
REPORT DIGEST

DEPARTMENT ON AGING

FINANCIAL AND COMPLIANCE AUDIT

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

For the Year Ended:
June 30, 1999

Summary of Findings:

Total this audit	6
Total last audit	10
Repeated from last audit	3

Release Date:



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

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SYNOPSIS

- ◆ The Department on Aging (the Department) did not have sufficient monitoring procedures in place over one of its major federal programs.
- ◆ The Department has not ensured that board and care homes register as required by statute. Only six of the approximately 4,000 homes located in the State have been registered.
- ◆ The Department did not ensure that the Alzheimer's Task Force was fulfilling its statutorily mandated responsibilities.

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

**DEPARTMENT ON AGING
FINANCIAL AND COMPLIANCE AUDIT
For The Year Ended June 30, 1999**

EXPENDITURE STATISTICS	FY 1999	FY 1998	FY 1997
Total Expenditures (All Funds).....	\$236,281,463	\$215,028,319	\$195,450,621
<u>OPERATIONS TOTAL</u>	\$12,090,635	\$10,964,304	\$10,411,126
% of Total Expenditures.....	5.12%	5.10%	5.33%
Personal Services.....	\$3,968,454	\$3,950,240	\$3,823,694
% of Operations Expenditures.....	32.82%	36.03%	36.73%
Average No. of Employees.....	106	104	105
Average Salary Per Employee.....	\$37,438	\$37,983	\$36,416
Other Payroll Costs (FICA, Retirement).....	\$966,293	\$832,354	\$744,656
% of Operations Expenditures.....	7.99%	7.59%	7.15%
Contractual Services.....	\$387,868	\$365,188	\$372,843
% of Operations Expenditures.....	3.21%	3.33%	3.58%
All Other Items.....	\$6,768,020	\$5,816,522	\$5,469,933
% of Operations Expenditures.....	55.98%	53.05%	52.54%
 <u>UNAPPROPRIATED EXPENDITURES & REFUNDS</u>	 \$0	 \$68,996	 \$6,000
% Of Total Expenditures.....	0%	.03%	0%
 <u>GRANTS TOTAL</u>	 \$224,190,828	 \$203,995,019	 \$185,033,495
% of Total Expenditures.....	94.88%	94.87%	94.67%
 Cost of Property and Equipment.....	 \$903,222	 \$827,421	 \$874,853

COMMUNITY CARE PROGRAM (CCP)	FY 1999	FY 1998	FY 1997
CCP Average Monthly Caseload (clients).....	35,803	34,785	32,906
Prospective Nursing Home Cases Prescreened.....	70,848	63,344	62,774
Clients Over 75 Living Alone.....	82.9%	84.0%	85.4%
Average Cost Per Client Per Month.....	\$382	\$349	\$336

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 (July 1, 1998 - January 18, 1999), Margo E. Shreiber (January 19, 1999 – June 30, 1999)
Currently: Margo E. Shreiber

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE MONITORING OF SUBRECIPIENTS

**Inadequate monitoring
procedures over a major
federal program**

The Department did not have sufficient monitoring procedures in place to ensure that subrecipients of one of its major programs are administering federal funds in compliance with the federal requirements.

The Department's current monitoring procedures for the Senior Community Service Employment program consist of reviewing audit reports of subrecipients and reviewing subrecipient requests for payment. The Department does not require subrecipients to provide detailed supporting documentation with the request for payment, and therefore, the Department cannot be assured that funds are being used for authorized purposes.

Other minor deficiencies in the Department's monitoring procedures were also noted. (Finding 1, pages 16-17)

We recommended the Department obtain and review detailed supporting documentation for subrecipients' requests for payment and that it conduct timely on-site monitoring reviews.

Department officials responded they will comply with the recommendation to conduct timely site visits, and will consider the need to obtain supporting documentation from the subrecipients.

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 six 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 3, pages 21-22)

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 responded by stating that it is the legal responsibility of the board and care home to initiate the registration process, and that the Department does not have statutory authority to require registration. The Department further responded by outlining the steps currently being taken to inform board and care homes of the registration process.

ALZHEIMER'S TASK FORCE

The Department did not ensure that the Alzheimer's Task Force was fulfilling its statutory responsibilities. The Illinois Act on Aging (20 ILCS 105/8.04b) requires the Alzheimer's Task Force to evaluate the various health or medical assistance programs and services being administered by the state to persons with Alzheimer's disease. The Director of the Department on Aging is to serve as chairman of the Task Force.

**The Alzheimer's Task Force
has not met since 1992**

The Task Force has not met since 1992, and currently has ten vacancies. (Finding 5, pages 25-26)

We recommended the Department and the Alzheimer's Task Force comply with the established statutory responsibilities.

Department officials responded that they are proceeding to integrate the responsibilities of the Alzheimer's Task Force with the responsibilities of the Community Care Policy Advisory Committee (CCPAC) because they feel the CCPAC covers similar issues.

OTHER FINDINGS

The remaining findings are less significant and are being given 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, Fiscal Officer for the Department on Aging.

AUDITORS' OPINION

The auditors report that the financial statements of the Department on Aging as of June 30, 1999 and for the year then ended are fairly stated in all material respects.

WILLIAM G. HOLLAND, Auditor General

WGH:KAL:pp

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors were DeRaimo Hillger & Ripp.