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# REPORT DIGEST

## DEPARTMENT ON AGING

### FINANCIAL AND COMPLIANCE AUDIT

For the Two Years Ended:  
June 30, 1996

#### Summary of Findings:

Total this audit	10
Total last audit	8
Repeated from last audit	2

Release Date:



State of Illinois  
Office of the Auditor General

**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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## SYNOPSIS

- ◆ For personal reasons, the Department's general counsel was allowed to be headquartered the past two years at another State agency's regional office in Peoria, Illinois where she resides.
- ◆ The Department on Aging has not registered board and care homes as required by statute. According to a Department report issued in 1993, there were 4,000 board and care homes housing 92,000 residents many of whom were not being reached by the State's social service systems.
- ◆ The Department was not in compliance with several statutory mandates requiring them to prepare and file reports with the Governor and General Assembly. When reports are not filed, filed late or do not contain the requested information, the Governor and General Assembly do not have the knowledge they need to evaluate programs for the aging.
- ◆ The Department did not perform annual evaluations of the sub-State ombudsman programs as required by federal law. These evaluations are necessary to ensure elderly residents of long-term care facilities receive proper services.

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

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**DEPARTMENT ON AGING**  
**FINANCIAL AND COMPLIANCE AUDIT**  
**For The Two Years Ended June 30, 1996**

EXPENDITURE STATISTICS	FY 1996	FY 1995	FY 1994
<b>! Total Expenditures (All Funds).....</b>	<b>\$176,618,192</b>	<b>\$172,374,498</b>	<b>\$163,124,356</b>
<u>OPERATIONS TOTAL</u> .....	\$9,958,635	\$10,011,878	\$8,732,271
% of <b>Total</b> Expenditures.....	5.638%	5.808%	5.35%
Personal Services.....	\$3,759,054	\$3,672,850	\$3,507,392
% of Operations Expenditures .....	37.75%	36.68%	40.17%
Average No. of Employees .....	105	105	104
Other Payroll Costs (FICA, Retirement).....	\$722,842	\$743,444	\$719,540
% of Operations Expenditures .....	7.26%	7.43%	8.24%
Contractual Services.....	\$331,708	\$362,298	\$376,264
% of Operations Expenditures .....	3.33%	3.62%	4.31%
All Other Operations Items .....	\$5,145,031	\$5,233,286	\$4,129,075
% of Operations Expenditures .....	51.66%	52.27%	47.28%
<u>UNAPPROPRIATED EXPENDITURES &amp; REFUNDS</u> .....	\$3,510	\$3,718	\$996,044
% of <b>Total</b> Expenditures.....	.002%	.002%	.61%
<u>GRANTS TOTAL (STATE AND FEDERAL)</u> .....	\$166,656,047	\$162,358,902	\$153,396,041
% of <b>Total</b> Expenditures.....	94.36%	94.19%	94.04%
<b>! Cost of Property and Equipment .....</b>	<b>\$833,344</b>	<b>\$700,434</b>	<b>\$939,807</b>

COMMUNITY CARE PROGRAM (CCP)	FY 1996	FY 1995	FY 1994
<b>! CCP Average Monthly Caseload</b> .....	30,982	29,713	28,473
<b>! Clients Receiving Medicaid</b> .....	30.9%	30.9%	30.4%
<b>! Clients Over 75 Living Alone</b> .....	87.2%	89.5%	89.9%
<b>! Average Cost Per Client Per Month</b> .....	\$310	\$308	\$302

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: Maralee I. Lindley

**FINDINGS, CONCLUSIO**  
**RECOMMENDATIONS**

**INAPPROPRIATE WORKPLACE OUTSIDE  
OFFICIAL HEADQUARTERS**

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**General Counsel allowed to  
work at home city for two  
years**

For personal reasons, the Department's general counsel was allowed to work at the Illinois Department of Public Health's Regional Office in Peoria, Illinois, which is in the city of her residence. The Department's business is conducted from its main office in Springfield; its only other location is a small satellite office in the James R. Thompson Center in Chicago.

Department officials stated the reason for the designation was "Temporary assignment due to family reasons." Allowing key personnel to work outside the office may cause unnecessary spending in connection with the ongoing administrative operations of the Department. Furthermore the Department is unable to monitor the accuracy of the employee time records. (Finding 2, page 10)

The Department stated it has begun to make arrangements for the transition of the General Counsel's office back to Springfield. The transition shall begin as soon as reasonably possible and be completed no later than the beginning of State fiscal year 1998.

**FAILURE TO REGISTER BOARD AND CARE  
HOMES**

The Department on Aging is not registering board and care homes.

The Board and Care Home Registration Act (225 ILCS 7/3) requires the Department to register board and care homes, charge a registration fee and promulgate rules to protect the rights and safety of the residents. The Act was effective August 20, 1995. The Department's timetable to implement the registration process is September, 1997, over two years after the effective date of the statute.

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**Rights and safety of residents  
of board and care homes  
unprotected**

According to a Department report issued in 1993 , there were approximately 4,000 board and care homes housing 92,000 residents many of whom were not being reached by the State's multitude of social service systems. By not initiating this registration process more expeditiously and promulgating rules to protect the rights and safety of the residents, the Department may be allowing the possible abuse and neglect of the citizens residing in board and care homes. (Finding No. 6, page 16)

The Department's response indicates this legislation raised many legal and procedural questions and some funding concerns. They stated that draft rules have been finalized; however, they noted that, under the Administrative Procedure Act, it would take 9-12 months for adoption of the rules.

**FAILURE TO PREPARE AND FILE STATUTORILY  
MANDATED REPORTS**

The Department was not in compliance with several statutory mandates requiring them to prepare and file reports with the Governor and the General Assembly.

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**Mandated report 14 months  
late**

◆ **The Home and Community Based Services Act** (20 ILCS 3957/15) establishes a Task Force to study the feasibility of developing a comprehensive home and community based services program for individuals age 60 and older who are eligible for medical assistance under the Illinois Public Aid Code. A report was due no later than July 1, 1994. The report was dated September 11, 1995 (14 months late) and did not appear to adequately address the issues outlined in the statute.

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**Mandated report 8 months  
late**

◆ **The Illinois Act on Aging** (20 ILCS 105/4.06) creates the Minority Senior Citizen Program in the Department on Aging to identify needs and problems of minority senior citizens. The statute was effective January 1, 1994. Annual reports are required. The first annual report was dated May, 1995 (8 months late).

◆ **The Nursing Home Care Act** (210 ILCS 45/3-108a) creates the Long Term Care Facility Inspection Consolidation Task Force to study the feasibility of

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**Task Force did not have time to address the issues; had not met since January, 1994**

consolidating long term care facility inspection efforts of various government agencies. The Task Force was to report no later than January 1, 1994. The report was issued timely; however, it stated that they had not had sufficient time to address the issues and would be continuing to meet and would be sending additional reports. The Task Force has not met since the report was issued.

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**Late mandated reports**

- ◆ **The Partnership for Long-Term Care Act** (320 ILCS 35/50 and 35/55) establishes the executive and legislative advisory task force to provide advice and assistance in designing and implementing the partnership for Long-term Care Pilot Program administered by the Department on Aging. Statute requires annual reports by January 1 and an additional report by March 31, 1994. The March 31, 1994 report was never issued and the annual 1994 and 1995 reports were sent to the General Assembly on July 15, 1996.

Complying with statutory mandates which require reports to the Governor and General Assembly is an important part of the oversight function in government. When reports are not filed, filed late or do not contain the requested information, the Governor and the General Assembly are deprived of the knowledge they need to evaluate the effectiveness of the programs. (Finding 5, page 13)

The Department response noted their cooperation in working with the various task forces but in several cases pointed to other agencies as those responsible for reporting. In other cases, they said coordination and cooperation of other agencies caused delays, and, in another instance, they acknowledged the fact they did overlook the reporting requirements. In that case they said controls were instituted to prevent this oversight in the future.

#### **FAILURE TO EVALUATE SUB-STATE OMBUDSMAN PROGRAMS WITHIN THE REQUIRED TIMEFRAME**

Although federal law requires evaluations of ombudsman programs established below the State level at least once each

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**Annual evaluations of the sub-State ombudsman programs are necessary to comply with federal law and to ensure that elderly residents of long-term care facilities receive services as intended**

fiscal year, the Department and two of three area agencies on aging we reviewed had not evaluated the sub-State ombudsman programs since September 1993. The Long Term Care Ombudsman Program is a federally-funded (Title III) program for investigating and resolving complaints made by or on behalf of long-term care facility residents. The Department contracts with 13 area agencies on aging to administer a system of 17 ombudsman programs statewide. By not evaluating the performance of sub-State ombudsman programs in a timely manner, the Department cannot ensure that the objectives of the program are being met and that elderly residents of long-term care facilities are receiving services as intended. Also, federal funds may be withheld if the Department fails to comply substantially with any requirement of the State plan to implement and administer Older Americans Act programs (42 U.S.C. Sec. 3027(d). (Finding 14, page 97)

Department officials stated they were unaware of the annual monitoring requirement and had developed a policy requiring monitoring every two years, but they were unable to meet the two-year goal due to uncertainties regarding the federal funding levels during FY 1995 and FY 1996. The Department accepted our recommendation that it require and conduct annual evaluations of the sub-State ombudsman programs.

#### **OTHER FINDINGS**

The remaining findings have been given appropriate attention by the Department. We will review the Department's progress towards the implementation of our recommendations in our next audit.

Ms. Maralee I. Lindley, Director of the Department on Aging, provided the responses.

#### **AUDITORS' OPINION**

The auditors report that the financial statements of the Department on Aging as of June 30, 1996 and June 30, 1995 are fairly stated.

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WILLIAM G. HOLLAND, Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Abbott, Phillips & Co., Ltd. were our special assistant auditors for this audit.

