

**STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2017

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

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AGENCY OFFICIALS

Executive Director	Kimberly Mercer-Schleider (09/12/16 - Present) Sandy Ryan (03/16/16 – 09/11/16) Sheila Romano (07/01/15 – 03/15/16)
Program and Policy Director	Mariel Hamer (06/20/17 – Present) Vacant (12/01/16 – 06/19/17) Sandy Ryan (07/01/15 – 11/30/16)
Fiscal and Operations Director	Janinna Hendricks

The Council's offices are located at:

830 South Spring Street
Springfield, Illinois 62704

100 West Randolph, Suite 10-600
Chicago, Illinois 60601

November 6, 2018

Honorable Frank J. Mautino
Auditor General
740 East Ash Street
Springfield, Illinois 62703

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations contracts, or grant agreements that could have a material effect on the operations of the Illinois Council on Developmental Disabilities. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Illinois Council on Developmental Disabilities' compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the years ended June 30, 2017, and June 30, 2016, the Illinois Council on Developmental Disabilities has materially complied with the assertions below.

- A. The Illinois Council on Developmental Disabilities has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois Council on Developmental Disabilities 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 Illinois Council on Developmental Disabilities has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Illinois Council on Developmental Disabilities 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.

Yours truly,

Illinois Council on Developmental Disabilities

SIGNED ORIGINAL ON FILE

Kimberly Mercer-Schleider, Director

SIGNED ORIGINAL ON FILE

Janinna Hendricks, Chief Fiscal Officer

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ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	3	1
Repeated findings	1	0
Prior recommendations implemented or not repeated	0	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2017-001	9	Inadequate Control over State Property	Material Weakness and Material Noncompliance
2017-002	11	Inadequate Control over Reconciliations	Significant Deficiency and Noncompliance
2017-003	13	Expired Council Member Terms	Noncompliance

EXIT CONFERENCE

The Illinois Council on Developmental Disabilities waived an exit conference in correspondence from Janinna Hendricks, Fiscal and Operations Director, on October 24, 2018. The responses to the recommendations were provided by Ms. Hendricks in correspondence dated November 6, 2018.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Illinois Council on Developmental Disabilities' 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, 2017. The management of the State of Illinois, Illinois Council on Developmental Disabilities is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Council on Developmental Disabilities' compliance based on our examination.

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

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

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the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Illinois Council on Developmental Disabilities complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Illinois Council on Developmental Disabilities complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

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

Our examination disclosed the following material noncompliance with the compliance requirement listed in the first paragraph of this report during the two years ended June 30, 2017. As described in item 2017-001 in the accompanying schedule of findings, the State of Illinois, Illinois Council on Developmental Disabilities did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Council on Developmental Disabilities to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, the State of Illinois, Illinois Council on Developmental Disabilities complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2017. 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 2017-002 and 2017-003.

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

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

Internal Control

Management of the State of Illinois, Illinois Council on Developmental Disabilities is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Illinois Council on Developmental Disabilities' internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor

General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Council on Developmental Disabilities' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Council on Developmental Disabilities' 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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 2017-001 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 2017-002 to be a significant deficiency.

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

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

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2017, and June 30, 2016, in Schedules 1 through 5 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, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2015, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
November 6, 2018

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-001. **FINDING** (Inadequate Control over State Property)

The Illinois Council on Developmental Disabilities (Council) did not maintain adequate documentation and control over its property during the examination period.

During testing, we noted the Council did not maintain detailed supporting documentation of property acquisitions during the examination period.

Due to these conditions, we were unable to conclude whether the Council's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Council's acquisitions of equipment and property.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we selected a sample from the listing provided by the Council and performed testing of additions to the Council's property during the examination period.

- The Council's records for nine of ten (90%) acquisitions tested, totaling \$3,058, did not include a received date. As a result, we were unable to determine if the equipment was added to the property records timely.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Council to adjust its property records within 30 days of acquiring, changing, or deleting items. Further, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Council to keep complete and detailed property records of all of its property items, including an asset's acquisition date and date placed in service.

- The Council received 15 electronic equipment items, totaling \$4,696, to use from the Department of Innovation & Technology (DoIT). This equipment should have been labeled as property of DoIT since DoIT was retaining ownership of the equipment; however, Council personnel attached Council equipment tags and added the items to the Council's property listing.
- Six of 80 (8%) property items selected from the Council's property listing or selected from the Council's property located at the Council, totaling \$2,725, were found in a different location than indicated on the Council's property listing.

The State Property Control Act (Act) (30 ILCS 605/6.02) requires the Council to maintain a permanent record of all items of property under its

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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

jurisdiction and control. In addition, SAMS (Procedure 29.10.10) requires the Council to maintain complete and detailed property records, which includes the item's physical location.

- Four of 80 (5%) property items selected from the Council's property listing or selected from the items located at the Council, totaling \$951, were deemed obsolete. However, the items remained on Council property records, and the Council had not reported the items to the Department of Central Management Services (CMS) for possible disposal through the surplus process.
- While inquiring about the obsolete equipment above, we found the Council had a large amount of additional property awaiting surplus by CMS, which includes chairs, desks, shelves, and file cabinets. The items remained on the property listing and were not tracked while awaiting surplus.

The Code (44 Ill. Admin. Code 5010.620(a)) requires the Council regularly survey its inventory for transferrable equipment, which is equipment no longer needed and/or useful to the Council, and report any transferable equipment to CMS.

Council officials indicated the errors were due to employee turnover and competing priorities of staff.

Failure to maintain accurate property and equipment records represents noncompliance with State laws and regulations and increases the potential for fraud and theft of State property. (Finding Code No. 2017-001)

RECOMMENDATION

We recommend the Council strengthen its internal controls over recording and reporting its State property and equipment transactions. Further, the Council should implement a corrective action plan to (1) survey its inventory and report transferable equipment to CMS and (2) complete a full inventory to identify and correct its property and equipment errors.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation and will strengthen controls over its State property and equipment transactions and will take steps to report transferable and obsolete equipment to CMS for removal. In addition, the Council will clarify ownership of IT computer equipment with the Department of Innovation and Technology and make corrections to inventory as needed to ensure accurate inventory records.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-002. **FINDING** (Inadequate Control over Reconciliations)

The Illinois Council on Developmental Disabilities (Council) did not properly reconcile its records with monthly reports from the Office of the State Comptroller (Comptroller).

During testing, we noted the following:

- Twenty-four of 24 (100%) monthly reconciliations of Council receipt records to the Comptroller's *Monthly Revenue Status Report* (SB04) during Fiscal Year 2016 and Fiscal Year 2017 were not signed or dated by the preparer or reviewer of the reconciliations. As a result, we were unable to determine who prepared or reviewed the reconciliations and if the reconciliations were performed timely. The Council received \$2,669,476 and \$2,288,813 in Fiscal Year 2016 and Fiscal Year 2017, respectively.

The Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires the Council perform a reconciliation of the SB04 to its internal records within 60 days of month end to ensure the early detection and correction of errors.

- Twenty-nine of 29 (100%) monthly reconciliations of Council expenditure records to the Comptroller's *Monthly Appropriation Status Report* (SB01) during Fiscal Year 2016 and Fiscal Year 2017 were not signed or dated by the preparer or reviewer of the reconciliation. As a result, we were unable to determine who prepared or reviewed the reconciliations and if the reconciliations were performed in a timely manner. The Council expended \$2,761,366 and \$2,343,888 in Fiscal Year 2016 and Fiscal Year 2017, respectively.

SAMS (Procedure 11.40.20) requires the Council perform a reconciliation of the SB01 to its internal records within 60 days of month end to ensure unreconcilable differences are corrected.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Council to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Further, the State Records Act (5 ILCS 160/8) requires the Council make and preserve adequate and proper documentation of its procedures to protect the legal and financial rights of the State.

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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

Council officials indicated the lack of signatures and dates on the Council's reconciliations was due to oversight.

Failure to document receipt and expenditure reconciliations were prepared and reviewed timely could result in errors not being timely detected and corrected, hinders accountability over State funds, and represents noncompliance with State laws and regulations. (Finding Code No. 2017-002)

RECOMMENDATION

We recommend the preparer and reviewer sign and date all reconciliations to document the reconciliations were prepared and received in a timely manner.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation and will implement procedures for the reconciliations to be signed and dated to ensure they are completed in a timely manner.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-003. **FINDING** (Expired Council Member Terms)

The Illinois Council on Developmental Disabilities (Council) has several members serving on expired terms.

During testing, we noted 16 of 19 (84%) members appointed by the Governor were serving under expired terms with 10 of these members already having served two successive terms on the Council. The original appointments of those 10 members were made between August 2004 and September 2010.

The Illinois Council on Developmental Disabilities Law (Law) (20 ILCS 4010/2004.5(b)) requires the Governor to appoint 17 voting members, in which the members must be persons with developmental disabilities, parents or guardians of persons with developmental disabilities, or immediate relatives or guardians of persons with mentally-impairing developmental disabilities. Also, the Law (20 ILCS 4010/2004.5(c)) requires the Governor to appoint two voting members, which are representatives of local and non-governmental agencies and private non-profit groups concerned with services for individuals with developmental disabilities. Furthermore, the Law (20 ILCS 4010/2004.5(f)) requires the Governor to provide for the timely rotation of members. Appointments to the Council shall be for terms of three years. Members shall serve until their successors are appointed. No member may serve for more than two successive terms.

During both the previous examination and the current examination, Council officials indicated they have no control over when the Governor will appoint new members but was working with the Governor's Office to ensure vacancies are filled.

Although Council members are allowed to continue to serve past their terms until new appointments are made, untimely appointments and reappointments fail to satisfy the provisions of the Law. (Finding Code No. 2017-003, 2015-001)

RECOMMENDATION

We recommend the Council continue to work with the Governor's Office to ensure Council vacancies are filled and reappointments or replacements of members with expired terms are made in a timely manner.

COUNCIL RESPONSE

The Illinois Council on Developmental Disabilities agrees with the recommendation and will continue to submit names for possible appointments and work with the Governor's Office to ensure reappointments/replacements of members with expired terms are made in a timely manner and its composition is in compliance with the Illinois Council on Developmental Disabilities Law.

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ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
COMPLIANCE EXAMINATION
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SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2016

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

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2017 and Fiscal Year 2016 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. 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
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2017

Fifteen Months Ended September 30, 2017

Public Act 99-0524 FISCAL YEAR 2017	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
			Expenditures July 1 to September 30	Expenditures September 30		
	\$ 842,200	\$ 424,170	\$ 19,663	\$ 443,833	\$ 398,367	
Council on Developmental Disabilities						
Federal Trust Fund - 131						
Personal Services						
State Contributions to State						
Employees' Retirement System	384,000	187,985	8,772	196,757	187,243	
State Contributions to Social Security	64,400	31,075	1,456	32,531	31,869	
Group Insurance	276,000	109,559	4,285	113,844	162,156	
Contractual Services	455,700	143,155	131,345	274,500	181,200	
Travel	43,000	11,240	909	12,149	30,851	
Commodities	30,000	1,082	316	1,398	28,602	
Printing	37,500	570	11	581	36,919	
Equipment	15,000	11,800	-	11,800	3,200	
Electronic Data Processing	39,000	26,998	4,215	31,213	7,787	
Telecommunications	45,000	11,991	2,288	14,279	30,721	
Awards and Grants	2,500,000	925,231	285,772	1,211,003	1,288,997	
Total - Fund 131	<u>\$ 4,731,800</u>	<u>\$ 1,884,856</u>	<u>\$ 459,032</u>	<u>\$ 2,343,888</u>	<u>\$ 2,387,912</u>	
GRAND TOTAL	<u>\$ 4,731,800</u>	<u>\$ 1,884,856</u>	<u>\$ 459,032</u>	<u>\$ 2,343,888</u>	<u>\$ 2,387,912</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Council records.

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

STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2016

Fourteen Months Ended August 31, 2016

Public Act 99-0409 and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Lapse Period Expenditures		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
FISCAL YEAR 2016					
Council on Developmental Disabilities					
Federal Trust Fund - 131					
Personal Services	\$ 842,200	\$ 430,382	\$ 17,496	\$ 447,878	\$ 394,322
State Contributions to State Employees' Retirement System	384,000	196,991	7,995	204,986	179,014
State Contributions to Social Security	64,400	31,004	1,286	32,290	32,110
Group Insurance	276,000	140,530	5,409	145,939	130,061
Contractual Services	469,700	263,637	20,587	284,224	185,476
Travel	43,000	12,624	933	13,557	29,443
Commodities	30,000	1,356	-	1,356	28,644
Printing	37,500	1,476	-	1,476	36,024
Equipment	15,000	-	-	-	15,000
Electronic Data Processing	25,000	6,732	6,845	13,577	11,423
Telecommunications	45,000	12,281	2,409	14,690	30,310
Awards and Grants	2,500,000	1,336,112	265,281	1,601,393	898,607
Total - Fund 131	\$ 4,731,800	\$ 2,433,125	\$ 328,241	\$ 2,761,366	\$ 1,970,434
GRAND TOTAL	\$ 4,731,800	\$ 2,433,125	\$ 328,241	\$ 2,761,366	\$ 1,970,434

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

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

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES

Appropriations for Fiscal Year 2016

Fourteen Months Ended August 31, 2016

Note 3: During Fiscal Year 2016, the Council operated without enacted appropriations until Public Act 99-0409 was signed into law on August 20, 2015. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to “draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay.” As such, the Council’s court-ordered payroll payments were merged into the enacted appropriation within Fund 131. Further, the Council incurred non-payroll obligations within Fund 131, which the Council was unable to pay until the passage of Public Act 99-0409.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	2017	Fiscal Year 2016	2015
	P.A. 99-0524	P.A. 99-0409 Court-Ordered Expenditures	P.A. 098-0680
<u>Council on Developmental Disabilities</u>			
<u>Federal Trust Fund - 131</u>			
Appropriations (Net of Transfers)	\$ 4,731,800	\$ 4,731,800	\$ 4,875,700
Expenditures			
Personal Services	\$ 443,833	\$ 447,878	\$ 553,444
State Contributions to State Employees' Retirement System	196,757	204,986	235,200
State Contributions to Social Security	32,531	32,290	40,219
Group Insurance	113,844	145,939	158,482
Contractual Services	274,500	284,224	244,429
Travel	12,149	13,557	15,677
Commodities	1,398	1,356	1,116
Printing	581	1,476	1,939
Equipment	11,800	-	-
Electronic Data Processing	31,213	13,577	4,980
Telecommunications	14,279	14,690	14,572
Awards and Grants	1,211,003	1,601,393	1,105,415
Total Expenditures	<u>\$ 2,343,888</u>	<u>\$ 2,761,366</u>	<u>\$ 2,375,473</u>
Lapsed Balances	<u>\$ 2,387,912</u>	<u>\$ 1,970,434</u>	<u>\$ 2,500,227</u>

- Note 1: Fiscal Year 2017 expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Council records.
- Note 2: Fiscal Year 2016 expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Council records.
- Note 3: Expenditure amounts are vouchers approved for payment by the Council and submitted to the State Comptroller for payment to the vendor.
- Note 4: During Fiscal Year 2016, the Council operated without enacted appropriations until Public Act 99-0409 was signed into law on August 20, 2015. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Council's court-ordered payroll payments were merged into the enacted appropriation within Fund 131. Further, the Council incurred non-payroll obligations within Fund 131, which the Council was unable to pay until the passage of Public Act 99-0409.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2017

	<u>Equipment</u>
Balance at July 1, 2015	\$ 186,716
Additions	464
Deletions	-
Net Transfers	<u>-</u>
Balance at June 30, 2016	<u><u>\$ 187,180</u></u>
Balance at July 1, 2016	\$ 187,180
Additions	23,356
Deletions	-
Net Transfers	<u>-</u>
Balance at June 30, 2017	<u><u>\$ 210,536</u></u>

Note: The above schedule has been derived from Council records. During our examination of the Council's property records, we noted deficiencies with the Council's property records, as described in Finding 2017-001.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Years Ended June 30,

	Fiscal Year		
	2017	2016	2015
<u>Council on Developmental Disabilities Federal Trust Fund - 131</u>			
U.S. Department of Health and Human Services	\$ 2,288,813	\$ 2,699,476	\$ 2,402,697
Jury Duty	-	-	17
Total Cash Receipts per Council Records	<u>2,288,813</u>	<u>2,699,476</u>	<u>2,402,714</u>
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	-	-
Total Cash Receipts per State Comptroller	<u><u>\$ 2,288,813</u></u>	<u><u>\$ 2,699,476</u></u>	<u><u>\$ 2,402,714</u></u>

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

The Illinois Council on Developmental Disabilities (Council) is a 29-member body created by the Illinois Council on Developmental Disabilities Law (20 ILCS 4010/2003) as an executive agency of State government.

Council Functions

The Council's work is carried out across the State through a network of advocates that educates the public on issues while encouraging change. The Council listens to the needs of individuals with developmental disabilities and their families by investing in new programs to improve the delivery of services and support.

The Council is dedicated to leading change within the State so that all people with developmental disabilities are able to exercise their rights to freedom and equal opportunity. The Council has adopted policies in the following life areas:

1. Child Care

The Council advocates for a quality childcare system that provides before school, after school, and out-of-school care in environments that promote inclusion of children with and without disabilities.

2. Community Supports and Housing

The Council advocates that all persons with developmental disabilities have the fundamental right to live, work, and spend leisure time in natural community settings where friendships and other relationships can occur.

3. Early Intervention

The Council advocates for an early intervention system where all infants and toddlers who have, or are at risk for, significant delays are identified and connected to appropriate, family centered, individualized early intervention services.

4. Education

The Council advocates for an educational system that stresses teaching in integrated, age-appropriate school and community environments that will be useful to the individual student now and in the future.

5. Employment

The Council advocates for the opportunity for all individuals who want jobs to be productively employed without jeopardizing other rights or benefits that assure them necessary continuing support.

6. Health

The Council advocates for health care for persons with developmental disabilities and their families encompassing the following principles: equity, non-discrimination,

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

comprehensiveness, appropriateness, and efficiency. Health care is an inalienable human right and equitable access to compassionate, quality health care must be affirmed in public policy and law.

7. Recreation and Leisure

The Council advocates for equal opportunities to, and the necessary supports for, the participation of all citizens in recreational, leisure, and social activities within their communities.

8. Transportation

The Council advocates that all persons with developmental disabilities have access to all publicly funded and/or regulated transportation services.

Planning Program

The Council has developed a State plan as required by 42 U.S. Code §15024. This plan includes the specific objectives to be achieved under the plan and a listing of the programs, activities, and resources to be used to meet such objectives. The plan also establishes a method of periodic evaluation of the plan's effectiveness in meeting the objectives. The Council's goals are established by the State plan, which is updated annually.

The current plan is for five years and runs through 2021. The plan's purpose is to ensure that people with developmental disabilities and their families have a part in the design of, and access to, cultural services, supports and other assistance and opportunities that promote independence, productivity and integration, and inclusion into the community.

The Council has established an Education and Employment Committee, a Housing and Community Inclusion Committee, and a Health and Individual and Family Advocacy Committee. These committees were established to assist the Council in facilitating its goals and objectives.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016

Council on Developmental Disabilities Federal Trust Fund – 131

Group Insurance

The decrease was primarily due to fewer employees being employed during Fiscal Year 2017. There was also a small reduction in the reimbursement rates for health plans Council staff selected.

Equipment

The increase was due to the Council making no equipment purchases during Fiscal Year 2016. During Fiscal Year 2017, the Council purchased new chairs for the conference room in the Springfield office.

Electronic Data Processing

The increase was primarily due to the Council receiving an invoice for \$9,456 for statistical services, which included a charge for the new ERP Project. In addition, the statistical services monthly charge increased approximately 200% for the last three months of FY17. This 200% increase was due to the Council transferring its IT operations and network from the Department of Central Management Services to the Department of Innovation and Technology.

Awards and Grants

The decrease was primarily due to the timing of grant awards and implementation of grant projects. The Council makes payments to grantees on a reimbursement basis; therefore, the amount of expenditures is also directly related to the timing of reimbursement requests and amount of expenditures to be reimbursed.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015

Council on Developmental Disabilities Federal Trust Fund – 131

Awards and Grants

The increase in was primarily due to the timing of grant awards and implementation of grant projects. The Council makes payments to grantees on a reimbursement basis; therefore, the amount of expenditures is also directly related to the timing of reimbursement requests and amount of expenditures to be reimbursed.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016

Council on Developmental Disabilities Federal Trust Fund – 131

U.S. Department of Health and Human Services

The decrease was primarily due to the timing of grant awards and implementation of grant projects. The Council makes payments to grantees on a reimbursement basis. Therefore, the amount of expenditures is also directly related to the timing of reimbursement requests and amount of expenditures to be reimbursed, which has a direct effect on the amount of funds drawn down (receipts) from the U.S. Department of Health and Human Services.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015

Council on Developmental Disabilities Federal Trust Fund – 131

U.S. Department of Health and Human Services

The increase was primarily due to the timing of grant awards and implementation of grant projects. The Council makes payments to grantees on a reimbursement basis. Therefore, the amount of expenditures is also directly related to the timing of reimbursement requests and amount of expenditures to be reimbursed, which has a direct effect on the amount of funds drawn down (receipts) from the U.S. Department of Health and Human Services.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Fiscal Year 2017

Council on Developmental Disabilities Federal Trust Fund – 131

Contractual Services

The significant spending was due to the Council paying for eight months of its Springfield building costs to the Department of Central Management Services during the Lapse Period. Instead of invoices being sent monthly to the Council, invoices are produced and printed when Council staff log into a system. Because of competing priorities, Council staff periodically logs in and prints an invoice instead of logging in monthly. No interest was generated because of the one lump sum payment.

Awards and Grants

The significant spending was due to the timing of grant awards and implementation of grant projects. The Council makes payments to grantees on a reimbursement basis; therefore, the amount of expenditures is also directly related to the timing of reimbursement requests and amount of expenditures to be reimbursed.

Fiscal Year 2016

Council on Developmental Disabilities Federal Trust Fund – 131

Electronic Data Processing

The significant spending was due to the Council receiving an invoice during the Lapse Period for June statistical services, which included Fiscal Year 2016's charge for the ERP Project.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
BUDGET IMPASSE DISCLOSURES
For the Year Ended June 30, 2017
(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Illinois Council on Developmental Disabilities (Council) to pay Fiscal Year 2016 costs using the Council's Fiscal Year 2017 appropriations for non-payroll expenditures. The Council did not have any outstanding invoices from Fiscal Year 2016 unpaid after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016. Therefore, the Council did not use its Fiscal Year 2017 appropriations to pay its Fiscal Year 2016 costs.

In addition, Article 998 of Public Act 100-0021 authorized the Council to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Council's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Council did not have any outstanding invoices from Fiscal Year 2017 unpaid after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017. Therefore, the Council did not use its Fiscal Year 2017 or Fiscal Year 2018 appropriations to pay its Fiscal Year 2016 or Fiscal Year 2017 costs.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Illinois Council on Developmental Disabilities (Council) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 or Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Council's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2016 and Fiscal Year 2017.

STATE OF ILLINOIS
ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
**INTEREST COSTS ON FISCAL YEAR 2017
AND FISCAL YEAR 2016 INVOICES**
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Prompt Payment Interest Costs

The Illinois Council on Developmental Disabilities (Council) did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (30 ILCS 540). The Council's vendors were paid within 90 days.

STATE OF ILLINOIS
 ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
AVERAGE NUMBER OF EMPLOYEES
 For the Year Ended June 30,
 (NOT EXAMINED)

The following table, prepared from Council records, presents the average number of employees by function, for the Fiscal Year Ended June 30,

	Fiscal Year		
	2017	2016	2015
Administration	3	3	4
Program	3	4	4
Total Average Employees	6	7	8

STATE OF ILLINOIS
 ILLINOIS COUNCIL ON DEVELOPMENTAL DISABILITIES
SERVICE EFFORTS AND ACCOMPLISHMENTS
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

	Fiscal Year		
	2017	2016	2015
Number of Federal Fiscal Reports completed	4	4	4
Federal Program Performance Reports completed	1	1	1
State Plan/State Plan Update completed	1	1	1
Number of new grants funded	8	10	7
Number of Council meetings held	5	5	4
Number of Committee meetings held	20	17	19