -	\$ 1,084	
Veterans Assistance Fund - 0236	132	-	50	-	*
LaSalle Veterans' Home Fund - 0272	9,125,355	2,963	27,549	9,100,770	
Anna Veterans's Home Fund - 0273	2,871,398	2,852	7,435	2,866,815	
G.I. Education Fund - 0447	669,136	-	-	669,136	
Veterans' Affairs State Projected Fund - 0501	-	-	-	-	
Quincy Veterans' Home Fund - 0619	21,866,240	73,012	87,524	21,851,728	
Veterans' Affairs Library Grant Fund - 0775	50,000	-	-	50,000	
Veterans ' Affairs Federal Project Fund - 0897	276,469	-	-	276,469	
Manteno Veterans' Home Fund - 0980	15,331,333	28,334	120,993	15,238,674	
Total All Funds	\$ 50,191,147	\$ 107,161	\$ 243,551	\$ 50,054,676	

* Note: Interest is not reflected in the totals on the SB04. Therefore, there is a difference between the Comptroller's records cash balance as of June 30, 2013 and the Department's records.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

Schedule 11

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

During fiscal year 2014, the General Assembly allocated large General Revenue Fund lump sums to the Department's Central Office rather than allocating to individual line item appropriations. During fiscal year 2013, the General Revenue Fund was allocated among lines on a Department-wide basis. Appropriations were not consistently provided among fiscal years. Personal services lines were appropriated Department-wide in fiscal year 2014 and to individual divisions in fiscal year 2013. Non-personal services lines were appropriated as an operations expenses lump sums in fiscal year 2014, rather than as individual lines as in fiscal year 2013. The explanations that follow are for the fluctuations that, for the most part, were not due to the change in the way the funds were appropriated. The Department's records sub-account codes separate out the General Revenue Fund by division. The 2014 General Revenue Fund expenditures are scheduled from Department's records sub-account codes, to depict the Department's activity from the lump sum appropriation.

There were decreases in operation of automotive equipment expenditures throughout the Department. In fiscal year 2013, the Department of Central Management Services (CMS) transferred ownership of the majority of State owned vehicles from each agency to CMS. A vehicle usage fee was then charged to each agency and paid from the State Garage Revolving Fund Payments. A transfer of funds from the operation of automotive line to contractual services line was completed prior to final legislation to correct appropriation issues with this change in policy.

There were decreases in refund expenditures throughout the Department. In fiscal year 2012, the United States Department of Veterans' Affairs per diem reimbursement program was changed for veterans' with disabilities. This resulted in an increase in per diem being received by each Home for their severely disabled residents. Due to the new per diem paying 100% of care, all maintenance fees paid by those residents were refunded causing these refund expenditures to be large in fiscal year 2012. This large refund did not occur in fiscal year 2013.

General Revenue Fund - 0001

Central Office

Several electronic data processing equipment purchases were delayed from fiscal year 2013 until fiscal year 2014. Replacement computers were purchased Department wide, new field laptops were purchased because the old ones were outdated and no longer supported several software programs critical to the Department, and new servers and routers were purchased. In addition, the Department purchased a new property system called Asset Works, and the Department purchased Point Click Care software.

The fiscal year 2014 appropriation for the Cartage and Erection of Veterans' Headstones grant was reduced from 2013, resulting in lower expenditures.

Veterans' Field Office

In fiscal year 2013, a \$40,000 tort settlement was paid from the Field Services contractual line.

In fiscal year 2014, several Illinois Joining Forces website maintenance costs were incurred that were not incurred in 2013.

Anna Veterans' Home

During fiscal year 2013, a General Revenue Fund transfer was processed for Anna Veterans' Home contractual service line to assist in paying for various services related to the care of the residents. Additionally, there were several repairs that occurred in fiscal year 2013 that did not occur in fiscal years 2012 or 2014.

Quincy Veterans' Home

The shared employee that functions as the Department's Public Information Officer was utilized more in fiscal year 2013 than in 2012, which increased the Department's share of contractual service expenditures for this employee.

Manteno Veterans' Home

The General Revenue Fund appropriation for the operations of the homeless veterans program at the Manteno Veterans' Home was decreased in fiscal year 2013, resulting in less expenditures made. During fiscal year 2014 all of the Homeless Program funding appropriation was moved to the General Revenue Fund from the Veterans' Assistance Fund.

Illinois Veterans' Home Fund - 0102

Central Office

During fiscal year 2013 the program to enhance the operations of veterans' homes in Illinois did not meet the minimum requirements to be a charitable contribution deduction for individual tax returns; therefore, no funding was received in fiscal year 2013. During fiscal year 2014, the Department met the minimum requirements and funding resumed.

Illinois Veterans' Assistance Fund - 0236

Central Office

A \$1,000,000 transfer from the General Revenue Fund to the Illinois Veterans' Assistance Fund occurred in fiscal year 2012 to pay more veterans' medical claims. This transfer was not made in fiscal year 2013. The Veterans Assistance Fund includes funding for both the Veterans Care Program and Veterans Cash Lottery Program. The Veterans Cash Grant lottery program had \$468,000 more in grant receipts in fiscal year 2013 than 2014. However, the Veterans Care Program had \$840,000 less funding in fiscal year 2013 than 2014 to pay medical claims. Since the Veterans Care Program had more receipts in fiscal year 2014, there was an increase in expenditures.

Manteno Veterans' Home

In fiscal year 2013, an appropriation was established in the Illinois Veterans' Assistance Fund to assist funding for the Manteno Homeless Program. During fiscal year 2014, all of the funding for the Manteno Homeless Program moved to the General Revenue Fund.

LaSalle Veterans' Home Fund - 0272

LaSalle Veterans' Home

Contractual service expenditures decreased in fiscal year 2013 because the medical needs for the residents were lower. Additionally, in fiscal year 2012 there were higher legal fees incurred due to more on-going litigation.

Equipment expenditures decreased in fiscal year 2013 based on less need for new equipment. Each fiscal year's expenditures fluctuate based on need. During fiscal year 2014, equipment purchased increased due to several large equipment purchases, such as replacement floor cleaning equipment, a new convection steamer, embosser machine, and hygienic chair.

Anna Veterans' Home Fund - 0273

Anna Veterans' Home

During fiscal year 2014, there were several maintenance fee refunds due a higher per diem rate received from the United States Department of Veterans' Affairs to pay for the residents care. This was due to the veteran resident's disability rating increasing over 70%. Once the per diem is received qualifying residents are refunded for maintenance fees. Therefore, the Department refunded more of the resident's maintenance fees.

Illinois Affordable Housing Trust Fund - 0286

Central Office

The lump sums and other purposes for specially adapted housing for veterans from the Illinois Affordable Housing Trust Fund allows the Department to pay for specially adapted housing grants to eligible veterans. The fluctuation each year is dependent upon the number and timing of claims submitted. There were a lot more claims in fiscal year 2013 than 2012. There was another large increase in grant payments from fiscal year 2013 to 2014.

Quincy Veterans' Home Fund - 0619

Quincy Veterans' Home

Equipment expenditures decreased in fiscal year 2013 based on less need for new equipment. Each fiscal year's expenditures fluctuate based on need. During fiscal year 2014, equipment purchased increased due to several large equipment purchases, such as replacement of floor cleaning equipment, hospital lifts, and a utility vehicle for delivering supplies to the different buildings on campus.

During fiscal year 2014, there were several maintenance fee refunds due a higher per diem rate received from the United States Department of Veterans' Affairs to pay for the residents care. This was due to the veteran resident's disability rating increasing over 70%. Once the per diem is received qualifying residents are refunded for maintenance fees. Therefore, the Department refunded more of the resident's maintenance fees.

Disabled Veterans Property Tax Relief Fund - 0880

Central Office

In fiscal year 2013, an appropriation was received to utilize the income tax check-off funds for property tax relief for disabled veterans. This appropriation was not received in fiscal year 2012. During fiscal year 2014, the program did not meet the proceeds minimum to remain on the Illinois tax form as a charitable contribution deduction. Therefore, no new revenue was received.

Veterans' Affairs Federal Projects Fund - 0897

State Approving Agency

The headcount for the Troops to Teachers Program decreased in fiscal year 2014 from 2013, causing less funding.

Manteno Veterans' Home Fund - 0980

Manteno Veterans' Home

Commodity expenditures decreased in fiscal year 2013 because the medical supplies needed by the residents were less expensive.

Equipment expenditures decreased in fiscal year 2013 based on less need for new equipment. Each fiscal year's expenditures fluctuate based on need. During fiscal year 2014, equipment purchased increased due to several large equipment purchases, such as a tractor for mowing and snow removal, Bariatric beds, and patient lifts.

Manteno did not have any pressing permanent improvements to their facility during fiscal year 2013, so no expenditures were made. During fiscal year 2014, permanent improvement expenditures were made for tree removal services and new tile installation in the dish room

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Fiscal Years Ended June 30, 2014

Schedule 12

The Illinois Department of Veterans' Affairs (Department) explanations for significant fluctuations in receipts greater than \$100,000 and 20% of total receipts for that category as presented in the Comparative Schedule of Cash Receipts (Schedule 8) are detailed below. For each of the Homes, the timing of receipt from the United States Department of Veterans' Affairs, administration reimbursements are wholly dependent on the Federal government and will vary greatly from year to year and Home to Home.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2013 AND 2014

LaSalle Veterans' Home Fund (0272)

Patient fees (Members maintenance)

The increase in maintenance fee receipts during fiscal year 2014 is due to an increase in the maintenance fee charged from \$929 per month to \$1,429 per month during fiscal year 2012.

G.I. Education Fund (0447)

VA reimbursements

The State Approving Agency (Agency) receives quarterly reimbursements from the federal government. The increase in Veterans' Administration reimbursements during fiscal year 2014 is due to 6 quarters of reimbursements (October 2012 through March 2013) plus a fiscal year 2013 supplemental reimbursement of \$205,000 were received during fiscal year 2014. The Agency was working without a signed approved contract with the federal government until April of 2013. In addition, the federal government was experiencing a budget crisis and was shutdown for periods of time during fiscal year 2013.

Quincy Veterans' Home Fund (0619)

Health and Human Services

The decrease in Health and Human Services revenues during fiscal year 2014 is due to the timing of receipt of Medicare payments from the federal government. Historically, those residents eligible for Medicare fluctuates from year to year.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2012 AND 2013

LaSalle Veterans' Home Fund (0272)

Veterans' Administration Reimbursements

The decrease in Veterans' Administration reimbursements during fiscal year 2013 is due to the payment of an extra 3 months during the fiscal year 2012. This did not occur during fiscal year 2013.

G.I. Education Fund (0447)

Veterans' Administration Reimbursements

The State Approving Agency (Agency) receives quarterly reimbursements from the federal government. The decrease in Veterans' Administration reimbursements during fiscal year 2013 was due to the federal government being behind in paying reimbursement claims. Five (5) quarters of reimbursements (January 2011 through March 2012) were received during fiscal year 2012. Only 2 quarters (April 2012 through September 2012) plus a fiscal year 2012 supplemental reimbursement in the amount of \$259,000 were received during fiscal year 2013. The Agency was working without a signed approved contract with the federal government until April of 2013. In addition, the federal government was experiencing a budget crisis and was shutdown for periods of time during fiscal year 2013.

Quincy Veterans' Home Fund (0619)

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements during fiscal year 2013 is due to the Department receiving 14 months of reimbursements during fiscal year 2013 versus only receiving 11 months of reimbursements during fiscal year 2012.

Manteno Veterans' Home Fund (0980)

Veterans' Administration Reimbursements

During fiscal year 2012, the Department received 15 months of Veterans' Administration reimbursements. However, in fiscal year 2013, the Department only received 12 months of Veterans' Administration reimbursements.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2014

Schedule 13

The Illinois Department of Veterans' Affairs (Department) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances for fiscal years 2014 and 2013 (Schedules 1 and 2) are detailed below. For purposes of this analysis, significant lapse period spending is defined as \$20,000 and 20% or more of the total expenditures for the respective fiscal year.

Fiscal Year 2013

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
Illinois Veterans' Assistance - 0236 Payments of \$363,221 for the Veterans Care Medical Programs were not processed by the Department of Healthcare and Family Services until August.	\$1,604,262	\$412,403	26%
Anna Veterans' Home - 0273 Several end of year vacation and overtime payouts were made during the lapse period.	\$2,134,215	\$452,337	21%
Disabled Veterans Property Tax Relief - 0880 The decision on how to allocate the Disable Veterans Property Tax Fund from tax charitable deductions was delayed until late fiscal year 2013. Therefore, all the payments were not processed until the lapse period.	\$68,129	\$68,129	100%
Veterans Affairs Library Grant - 0775 Library grant funds are not received until the second quarter of the fiscal year. Additionally, several of the purchases were delayed until the end of the fiscal year.	\$50,000	\$31,375	63%

Fiscal Year 2014

Illinois Veterans' Homes - 0102 Invoices for several large medical supplies ordered in May were not received until July.	\$125,026	\$42,985	34%
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STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2014
(Expressed in Thousands)

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2014 is presented below:

<u>Fund</u>	Current	1-30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
LaSalle Veterans' Home Fund - 0272	\$ 678	-	\$ 2	-	-	\$ 3	\$ 683
Anna Veterans' Home Fund - 0273	260	-	-	-	-	7	267
Quincy Veterans' Home Fund - 0619	1,229	-	-	-	-	-	1,229
Regulatory Fund - 0291	33	-	-	-	-	-	33
Manteno Veterans' Home Fund - 0980	1,005	-	7	3	8	2	1,025
Total	\$ 3,205	\$ -	\$ 9	\$ 3	\$ 8	\$ 12	\$ 3,237
Less: allowance for uncollectible accounts							-
Net Accounts Receivable							\$ 3,237

The amounts reported above include Due from Home Residents and Other Receivables.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2013
(Expressed in Thousands)

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2013 is presented below:

<u>Fund</u>	Current	1-30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
LaSalle Veterans' Home Fund - 0272	\$ 558	-	\$ 1	-	\$ 4	-	\$ 563
Anna Veterans' Home Fund - 0273	256	-	3	-	3	13	275
G.I. Education Fund - 0447	-	-	143	287	-	-	430
Quincy Veterans' Home Fund - 0619	1,080	-	3	-	-	-	1,083
Veterans' Affairs Federal Projects - 0897	41	-	-	-	-	-	41
Manteno Veterans' Home Fund - 0980	1,197	-	5	5	11	(18) *	1,200
Total	\$ 3,132	\$ -	\$ 155	\$ 292	\$ 18	\$ (5)	3,592
Less: allowance for uncollectible accounts							-
Net Accounts Receivable							\$ 3,592

The amounts reported above include Due From Home Residents and Other Receivables.

* Note: The negative amount is a combination of the Government Licenses and Fees receivables for the Manteno Veterans' Home. The Department owed the United States Department of Veterans' Affairs \$35,000 due to the fact that corrected claims were filed several times over the course of several months due to errors. Once the Department determined the total amount owed back to the United States Department of Veterans' Affairs, she notified the Federal agency. The Federal VA decided to reduce the July reimbursement to the IDVA rather than receive a check from IDVA for this amount.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS (NOT EXAMINED)
For the Two Years Ended June 30, 2014

AGENCY FUNCTIONS AND PLANNING

AGENCY FUNCTIONS

The Department of Veterans' Affairs (Department) was created on January 1, 1976 through the Department of Veterans' Affairs Act (20 ILCS 2805/0.01) and replaced the Illinois Veterans' Commission. The Department was established to aid and assist all veterans, their dependents and survivors in applying for veterans' benefits due by reason of military service, and to provide health care services for certain veterans, their spouses, widows and widowers. The Department provides professional counseling and assistance relative to all veterans programs, both State and federal.

The Department's functions include the operation of the Illinois Veterans' Homes at Quincy, Manteno, LaSalle, and Anna; the operation of Veterans' Service Offices throughout the State; and the maintenance of the Central Office, the State Approving Agency and a Chicago administrative office. The Central Office coordinates the efforts of the Homes and the Service Offices. During fiscal year 2007, the Department added the Troops to Teachers Program. The mission of the Troops to Teachers Program is to recruit eligible members of the armed forces for participation in the program and facilitate the certification and employment of such participants as teachers in public schools.

The mission of the Illinois Veterans' Homes is to provide to eligible veterans skilled nursing services that meets or exceeds the standards and requirements applicable to facilities within the State. The Homes are subject to inspection by several regulatory agencies, including the U.S. Department of Veterans' Affairs (USDVA), the Illinois Department of Public Health (IDPH), and the Illinois State Fire Marshal. Funding to operate the Homes is provided by resident maintenance fees based on the resident's ability to pay, USDVA per diem reimbursements, and appropriations from the State of Illinois. The nursing units of the Veterans' Homes were constructed in the traditional straight-line hallway model with large central nurses' stations. Current USDVA nursing home designs embrace the small-house model and Community Living Concept. Each Home is moving forward to integrate these principles into the every-day lives of our veterans.

Ms. Erica J. Borggren was named Director of the Department on August 8, 2011. Mr. Rodrigo Garcia was named Acting Director of the Department on July 10, 2014. Mrs. Erica Jeffries was named Director of the Department on February 17, 2015. Nine individuals report directly to the Director. These individuals are the Assistant Director, the Director's Assistant, the Legislative Liaison, the Chief of Staff, the Equal Employment Opportunity Officer (EEO), the Chief Legal Counsel, the Advisor for Women's Veterans Program & Special Projects, the Senior Home Administrator and the Chief Internal Auditor.

The Department has the following powers and duties, as outlined in the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2):

To perform such acts at the request of any veteran, or his or her spouse, surviving spouse or dependents as shall be reasonably necessary or reasonably incident to obtaining or endeavoring to obtain for the requester any advantage, benefit or emolument accruing or due to such person under any law of the United States, the State of Illinois or any other state or governmental agency by reason of the service of such veteran, and in pursuance thereof shall:

1. Contact veterans, their survivors and dependents and advise them of the benefits of State and federal laws and assist them in obtaining such benefits;
2. Establish field offices and direct the activities of the personnel assigned to such offices;
3. Create a volunteer field force of accredited representatives, representing educational institutions, labor organizations, veterans' organizations, employers, churches and farm organizations;
4. Conduct informational and training services;
5. Conduct educational programs through newspapers, periodicals and radio for the specific purpose of disseminating information affecting veterans and their dependents;
6. Coordinate the services and activities of all State departments having services and resources affecting veterans and their dependents;
7. Encourage and assist in the coordination of agencies within counties giving service to veterans and their dependents;
8. Cooperate with veterans' organizations and other governmental agencies;
9. Make, alter, amend and promulgate reasonable rules and procedures for the administration of this Act; and,
10. Make and publish annual reports to the Governor regarding the administration and general operation of the Department.

Also, by executive designation, the Department of Veterans' Affairs is responsible for the approval of education and training programs for the purpose of determining eligibility for payments by the U.S. Department of Veterans' Affairs to eligible veterans. The Department's State Approving Agency carries out these responsibilities.

Illinois Veterans' Home at Anna

Home Functions

The Illinois Veterans' Home at Anna (Home) was opened in August 1994 and it currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). The Home was established to provide care as described below for the southern Illinois area veteran population. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of twelve eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a fifty bed intermediate and skilled care component for eligible veterans.

According to the Department of Veterans' Affairs (Department), commitment to the care of the aging veteran is and shall continue to be the primary focus of the Department. Program offerings for the Anna Veterans' Home consist of health care, social activities, recreation, and support services.

Illinois Veterans' Home at LaSalle

Home Functions

The Illinois Veterans' Home at LaSalle (Home) was established by Public Act 85-1188 of the General Assembly, effective January 1, 1989. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). Construction of the Home was completed in the fall of 1990 with an initial capacity of 120 residents. Pursuant to Public Act 95-331, the Home constructed an addition which increased the Home's capacity by 80 beds on January 21, 2009, which includes a 40-bed secure unit for residents with Alzheimer's disease and dementia.

The mission of the Home is to provide direct nursing services to all eligible veterans through the skilled nursing level that will meet or exceed all standards and requirements applicable to similar or like facilities within the State in accordance with the appropriate rules and regulations, policies, and directives. Veterans receive the full spectrum of nursing care services provided at all Veterans' Homes, including social services, and physical, recreational and occupational therapies.

Illinois Veterans' Home at Manteno

Home Functions

The Illinois Veterans' Home at Manteno (Home) was established August 12, 1985 by Public Act 84-139. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805). The Home's campus is located on a 122 acre site which includes five major nursing care units, two ancillary service and support buildings, and several administrative and other support buildings.

The Home is a skilled nursing care facility with a capacity of 340 beds, which includes Alzheimer's care for 40 residents. Services provided by the Home include medical, skilled nursing, therapeutic, nutritional, and social services care. The Home also provides religious and recreational activities for the benefit of its residents.

In addition, the Prince Home at Manteno provides permanent housing, advocacy, therapeutic and supportive services for 15 disabled, homeless Illinois veterans, including veterans suffering from Post Traumatic Stress Disorder (PTSD).

Illinois Veterans' Home at Quincy

Home Functions

The Illinois Veteran's Home at Quincy (Home) was established by act of the General Assembly in 1885 and opened in 1887 as a home for the veterans of the American Civil War. In July 1976, it became part of the Department of Veterans' Affairs and in August 1998, it became regulated by the Illinois Department of Public Health. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of 132 for eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a 551 bed intermediate and skilled care component for eligible veterans.

As required by the Nursing Home Care Act (210 ILCS 45), the community core of the campus offers barber and beauty shops, a library, social services, recreation activities, a post office, bank, convenience-type store and a coffee shop for the more than 500 resident Illinois veterans and their spouses, widows and widowers.

AGENCY LOCATION

The headquarters of the Department of Veterans' Affairs is at 833 South Spring Street, Springfield, Illinois. The Central Office, the State Approving Agency and a Veterans' Service Office are located in the Department headquarters. An administrative office and a Veterans' Service Office are located in the James R. Thompson Center, Suite 5-570, 100 West Randolph, Chicago, Illinois.

The Illinois Veterans' Home at Anna is located at 792 N. Main Street, Anna, Illinois.

The Illinois Veterans' Home at LaSalle is located at 1015 O'Conor Avenue, LaSalle, Illinois.

The Illinois Veterans' Home at Manteno is located at 1 Veterans Drive, Manteno, Illinois.

The Illinois Veterans' Home at Quincy is located at 1707 N. 12th Street, Quincy, Illinois.

The Department is currently licensed for 1,285 skilled care beds for providing long-term care to veterans, including 144 domiciliary beds; but is only funded for 909 skilled care beds.

The Department operated 51 full-service Veterans' Service Field Offices statewide to provide assistance and informational services to veterans, their dependents and survivors. The Field Offices operated from the following locations as of June 19, 2014:

<u>City</u>	<u>Location</u>
Anna	792 N Main St, 62906
Aurora	750 Shoreline Drive, Suite 150, 60504
Belleville	4519 W. Main Street, 62226
Benton	500 W. Main Street, PO Box 640, 62812
Bloomington	1616 S. Main Street, Room 116, 61701
Carbondale	1130 E. Walnut Street, Room 108, 62901
Carlinville	201 McCausland, St, Suite 4, 62626
Charleston	1550 Douglas Ave, Suite 1, 61920
Chicago	100 W. Randolph, Suite 5-570, 60601
Chicago	1551 N. Kedzie Avenue, 60651
Chicago	5200 S. Cottage Grove Ave., Room 101-103, 60615
Chicago	2122 W. Taylor, Suite 127, 60612
Chicago Heights	1010 Dixie Highway, Suite 101, 60411
Danville	407 N. Franklin, Suite B, 61832
Decatur	707 E. Wood Street, 62523
Des Plaines	52 E. Northwest Highway, 60016
East Alton	606 W. St. Louis Avenue, Suite 1, 62024
East St. Louis	10 Collinsville Avenue, 62201
Effingham	101 N. 4 th Street, Room 203, 62401
Elgin	254 Raymond Street, 60120
Forest Park	1515 S Harlem Ave, Unit 1B, 60130
Freeport	1631 S. Galena Avenue, 61032
Galesburg	362 N. Linwood Road, 61401
Harrisburg	320 E. Raymond, 62946
Harvey	16845 S. Halsted Street, 60426
Jacksonville	45 S. Central Park Plaza, 62650
Joliet	2900 W. Jefferson Street, 60435
Kewanee	111 N. East Street, 61443

Lawrenceville	700 E. Main Street, 62439
LaSalle	1015 O’Conor Avenue, 61301
Lombard	837 S. Westmore Myers Road, 60148
Machesney Park	10451 N. 2 nd Street, 61115
Macomb	135 W. Grant Street, 61455
Marion	2309 W. Main Street, Suite 122, 62959
Manteno	#1 Veterans Drive, 60950
Mt. Vernon	4105 N. Water Tower Pl., Room 112, 62864
Murphysboro	1613 Edith Street, 62966
North Chicago	3001 Green Bay Road, Building 135, 60064
Orland Park	14700 Ravinia Avenue, 60462
Palatine	721 S. Quentin Road, Suite 102, 60067
Peoria	401 Main Street, Suite 650, 61602
Pontiac	825 W. Reynolds, Suite 110, 61764
Quincy	1707 N. 12 th Street, 62301
Rock Falls	716 6 th Avenue, 61071
Rock Island	1504 3 rd Avenue, 61201
Salem	600 E. Main Street, Suite 6, 62881
Springfield	833 S. Spring Street, 62794
Taylorville	1100 Cheney Street, 62568
Urbana	600 E. University Avenue, 61802
Wheaton	421 County Farm Road, Room 2-600A, 60187
Woodstock	1301 Sunset Ridge Road, 60098

In addition to the 51 full-service field offices listed above, the Department also maintained 33 itinerant field offices. An itinerant field office is office space used to meet with a veteran, closer than a full service office would be.

AGENCY PLANNING

The Department of Veterans' Affairs has developed a strategic plan covering the period of Fiscal Years 2011 through 2014. Items in the strategic plan include a brief statement of scope of responsibilities and an operational plan that sets out goals, objectives, evaluation of goals, and status of activities. The Director and the Fiscal Officer develop the strategic plan, and it provides long-term direction for the Department. The various program managers, as well as the Director and Fiscal Officer all participate in the goal-setting process. The goals established in the plan are consistent with the Department's statutory mandates and authority.

The Department also has developed a Long-Range Capital Plan, which states the condition of each facility, and states the capital improvements needed at each facility. To further assist in planning, the Department develops a Planning Programming Budget for each State fiscal year, and an Affirmative Action Plan to increase representation of minorities and women in the Department's work force.

Illinois Veterans' Home at Anna

Home Planning

The Anna Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Expand Home with a new 44 bed addition to address the increased need for skilled care for veterans, provide an expanded dining room to alleviate overcrowding and better accommodate residents in wheelchairs, and re-organize the nurse's station, as well as the construction of oxygen storage rooms.
- Establish Alzheimer's unit.
- Hire potential additional dedicated transport personnel.
- Renovate domiciliary units.

Illinois Veterans' Home at LaSalle

Home Planning

The LaSalle Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Review long-term care facilities' performance measures and practices that improve the quality of care and operational efficiency of the Home.
- Continue to advocate for Capital Development Board funding for physical plant projects listed below:
 - ❖ Replacement of the cold water chiller in original residential wing;
 - ❖ Construction of additional warehouse space and vehicle storage facility; and
 - ❖ Replacement of nurse call and fire alarm system in original residential wing.

Illinois Veterans' Home at Manteno

Home Planning

The Manteno Veterans' Home developed the following strategic plan to address the needs of the veterans they serve:

- Expand buffet style dining options to make dining more home-like for the residents and increase the number of food choices.
- Convert Unit 3 West to a special needs unit.
- Pursue physical plant upgrades and improvements to better serve the needs of the residents including but not limited to:
 - ❖ Installation of dehumidifiers and humidifiers in the residential units;
 - ❖ Upgrade of water mains and storm sewers; and
 - ❖ Installation of heating ventilation/air conditioning in the north and south interconnects and vestibules.

Illinois Veterans' Home at Quincy

Home Planning

The Quincy Veterans' Home developed the following goals to better meet the needs of today's and tomorrow's veterans and those of their spouses:

- ❖ Continue implementation of the plan to decrease the rate of injurious falls by residents.
- ❖ In conjunction with Central Office, implement modern electronic medical record keeping and communication capabilities at all levels of Quincy Home staff (includes paper systems, electronic health records, pager systems, cell phones, telephones, computers/e-mail, radios and signs).
- ❖ Maintain performance measures, identifying new indicators as necessary, and retain monthly Quality Indicator (QI) review process.
- ❖ Coordinate with Central Office to adjust the licensed/authorized bed count to a level necessitated by the veterans' demand for admission and General Revenue Fund funding levels.
- ❖ Continue to advocate for Capital Development Board funding for current physical plant projects.
- ❖ Develop a plan to improve security of the campus.
- ❖ Upgrade medication and billing systems.

The Quincy Veterans' Home has also developed the following long term goals:

- ❖ Finalize plan to increase the number of beds needed to meet the demand for serving dementia/Alzheimer's patients.
- ❖ Develop a master plan for capital improvements and equipment life-cycle management.
- ❖ Continue to explore the need for and feasibility of providing for additional needs of future veteran residents due to the anticipated resident demographic changing from World War II and Korean War Veterans to Vietnam, Gulf War, and Global War on Terrorism veterans.
- ❖ Assess the benefits of consolidating domiciliary residents into one building.
- ❖ Replacement of current call light system.

AGENCY MONITORING

The Department attempts to coordinate its goals, objectives, strategies and activities with other agencies that provide similar services. To aid in achieving its goals, the Department maintains relationships with many State and federal agencies, veterans' organizations, and educational facilities. The Department's goals are monitored by administrative personnel at the Central Office and by the administrators at each of the Veterans' Homes. The goals are translated into each central office administrator's performance objectives, as well as the performance objectives for Home administrators. The annual evaluations reflect the performance of these objectives, as well as other initiatives. The Department's Director holds monthly staff meetings to review current developments or issues relative to the welfare of veterans and to maintain focus on the Department's goals.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
For the Years Ended June 30, 2014, 2013, and 2012

The following table, prepared from Department records, presents the average number of employees for the fiscal years ended June 30, 2014, 2013, and 2012.

<u>Division</u>	Fiscal Year		
	2014	2013	2012
Central Office	49	44	43
Veterans Service Officers	70	70	72
Veterans' Home at Anna	67	63	67
Veterans' Home at Quincy	506	506	526
Veterans' Home at LaSalle	205	191	195
Veterans' Home at Manteno	327	324	319
Homeless Program at Manteno	8	8	9
State Approving Agency	7	7	8
Troops to Teachers	1	1	2
Total average full-time employees	<u>1,240</u>	<u>1,214</u>	<u>1,241</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (NOT EXAMINED)
For the Two Years Ended June 30, 2014

Anna Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2014	2013	2012
Licensed capacity of Home	62	62	62
Funded capacity of Home	61	61	61
Daily average number of residents:			
Skilled Care	48	48	48
Domiciliary	9	11	6
Average number of State employees	89	84	67
Skilled Care	1.85 to 1	1.75 to 1	1.40 to 1
Domiciliary	9.88 to 1	7.64 to 1	11.17 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2014	2013	2012
Average healthcare spending per resident per year *	\$ 7,063	\$ 7,035	\$ 7,369
Average cost per resident per meal (excludes labor costs)	\$ 3.09	\$ 3.06	\$ 3.29
Average annual cost of meals per resident (excludes labor costs)	\$ 3,386	\$ 3,347	\$ 3,600
Average annual cost of care per resident:			
Skilled Care	\$ 99,671	\$ 107,503	\$ 110,569
Domiciliary	\$ 97,294	\$ 106,449	\$ 109,854

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

Anna Veterans' Home - Continued

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2014	2013	2012
Number of resident injuries	7	6	11

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2014, with a comparison to the fiscal year ended June 30, 2012:

	2014	2013	2012
Nursing Care			
Number of Admissions	27	20	25
Number of Deaths	26	19	26
Number of Discharges	4	4	2
Veteran Days of Care Furnished	17,681	14,429	17,137
Domiciliary Care			
Number of Admissions	8	4	6
Number of Deaths	2	-	-
Number of Discharges	7	3	-
Veteran Days of Care Furnished	3,584	2,368	3,013

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

LaSalle Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2014	2013	2012
Licensed capacity of Home	200	200	200
Funded capacity of Home	184	184	184
Daily average number of residents:			
Skilled Care	179	172	180
Average number of State employees			
Skilled Care	241	225	195
Ratio of employees to residents			
Skilled Care	1.34 to 1	1.30 to 1	1.08 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2014	2013	2012
Average healthcare spending per resident per year *	\$ 5,845	\$ 6,040	\$ 7,534
Average cost per resident per meal (excludes labor costs)	\$ 3.22	\$ 2.99	\$ 2.67
Average annual cost of meals per resident (excludes labor costs)	\$ 3,529	\$ 3,278	\$ 2,926
Average annual cost of care per skilled care resident:	\$ 98,207	\$ 102,846	\$ 89,027

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

LaSalle Veterans' Home - Continued

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2014	2013	2012
Number of resident injuries	15	25	20

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2014, with a comparison to the fiscal year ended June 30, 2012:

	2014	2013	2012
Nursing Care			
Number of Admissions	61	75	72
Number of Deaths	36	46	75
Number of Discharges	22	27	4
Veteran Days of Care Furnished	65,560	62,626	62,947

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

Manteno Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2014	2013	2012
Licensed capacity of Home	340	340	340
Funded capacity of Home	293	293	294
Daily average number of residents:			
Skilled Care	277	271	290
Average number of State employees	334	334	319
Ratio of employees to residents:			
Skilled Care	1.21 to 1	1.23 to 1	1.10 to 1

Manteno Veterans' Home - Continued

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2014	2013	2012
Average healthcare spending per resident per year *	\$ 6,500	\$ 4,815	\$ 5,398
Average cost per resident per meal (dietary contract includes labor costs)	\$ 7.71	\$ 7.55	\$ 7.41
Average annual cost of meals per resident (dietary contract includes labor costs)	\$ 8,442	\$ 8,268	\$ 8,114
Average annual cost of care per skilled care resident:	\$ 107,599	\$ 108,380	\$ 89,100

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

INJURY STATISTICS

Injuries reported to the Department of Public Health for the fiscal years ended June 30:

	2014	2013	2012
Number of resident injuries	41	34	51

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2014 with a comparison to the fiscal year ended June 30, 2012:

	2014	2013	2012
Nursing Care			
Number of Admissions	104	107	79
Number of Deaths	108	99	91
Number of Discharges	5	1	3
Veteran Days of Care Furnished	101,099	98,937	105,333

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

Quincy Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2014	2013	2012
Licensed capacity of Home *	551 (NHC) +	551 (NHC) +	
**	132 (DOM)	132 (DOM)	683
Funded capacity of Home *	382 (NHC) +	382 (NHC) +	
**	132 (DOM)	132 (DOM)	382
Daily average number of residents:			
Skilled Care	374	377	384
Domiciliary	49	41	52
Average number of State employees	485	508	526
Ratio of employees to residents:			
Skilled Care	1.30 to 1	1.35 to 1	1.37 to 1
Domiciliary	9.88 to 1	12.26 to 1	10.12 to 1

* NHC = Nursing home care

** DOM = Domiciliary care

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2014	2013	2012
Average healthcare spending per resident per year *	\$ 6,021	\$ 5,588	\$ 5,248
Average cost per resident per meal (excludes labor costs)	\$ 2.28	\$ 2.25	\$ 3.30
Average annual cost of meals per resident (excludes labor costs)	\$ 2,497	\$ 2,464	\$ 3,618
Average annual cost of care per resident:			
Skilled Care	\$ 113,679	\$ 105,496	\$ 99,072
Domiciliary	\$ 52,892	\$ 49,611	\$ 46,840

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

Quincy Veterans' Home - Continued

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2014	2013	2012
Number of resident injuries	31	29	34

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans.

Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2014, with a comparison to the fiscal year ended June 30, 2012:

	2014	2013	2012
Nursing Care			
Number of Admissions	131	135	139
Number of Deaths	70	89	129
Number of Discharges	12	12	7
Veteran Days of Care Furnished	113,785	116,718	123,152
Domiciliary Care			
Number of Admissions	2	1	14
Number of Deaths	-	-	2
Number of Discharges	-	-	-
Veteran Days of Care Furnished	5,912	4,761	6,520

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

PRINCE HOME

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2014	2013	2012
Licensed capacity of Home	15	15	15
Daily average number of residents:	14.5	14.5	13.5
Average number of State employees	8	10	10
Ratio (# staff to # residents)	1 to 1.8	1 to 1.5	1 to 1.5

VETERANS SERVED

The purpose of the Home is to provide assistance to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2014 with a comparison to the fiscal year ended June 30, 2012:

	2014	2013	2012
Number of Admissions	15	17	15
Number of Releases	15	24	3
Graduation (Successful Completion)	2	10	1
Involuntary discharge	2	2	1
Voluntary termination from program	11	12	1

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined)
For the Years Ended June 30, 2013 and 2014

The Department reported the following emergency purchases during fiscal years 2013 and 2014:

Fiscal Year	Vendor	Product	Description	Estimated Amount	Actual Amount
2013	Prairie Farms Dairy, Inc.	Dairy Products	The food survey bid was higher than expected and therefore not accepted. An Emergency Contract was made through Prairie Farms to provide dairy products to veterans at the Quincy Veterans' Home. Dairy products are important to the health of the residents at the Quincy Veterans' Home.	\$ 43,920	\$ 71,932
	Prairie Farms Dairy, Inc.	Dairy Products Extension	An extension of the dairy products emergency purchase until June 30, 2013.	90,000	74,059
	Seneca Medical Inc.	Incontinent products	The Department of Central Management Services master contract for incontinent products expired on August 15, 2012. No new contract was established for incontinent products by the Department of Central Management Services. Incontinent products are necessary to preserve the personal dignity and prevention of skin degradation for the residents at the Veterans' Homes.	146,739	254,949
	Seneca Medical Inc.	Incontinent products extension	An extension for the emergency purchase of incontinent briefs and wipes until June 30, 2013.	229,000	280,039
	Heartland Mechanical	Air Conditioning and Heating to the Facility at Anna	A rooftop replacement Air Conditioning and Heating unit was needed to keep temperatures at a comfortable and safe level for the members of the Anna Veterans' Home.	17,400	17,400
	Globe Medical Surgical Supply	Rubber gloves	The Department of Central Management Services State master contract for examination gloves has expired. Medical gloves are needed to treat the residents at the Veterans' Homes.	191,627	71,675
	Globe Medical Surgical Supply	Rubber gloves extension	An extension for the emergency purchase of examination gloves until June 30, 2013.	150,000	30,293
	Medline Industries	Medical supplies	The current State master contract for medical supplies bid out 182 items on the solicitation and the Department of Central Management Services only awarded 14 of the 182 lines. Medical supplies for the 4 Department homes are critical to the life, health and safety of the residents of the Veterans' Homes.	32,798	41,921
	Medline Industries	Medical supplies extension	An extension for the emergency purchase of medical supplies until June 30, 2013.	38,000	37,324
	Aladdin Temp Rite LLC	Tray inserts	The master contract for Aladdin plastic food tray inserts expired. Aladdin Plastic tray inserts are the only inserts that fit the Aladdin food trays at the Quincy Veterans' Home. The food trays are needed to deliver food to the nursing units throughout the Quincy campus.	25,000	20,056
	Aladdin Temp Rite LLC	Tray inserts extension	An extension for the emergency purchase of Aladdin Plastic tray inserts until June 30, 2013.	\$ 35,000	\$ 9,334

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined) - CONTINUED
For the Years Ended June 30, 2013 and 2014

The Department reported the following emergency purchases during fiscal years 2013 and 2014:

Fiscal Year	Vendor	Product	Description	Estimated Amount	Actual Amount
2013	ILMO Products Company	Medical oxygen	The Department of Central Management Services has not been able to get a master contract for medical oxygen for the Quincy Veterans' Home or LaSalle Veterans' Home completed. Medical oxygen is critical to the life, health and safety of the veterans residing at these Veterans' Homes.	\$ 35,000	\$ 33,393
	ILMO Products Company	Medical oxygen extension	An extension for the emergency purchase for medical oxygen until June 30, 2013.	35,000	27,206
	Dean Dairies, LLC	Dairy Products	Dairy products for the Illinois Veterans' Home at LaSalle. The Department is required to provide its residents with nutritional items needed for sustenance. The Department of Central Management Services did not receive any bids for 3rd quarter dairy for LaSalle Veterans' Home. Dairy products are necessary for the health of the residents at the LaSalle Veterans' Home.	20,000	9,048
2014	Dean Dairies, LLC	Dairy Products Extension	An extension for dairy services at the LaSalle Veterans' Home was made until June 30, 2013.	20,000	17,743
	Smart Wash, Inc	Institutional and personal laundry services	An emergency purchase for industrial and personal laundry services at the Manteno Veterans' Home. The Home must have laundry services to prevent infection control issues.	61,000	NA
	Seneca Medical Inc.	Incontinent products	Emergency procurement for incontinent products for the 4 Department Homes. The contract went out for bidding and, just before bids were due, the State Procurement Officer changed the Department's brand specific Invitation For Bid to include "or equal". The bid was protested and the Chief Procurement Officer allowed the Department a 90 day emergency purchase in order for the contract to go out for rebid. Incontinent products are necessary to preserve the personal dignity and prevention of skin degradation for the residents at the Veterans' Homes.	154,438	27,083
Total				<u>\$1,324,922</u>	<u>\$ 1,023,455</u>

NA= Not Available

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
MEMORANDUMS OF UNDERSTANDING (Not Examined)
For the Two Years Ended June 30, 2014

Parties Involved Other Than The Illinois Department of Veterans' Affairs	Dates Involved	Memorandum Requirements Description
Points of Light Veteran Leader Corps	9/1/2013 - 8/31/2014	To conduct outreach to veterans, connect them with job readiness services and provide veterans with opportunities to serve and lead others in service. Corps members will identify and leverage community assets including community partnerships to meet these goals.
American Bar Association and Illinois Department of Military Affairs	N/A*	To provide legal programs, services and resources the parties are equipped or trained to deliver and that are within the scope of the Legal Assistance for Military Personnel (LAMP) Committee charter and/or have been approved by the American Bar Association Board of Governors, and maintain this standard while conducting outreach and engagement to the military and veteran communities.
Department of Defense	N/A*	To fulfill the requirement for automated individual agency user access, via the secure Defense Personnel Records Information Retrieval System (DPRIS) Web site, to request specified Official Military Personnel File (OMPF) record information maintained in one of the respective Military Service OMPF repositories or other information/data repositories as they become available. As part of the Defense Information Assurance Certification and Accreditation Process (DIACAP), an MOU is required for the DPRIS Web site to exchange information.
Illinois Department of Military Affairs	3/3/2014 - 6/30/2016	Illinois Department of Military Affairs and Illinois Department of Veterans' Affairs' dual-use of a designated employee to be responsible for the duties and responsibilities of an Internal Auditor for both agencies will be an efficient and effective advancement of their mission, budgetary objectives, functions, goals, and policies.
Illinois Capital Development Board	6/16/2014 - 8/31/2014	For the Capital Development Board to procure a boundary and topographic survey and an environmental assessment of a 36-acre agricultural site at the Quincy Veterans' Home
Illinois Department of Healthcare and Family Services	12/21/2012 - 9/30/2015	To authorize DVA to accept Public Assistance Reporting Information System (PARIS) cross-match data in order to perform outreach and application assistance for federal benefits.
Illinois Department of Healthcare and Family Services	N/A*	Illinois Department of Healthcare and Family Services is the agency designated to administer the Veterans' Health Insurance Program under 330 ILCS 125/ 10 and the Department has resources to fund such health care from the Illinois Veterans' Assistance Fund under 20 ILCS 1 605/21.6.
Illinois Department of Human Services, Illinois Department of Natural Resources, Illinois Department of Transportation, and Illinois Capital Development Board	N/A*	To facilitate construction of the proposed Veterans' Home located at 250 North Oak Park Avenue, Chicago, Illinois, on a parcel of land adjacent to the Illinois Department of Human Services Chicago Read Mental Health Center located at 4200 North Oak Park Avenue, Chicago, Illinois. This Agreement addresses the joint and mutual requirements for storm water detention and drainage at the subject site.
United States Department of Veterans' Affairs Regional Office (VARO) in Chicago	N/A*	Agreement to more closely collaborate the services of the United States Department of Veteran's Affairs Regional Office (VARO) in Chicago and the Illinois Department of Veterans' Affairs to more closely corroborate services and programs to improve the quality of life for those they serve.

N/A* Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2013 and 2014

Department of Veterans' Affairs - Awards/Grants/Records Section

Mission Statement: Administers numerous awards and state grants to assist veterans with their financial responsibilities, physical disabilities, employment opportunities and other special services. Service includes grants for special adapted housing; awards and scholarships for primary, secondary and post-secondary education at many state schools, colleges and universities for veterans' dependents; bonus payments for wartime service for Illinois veterans and their families; free hunting and fishing licenses for disabled veterans as well as free camping permits for certain disabled veterans and payment for setting a government headstone or marker for a deceased veteran. Also assists veterans in overcoming PTSD, homelessness, disability, long-term care and health insurance by awarding grants to organizations that address these issues.

Program Goals:

Objectives:

- 1 Administration of awards and grants as mandated by state statute.
 - ^aNumber of grant applications received from veterans is subject to dwindling eligibility pools.
 - ^bVeterans' Assistance Fund (VAF) target adjusted to reflect Grant Committee goal of granting for impact rather than granting to large numbers of organizations.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Illinois Affordable Housing Trust Fund, Illinois Military Family Relief Fund **Statutory Authority: 20 ILCS 2805/2**

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 1,372.2	\$ 1,297.0	\$ 1,824.4	\$ 1,378.7	\$ 1,855.9
● Total expenditures - state appropriated funds (in thousands)	\$ 1,372.2	\$ 1,297.0	\$ 1,824.4	\$ 1,371.8	\$ 1,855.9
● Average monthly full-time equivalents	9.2	8.3	9.3	9.3	9.3
<u>Output Indicators</u>					
● Number of claims received and processed	6,012	5,173	5,700	4,798	5,400
● Number of special services provided	94,140	261,101	285,000	285,911	264,000
● Number of grantees for VAF	30.0	22.0	22.0	28.0	21.0
<u>Outcome Indicators</u>					
● Percentage of change in number of claims received and processed	- 2.6%	- 14%	10.2%	- 7.3%	12.2%
● Percentage change in number of special services	N/A	177.4%	9.2%	9.7%	- 7.7%
● Percentage change in number of grantees for VAF	- 3.2%	- 26.7%	0%	27.3%	- 24.9%

Department of Veterans' Affairs - Field Services Division

Mission Statement: To assist veterans in navigating the complex web of federal, state and local resources and benefits available to them. To help them increase monthly income through federal funds, as well as helping them to avert the downward spiral into poverty, substance abuse and homelessness.

Program Goals:

Objectives:

- 1 Assist veterans in obtaining federal and state benefits.
 - a Increase number of federal and state claims filed.
 - b Increase federal funds to Illinois.
- 2 To provide service to veterans, their dependents and survivors.
 - a Increase number of veterans contacted and served.

Funds: General Revenue Fund

Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 5,260.7	\$ 5,240.4	\$ 6,181.6	\$ 5,420.2	\$ 6,164.1
● Total expenditures - state appropriated funds (in thousands)	\$ 5,260.7	\$ 5,240.4	\$ 6,181.6	\$ 5,420.2	\$ 6,164.1
● Average monthly full-time equivalents	75.2	72.7	76.2	72.5	77.3
<u>Output Indicators</u>					
● Number of federal and state applications submitted for benefits (a)	91,912	92,686	99,540	40,111	44,400
● Number of outreach events	244.0	298.0	360.0	211.0	360.0
● Number of veterans served (b)	145,365	181,572	197,760	141,554	154,560
<u>Outcome Indicators</u>					
● Percentage change in number of federal and state applications submitted (a)	- 21.7%	0.8%	7.4%	- 56.8%	10.7%
● Percentage change in number of outreach events	N/A	22.1%	20.8%	- 29.2%	70.6%
● Percentage change in number of veterans served (b)	N/A	24.9%	8.9%	- 22.1%	9.2%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal dollars returned to economy resulting from claims filed with USDVA (in thousands)	\$ 34,913.2	\$ 43,852.6	\$ 48,000.0	\$ 43,900.0	\$ 40,000.0

Footnotes

- a The percentage of applications dropped significantly because individual applications are now submitted in a packet. In the past, individual documents were counted in this total.
- b The percentage of veterans served also dropped significantly due to the fact that performance measurement is now calculated using electronic means.

Department of Veterans' Affairs - Illinois Veterans' Home Anna

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans and their spouses residing at the Illinois Veterans' Home at Anna.
 - a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - b Decrease IDPH reportable incidents.
 - c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Anna Veterans Home Fund

Statutory Authority: 20 ILCS 2805/2 - 2805/2.06

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 6,141.6	\$ 6,094.6	\$ 7,463.5	\$ 6,106.8	\$ 8,238.5
● Total expenditures - state appropriated funds (in thousands)	\$ 6,137.5	\$ 6,093.6	\$ 7,463.5	\$ 6,104.2	\$ 8,238.5
● Average monthly full-time equivalents	69.0	67.6	83.4	69.7	83.5
<u>Output Indicators</u>					
● Average Daily Census	48.0	48.2	49.0	48.0	49.0
● Number of nursing hours per resident'	3.6	3.2	3.4	3.8	3.4
● Number of IDPH reportable incidents	11.0	9.0	0	7.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	- 6.4%	0.4%	1.7%	- 0.4%	2.1%
● Percentage change in IDPH reportable incidents	- 52.2%	- 18.2%	- 100%	- 22.2%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 1,945.4	\$ 2,066.6	\$ 2,014.5	\$ 2,097.4	\$ 1,843.9

Department of Veterans' Affairs - Illinois Veterans' Home LaSalle

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term nursing care to Illinois veterans residing at the Illinois Veterans' Home at LaSalle.
 - a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - b Decrease IDPH reportable incidents.
 - c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, LaSalle Veterans Home Fund

Statutory Authority: 20 ILCS 2805/2 - 2805/2.06

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 17,663.0	\$ 18,318.4	\$ 24,337.9	\$ 18,872.5	\$ 24,413.3
● Total expenditures - state appropriated funds (in thousands)	\$ 17,649.3	\$ 18,301.9	\$ 24,337.9	\$ 18,856.9	\$ 24,413.3
● Average monthly full-time equivalents	202.3	204.4	269.8	211.3	273.0
<u>Output Indicators</u>					
● Average daily census	179.7	175.0	184.0	181.4	184.0
● Number of nursing hours per resident	3.0	3.2	3.4	3.3	3.4
● Number of IDPH reportable incidents	20.0	54.0	0	12.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	7%	- 2.6%	5.1%	3.6%	1.5%
● Percentage change in IDPH reportable incidents	- 39.4%	170%	- 100%	- 77.8%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 7,913.9	\$ 6,403.2	\$ 6,680.3	\$ 7,066.3	\$ 6,600.0

Department of Veterans' Affairs - Illinois Veterans' Home Manteno

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans who reside at the Illinois Veterans' Home at Manteno.
 - a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - b Decrease IDPH reportable incidents.
 - c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Veterans' Affairs Federal Projects Fund, Statutory Authority: 20 ILCS 2805/2 - Manteno Veterans Home Fund 2805/2.06

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 31,690.9	\$ 31,533.6	\$ 39,889.9	\$ 34,069.1	\$ 41,203.0
● Total expenditures - state appropriated funds (in thousands)	\$ 31,676.1	\$ 31,518.8	\$ 39,889.9	\$ 34,056.6	\$ 41,203.0
● Average monthly full-time equivalents	325.6	335.6	406.7	336.4	403.9
<u>Output Indicators</u>					
● Average daily census	290.0	278.0	294.0	283.5	294.0
● Number of nursing hours per resident	3.2	3.3	3.4	3.5	3.4
● Number of IDPH reportable incidents	51.0	34.0	0	33.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	0.3%	- 4.1%	5.8%	2%	3.6%
● Percentage change in IDPH reportable incidents	- 13.6%	- 33.3%	- 100%	- 2.9%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 13,160.3	\$ 10,551.6	\$ 11,578.1	\$ 11,542.4	\$ 10,602.2

Department of Veterans' Affairs - Illinois Veterans' Home Quincy

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans and their spouses residing at the Illinois Veterans' Home at Quincy.
 - a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - b Decrease IDPH reportable incidents.
 - c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Quincy Veterans Home Fund

Statutory Authority: 20 ILCS 2805/2 - 2805/2.06

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 45,335.7	\$ 45,744.9	\$ 54,327.5	\$ 46,269.0	\$ 55,737.0
● Total expenditures - state appropriated funds (in thousands)	\$ 45,320.9	\$ 45,727.2	\$ 54,327.5	\$ 46,249.7	\$ 55,737.0
● Average monthly full-time equivalents	539.0	526.9	627.1	521.1	628.5
<u>Output Indicators</u>					
● Average daily census	383.8	376.6	382.0	374.0	382.0
● Number of nursing hours per resident	3.2	3.2	3.4	3.1	3.4
● Number of IDPH reportable incidents	28.0	29.0	0	20.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	- 9.1%	- 1.9%	1.4%	- 0.8%	2.1%
● Percentage change in IDPH reportable incidents	- 26.3%	3.6%	0%	- 31%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 11,667.5	\$ 15,154.1	\$ 13,493.6	\$ 13,644.9	\$ 12,693.1

Department of Veterans' Affairs - Prince Homeless Program at Manteno

Mission Statement: The Department of Veterans' Affairs houses and equips homeless veterans for successful transition to self-sufficiency.

Program Goals:

Objectives:

- 1 Provide veterans with lifeskills necessary for self-sufficiency.
 - ^a Increase number of graduations from the Homeless Program.
- 2 Assist veterans in obtaining employment.
 - ^a Increase number of veterans earning income.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Manteno Veterans Home Fund

Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 731.6	\$ 866.0	\$ 1,019.1	\$ 801.3	\$ 1,011.9
● Total expenditures - state appropriated funds (in thousands)	\$ 731.6	\$ 866.0	\$ 1,019.1	\$ 801.3	\$ 1,011.9
● Average monthly full-time equivalents	8.8	8.9	10.3	8.4	10.3
<u>Output Indicators</u>					
● Yearly number of admissions to residential program	N/A	17.0	12.0	15.0	12.0
● Yearly number of discharges due to graduation	N/A	10.0	6.0	2.0	6.0
● Average number of veterans impacted with supplemental support services each month (a)	N/A	21.6	28.0	37.0	40.0
<u>Outcome Indicators</u>					
● Percentage change in number of admissions to residential program	N/A	N/A	- 29.5%	- 11.8%	- 20%
● Percentage change in number of discharges due to graduation	N/A	N/A	- 40%	- 80%	200%
● Percentage change in number of veterans impacted with supplemental support services (a)	N/A	N/A	29.7%	71.3%	8.1%

Footnotes

- a Note that the measure that previously measured "after-care services" has been modified to measure/include "supplemental support services."

Department of Veterans' Affairs - State Approving Agency

Mission Statement: To equip veterans for successful educational experiences by training, certifying, and auditing higher education, vocational and job training programs for receipt of GI Bill funding.

Program Goals:

Objectives:

- 1 Actively encourage and promote the increased usage of GI Bill benefits through a vigorous and aggressive outreach program, and ensure quality and assist the educational institutions and eligible persons by providing in-depth technical assistance, outreach, and liaison with all related organizations, agencies, individuals and activities.
- 2 Conduct compliance survey visits to schools and educational facilities.
 - a Meet compliance audit requirements of the federal contract.
- 3 Provide technical assistance to educational institutions and vocational and job-training programs for receipt of GI Bill funding.
 - a Increase technical assistance visits.

Funds: GI Education Fund

Statutory Authority: 38 U.S.C. 3671 (a)

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 1,081.3	\$ 1,088.2	\$ 1,650.3	\$ 1,198.0	\$ 1,575.7
● Total expenditures - state appropriated funds (in thousands)	\$ 1,074.0	\$ 1,088.2	\$ 1,650.3	\$ 1,198.0	\$ 1,575.7
● Average monthly full-time equivalents	8.2	7.5	9.2	7.5	8.2
<u>Output Indicators</u>					
● Number of compliance visits	157.0	115.0	120.0	147.0	120.0
● Number of schools assisted with GI Bill approval process via email/phone	N/A	6,818	6,600	6,581	6,000
● Number of technical visits	N/A	99.0	120.0	105.0	84.0
<u>Outcome Indicators</u>					
● Percentage change in number of compliance visits	N/A	- 26.8%	4.3%	27.8%	- 18.4%
● Percentage change in number of schools assisted with GI Bill approval process via email/phone	N/A	N/A	- 3.2%	- 3.5%	- 8.8%
● Percentage change in number of technical visits	N/A	N/A	21.2%	6.1%	- 20%

Department of Veterans' Affairs - Troops to Teachers Program

Mission Statement: Recruit eligible members of the armed forces for participation in the Troops to Teachers program and facilitate the certification and employment of such participants as teachers in public schools.

Program Goals:

Objectives:

- 1 Recruit military personnel for participation.
 - ^a Participate in outreach events such as military or educational meetings, recruiting or advocacy briefings.
- 2 Facilitate certification and employment of military personnel as teachers in public schools.
 - ^a Identify teaching vacancies through coordination with Local Education Agency (LEA).

Funds: Veterans' Affairs Federal Projects Fund

Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2012 Actual</u>	<u>Fiscal Year 2013 Actual</u>	<u>Fiscal Year 2014 Target /Projected</u>	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 211.0	\$ 220.0	\$ 238.5	\$ 167.0	\$ 227.3
● Total expenditures - state appropriated funds (in thousands)	\$ 211.0	\$ 220.0	\$ 238.5	\$ 167.0	\$ 227.3
● Average monthly full-time equivalents	1.6	1.4	1.0	1.0	1.0
<u>Output Indicators</u>					
● Number of outreach events (career briefings & military career fairs)	69.0	52.0	48.0	28.0	48.0
● Number of veterans served at outreach events	N/A	572.0	480.0	235.0	240.0
● Number of military personnel enrolled in the program	197.0	176.0	144.0	263.0	240.0
<u>Outcome Indicators</u>					
● Percentage change in number of outreach events (career briefings & military career fairs) (a)	6.2%	- 24.6%	- 7.7%	- 46.2%	71.4%
● Percentage change in number of veterans served at outreach events	N/A	N/A	- 16.1%	- 59%	2.1%
● Percentage change in number of military personnel enrolled in the program (a)	55.1%	- 10.7%	- 18.2%	49.4%	- 8.8%

Footnotes

a Fiscal year 2013 numbers corrected.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF INDIRECT COST REIMBURSEMENTS (Not Examined)

For the Two Years Ended June 30, 2014

The State of Illinois, Department of Veterans' Affairs (Department) receives Federal indirect cost reimbursements from the State Approving Agency for administrative expenses. The reimbursements are deposited into the G.I. Education Fund (0447). The indirect cost reimbursements were as follows:

Program	<u>Indirect Cost Reimbursement Fiscal Year 2013</u>	<u>Indirect Cost Reimbursement Fiscal Year 2014</u>
All-Volunteer Force Educational Assistance	\$157,105	\$176,289