

REPORT DIGEST

DEPARTMENT ON AGING

FINANCIAL AND COMPLIANCE AUDIT

(In accordance with the Federal
Single Audit Act and OMB
Circular A-133)

For the Two Years Ended:
June 30, 1998

Summary of Findings:

Total this audit	10
Total last audit	10
Repeated from last audit	5

Release Date:



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- ◆ The Department did not timely prepare financial statements and the required note disclosures. This condition has existed since 1994.
- ◆ The Department has not ensured that board and care homes register as required by statute. Only one of the approximately 4,000 homes located in the State has been registered.

{Expenditures and Activity Measures are summarized on the reverse page.}

**DEPARTMENT ON AGING
FINANCIAL AND COMPLIANCE AUDIT
For The Two Years Ended June 30, 1998**

EXPENDITURE STATISTICS	FY 1998	FY 1997	FY 1996
! Total Expenditures (All Funds).....	\$215,028,319	\$195,450,621	\$176,544,425
<u>OPERATIONS TOTAL</u>	\$10,964,304	\$10,411,126	\$9,888,378
% of Total Expenditures.....	5.10%	5.33%	5.60%
Personal Services.....	\$3,950,240	\$3,823,694	\$3,688,797
% of Operations Expenditures.....	36.03%	36.73%	37.30%
Average No. of Employees.....	104	105	105
Average Salary Per Employee.....	\$37,983	\$36,416	\$35,131
Other Payroll Costs (FICA, Retirement).....	\$832,354	\$744,656	\$722,842
% of Operations Expenditures.....	7.59%	7.15%	7.31%
Contractual Services.....	\$365,188	\$372,843	\$331,708
% of Operations Expenditures.....	3.33%	3.58%	3.35%
All Other Items.....	\$5,816,522	\$5,469,933	\$5,145,031
% of Operations Expenditures.....	53.05%	52.54%	52.03%
<u>UNAPPROPRIATED EXPENDITURES & REFUNDS</u>	\$68,996	\$6,000	\$0
% Of Total Expenditures.....	.03%	0%	0%
<u>GRANTS TOTAL</u>	\$203,995,019	\$185,033,495	\$166,656,047
% of Total Expenditures.....	94.87%	94.67%	94.40%
! Cost of Property and Equipment.....	\$827,421	\$874,853	\$833,344

COMMUNITY CARE PROGRAM (CCP)	FY 1998	FY 1997	FY 1996
! CCP Average Monthly Caseload.....	34,610	32,906	30,982
! Clients Receiving Medicaid.....	31.1%	31.2%	30.9%
! Clients Over 75 Living Alone.....	84.0%	85.4%	87.2%
! Average Cost Per Client Per Month.....	\$348	\$336	\$310

The Community Care Program (CCP) provides in-home homemaker and senior companion services, adult day care and case management services to persons aged 60 years and older. Services are designed to prevent inappropriate or premature institutionalization.

AGENCY DIRECTOR

During Audit Period: Maralee I. Lindley
Currently: Margo E. Shreiber

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FINANCIAL STATEMENTS WERE NOT PREPARED TIMELY

Financial statements have not been prepared timely for the past six years

The Department did not prepare financial statements and the required note disclosures on a timely basis. (Finding 98-7, page 23). **This finding has been repeated since 1994.**

We recommended the Department allocate sufficient resources to complete its financial statements and related note disclosures on a timely basis.

Department officials responded they will comply with the recommendation to prepare financial statements on a timely basis. (For Previous Agency responses, see Digest Footnote #1)

FAILURE TO REGISTER BOARD AND CARE HOMES

Failing to register board and care homes resulted in the loss of approximately \$400,000 in registration fees

The Department has only registered one of the approximately 4,000 board and care homes located in the State.

The Board and Care Home Registration Act (225 ILCS 7/3) requires board and care homes to register with the Department on Aging. In addition, the Department is to charge a registration fee.

The Department has developed a registration form containing the registration fee as required by statute; however, no controls are in place to ensure that all board and care homes register with the Department. (Finding 98-8, pages 24-26)

We recommended the Department continue its efforts to register board and care homes. Either, stronger controls should be implemented to help ensure all board and care homes in the State register with the Department, or the Department should seek legislative change to clarify its authority in the registration process.

Department officials stated the Department does not have the statutory authority to administer sanctions for failure

of board and care homes to complete the registration process. However, the Department will continue to publicize the registration requirements of board and care homes.

OTHER FINDINGS

The remaining findings are less significant and are being given appropriate attention by the Department. We will review the Department's progress towards the implementation of our recommendations in our next audit.

Responses to the findings were provided by Mr. Roger Wilton, under the direction of Ms. Maralee I. Lindley, former Director of the Department on Aging.

AUDITORS' OPINION

The auditors report that the financial statements of the Department on Aging as of June 30, 1998 and June 30, 1997 are fairly stated.

WILLIAM G. HOLLAND, Auditor General

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SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were J.M. Abbott and Associates.

DIGEST FOOTNOTE

#1 Financial Statement were not Prepared Timely - Previous Agency Responses

- 1996: "The Department concurs with the recommendation and will try to prepare financial statements on a timely basis at least in compliance with the CUSAS requirements."
- 1994: "The Department concurs with the finding. The Department does recognize the concern for an efficient audit process and will arrange staff assignments to meet these requirements in the future."