

STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN  
AND FAMILY SERVICES

Compliance Examination

For the Year Ended June 30, 2005

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

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2005**

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A separate financial audit report for the year ended June 30, 2005, has been issued under separate cover.

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Department Officials  
Year Ended June 30, 2005**

Director	Mr. Bryan Samuels
Deputy Director and Chief Financial Officer	Ms. Barbara Piwowarski
Legal Counsel	Ms. Elizabeth Yore

Department administrative offices are located at:

406 East Monroe  
Springfield, IL 62701

Rod R. Blagojevich  
Governor



Bryan Samuels  
Director

Illinois Department of Children & Family Services

November 21, 2005

Sleeper, Disbrow, Morrison,  
Tarro & Lively, LLC  
250 N Water St, Suite 501  
PO Box 1460  
Decatur, Illinois 62523

RE: MANAGEMENT ASSERTION LETTER

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 period ended June 30, 2005. Based on this evaluation, we assert that during the year ended June 30, 2005; the Department has materially complied with the assertions below.

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.

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.

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.

The State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and record keeping of such revenues and receipts is fair, accurate and in accordance with law.

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312-814-4650 • 312-814-8783 / TTY



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The 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 record keeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

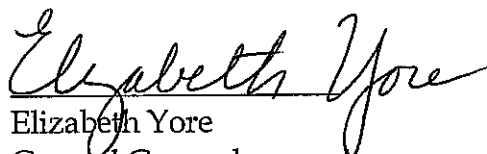
Illinois Department of Children & Family Services



Bryan Samuels  
Director



Barbara Piwowarski  
Chief Fiscal Officer



Elizabeth Yore  
General Counsel

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Compliance Report  
Summary  
For the Year Ended June 30, 2005**

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

**AUDITORS' REPORTS**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	14	15
Repeated findings	9	8
Prior recommendations implemented or not repeated	6	3

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
05-1	11	Inadequate Reconciliation of Children's Trust Accounts
FINDINGS (STATE COMPLIANCE)		
05-2	12	Inadequate Oversight Over Child Care Expenditures
05-3	15	Child Welfare Files
05-4	17	Child Abuse and Neglect Determinations
05-5	19	Initiation of Child Abuse and Neglect Investigations
05-6	20	Untimely Approval of Vouchers
05-7	21	Untimely Approval of Contracts
05-8	22	Interstate Adoption Agreements
05-9	23	Approval of Overtime

## SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE) - continued		
05-10	24	Telecommunication Charges Review
05-11	25	Employee Performance Evaluations
05-12	26	Contract Monitoring
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05-14	29	Inadequate Employee Time Reporting

### PRIOR FINDINGS NOT REPEATED (*GOVERNMENT* AUDITING STANDARDS)

05-15	30	Efficiency Initiative Payments
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### PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

05-16	31	Timely Submission of GAAP Packages
05-17	31	Economic Interest Statements
05-18	31	State Employment Records Act
05-19	31	Personal Use of State Vehicles
05-20	32	Monitoring of Subrecipient Service Providers

## EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on February 28, 2006. Responses to the recommendations were provided by Barbara Piwowarski, Chief Financial Officer, in correspondence dated March 9, 2006.

Attending the exit conference were:

### Department of Children and Family Services

Barbara Piwowarski, Chief Financial Officer  
Tom Berkshire, Chief of Staff  
Ray Piiparinen, Financial Analyst  
Marvin Becker, Manager

### Sleeper, Disbrow, Morrison, Tarro & Lively, LLC

Thomas K. Leach, Partner  
Stephen M. Payton, Partner

### Office of the Auditor General

Karen Appelbaum, Manager



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AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANTS' 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 State of Illinois, Department of Children and Family Services' 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 year ended June 30, 2005. The management of the State of Illinois, Department of Children and Family Services is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Children and Family Services' compliance based on our examination.

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

- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Children and Family Services on behalf of the State or held in trust by the State of Illinois, Department of Children and Family Services have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Children and Family Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Children and Family Services' compliance with specified requirements.

In our opinion, the State of Illinois, Department of Children and Family Services complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those 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 State findings as findings 05-1 through 05-14. As required by the Audit Guide, immaterial findings relating to instances of noncompliance have been reported in a separate letter to your office.

### **Internal Control**

The management of the State of Illinois, Department of Children and Family Services is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Department of Children and Family Services' internal control over compliance with the aforementioned requirements in order to determine our examination procedures 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 05-1 through 05-14. As required by the Audit Guide, immaterial findings relating to internal control deficiencies that have been excluded from this report have been reported in a separate letter to your office.

## Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services as of and for the year ended June 30, 2005, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements, and have issued our report thereon dated November 21, 2005. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Department of Children and Family Services. The 2005 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole. The State of Illinois, Department of Children and Family Services' financial statements for the year ended June 30, 2004, which are not presented with the 2005 financial statements, were audited by other auditors whose report thereon dated November 10, 2004, expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. Their report on the 2004 Supplementary Information for State Compliance Purposes stated that, in their opinion, except for the portion marked "unaudited", such information was fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2004, taken as a whole.

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.

*A. Lepus, D. Dibrow, Morrison, Tarro & Lively, LLC*

November 21, 2005

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CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Children and Family Services, as of and for the year ended June 30, 2005, which collectively comprise the State of Illinois, Department of Children and Family Services' basic financial statements and have issued our report thereon dated November 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Illinois, Department of Children and Family Services' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Illinois, Department of Children and Family Services' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We noted certain deficiencies in the design or operation of internal control over financial reporting which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings.

We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the State of Illinois, Department of Children and Family Services in a separate letter dated November 21, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Children and Family Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings. We also noted certain other matters which we have reported to management of the State of Illinois, Department of Children and Family Services in a separate letter dated November 21, 2005.

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

*Sleeper, Dickrow, Morrison, Tarr & Lively, LLC*

November 21, 2005

STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS  
For the Year Ended June 30, 2005

Inadequate Reconciliation of Children's Trust Accounts:

- 05-1. Finding: The Department did not reconcile all trust accounts maintained in the Children's Trust Fund (Fund No. 1122).

At June 30, 2005, the Department was in the process of consolidating children's trust accounts, previously maintained in individual savings accounts, into a single checking and investment bank account (consolidated account). Approximately \$2.1 million out of a total of \$4.2 million of the trust accounts maintained in the Department's Children's Trust Fund were still in individual savings accounts at June 30. The consolidation process has been performed in increments in cooperation with the Social Security Administration, which makes electronic deposits into the various children's trust accounts. The Department maintained a single trust account ledger to account for each of the children's trust account balances. There were 4,419 trust accounts in the trust account ledger at June 30. Although the Department was reconciling the trust accounts held in individual savings accounts at June 30, 2005 to balances reported by the bank, a reconciliation of the remaining trust account balances to the consolidated bank account was not performed.

Good internal control procedures require monthly reconciliations of the Department's records to the balances reported by the bank in which the funds were deposited to ensure the balances are accurate and to maintain adequate control over the children's trust accounts.

Department management stated that because of the large number of trust accounts and because of coordination difficulties with the Social Security Administration, a complex situation was created that precluded their ability to reconcile the trust account balances which had been transferred to the consolidated account.

Failure to reconcile all trust accounts could result in inaccurate financial reporting and a misappropriation of custodial funds held on behalf of children. (Finding Code No. 05-1)

Recommendation: We recommend that the Department reconcile all of the trust accounts maintained in the Children's Trust Fund monthly to the applicable balances as reported by the bank.

Department Response: The Department agrees. The challenges experienced in the migration to a single bank account were resolved by the end of October 2005. Accordingly, the bank account balance for the consolidated account has been reconciled since November 2005. No inaccurate financial reporting or misappropriation of funds was identified as a result of the reconciliation process.

## CURRENT FINDINGS – STATE COMPLIANCE

### Inadequate Oversight Over Child Care Expenditures:

- 05-2. Finding: The Department did not have adequate oversight of expenditures made for children's personal and physical maintenance.

The Illinois Administrative Code (89 Ill. Adm. Code 359) details rules which identify the various types of services for which the Department may provide payment on behalf of children and families served by the Department. The Department has developed corresponding procedures for payments made for these services. The procedures are detailed within an internal document entitled "Authorized Child Care Payments - Procedures 359". This document has been reviewed and approved for use by Department officials. Included in this document are explanations of the various Type Service Codes which include payment criteria, precondition criteria and the payment document required for each Type Service Code.

During fiscal year 2005, the Department expended \$4,485,676 (on over 6,500 vouchers) from a General Revenue Fund appropriation for personal and physical maintenance for children. Department officials stated that the majority of the initial and replacement clothing for children is paid from this appropriation. Additionally, expenditures include camp and educational fees, cultural enrichment, travel, graduation expenses and tutoring. These payments are in addition to the regular monthly payment to caregivers for the child's room, board and clothing.

Generally, expenditures for children's personal and physical maintenance are processed on two different forms – one for clothing purchases and another for other goods and services. The payment process begins when a caregiver requests a purchase from a Department caseworker. The caseworker completes the authorization and identifies any applicable predetermined dollar limits. The regional office approves the purchase authorization. After the purchase, both the authorized purchaser (typically the foster care provider) and seller must sign the authorization certifying the goods or services were provided to the child. The regional office then approves the completed authorization, and it is sent to the Department's financial management office in Springfield for processing and payment. If the payment is an exception to the policy, the caseworker must complete an exceptional payment request form.

We selected 30 vouchers paid from the children's personal and physical maintenance appropriation to test for appropriateness and adequacy of support. These vouchers totaled \$10,803. Lack of oversight is the primary cause of the exceptions noted in the expenditures. Seventeen of the 30 vouchers tested resulted in questioned expenditures of \$7,355 (68% of the sampled dollars).

The 17 expenditures totaling \$7,355 that we questioned are summarized below.

#### Inadequate Explanation

Three replacement clothing vouchers totaling \$2,215, did not contain the required reasons for replacement. Procedure 359 requires that this information be included in the voucher. Additionally, certain items included in the expenditures did not appear related to the child for whom the purchases were made.

#### Incorrect Purchase Document

Six vouchers totaling \$1,533 were processed using form CFS 13/13-1. Procedure 359 requires these expenditures be processed using form CFS 932, which documents the date of birth of the child for whom the expenditures were made. Procedure 359 contains certain age criteria with regard to various types of expenditures. Accordingly, the appropriate approval form, CFS 932, should be utilized to document proper approvals of children's personal and physical maintenance expenditures. Form CFS 13/13-1 does not include the date of birth of the child for which the expenditures were made.

#### Omitted Type Service Code

One voucher totaling \$2,163 did not contain a Type Service Code. Procedure 359 requires that a valid Type Service Code be used with each voucher.

#### Use of Non Authorized Type Service Codes

Three vouchers totaling \$542 were processed using Type Service Codes which are not included in Procedure 359.

#### Inability to Determine Status of Preconditions

Two vouchers totaling \$706 were recorded as expenditures for initial clothing. Procedure 359 requires expenditures for initial clothing to be made within six months after the case is opened. Payment authorization form CFS 932 does not include information as to the date a particular case is opened. To satisfy the requirements of Procedure 359, this information should be noted on form CFS 932.

#### Unreasonable and Unnecessary Expenditure

One voucher totaling \$175 was for transportation services which were not reasonable or provided for in Procedure 359.75(i), which details the payment criteria for graduation expenses.

#### Sales Tax

One voucher totaling \$287 included a charge for sales tax of \$21. Purchases by the Department should be tax-exempt.

We found that a lack of review at both regional and Springfield central offices and inconsistent processing methods contributed to the expenditures being questioned. (Finding Code No. 05-2)

Recommendation: We recommend the Department review existing policies and apply procedures on a consistent basis at all regional offices. These procedures should include: denial of requests for questionable purchases; submission of adequate supporting documentation for the purchase; and that purchases not be made until proper authorization has been obtained, where possible.



Department Response: The Department agrees. Procedures related to child care expenditures are currently being reviewed and modifications will be made where deemed necessary.

Child Welfare Files:

- 05-3. Finding: The Department's Child Welfare and Foster Care and Intact Family Case files lacked required documentation and not all case procedures were performed timely.

During our review of case files, we noted the following required documentation was not maintained in the file or was not prepared timely. Our sample consisted of 60 case files.

<u>Case File Deficiency</u>	<u>Case File Requirement</u>	<u>Authority</u>
<ul style="list-style-type: none"><li>• Five (8%) required administrative case reviews (ACR's) were not performed, and one (2%) was performed one month late.</li></ul>	ACR's by a trained professional that is not involved in the case management or delivery of services to the child must be performed every 6 months.	89 IL Admin Code 316.40; DCFS Administrative Procedure #5, Child Welfare Case Record Organization and Uniform Recording Requirements.
<ul style="list-style-type: none"><li>• Five (8%) ACR notifications were not sent, and two (3%) notifications were mailed from one to seven days late.</li></ul>	Notification of ACR should be mailed to all parties involved, or interested, 21 days in advance.	89 IL Admin Code 316.60; DCFS Administrative Procedure #5
<ul style="list-style-type: none"><li>• One (2%) health summary was not maintained in the case file.</li></ul>	A summary of medical information relevant to service delivery must be maintained in the case file.	DCFS Administrative Procedure #5
<ul style="list-style-type: none"><li>• Two (3%) education and development summaries were not maintained in the case files.</li></ul>	A summary of educational and developmental information relevant to service delivery must be maintained in the case file.	DCFS Administrative Procedure #5
<ul style="list-style-type: none"><li>• Twenty one (35%) medical and dental consent forms (CFS 415) were either not maintained in the case file or were outdated.</li></ul>	Form CFS 415 must be maintained in the case file to provide for consent of ordinary and routine medical and dental care.	DCFS Administrative Procedure #5

- Thirty two (53%) placement and payment authorization forms (CFS 906) did not contain all required documentation. Form CFS 906 must be completed and maintained in the case file and should include information concerning the child's placement status and other information critical to payment and approval documentation. DCFS Administrative Procedure #5
- Twenty nine (48%) of the case files did not contain current photographs of the child. Each case file must include a current photograph of the child for whom care is being provided. DCFS Administrative Procedure #5
- Two (3%) of the case files did not include required permanency hearing information. DCFS or its provider agency must participate in permanency hearings 12 months following the temporary custody hearing and every 6 months thereafter to select the permanency goal and review the appropriateness and progress of the service plan. 89 IL Admin Code 316.120; DCFS Administrative Procedure #5

In the Department's previous compliance examination, the auditors had noted that six of sixty case files tested did not contain the initial case service plan and fourteen case files contained initial case service plans that had not been prepared timely. In our current period testing, all case files reviewed contained initial case plans and they were prepared timely. Also, the Department has automated some of the recordkeeping functions related to deficiencies noted above in an attempt to better comply with the applicable requirements.

Department officials indicated that the Department was unable to fulfill case file reporting requirements because of the high volume of cases assigned to the case workers.

The failure to follow established Department procedures, regulations and State law concerning the welfare of children could result in inadequate care, unauthorized services or misuse of State funds. (Finding Code No. 05-3, 04-2, 03-1, 02-2, 00-10, 99-5, 98-6)

Recommendation: We recommend the Department continue in its efforts to develop ways to automate various recordkeeping functions and that the Department follow the procedures established concerning the welfare of children. The fulfillment of those procedures should be adequately documented.

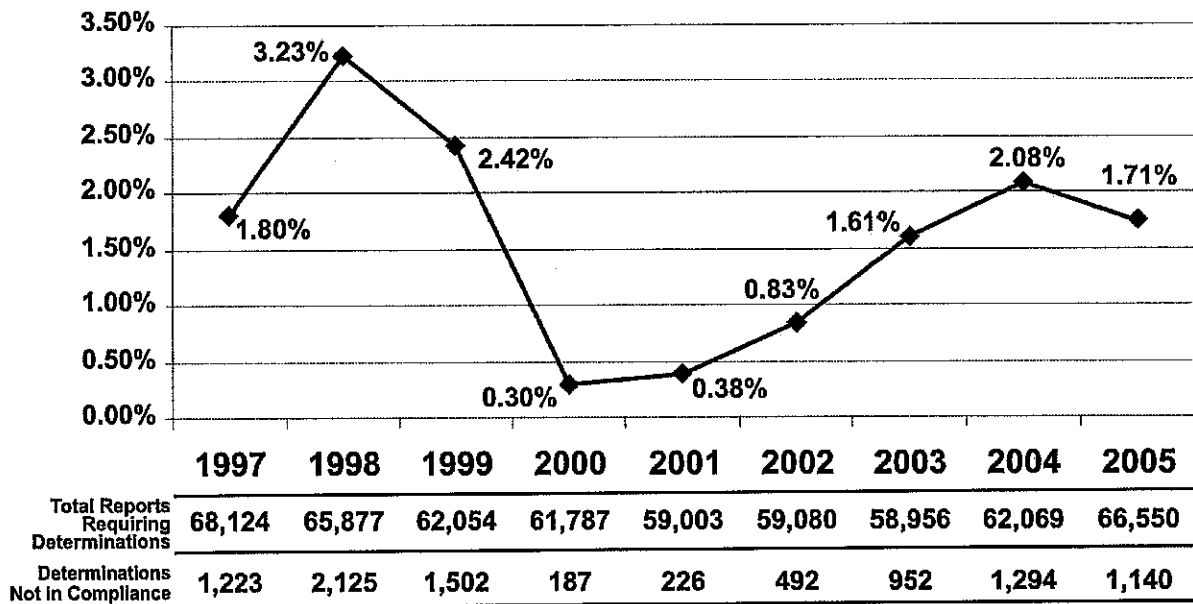
Department Response: The Department agrees and will continue to stress the importance of adequate and timely documentation for the placement cases identified by the auditor's findings as well as for all child and family cases.

Child Abuse and Neglect Determinations:

- 05-4. Finding: The Department did not make timely determinations, in 1,140 of the 66,550 (1.71%) reports of child abuse and neglect referred to the Department, of whether the reports were “indicated” or “unfounded” as required by the Abused and Neglected Child Reporting Act.

The Abused and Neglected Child Reporting Act (325 ILCS 5/7.12) states the Child Protective Service Unit shall determine, within 60 days, whether a report is “unfounded” or “indicated”. It further provides the Department may extend for up to an additional 30 days the period in which individual cases are determined. Reasons for which the determination period may be extended are limited to the following circumstances (89 Ill Admin. Code 300.110): a) State's attorneys or law enforcement officials have requested that the Department delay making a determination due to a pending criminal investigation b) medical or autopsy reports needed to make a determination are still pending after the initial 60 day period c) the report involves an out-of-state investigation and the delay is beyond the Department's control, or d) multiple alleged perpetrators or victims are involved necessitating more time in gathering evidence and conducting interviews.

The Department's Monitoring/Quality Assurance Division compiles statistics to track reports that are not determined to be either “unfounded” or “indicated” in compliance with the Act (within 60 days of receipt of the report, or within 90 days if a 30 day extension is permitted.) Following is a summary of those statistics:



Department personnel stated that the inability to locate individuals critical to the investigation has prevented the timely completion of investigations. Also, in some instances the caseworkers failed to request an extension when permitted.

Failure to make timely determinations of reports of abuse and neglect could delay the implementation of a service plan and result in further endangerment of the child, and is a violation of the Act. (Finding Code No. 05-4, 04-5, 03-2, 02-3, 00-8, 99-11 and 98-10).

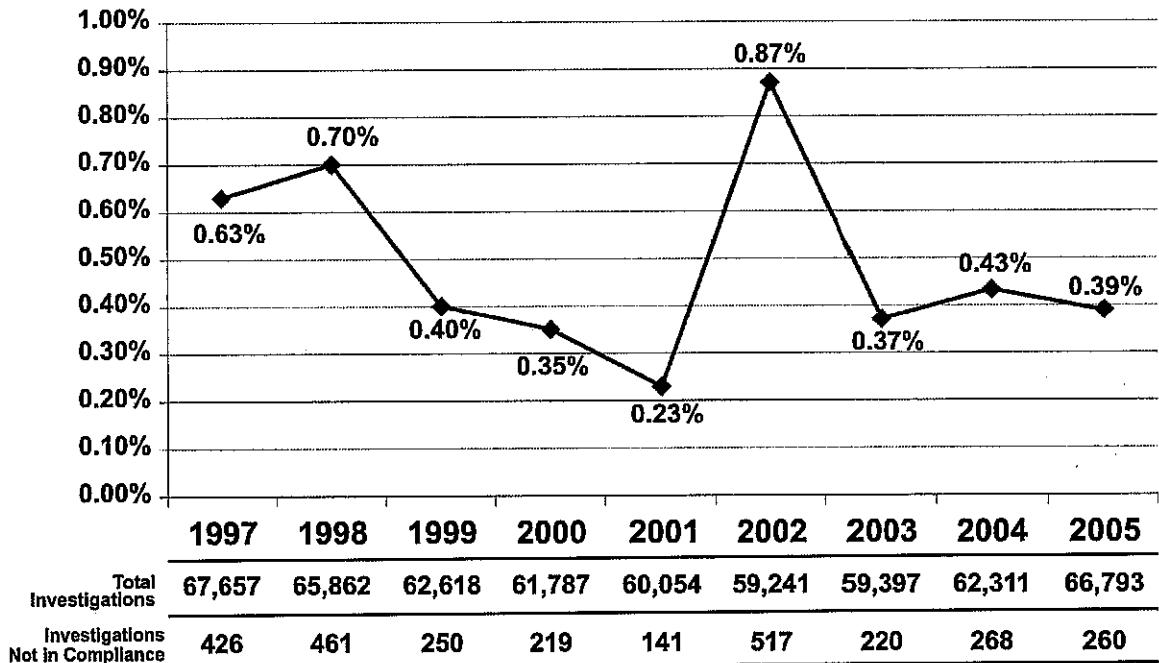
Recommendation: We recommend the Department determine reports of child abuse or neglect in compliance with the time frame mandated by the Abused and Neglected Child Reporting Act.

Department Response: The Department agrees and will continue to make diligent efforts to be within 100% compliance of the timeframes set forth in ANCRA for making final determinations.

**Initiation of Child Abuse and Neglect Investigations:**

05-5. **Finding:** The Department did not timely initiate an investigation for 260 of the 66,793 (.39%) reports of child abuse and neglect in Fiscal Year 2005.

The Abused and Neglected Child Reporting Act (325 ILCS 5/7.4(b)(2)) (Act) requires child abuse and neglect investigations “be commenced within 24 hours of receipt of the report.” The Department’s Monitoring/Quality Assurance Division compiles statistics and reports on instances of noncompliance with the Act, based on data extracted from the Department’s data warehouse and the Department’s Statewide Automated Child Welfare Information System (SACWIS). These reports are a summary of activity entered into SACWIS by the field offices. Department supervisors conduct weekly manual reviews of the reports of child abuse and neglect to monitor whether all investigations are initiated timely and in compliance with the Act. The Monitoring/Quality Assurance Division has compiled the following statistics:



According to Department personnel, noncompliance occurs for the following reasons:

- Staff recording the wrong initiation date (A.M. instead of P.M.); and
- Law enforcement requests due to criminal investigations.

Failure to respond to a report of abuse or neglect within 24 hours could result in further endangerment to the child and is a violation of the Act. (Finding Code No. 05-5, 04-6, 03-3, 02-4, 00-7, 99-10, 98-9).

**Recommendation:** We recommend the Department continue to strive to initiate investigations of all child abuse and neglect reports within 24 hours of receiving the report as mandated by the Abused and Neglected Child Reporting Act.

**Department Response:** The Department agrees with the recommendation and plans to explore corrective action for employees who fail to initiate investigations within the 24-hour timeframe.

Untimely Approval of Vouchers:

05-6. Finding: The Department did not adequately approve and process all vouchers in a timely manner.

We examined 267 vouchers and noted the following:

- 33 vouchers, 12.4%, were not approved or denied within 30 days of receiving the vendor invoice (approvals range from 31 to 152 days after receipt of the invoice) and
- 32 vouchers, 12%, were not paid within sixty days of receipt of the vendor invoice.

The Illinois Administrative Code (74 IL Adm. Code 900.70) states the Department shall review in a timely manner each bill after its receipt to determine if the bill is a proper bill. The Department shall approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt. If a vendor bill is approved, in whole or in part, after the required 30 day period to approve or deny bills, late payment interest shall be due for the approved portion of the bill if the date of payment is not within 60 days after receipt of the proper bill or part of the bill.

Department officials indicated the failure to meet these requirements resulted from the high volume of vouchers received each day at the Department.

Failure to adequately approve or process vouchers in a timely manner could result in the misappropriation of State funds and interest penalties. During fiscal year 2005, the Department paid \$14,719 of interest on late payments to vendors. (Finding Code No. 05-6, 04-3)

Recommendation: We recommend the Department adequately review, approve and process all vouchers in a timely manner.

Department Response: The Department agrees that vouchers received should be adequately reviewed, approved, and processed in a timely manner. We will continue to review our invoice processing procedures to ensure that invoices are approved in a timely manner and, where necessary, make changes in the procedures.

Untimely Approval of Contracts:

- 05-7. Finding: The Department did not have an adequate system in place to ensure that contracts are reviewed and signed on a timely basis.

During our review of 25 contracts, totaling \$59,769,024, we noted that 19 contracts, totaling \$39,884,160, were signed after the commencement of the contract period. These contracts were not timely approved, as follows:

<u>Number of Contracts</u>	<u>Number of Days Delayed</u>
6	1-30
8	31-60
4	61-90
1	Over 90

SAMS procedure 15.20.30 requires the contract to be “reduced to writing before the services are performed. Reduced to writing is defined as signed by the contractor and an authorized representative of the State”.

Department personnel stated that they have subsequently reviewed procedures and contract language in order to develop processes that will allow compliance with applicable rules and that changes have been made to procedures for developing and processing contracts to enable timely service delivery dates. However, most contracts commence at the beginning of the fiscal year, and accordingly, these changes were not evident in our FY '05 testing.

Failure to obtain signed contracts before the beginning of the contract period does not bind the contractor to comply with applicable laws, regulations, and rules and may result in improper and unauthorized payments. (Finding Code No. 05-7, 04-7, 03-5, 02-7)

Recommendation: We recommend the Department continue in its efforts to ensure all contracts are approved and signed before the beginning of the contract period.

Department Response: The Department agrees and will continue to improve processes that ensure that all contracts are approved and signed before the beginning of the contract period. In FY 06, our revised procedures, which included completion of the required Procurement Business Cases, resulted in 1,031 contracts being mailed to providers prior to July 1, an increase of 532 from FY05. Comparison of the number of contracts returned and processed also shows improvement, as follows:

<u>Contracts Processed</u>	<u>FY06</u>	<u>FY05</u>
Prior to July 1	196	0
Within 30 days of July 1	879	577
Within 60 days of July 1	421	642
Within 90 days of July 1	189	398



Interstate Adoption Agreements:

- 05-8. Finding: The Department does not annually verify that adoption assistance agreements for children who are subject to agreements with another state are still in force or have been renewed.

The Interstate Compact on Adoption Act (45 ILCS 17/5-35) provides that a child with special needs who resides in Illinois and who is the subject of an adoption assistance agreement with another state shall be eligible for medical assistance from this state upon the filing of agreed documentation with the Illinois Department of Healthcare and Family Services, formerly known as the Department of Public Aid. The Act requires DCFS to at least annually establish that the agreement is still in force or has been renewed.

According to DCFS management, the Department of Human Services (DHS) monitors the children's status, has a database established to monitor the day-to-day activities and annually verifies that the approximately 1,200 adoption assistance agreements are still in force for each child; however, the Interstate Compact Department within DCFS does not.

The Department has not complied with the Interstate Compact on Adoption Act. (Finding Code No. 05-8, 04-8, 03-6)

Recommendation: We recommend the Department establish a tracking system and annually verify that adoption assistance agreements are still in force or have been renewed or seek a legislative change to the Act to allow DHS to perform this function.

Department Response: The Department agrees that the DCFS Interstate Compact office is not currently tracking each of the approximately 1,200 agreements. However, we believe the State is in compliance with the spirit of the Interstate Compact on Adoption Act (45 ILCS 17/5-35). While DCFS is not currently tracking the agreements, and never has, the Department of Human Services (DHS) has been performing this function for the last several years. The Department agrees that the mandate appears to be out of date and will seek to initiate legislation to modify the mandate.

Approval of Overtime:

05-9. Finding: Department employees worked overtime without proper prior approval.

All bargaining units and merit compensation employees, grades 1 through 6, are eligible for overtime, as provided for in union agreements and the Fair Labor Standards Act. During fiscal year 2005, 1,856 employees received overtime payments totaling \$2,486,090.

We selected 15 employees and reviewed each person's overtime for a 30 day period. Overtime was incurred on 114 days for those individuals in our sample. We noted the following deficiencies:

- overtime on 13 days (11%) lacked any documentation of approval,
- approval forms for 68 days (60%) were signed after the overtime was worked,
- approval forms for 7 days (6%) were signed, but not dated, and
- approval forms for 4 days (4%) were signed but not completed (i.e., the supervisor did not indicate whether the overtime request was approved or denied.)

Department policy requires supervisory approval of overtime before it is worked. The policy states that "overtime must be approved by the supervisor in advance before compensation will be authorized." The Department utilizes an Overtime or Compensatory Time Request Form as its procedure for ensuring overtime is approved and documented. We noted no changes to the Department policies and procedures concerning overtime during the current examination period.

According to Department officials unapproved overtime request forms exist due to occasional personnel failure to fully complete their duties.

Failure to obtain the proper approval required for overtime may cause an employee to be compensated for working overtime that was not actually performed or warranted. (Finding Code No. 05-9, 04-12, 03-8, 02-9)

Recommendation: We recommend the Department begin to strictly enforce its policies and procedures in regards to timekeeping and overtime. It is essential that employees work in the most cost effective manner to prevent misuse of tax payers' monies.

Department Response: The Department agrees that no employee should be compensated for overtime unless it was worked and authorized. We will work to remind supervisors to review, approve, and date requests for overtime timely in accordance with Department procedure and/or supplemental labor agreements.

Telecommunications Charges Review:

- 05-10. Finding: Department personnel did not properly review and approve all telephone charges on the telephone bills received and paid by the Department.

During our review of telecommunication expenditures, we tested a sample of 25 invoice vouchers. Although all invoice vouchers were signed by the division head, we noted that 12 of 25 invoices (48%) had no indication of being reviewed by the employee that incurred the charge. The total amount expended for telecommunications during fiscal year 2005 was \$4,578,049.

The Illinois Administrative Code (44 IL Adm. Code Subtitle D, Chapter 1, Part 5030) requires the Department to properly review all telephone bills to guard against telephone abuse. To ensure all phone charges are for official State business, the Department's internal procedures require all telephone charges be reviewed and approved, via the employee's signature on each page of the telephone bill. Each page of the telephone bill is stamped with a place for the employee's approval.

Department officials indicated their failure to properly review the telephone charges was due to a lack of enforcement of informal policies. The Department does not have a detailed written policy enforced in each division to ensure each employee reviews and approves his/her phone charges indicating the charges are in fact "Official State Business."

The failure to adequately review and approve the telephone bills could lead to abuse of State funds. (Finding Code No. 05-10, 04-13)

Recommendation: We recommend the Department formalize their existing review process in which all telephone bills are to be reviewed and approved by both staff personnel and division heads and then enforce these policies.

Department Response: We concur that the existing review procedures need to be updated and formalized, so as to apply equally to all staff, and be applied consistently throughout the Department. We will review and modify procedures, as necessary, to have assigned staff complete the review of telecommunications bills timely.

## Employee Performance Evaluations:

05-11. Finding: Annual performance evaluations were not completed on a timely basis.

Of the 34 employee personnel files examined, 21 files (62%) did not contain timely evaluations and 13 files (38%) did not contain an evaluation for the current year. The 21 evaluations not performed timely were from 51 to 613 days late.

The Illinois Administrative Code (80 Ill. Adm. Code 420.350) states that performance evaluations should be considered when determining salary increases, promotions, layoffs, discipline, and other changes in an employee's status. The Department of Central Management Services Handbook for Individual Development and Performance Chapter 5, Section 5.4 recommends each employee be counseled with respect to individual development and furnished a copy of the completed performance evaluation form no less than once every twelve months or as otherwise required. The Department of Children & Family Services also has an internal policy requiring evaluations on at least an annual basis.

Department personnel indicated the delays in completing performance evaluations were due to supervisors having other priorities.

Employee performance evaluations are an effective management tool for helping employees work toward common goals. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. They should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall and reinstatement decisions. Delays in completing performance evaluations cause the payroll department to manually calculate lump sum salary adjustments. Manual calculations are not only time consuming but are also more prone to errors. (Finding Code No. 05-11)

Recommendation: We recommend the Department strictly enforce the existing policies regarding timely completion of performance evaluations.

Department Response: The Department agrees that performance evaluations should be completed timely. With the recent (December 2005) announcement of pay raises, an intense effort has been undertaken to see that all evaluations are brought up to date.

Contract Monitoring:

- 05-12. Finding: The Department's contracts with residential and group home service providers did not include measurable criteria necessary to ensure desired results are achieved.

The Department contracts with numerous institutions to provide residential, group home, emergency shelter services, and other services. In the Department's previous compliance examination, the following problems were noted:

- Service provided before the contract was signed and approved;
- No on-site monitoring for most service providers;
- No specific measurable criteria within the contracts; and
- Insufficient fiscal monitoring of contract payments.

In January 2005, the Department created the Residential Performance Monitoring Unit (RPMU). The RPMU conducts on-site monitoring of residential and group home facilities that provide treatment for children. Unannounced site visits of providers are conducted at least once each month. Any deficiencies identified in the site visits are communicated to the Department's Division of Placement and Permanency (DP&P). The DP&P either directs the RPMU to increase the monitoring of the deficient provider, or program consultants are utilized to support and improve the residential program. The Department has also established measurable criteria for performance and process outcomes by partnering with Northwestern University and developing the Child and Adolescent Needs and Strengths Assessment for each youth in residential care. This is a standardized instrument that is completed quarterly and used to measure a youth's performance in the residential environment.

The Department has trained monitoring personnel by requiring each to participate in a one-week pre-service training, periodic training, and supervisory meetings during the first year of operation of this new unit. The formal guidelines for monitoring are in the process of being finalized.

The Department was in the process of modifying residential care contracts to include monitoring and participation requirements that were recommended by the RPMU. The Department anticipates that the finalization of these addendums to the contracts will be finished in the later part of FY 2006. Good internal control procedures require specific, measurable criteria be established and documented in the contracts with service providers.

The absence or insufficiency of measurable criteria and participation requirements in contracts could lead to disputes with providers and impede the Department's ability to effectively monitor programs to ensure desired results are achieved and funds are spent appropriately. (Finding Code No. 05-12, 04-14, and 03-10).

Recommendation: We recommend the Department continue in its efforts to develop and include measurable criteria and participation requirements in its contracts with residential and group home service providers. Consequences for providers not meeting the terms of those contracts should be enforced.

Department Response: The Department plans to continue its efforts to include measurable criteria and participation requirements in all its contracts with residential and group homes service providers. We expect that the finalization of these efforts will be completed in the later part of 2006.

Inadequate Documentation for Commission Payment:

- 05-13. Finding: The Department paid a commission without obtaining adequate documentation to determine whether such payment was owed according to the terms of the State's contract with the vendor.

During fiscal year 2005, the Department of Children and Family Services (Department) received \$20,000 from a corporate contributor, which the Department earmarked to be used for educational scholarships. The Department paid a \$3,000 commission to a third party (referred to hereafter as "Vendor") in connection with the contribution in February 2005. The Department of Central Management Services (CMS) had contracted with the Vendor to develop and implement a program of marketing initiatives, utilizing the State of Illinois' physical and intangible assets, to generate sponsorship revenue for the State.

We noted the Department did not obtain documentation as to whether any offsets stipulated in the contract were appropriate in their calculation of the commission paid to the Vendor. The contract with the Vendor requires the State to reimburse the Vendor for its travel to and from Washington, D.C. However, the contract stipulates that any such reimbursements will be deducted from commissions due to the Vendor. The Department did not ascertain whether there were any travel costs which should have been deducted from the commission paid to the Vendor.

Department management stated they were unaware of any travel costs related to the contribution received.

Good internal control procedures require that contract terms be reviewed and that adequate documentation exists before payments are made to vendors.

Failure to adequately research the terms of vendor contracts and obtain adequate documentation thereof could result in misuse of State funds. (Finding Code No. 05-13)

Recommendation: We recommend that the Department carefully determine whether the terms of all contracts are met and that adequate documentation is obtained prior to expending State funds. Further, we recommend the Department determine whether applicable travel paid to the Vendor would have resulted in an offset to the commission paid and seek reimbursement if appropriate.

Department Response: The Department agrees that terms of contracts should be met prior to making payment and we plan to inquire and request documentation regarding potential offsets with any similar future payments. Additionally, the Department will inquire from CMS whether an offset should have been made for this payment and, if so, seek advice as to the most appropriate way to obtain reimbursement for the State.

Inadequate Employee Time Reporting:

- 05-14. Finding: The Department did not adequately document employees' time spent on official State business as required by the State Officials and Employees Ethics Act.

During fiscal year 2005, the Department of Children and Family Services (Department) employed approximately 3,350 employees and expended \$183,192,676 for salaries and wages. Although the Department maintains various attendance records, not all employees were required to document that time information submitted was for official State business. The focus of the time reporting records was on attendance and total hours. The format used did not require employees to document how they spent their time or state that their working time was spent on official State business.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5(c)) states that State employees should "periodically submit time sheets documenting the time spent each day **on official State business** to the nearest quarter hour..." (emphasis added). Good internal control procedures require adequate documentation not only of attendance but also of how all employees' time is spent each day.

Department management stated that they believed the time sheets utilized for its executive staff and the time reporting records required of all other employees were adequate to reflect time worked on official State business.

Failure to require adequate documentation of time worked on official State business is noncompliance with State law. (Finding Code No. 05-14)

Recommendation: We recommend that the Department require all employees to submit documentation of time spent each day on official State business.

Department Response: We agree. The Department will modify time sheets so the attendance reported each day will identify the time worked and reported as "official State business" for each employee. The Department has already implemented a reporting process for executive staff that is in accordance with the guidelines specified in the State Employee's Ethics Act.



PRIOR FINDINGS NOT REPEATED – GOVERNMENT AUDITING STANDARDS

- 05-15. Finding: The Department of Children and Family Services (Department) made payments for efficiency initiative billings from improper line item appropriations.

It was recommended that the Department only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Department should seek an explanation from the Department of Central Management Services (CMS) as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Department's budget.

During FY05, the Department received two efficiency billings from CMS totaling over \$3.1 million. The Department questioned the billed amounts with CMS and the Governor's Office of Management and Budget (GOMB). Specific concerns centered on: lack of detail for billed amounts; whether amounts were already paid for in FY04 efficiency billings/payments; and, no reconciliation for unsubstantiated savings from FY04 that the Department paid.

The Department's solution was to "reserve and lapse the same amount from the DCFS operations lines" as the amounts billed. The Department contended, "the same effect will be achieved without the audit exposure." CMS and GOMB officials agreed with the solution and CMS issued credits for the entire amount billed in FY05.

Status: Implemented. (Finding Code No. 04-1).

PRIOR FINDINGS NOT REPEATED – STATE COMPLIANCE

- 05-16. Finding: The Department did not submit the GAAP packages to the State Comptroller's Office on a timely basis.

It was recommended that the Department establish sufficient procedures to ensure all required GAAP submissions are completed within the required deadlines.

The Department submitted all FY05 GAAP packages to the State Comptroller's Office within the required deadlines.

Status: Implemented. (Finding Code No. 04-4).

- 05-17. Finding: Economic interest statements were not all filed on a timely basis.

It was recommended that the Department continue to monitor employees and remind the employees that the Economic Interest Statements must be filed by the due date to avoid noncompliance with State statute.

During our current year examination, no instances of late filing of economic interest statements were noted in our sample tested.

Status: Implemented. (Finding Code No. 04-9).

- 05-18. Finding: The Department did not comply with the requirements of the State Employment Records Act. The Department did not submit the required information to the Office of the Secretary of State or the Governor by January 1, 2004.

It was recommended the Department establish procedures to ensure that the information is gathered and reported as required by State statute. In addition, the Department should ensure the reports are filed by the required due dates.

During the current period, the Department prepared and filed the 2004 Agency Workforce Report by the required date.

Status: Implemented. (Finding Code No. 04-10).

- 05-19. Finding: Taxable fringe benefits related to the personal use of State vehicles were not properly added to employees' income.

It was recommended that the Department implement a procedure to add the required amount to each employee's income who is provided a State vehicle which is used for commuting.

During the calendar year 2005, the Department implemented a procedure to add the taxable benefit to employees' wage reporting for the use of State vehicles for commuting.

Status: Implemented. (Finding Code No. 04-11).

- 05-20. Finding: The Department did not perform sufficient monitoring of its contractors providing services to children. While the Department had taken some actions, other areas still needed to be addressed.

It was recommended that the Department devote sufficient resources to the field audit function to allow for sufficient monitoring of provider organizations. It was also recommended that the Department develop more rigorous self-reporting requirements for providers.

During fiscal year 2005, the Department added five additional staff – two auditors and two accountants were hired, and one staff member was reinstated. The increase of staffing levels permitted the Office of Field Audits to conduct 25 field audits, up from 6 in FY04, and 205 desk reviews. The Department has created the Desk Review Quality Control Checklist, Received Report Checklist, and many other forms to be completed by DCFS personnel to ensure that the provider organizations are being monitored adequately. In addition, the Department now requires providers to complete an audit checklist, which helps the provider ensure all necessary documentation has been submitted to the Department.

Status: Implemented. (Finding Code No. 04-15, 03-11, 02-12, 00-17)

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**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 Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Efficiency Initiative Payments
- Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable
- Schedule of Indirect Cost Reimbursements

· Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees (Unaudited)
- Emergency Purchases
- Illinois First Projects (Unaudited)
- Service Efforts and Accomplishments (Unaudited)
- Funds Administered

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the 2005 supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2005, and, in the auditors' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The report also states that the 2004 supplementary information, except for that portion marked "unaudited", was subjected to auditing procedures applied by prior auditors in an audit of the basic financial statements for the year ended June 30, 2004.

**State of Illinois**  
**Department of Children and Family Services**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2005**  
**(Amounts Expressed in Thousands)**

<u>Federal Grantor / Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:		
Direct Programs		
Abandoned Infants (Family Options Project)	93.551	\$ 113
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	10,378
Temporary Assistance for Needy Families (TANF)	93.558	68,800
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	971
Children's Justice Grants to States	93.643	663
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	11,349
Adoption Opportunities (Children's Justice)	93.652	462
Foster Care Title IV-E	93.658	249,474
Adoption Assistance (Title IV-E)	93.659	81,293
Child Abuse and Neglect State Grants (Child Abuse and Neglect Prevention, Part I and II)	93.669	1,538
Chafee Foster Care Independence Program (Independent Living)	93.674	9,508
Subtotal Direct Programs		<u>434,549</u>
Pass-through Programs		
from Department of Public Health - HIV Care Formula (Permanency Planning)	93.917	194
from Hektoen Institute for Medical Research- HIV Care Formula (Chicago HIV Adolescent)	93.917	20
Subtotal Pass-through Programs		<u>214</u>
Total U.S. Department of Health and Human Services		<u>434,763</u>
U.S. Department of Education		
Pass-through Programs from Illinois State Board of Education		
Special Education Grants to States (Local Area Networks Projects)	84.027	1,563
Total Expenditures of Federal Awards		<u>\$ 436,326</u>

See Notes to Schedule of Expenditures of Federal Awards.

**State of Illinois  
Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2005**

**Note 1 - Organization and Grant Administration**

The State of Illinois, Department of Children and Family Services (Department) is a part of the executive branch of government of the State of Illinois operating under the authority of, and review by the Illinois General Assembly. The Department operates under a budget approved by the General Assembly in which resources of the State's General Revenue Fund are appropriated for the use of the Department. The Department's General Fund represents a portion of the General Revenue Fund of the State of Illinois. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services and the State Comptroller's Office) as defined by the General Assembly.

The responsibility of the Department is to provide public social services to children and their families in order to assure a permanent and secure living situation. The Department's services are delivered through eight programs: child protection, family maintenance, substitute care, adoption service, youth development, services to unmarried mothers, child and family development and support services. A significant portion of the services is provided by sub-recipient agencies.

The Department receives federal awards in the capacity of a primary recipient and as a sub-recipient.

**Primary Recipient**

The Department has been designated as the primary recipient for a majority of federal programs for which it receives federal awards. The major responsibilities of the Department as a primary recipient are to ensure that all planning, public participation, reporting and auditing requirements associated with the federal awards programs are met and that all available federal awards are received and expended in accordance with the requirements of the related grant or contract.

**Subrecipient**

The Department is a subrecipient of federal awards for which the Illinois Department of Public Health, the Illinois State Board of Education, and the Hektoen Institute for Medical Research were the primary recipients in 2005.

**State of Illinois  
Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2005**

**Note 2 - Significant Accounting Policies**

a) Reporting Entity

The Schedule of Expenditures of Federal Awards presents all programs in which expenditures were made and/or claimed by the Department as a primary recipient or as a subrecipient. The Department is an integral part of the State of Illinois, the reporting entity.

b) Basis of Accounting

The Schedule of Expenditures of Federal Awards has been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to State and local governmental units. The accounts of the Department are maintained and reported using the modified accrual basis of accounting.

Under the modified accrual basis of accounting, grant awards are recognized when measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year; expenditures are recognized when obligations are incurred as a result of receipt of goods and services.

**Note 3 - Due from Other Governments – Federal**

The Department has filed retroactive and current cost reimbursement claims under Title IV-E of the Social Security Act with the U.S. Department of Health and Human Services (DHHS).

For financial statement purposes, the Department does not recognize revenue related to retroactive claims until the claims have been awarded.

Expenditures for Foster Care, Title IV-E and Adoption Assistance include the following (amounts in thousands):

Foster Care, Title IV-E	\$249,474
Adoption Assistance	<u>81,293</u>
Total Expenditures	<u>\$330,767</u>

**State of Illinois**  
**Department of Children and Family Services**

**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2005**

**Note 4 - Federal CFDA Numbers**

Federal CFDA numbers are provided from the Catalog of Federal Domestic Assistance.

**Note 5 - Federal Awards Provided to Subrecipients**

Of the federal expenditures presented in the schedule, the Department provided federal awards to subrecipients as follows (amounts in thousands):

	Federal CFDA Number	Amount
U.S. Department of Health and Human Services:		
Direct Programs		
Abandoned Infants (Family Options Project)	93.551	\$ 89
Promoting Safe and Stable Families (Title IV-B, Part II, Family Preservation and Support)	93.556	9,053
Temporary Assistance for Needy Families (TANF)	93.558	17,668
Community-Based Child Abuse Prevention Grants (Family Resource Program)	93.590	915
Children's Justice Grants to States	93.643	503
Child Welfare Services State Grants (Title IV-B, Part I, Child Welfare Services)	93.645	8,597
Adoption Opportunities (Children's Justice)	93.652	395
Foster Care, Title IV-E	93.658	76,063
Adoption Assistance (Title IV-E)	93.659	6,275
Child Abuse and Neglect State Grants (Child Abuse and Neglect Prevention, Part I and II)	93.669	522
Chafee Foster Care Independence Program (Independent Living)	93.674	2,309
Subtotal Direct Programs		122,389
Pass-through Programs		
from Department of Public Health - HIV Care Formula (Permanency Planning)	93.917	80
Total U.S. Department of Health and Human Services		122,469
U.S. Department of Education		
Pass-through Programs from Illinois State Board of Education Special Education Grants to States (Local Area Network Projects)	84.027	1,086
Total Expenditures of Federal Awards Provided to Subrecipients		\$ 123,555



State of Illinois  
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances  
For the Fourteen Months Ended August 31, 2005

	APPROPRIATIONS		EXPENDITURES		LAPSE PERIOD		TOTAL	BALANCES LAPSED
	(NET AFTER TRANSFERS)	THROUGH 06/30/05	THROUGH 07/01/05 - 08/31/05	THROUGH 07/01/05 - 08/31/05	EXPENDITURES	LAPSED		
<b>Public Act 93-0842</b>								
<b>GENERAL REVENUE FUND - 001</b>								
REGULAR POSITIONS	\$ 177,770,604	\$ 169,509,366	\$ 8,175,214	\$ 177,684,580	\$ 86,024			
STATE PAID RETIREMENT CONTRIB	203,937	203,937	-	203,937	-			
STATE EMPLOYEE RETIREMENT	28,062,540	26,713,192	1,304,097	28,017,289	45,251			
SOC SEC/MEDICARE CONTRIBUTIONS	13,100,999	12,458,635	607,175	13,065,810	35,189			
CONTRACTUAL SERVICES	12,620,806	8,659,966	2,561,063	11,221,029	1,399,777			
TRAVEL	5,801,982	4,373,004	915,507	5,288,511	513,471			
COMMODITIES	531,930	257,483	65,342	322,825	209,105			
PRINTING	560,092	400,795	93,766	494,561	65,531			
EQUIPMENT	97,460	9,000	9,408	18,408	79,052			
ELECTRONIC DATA PROCESSING	8,303,100	5,557,588	2,744,911	8,302,499	601			
TELECOMMUNICATION	5,875,804	3,235,387	1,342,662	4,578,049	1,297,755			
OPERATION OF AUTO EQUIPMENT	74,000	56,740	5,792	62,532	11,468			
LUMP SUMS AND OTHER PURPOSES	8,226,100	5,624,240	1,702,203	7,326,443	899,657			
LUMP SUM, OPERATIONS	495,848	451,922	30,320	482,242	13,606			
AWARDS AND GRANTS	13,929,500	11,537,256	2,192,234	13,729,490	200,010			
TORT CLAIMS	233,800	207,542	8,056	215,598	18,202			
REIMBURSEMENTS TO GOVERNMENTAL UNITS	338,500	0	338,500	338,500	-			
AWARDS AND GRANTS TO STUDENTS	842,500	803,119	39,351	842,470	30			
AWARDS AND GRANTS - LUMP SUM	481,881,700	457,260,421	24,300,597	481,561,018	320,682			
REFUNDS, N.E.C.	5,800	1,845	664	2,509	3,291			
<b>Subtotal Fund 001</b>	<b>758,957,002</b>	<b>707,321,438</b>	<b>46,436,862</b>	<b>753,758,300</b>	<b>5,198,702</b>			
<b>DCFS TRAINING FUND - 094</b>								
AWARDS AND GRANTS, LUMP SUM	16,052,000	11,189,402	893,970	12,083,372	3,968,628			
<b>Subtotal Fund 094</b>	<b>16,052,000</b>	<b>11,189,402</b>	<b>893,970</b>	<b>12,083,372</b>	<b>3,968,628</b>			

Note: Appropriations, expenditures, and lapsed balances were obtained from Department records and have been reconciled to records of the State Comptroller.

State of Illinois  
Department of Children and Family Services

Schedule of Appropriations, Expenditures, and Lapsed Balances  
For the Fourteen Months Ended August 31, 2005

	APPROPRIATIONS (NET AFTER TRANSFERS)	EXPENDITURES THROUGH 06/30/05	LAPSE PERIOD 07/01/05 - 08/31/05	TOTAL EXPENDITURES	BALANCES
					LAPSED
<b>Public Act 93-0842</b>					
<b>DCFS CHILDREN'S SERVICES FUND - 220</b>					
LUMP SUMS AND OTHER PURPOSES	\$ 29,739,600	\$ 24,732,653	\$ 3,145,096	\$ 27,877,749	\$ 1,861,851
LUMP SUM, OPERATIONS	1,564,000	1,403,653	104,592	1,508,245	55,755
AWARDS AND GRANTS	19,973,600	15,032,245	2,577,928	17,610,173	2,363,427
AWARDS AND GRANTS, LUMP SUM	422,633,300	370,625,324	39,039,626	409,664,950	12,968,350
Subtotal Fund 220	473,910,500	411,793,875	44,867,242	456,661,117	17,249,383
<b>DCFS FEDERAL PROJECTS FUND - 566</b>					
LUMP SUM AND OTHER PURPOSES	18,367,600	13,778,466	795,647	14,574,113	3,793,487
Subtotal Fund 566	18,367,600	13,778,466	795,647	14,574,113	3,793,487
<b>DCFS SPECIAL PURPOSE TRUST FUND - 582</b>					
LUMP SUM AND OTHER PURPOSES	360,000	135,528	82,094	217,622	142,378
Subtotal Fund 582	360,000	135,528	82,094	217,622	142,378
<b>CHILD ABUSE PREVENTION FUND - 934</b>					
AWARDS AND GRANTS, LUMP SUM	600,000	188,199	65,347	253,546	346,454
Subtotal Fund 934	600,000	188,199	65,347	253,546	346,454
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<b>\$ 1,268,247,102</b>	<b>\$ 1,144,406,908</b>	<b>\$ 93,141,162</b>	<b>\$ 1,237,548,070</b>	<b>\$ 30,699,032</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from Department records and have been reconciled to records of the State Comptroller.

State of Illinois  
Department of Children and Family Services

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances  
For the Fiscal Years Ended June 30, 2005 and 2004**

	<b>2005</b>	<b>2004</b>
	<b>PUBLIC ACT</b>	<b>PUBLIC ACT</b>
	<b>93-0842</b>	<b>93-092</b>
<hr/>		
<b>GENERAL REVENUE FUND - 001</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	\$ 758,957,002	\$ 818,813,962
	<hr/>	
REGULAR POSITIONS	\$ 177,684,580	\$ 177,849,872
STATE EMPLOYEE RETIREMENT	28,221,226	21,040,182
SOC SEC/MEDICARE CONTRIBUTIONS	13,065,810	12,909,847
CONTRACTUAL SERVICES	11,221,029	31,782,862
TRAVEL	5,288,511	5,162,549
COMMODITIES	322,825	433,740
PRINTING	494,561	499,966
EQUIPMENT	18,408	65,437
ELECTRONIC DATA PROCESSING	8,302,499	8,243,712
TELECOMMUNICATION	4,578,049	6,599,208
OPERATION OF AUTO EQUIPMENT	62,532	55,027
LUMP SUMS AND OTHER PURPOSES	7,808,685	8,992,172
AWARDS AND GRANTS	496,687,076	521,224,798
REFUNDS, N.E.C.	2,509	5,367
	<hr/>	
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>753,758,300</b>	<b>794,864,739</b>
	<hr/>	
<b>LAPSED BALANCES</b>	<b>\$ 5,198,702</b>	<b>\$ 23,949,223</b>
	<hr/>	
<b>DCFS TRAINING FUND - 094</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	<b>\$ 16,052,000</b>	<b>\$ 18,052,000</b>
	<hr/>	
AWARDS AND GRANTS	12,083,372	11,260,627
	<hr/>	
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>12,083,372</b>	<b>11,260,627</b>
	<hr/>	
<b>LAPSED BALANCES</b>	<b>\$ 3,968,628</b>	<b>\$ 6,791,373</b>
	<hr/>	

State of Illinois  
Department of Children and Family Services

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances  
For the Fiscal Years Ended June 30, 2005 and 2004

	2005 PUBLIC ACT 93-0842	2004 PUBLIC ACT 93-092
<b>DCFS CHILDREN'S SERVICES FUND - 220</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	\$ 473,910,500	\$ 501,775,800
LUMP SUMS AND OTHER PURPOSES	29,385,994	29,540,672
AWARDS AND GRANTS	-	373,395,842
AWARDS AND GRANTS - LUMP SUM	427,275,123	45,383,640
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>456,661,117</b>	<b>448,320,154</b>
<b>LAPSED BALANCES</b>	<b>\$ 17,249,383</b>	<b>\$ 53,455,646</b>
<b>DCFS FEDERAL PROJECTS FUND - 566</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	\$ 18,367,600	\$ 17,867,600
LUMP SUMS AND OTHER PURPOSES	14,574,113	13,019,003
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>14,574,113</b>	<b>13,019,003</b>
<b>LAPSED BALANCES</b>	<b>\$ 3,793,487</b>	<b>\$ 4,848,597</b>
<b>DCFS SPECIAL PURPOSE TRUST FUND - 582</b>		
<b>APPROPRIATIONS (NET AFTER TRANSFERS)</b>	\$ 360,000	\$ 157,800
LUMP SUMS AND OTHER PURPOSES	217,622	127,410
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>217,622</b>	<b>127,410</b>
<b>LAPSED BALANCES</b>	<b>\$ 142,378</b>	<b>\$ 30,390</b>

**State of Illinois  
Department of Children and Family Services**

**Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances  
For the Fiscal Years Ended June 30, 2005 and 2004**

	2005 PUBLIC ACT 93-0842	2004 PUBLIC ACT 93-092
<b>DCFS REFUGEE ASSISTANCE FUND - 684</b>		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ -	\$ 15,000
LUMP SUMS AND OTHER PURPOSES	-	-
TOTAL APPROPRIATED EXPENDITURES	-	-
LAPSED BALANCES	\$ -	\$ 15,000
<b>CHILD ABUSE PREVENTION FUND - 934</b>		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 600,000	\$ 600,000
AWARDS AND GRANTS	253,546	278,681
TOTAL APPROPRIATED EXPENDITURES	253,546	278,681
LAPSED BALANCES	\$ 346,454	\$ 321,319
<b>GRAND TOTAL - ALL APPROPRIATED FUNDS</b>		
APPROPRIATIONS (NET AFTER TRANSFERS)	\$ 1,268,247,102	\$ 1,357,282,162
TOTAL APPROPRIATED EXPENDITURES	1,237,548,070	1,267,870,614
LAPSED BALANCES	\$ 30,699,032	\$ 89,411,548
<b>NONAPPROPRIATED FUND</b>		
FUND 582	\$ -	\$ 16,233
TOTAL NONAPPROPRIATED FUNDS	\$ -	\$ 16,233
TOTAL EXPENDITURES - ALL FUNDS	\$ 1,237,548,070	\$ 1,267,886,847
<b>GENERAL REVENUE FUND (001) - STATE COMPTROLLER OFFICER SALARIES</b>		
DIRECTOR SALARY	\$ 127,600	\$ 127,600

**State of Illinois**  
**Department of Children and Family Services**

**Schedule of Efficiency Initiative Payments**  
**For the Fiscal Years Ended June 30, 2005 and 2004**

<u><b>Procurement Efficiency Initiative</b></u>	<u>2005</u>	<u>2004</u>
General Revenue Fund-0001		
Personal Services	\$ -	\$ 2,569,400
State Employees Retirement	-	784,600
	<u>-</u>	<u>3,354,000</u>
<u><b>Information Technology Initiatives</b></u>		
General Revenue Fund-0001		
Personal Services	-	3,164,700
State Employees Retirement	-	5,037
	<u>-</u>	<u>\$ 3,169,737</u>
<u><b>Vehicle Fleet Initiatives</b></u>		
General Revenue Fund-0001		
State Employees Retirement	-	13,454
<b>Total Efficiency Initiative Payments</b>	<u>\$ -</u>	<u>\$ 6,537,191</u>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

State of Illinois  
Department of Children and Family Services

Schedule of Receipts, Disbursements and Fund Balance (Cash Basis)  
- Locally Held Funds  
For the Year Ended June 30, 2005  
(Amounts Expressed in Thousands)

Fund	Private Purpose Trust Funds	Cash Balance July 1, 2004	Receipts	Disbursements	Cash Balance June 30, 2005
1117	Katherine Schaffner Bequest				
	Cash and Cash				
	Equivalents	\$ 152	\$ -	\$ -	\$ 152
	Investments	164	18	3	179
		<u>316</u>	<u>18</u>	<u>3</u>	<u>331</u>
1119	Bail Bond	2	-	1	1
1121	Children and Family Benefit	86	14	9	91
1123	General Purpose	60	76	122	14
1207	Herrick House Children's Center Bequest	13	-	-	13
1226	Family Reunification	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<b>Total</b>	<b>\$ <u>480</u></b>	<b>\$ <u>108</u></b>	<b>\$ <u>138</u></b>	<b>\$ <u>450</u></b>
	<u>Agency Fund</u>				
1122	Children's Trust	<u>\$ 4,196</u>	<u>\$ 17,467</u>	<u>\$ 17,492</u>	<u>\$ 4,171</u>

**State of Illinois**  
**Department of Children and Family Services**

**Schedule of Changes in State Property**  
**For the Year Ended June 30, 2005**  
**(Amounts Expressed in Thousands)**

Balance at beginning of year	\$ <u>36,196</u>
<b>Additions</b>	
Fiscal Year 2005 through June 30	226
Fiscal Year 2005 lapse period estimate	<u>529</u>
Total Additions	<u>755</u>
<b>Deletions</b>	
Fiscal Year 2005 through June 30	3,102
Fiscal Year 2005 lapse period estimate	<u>127</u>
Total Deletions	<u>3,229</u>
Balance at end of the year	\$ <u><u>33,722</u></u>

Note: This schedule was prepared from Department records and was reconciled to property reports submitted to the State Comptroller.

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



**State of Illinois**  
**Department of Children and Family Services**

**Comparative Schedule of Cash Receipts**  
**For the Fiscal Years Ended June 30, 2005 and 2004**  
**(Amounts Expressed in Dollars)**

	2005	2004
General Revenue Fund - 0001		
Child welfare	\$ 12,976,699	\$ 13,000,000
Miscellaneous	156,500	115,778
Parental contributions for care and maintenance of children	331,042	333,892
	13,464,241	13,449,670
DCFS Training Fund - 0094		
Federal Government	7,344,857	12,130,633
Training fees	361	149
	7,345,218	12,130,782
DCFS Children's Services Fund - 0220		
Federal Government	394,773,886	368,803,127
Reimbursement from Children's Trust	2,121,641	1,757,835
	396,895,527	370,560,962
DCFS Federal Projects Fund - 0566		
Federal Government - DHHS	14,287,737	7,706,639
Private organizations or individuals	21,250	21,250
Federal monies via		
Illinois State Board of Education	1,000,000	1,000,000
Americorp and Vista Organizations	-	26,016
Illinois Department of Public Health	100,000	50,000
	15,408,987	8,803,905
DCFS Special Purpose Fund - 0582		
Private organizations or individuals	95,000	100,000
	95,000	100,000
<b>TOTAL DEPARTMENT RECEIPTS</b>	<b>\$ 433,208,973</b>	<b>\$ 405,045,319</b>

**Note: This schedule was prepared from Department records and includes cash receipts in-transit at June 30, to the State Treasury.**

State of Illinois  
Department of Children and Family Services

**Reconciliation of Cash Receipts to Deposits Remitted to the Comptroller  
For the Fiscal Years Ended June 30, 2005 and 2004  
(Amounts Expressed in Dollars)**

		2005					2004				
	001	094	220	566	582						
	General	DCFS	DCFS	DCFS	DCFS						
	Revenue	Training	Children's	Federal	Special						
	Fund	Fund	Services	Projects	Purpose						
	Fund	Fund	Fund	Fund	Fund						
Cash Receipts and Transfers per DCFS	\$ 13,464,241	\$ 7,345,218	\$ 396,895,527	\$ 15,408,987	\$ 95,000	\$ 433,208,973					
Receipts in transit at June 30, 2004	-	-	-	-	-	-					
Receipts in transit at June 30, 2005	-	-	-	-	-	-					
Cash Receipts and Transfers per Comptroller	\$ 13,464,241	\$ 7,345,218	\$ 396,895,527	\$ 15,408,987	\$ 95,000	\$ 433,208,973					
	001	094	220	566	582						
	General	DCFS	DCFS	DCFS	DCFS						
	Revenue	Training	Children's	Federal	Special						
	Fund	Fund	Services	Projects	Purpose						
	Fund	Fund	Fund	Fund	Fund						
Cash Receipts and Transfers per DCFS	\$ 13,449,670	\$ 12,130,782	\$ 370,560,962	\$ 8,803,905	\$ 100,000	\$ 405,045,319					
Receipts in transit at June 30, 2003	-	-	-	-	-	-					
Receipts in transit at June 30, 2004	-	-	-	-	-	-					
Cash Receipts and Transfers per Comptroller	\$ 13,449,670	\$ 12,130,782	\$ 370,560,962	\$ 8,803,905	\$ 100,000	\$ 405,045,319					

**State Of Illinois  
Department of Children and Family Services**

**Analysis Of Significant Variations In Expenditures  
For the Fiscal Year Ended June 30, 2005**

The State of Illinois, Department of Children and Family Services' (Department) explanations of significant fluctuations in expenditures as presented in the "Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - Appropriated Funds" are detailed below:

	FY 2005 Public Act 93-0842	FY 2004 Public Act 93-092	Difference	Percent Difference
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**General Revenue Fund 001**

<u>State Employee Retirement</u>	\$ 28,221,226	\$ 21,040,182	\$ 7,181,044	34.13%
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The retirement rate changed from 13.34% to 16.107%. In addition, a portion of the retirement spending from Agency retirement appropriations in FY04 was suspended due to the bonding of the retirement payments.

<u>Contractual Services</u>	\$ 11,221,029	\$ 31,782,862	\$ (20,561,833)	-64.69%
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Facility Management was removed from the Department's appropriation lines in FY05. The impact of that reduction in appropriation was 20.0M, which accounts for 97% of the variance.

<u>Commodities</u>	\$ 322,825	\$ 433,740	\$ (110,915)	-25.57%
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The Department enacted strict controls on commodities purchases in order to save money to help alleviate a shortfall in personal services and related appropriations tied to the funding of the union contract.

<u>Equipment</u>	\$ 18,408	\$ 65,437	\$ (47,029)	-71.87%
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A large equipment purchase was anticipated to have occurred in FY 05, but was not completed prior to the end of the fiscal year.

<u>Telecommunication</u>	\$ 4,578,049	\$ 6,599,208	\$ (2,021,159)	-30.63%
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The Department utilized a large amount of credits (\$1.3M) in FY 05 and reductions in CMS rates were implemented.

**State Of Illinois**  
**Department of Children and Family Services**

**Analysis Of Significant Variations In Expenditures**  
**For the Fiscal Year Ended June 30, 2005**

	FY 2005 Public Act 93-0842	FY 2004 Public Act 93-092	Difference	Percent Difference
<b>DCFS Children's Service Fund - 220</b>				
<u>Awards And Grants</u>	\$ -	\$ 373,395,842	\$(373,395,842)	-100%
<u>Awards And Grants, Lump Sum</u>	\$427,275,123	\$ 45,383,640	\$ 381,891,483	841.47%

Several line items were recoded due to the consolidation/elimination of line items, and the net variance is only 2%.

**DCFS Special Purpose Trust Fund - 582**

<u>Lump Sums And Other Purposes</u>	\$ 217,622	\$ 127,410	\$ 90,212	70.80%
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In FY 04, the appropriation was inadequate to fully expend the grants received. In FY 05, the appropriation was increased, and the Department received and expended more funds from the Casey Foundation.

**State of Illinois**  
**Department of Children and Family Services**

**Analysis of Significant Variations in Receipts**  
**For the Fiscal Year Ended June 30, 2005**

The State of Illinois, Department of Children and Family Services' (Department) explanations for significant fluctuations in receipts as presented in the "Comparative Schedule of Cash Receipts" are detailed below:

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percent Difference</u>
<b>General Revenue Fund - 001</b>				
<u>Miscellaneous</u>	\$ 156,500	\$ 115,778	\$ 40,722	35.17%

Reimbursements from locally held funds increased by \$50 thousand. The General Revenue Fund paid for direct services that benefitted the local fund and was then reimbursed.

**DCFS Training Fund - 094**

<u>Federal Government</u>	\$ 7,344,857	\$ 12,130,633	\$ (4,785,776)	-39.45%
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There was a decrease in claimable expenditures resulting in decreased revenues from federal reimbursements.

**DCFS Children's Services Fund - 220**

<u>Reimbursement from Children's Trust</u>	\$ 2,121,641	\$ 1,757,835	\$ 363,806	20.70%
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Previously, the 220 Fund received money directly from Illinois Healthcare and Family Services for child support. Now the child support is deposited into the child's trust account in the Children's Trust Fund and then reimbursed to the 220 Fund for expenditures made out of the 220 Fund on the child's behalf.

**DCFS Federal Projects Fund - 566**

<u>Federal Government - DHHS</u>	\$ 14,287,737	\$ 7,706,639	\$ 6,581,098	85.40%
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Timing of federal draws impact which fiscal year the receipts are identified with. Money related to FY2004 expenditures had been drawn down after June 30, 2004, whereas in FY2005, moneys for FY2005 expenditures were drawn down as they were expended, resulting in increased receipts in comparison to the prior year.

<u>Americorp and Vista Organizations</u>	\$ -	\$ 26,016	\$ (26,016)	-100.00%
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These two grants have ended, so no money was received in FY2005.

<u>Illinois Department of Public Health</u>	\$ 100,000	\$ 50,000	\$ 50,000	100.00%
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The grant amount was increased in FY2005.

**State of Illinois**  
**Department of Children and Family Services**

**Analysis of Significant Lapse Period Spending**  
**For the Fiscal Year Ended June 30, 2005**

The State of Illinois, Department of Children and Family Services' (Department) explanations of significant lapse period spending as presented in the "Schedule of Appropriations, Expenditures and Lapsed Balances By Fund" for fiscal year 2005 are detailed below.

	Total Expenditures	Lapse Period 7/1/05 - 8/31/05	Percent
<b>General Revenue Fund 001</b>			
<u>Contractual Services</u>	\$ 11,221,029	\$ 2,561,063	22.82%
Reconciliation of vendor invoices for copier charges, temporary services, and fingerprinting services delayed payments until the lapse period to ensure payments were correct.			
<u>Commodities</u>	\$ 322,825	\$ 65,342	20.24%
Due to a general holding back of commodities spending until the Department could determine that enough funds were available for other purposes, a greater portion of commodities were ordered later in the year and paid for in the lapse period.			
<u>Equipment</u>	\$ 18,408	\$ 9,408	51.11%
The Department made a concentrated effort to reduce spending and only spent 18% of the total appropriation for the year. Most of the items were purchased at the end of the year, and therefore, were paid in the lapse period.			
<u>Electronic Data Processing</u>	\$ 8,302,499	\$ 2,744,911	33.06%
A large portion of EDP expenditures are CMS-related charges which are delayed in nature in the billing, reconciliation, and payment thereof. Also, EDP expenditures are split between this line and a lump sum appropriation from the Children's Services Fund. A greater proportion of the lapse period expenditures came from the EDP line than the lump sum appropriation.			
<u>Telecommunication</u>	\$ 4,578,049	\$ 1,342,662	29.33%
Telecommunication bills are billed after the fact and the reconciliation and sign-off process by all employees is lengthy which leads to a disproportionate amount paid late in the fiscal year.			

**State of Illinois  
Department of Children and Family Services**

**Analysis of Significant Lapse Period Spending  
For the Fiscal Year Ended June 30, 2005**

	<u>Total Expenditures</u>	<u>Lapse Period 7/1/05 - 8/31/05</u>	<u>Percent</u>
<u>Lump Sums And Other Purposes</u>	\$ 7,326,443	\$ 1,702,203	23.23%

The main lump sum line is a residual line in which a majority of expenditures are made only after other appropriations have been utilized. The bills that are paid out of this line are inherently delayed due to the nature of the timing of the billing (travel reimbursement and university contracts).

Reimbursements To Governmental

<u>Units</u>	\$ 338,500	\$ 338,500	100%
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The Agency waits until the end of the fiscal year to gather all claims made and then apportion out to the counties a percentage of said claims made.

**DCFS Special Purpose Trust Fund - 582**

<u>Awards And Grants, Lump Sum</u>	\$ 217,622	\$ 82,094	37.72%
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Due to the nature of these grant awards, spending is delayed and some payments are held in order to complete reconciliations to prevent overpayments.

**Child Abuse Prevention Fund - 934**

<u>Awards and Grants, Lump Sum</u>	\$ 253,546	\$ 65,347	25.77%
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The funding for the expenditures of this fund is derived from income tax check-off revenue. Most of the revenue is not received until spring (when taxpayers file their income tax returns.) Therefore, expenditures in this fund normally occur late in the fiscal year as funding for the annual appropriation is received.

**State of Illinois**  
**Department of Children and Family Services**

**Analysis of Accounts Receivable**  
**June 30, 2005**  
**(Amounts Expressed in Thousands)**

The Department has two categories of accounts receivable. Parental accounts receivable are a result of fees assessed to parents of children who are receiving benefits on behalf of children from the Department through foster care or other services. Board accounts receivable are a result of overpayments by the Department to providers of care for the children.

(Per Department records)

**General Revenue Fund (0001)**

Parental accounts receivable		\$	2,605
Less: allowance for uncollectibles			(2,579)
			26
Board accounts receivable			2,612
Less: allowance for uncollectibles			(2,218)
			394
Accounts Receivable, Net		\$	420

Aging of Receivables	0 - 60 Days	Over 60 Days	Total
Parental accounts receivable	\$ 118	\$ 2,487	\$ 2,605
Board accounts receivable	\$ 146	\$ 2,466	\$ 2,612

Note: The Department uses both the Comptroller's offset system and a private collection agency to attempt collection of accounts receivable. If the collection agency is unable to collect the account receivable and the amount owed is \$1,000 or more, the Department submits the account to the Attorney General for suit.



**State of Illinois**  
**Department of Children and Family Services**  
**Schedule of Indirect Cost Reimbursements**  
**For the Years Ended June 30, 2005 and 2004**

The Department negotiates indirect cost reimbursement rates with the U.S. Department of Health and Human Services (DHHS). The indirect cost rates are used to support claims for indirect costs pertaining to grants and contracts with the federal government. The Department contracts the rate proposal and negotiation process to a professional consultant.

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. Initially, provisional rates are determined and used. Final rates are eventually determined, generating possible over/under recovery of indirect costs, which are considered as prior claims are adjusted.

Cost base: Direct salaries and wages excluding all fringe benefits.

	<u>Rates</u>		<u>Actual Amounts Reimbursed for Indirect Costs</u>	
	<u>Final (a)</u>	<u>Provisional (b)</u>	<u>2004</u>	<u>2005</u>
Costs applicable to:				
Division of Support Services: Central Payment, FFP, Case Assignment and Day Care Payment Units	26.5%	26.5%	\$ 222,444	\$ 221,869
Training	29.6%	29.6%	42,634	42,666
Child Protection and Child Welfare Services	23.4%	23.4%	7,740,935	6,167,755
Administrative Case Review	17.6%	17.6%	374,247	355,543
Service Intervention	28.3%	28.3%	-	450,974
Monitoring/Quality Assurance	21.3%	21.3%	-	639,334
AFCARS/SACWIS	41.5%	41.5%	404,319	230,958
Central Administration: Juvenile Court & Legal Permanency, and Child & Family Policy	18.2%	18.2%	293,132	260,602
Clinical Services, including Housing & Cash Assistance	23.9%	23.9%	94,472	160,264
Office of the Guardian	19.3%	19.3%	<u>188,361</u>	<u>219,495</u>
		Total	<u>\$ 9,360,544</u>	<u>\$ 8,749,460</u>

(a) Fiscal Year 2004 Final is last approved rate agreement.

(b) Provisional rate used until final rate is approved.

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**AGENCY FUNCTIONS AND PLANNING PROGRAM  
For the Year Ended June 30, 2005**

Agency Functions Description

The Department of Children and Family Services (Department) is mandated to provide protective and preventive services to children and their families. The Department responds to this charge by protecting children who are at risk of harm, administering comprehensive community-based systems of youth services, remedying family problems that place children at risk of being removed from their homes, providing children with a safe, nurturing environment when out-of-home placement is needed, and when appropriate, placing children in suitable adoptive homes.

The Department's mission is based upon the conviction that children must have a consistent nurturing environment to achieve optimal growth and development. Permanency goals are established for each child in the Department's care that reflects the individual needs of each child and family. During service provision, a child's goal may be remaining at home, returning home, adoption, permanent family placement, independence or long-term care in a residential facility. Five Department service delivery programs are designed to achieve these client goals: Protective Services, Family Maintenance, Family Reunification and Substitute Care, Adoption and Guardianship and Support Services. The Department's director is Bryan Samuels. Mr. Samuels' office is located at 406 East Monroe Street, Springfield, Illinois.

Protective Services

Child Protective Services begin with a receipt of a report alleging abuse or neglect at the Department's 24-hour hotline at the State Central Register. An investigation of the report is initiated within 24 hours of its receipt. The investigation is conducted for the purpose of determining whether credible evidence of child abuse or neglect exists and whether the family can benefit from protective services. When such service needs are identified, Department staff arranges for those services to be initiated.

Publicly funded day care and related services in Illinois are funded by four state agencies: the Department of Children and Family Services, the Department of Healthcare and Family Services, the Department of Human Services and the Illinois State Board of Education. The four agencies work cooperatively to finance day care for children and their families for several reasons: to enable the parent(s) to participate in education and training programs; to provide alternate care for children in danger of neglect, abuse or exploitation; to reduce the need for the out-of-home placement of children; and to subsidize appropriate child care for working parents with low incomes. The Department licenses day care facilities and homes.

### Family Maintenance

The Family Maintenance program is designed to prevent the need for out-of-home placement of children. Services provide support and training in order to promote the development of an improved home environment that ensures the child's well-being and safety. Both Department and private agency staff provide case management and social work to these children and families.

### Family Reunification and Substitute Care

Family Reunification and Substitute Care services are critical components of the Department's family focused programs. Family Reunification addresses the problems of dysfunctional families through the provision of intensive in-home services. Substitute care is provided to the children in need of placement, with the goal of returning the children to a stabilized home environment. The effective provision of service to families and children includes the responsibility of licensing all childcare facilities and a review of open child cases every six months. Childcare facilities include all foster homes, institutional and group homes. Both Department and private agency staff provide case management and social work to these children and families.

### Adoption and Guardianship

When it is inappropriate or not possible to return a child to the natural family, adoption is viewed as a desirable alternative. The child's need for a safe, nurturing and permanent home is the paramount factor when considering adoption. Adoption assistance is available to families who are considering adopting children with special needs for whom the Department is legally responsible and who cannot be adopted without a subsidy. Such assistance includes one-time cash payments for legal fees and medical expenses.

### Support Services

Central administration, audits, legislative, communications, legal services, management and budget, and fiscal functions fall in this area.

### Agency Planning Program

The Department prepares its portion of the Illinois Human Services Plan on an annual basis. The planning cycle is coordinated with the budgeting cycle so the Department's stated goals and priorities provide direction in the allocation of resources. The planning and budgeting process consists of four major phases as follows:

#### Evaluation of Needs Analysis

Each of the Department's operating units identifies emerging issues and analyzes trends; needs are assessed and analyzed to define service deficiencies.

#### Planning

After review, analysis and discussion of the findings of the need analysis, together with consideration of negotiated consent decrees, legislative, economic and demographic developments, the Director determines the major priorities and goals for the Department.

### Budget Preparation

Guided by the Director's statement of priorities, projections of service needs and performance objectives, the fiscal planning committee coordinates the different operating units in preparing the Department's budget request for the coming year.

### Operational Planning

Operational planning is the process by which each unit of the Department determines the objectives it will achieve to fulfill the Director's priorities during the fiscal year within the budgetary constraints.

### Auditors' Assessment of Planning Program

The Department of Children and Family Services' planning function appears adequate to enable the Department to fulfill its statutory requirements and to develop and achieve its goals and objectives.

**State of Illinois  
Department of Children and Family Services**

**Average Number of Employees (Unaudited)  
For the Fiscal Years Ended June 30, 2005 and 2004**

The following information was developed through analysis of headcount schedules.

	<u>2005</u>	<u>2004</u>
Downstate region (Child Welfare and Child Protection)	1,204	1,226
Cook region (Child Welfare and Child Protection)	1,075	1,105
Purchase of service monitoring	304	306
Child protection administration	129	135
Support services	110	132
Central administration	119	115
Administrative case review	80	82
Office of the guardian	55	50
Foster care initiative	40	42
Operations and community services	36	38
Clinical services	40	36
Targeted case management	55	32
Title IV-E reimbursements	31	30
Quality assurance	29	29
Inspector general	20	21
Independent living initiative	6	7
Attorney general CW litigation	6	6
Foster care/adoption training	7	5
Children's justice act	5	5
Parental payments	-	1
AFCAR/SACWIS	-	1
Health care network	1	1
MCO technical support	1	1
	<u>3,353</u>	<u>3,406</u>

**State of Illinois**  
**Department of Children and Family Services**  
**Emergency Purchases**  
**For the Year Ended June 30, 2005**

<u>Fiscal Year</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
05	Getronics	* Expansion of Department's network to resolve SACWIS application availability problems. This was followed by a second emergency purchase to reduce the cost to \$6,225,000	\$ 8,887,500 (estimate)
05	Pathlore Software Corporation	Software upgrade and training.	83,000 (estimate)
05	Getronics	Continue implementation of SACWIS application to the purchase of service agencies.	6,285,000 (estimate)
05	Extended Home Living Services	Court order agreement to facilitate long term care and adoption of two wards.	98,500
05	Getronics	* Expansion of Department's network to resolve SACWIS application availability problems.	6,225,000 (estimate)
05	Maximus Inc	Extend term for quality assurance services on SACWIS application development.	276,000
05	Healthworks Consortium of IL	Continuation of health care service to DCFS wards until RFP and new award can be made.	960,686

**State of Illinois**  
**Department of Children and Family Services**

**Illinois First Projects**  
**For the Fiscal Year Ended June 30, 2005**

For the year ended June 30, 2005, the Department of Children and Family Services did not have any Illinois First projects.

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**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

The following data was extracted from information reported by the Department for inclusion in the Illinois Office of the Comptroller's Public Accountability Report:

<u>Program</u>	<u>FY 2004</u>		<u>FY 2005</u>	
	<u>Expenditures</u>	<u>Headcount</u>	<u>Expenditures</u>	<u>Headcount</u>
Family Reunification and Substitute Care	\$ 730,320.5	1,075.0	\$ 709,574.9	1,105.0
Adoption and Guardianship	\$ 294,926.9	157.0	\$ 294,744.9	156.0
Protective Services	\$ 117,666.6	1,292.0	\$ 115,910.2	1,159.0
Family Maintenance	\$ 78,776.0	519.0	\$ 73,221.0	517.0
Support Services	\$ 46,180.6	363.0	\$ 44,097.1	340.0
<b>Agency Totals</b>	<b>\$ 1,267,870.6</b>	<b>3,406.0</b>	<b>\$ 1,237,548.1</b>	<b>3,277.0</b>

Children and Family Services Mission and Organization The mission of the Department is to: 1) Protect children who are reported to be abused and neglected and to increase their families' capacity to safely care for them, 2) Provide for the well-being of children in its care, 3) Provide appropriate, permanent families as quickly as possible for those children who cannot safely return home, 4) Support early intervention and child abuse prevention activities, 5) Work in partnership with communities to fulfill this mission.

To achieve this mission the Department utilizes its 3,360 employees and a broad network of private service providers throughout the state. Private agencies are the primary service provider for more than three-fourths of the children in foster care and all children in residential placements.

The Department's major program areas are as follows:

**Protective Services** – Operates the Child Abuse Hotline, conducts child abuse/neglect investigations, licenses Day Care Centers, foster homes, child welfare agencies and institutions.

**Family Maintenance** – Delivers services to families to assure child safety so that children can remain in or return to the home.

**Adoption and Guardianship** – Recruits, supports and maintains adoptive/guardianship homes to which children who cannot return home are placed for permanent settings.

**Family Reunification & Substitute Care** – Assures permanency for children, prepares families for reunification, and ensures the well-being and safety of children who are placed outside their homes due to abuse, neglect or dependency.

**Support Services** – Establishes best practice standards, maintains department systems, reports on agency performance, provides administrative support and monitors many department accountability practices.



**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Family Reunification and Substitute Care**

**Mission Statement:** Ensure the well-being, safety and permanency of children who are placed outside their homes due to abuse, neglect or dependency. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Children placed outside of the home are protected from abuse and neglect.
- 2 When in care, children are placed close to home, in the least restrictive setting, and in a stable environment.
- 3 Return children home or move them into an alternative permanency quickly.
- 4 Have a process in place to allow children to achieve their highest educational outcomes, given their capabilities and desires.
- 5 When in care, children receive appropriate and necessary physical and mental health care services.

**Funds:** General Revenue Fund, DCFS Training Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund

**Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2003 Actual</u>	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Target /Projected</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>
<b><u>Input Indicators</u></b>					
● Total expenditures - all sources (in thousands)	\$ 768,053.3	\$ 730,366.7	\$ 706,609.7	\$ 709,574.9	\$ 721,457.6
● Total expenditures - state appropriated funds (in thousands)	\$ 768,053.1	\$ 730,320.5	\$ 706,609.7	\$ 709,574.9	\$ 721,457.6
● Average monthly full-time equivalents	1,074.0	1,075.0	1,075.0	1,105.0	1,158.0
<b><u>Output Indicators</u></b>					
● Children in independent living	975.0	906.0	900.0	878.0	900.0
● Children in regular foster care	7,095	6,597	6,658	6,104	6,107
● Children in relative care	6,989	6,596	6,269	6,553	6,570
● Children in residential placements	1,658	1,505	1,125	1,374	1,209
● Children in specialized foster care	3,934	3,493	3,113	3,315	3,373
● Children with "return home" goal	6,558	6,206	6,400	6,435	6,500
● Children placed outside home (end of year) - paid placements	20,651	19,097	18,065	18,224	18,159
<b><u>Outcome Indicators</u></b>					
● Child cases closed	10,933	6,807	7,150	6,498	6,500
● Percentage of children returned home	12.1%	11.6%	12%	12.9%	12.4%
● Percentage of children served within the year moved to permanency	30.3%	27.4%	31.3%	27.9%	27.3%
● Percentage of sibling groups placed all or partially together	77.7%	84%	77.7%	80.3%	84%
● Number of children returned home	2,456	2,093	2,017	2,153	1,979
● Median length of time open for children in substitute care	2.9	2.7	2.8	2.4	2.2

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Adoption and Guardianship**

**Mission Statement:** Provide new permanent homes for children in Department's care who cannot safely return to or remain with their biological families. To provide for the well-being of children in adoptive placement. To provide support to adoptive parents before and after adoption-consummation. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Support and maintain children in adoptive and guardianship homes.
- 2 Maintain children in adoptive and guardianship homes.
- 3 Stabilize placements in adoptive homes and subsidized guardianships.

**Funds:** General Revenue Fund, DCFS Training Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund

**Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2003 Actual</u>	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Target /Projected</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>
<b><u>Input Indicators</u></b>					
● Total expenditures - all sources (in thousands)	\$ 284,075.7	\$ 294,926.9	\$ 312,126.4	\$ 294,744.9	\$ 311,485.5
● Total expenditures - state appropriated funds (in thousands)	\$ 284,075.7	\$ 294,926.9	\$ 312,126.4	\$ 294,744.9	\$ 311,485.5
● Average monthly full-time equivalents	158.0	157.0	157.0	156.0	159.0
<b><u>Output Indicators</u></b>					
● Number of children receiving adoption payments (end of year)	33,833	34,396	36,043	34,493	35,098
● Number of children receiving guardianship payments (end of year)	6,599	6,476	7,111	6,318	6,248
<b><u>Outcome Indicators</u></b>					
● Number of children adopted	2,795	2,163	2,338	1,867	1,930
● Number of children to guardianship	917.0	674.0	870.0	638.0	643.0

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Protective Services**

**Mission Statement:** Protect children, who are reported to be abused and neglected, by assuring their safety in making service provision, placement and permanency planning decisions; by licensing of foster homes, group homes, child care institutions and day care facilities; and by enhancing their families' capacity to safely care for them. Provide for the well-being of children in our care. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals:**

**Objectives:**

- 1 Reports of child abuse/neglect reports will be investigated promptly, safety insured, and subsequent abuse/neglect prevented.
- 2 Increase child safety after agency involvement.
- 3 Improve responsiveness of the child abuse and neglect hotline.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, Child Abuse Prevention Fund      **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2003 Actual</u>	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Target /Projected</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>
<b><u>Input Indicators</u></b>					
● Total expenditures - all sources (in thousands)	\$ 117,502.1	\$ 117,666.6	\$ 118,529.1	\$ 115,910.2	\$ 116,638.5
● Total expenditures - state appropriated funds (in thousands)	\$ 117,502.1	\$ 117,666.6	\$ 118,529.1	\$ 115,910.2	\$ 116,638.5
● Average monthly full-time equivalents	1,112.0	1,292.0	1,292.0	1,159.0	1,175.0
<b><u>Output Indicators</u></b>					
● Family reports investigated	59,404	62,737	57,640	66,817	62,800
● Hotline calls	293,292	277,295	278,560	249,764	277,300
● Children investigated	97,418	104,248	94,530	111,830	104,300
<b><u>Outcome Indicators</u></b>					
● Number of indicated family reports	16,379	16,017	16,070	16,329	16,100
● Percentage of investigations indicated	27.7%	26.8%	27.9%	24.4%	25.6%
● Percentage of investigations initiated within 24 hours	99.4%	99.5%	100%	99.8%	99.3%
● Percentage of investigations completed within 60 days	87.5%	83.4%	90%	93.3%	95%

**STATE OF ILLINOIS  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

**Service Efforts and Accomplishments  
(Unaudited)**

(Dollars in Thousands)

**Family Maintenance**

**Mission Statement:** Support and stabilize families so that children can safely return home or, if they have been removed, quickly return home.

**Program Goals:**

**Objectives:**

- 1 Provide effective in-home services to maintain stable family environments and prevent subsequent abuse.
- 2 Provide effective programs to minimize intake into substitute care.
- 3 Improve parenting skills and deter substance abuse.

**Funds:** General Revenue Fund, DCFS Children's Services Fund, DCFS Federal Projects Fund, DCFS Special Purposes Trust Fund      **Statutory Authority:** Children & Family Services Act

	<u>Fiscal Year 2003 Actual</u>	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Target /Projected</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>
<b>Input Indicators</b>					
• Total expenditures - all sources (in thousands)	\$ 81,678.5	\$ 78,776.0	\$ 76,863.1	\$ 73,221.0	\$ 76,249.4
• Total expenditures - state appropriated funds (in thousands)	\$ 81,617.7	\$ 78,776.0	\$ 76,863.1	\$ 73,221.0	\$ 76,249.4
• Average monthly full-time equivalents	691.0	519.0	519.0	517.0	530.0
<b>Output Indicators</b>					
• Intact families served (end of year)	7,648	7,619	7,420	6,983	7,000
• Family cases closed	10,592	10,250	10,270	9,780	9,800
<b>Outcome Indicators</b>					
• Intact family cases open over 12 months	1,118	1,874	1,800	1,944	1,900

**State of Illinois  
Department of Children and Family Services**

**Funds Administered**

**June 30, 2005**

The State of Illinois, Department of Children and Family Services was responsible for administering the following funds.

**General Revenue Fund (#001)** – This is the Department’s primary operating fund. It accounts for all financial resources of the Department, except those required to be accounted for in another fund. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Revenue Fund consistent with applicable legal requirements. The General Revenue Fund is a shared fund of the State of Illinois, and the information in the fiscal schedules and analysis of this report represents only the activity attributable to the Department of Children and Family Services.

**Fiduciary Funds:**

**Private Purpose Trust Funds**

Katherine Schaffner Bequest Fund (#1117) and Herrick House Fund (#1207) -

These funds account for resources legally held in trust for use by the Katherine Schaffner Bequest and the Herrick House. All resources of these funds, including any earnings on invested resources, may be used to support the Katherine Schaffner Bequest and the Herrick House. There is no requirement that any portion of these resources be preserved as capital.

**Agency Fund**

Children’s Trust Fund (#1122) - This fund accounts for deposits collected by the Department, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries on behalf of wards of the Department.

**Special Revenue Funds:** These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes, such as federal grant programs, fees for service, and other resources restricted as to purpose. All special revenue funds of the Department are non-shared funds.

**Treasury-Held Funds**

DCFS Training Fund (#094) - The purpose of this Federally financed fund is to provide training for foster parents, adoptive parents, and the Department and private agency staff in accordance with Federal standards.

**State of Illinois**  
**Department of Children and Family Services**

**Funds Administered**

**June 30, 2005**

DCFS Children's Services Fund (#220) - This fund is Federally financed through the non-training programs under Title IV-E of the Social Security Act, TANF and the Title IV-B programs. Protective services including a 24-hour hotline and investigative services, foster care initiative programs, specialized living arrangements and treatment for abused or neglected children with special needs, counseling and family preservation programs are some of the services provided with these monies.

DCFS Federal Projects Fund (#566) - The purpose of this fund is to administer a variety of formula and discretionary grants awarded by the Federal government. The focus of these grants is to support a number of family and child related programs including: child abuse and neglect prevention and treatment programs, independent living, family preservation and crisis intervention programs and day care enhancement and referral projects.

DCFS Special Purpose Fund (#582) - The purpose of this fund is to administer monies and special grants received from private organizations, corporations, donors, etc.

Child Abuse Prevention Fund (#934) - The purpose of this fund is to administer grants to private social service organizations to help prevent child abuse and neglect. The monies for this fund come from the State Income Tax check-off, private donations and interest revenue.

**Locally-Held Funds** - These funds administer various grants and bequests from private sources for the benefit of State wards. These special revenue funds consist of various bank accounts controlled by the Department. Expenditures of these funds must meet the restrictions placed on these funds by the grantor.

Bail Bond Fund (#1119)  
Children and Family Benefit Fund (#1121)  
General Purpose Fund (#1123)  
Family Reunification Fund (#1226)