STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

COMPLIANCE EXAMINATION
AND DEPARTMENT-WIDE FINANCIAL AUDIT

For the Two Years Ended June 30, 2013

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE EXAMINATION
AND DEPARTMENT-WIDE FINANCIAL AUDIT
For the Two Years Ended June 30, 2013

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

AGENCY OFFICIALS

Secretary	Michelle R. B. Saddler
Assistant Secretary (Operations)	Matthew Hammoudeh
Assistant Secretary (Programs)	Grace Hou (Through 12/6/12) Nelida Smyser-DeLeon (Acting, 12/7/12 - 10/22/13; Effective 10-23-13)
Budget Director	Robert Brock
Business Services Director	Melissa Wright (Acting, 5/1/10 - 6/30/12; Appointed, Effective 7/1/12)
Chief of Staff	Grace Hong Duffin Nelida Smyser-DeLeon (Acting, 5/30/12- 11/1/12) Anna D'Ascenzo (Acting, 5/30/12 - 1/1/13)
Chief Financial Officer	Carol Kraus
Chief Operating Officer	Vacant (Through 7/30/11) Matthew Grady (8/1/11 - 2/28/14) Kacy Basset (Acting, 3/1/14 to Present)
Office of Contract Administration Manager	Vacant (Through 10/31/11) Nelida Smyser-DeLeon (Acting, 11/1/11- 6/21/12) Bradley Howard (6/22/12 - Present)
Chief Internal Auditor	Debbie Abbott (Through 2/28/13) Suzie Lewis (Acting, 3/1/13 - 12/31/13) Jane Hewitt (1/1/14 - Present)
Agency Procurement Officer	Trudy Haffer (Through 12/15/11) Bradley Howard (12/16/11 - 2/15/12) William Strahle (Effective 2/16/12)
Fiscal Services Director	Matthew Grady (Through 7/31/11) Gary Anderson (Acting, 7/27/11 - 12/31/11) Michael Layden (Acting, Effective 1/3/12 - 4/30/12, Appointed, Effective 5/1/12)
Human Resources Director	Elizabeth Sarmiento (Through 11/1/13) Joan Bortolon (Acting, 11/2/13 - Present)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

AGENCY OFFICIALS – Continued

Management Information Services Chief	Doug Kasamis
Office of Community Relations Director	Tom Green
Chief Legislative Liaison	Randy Wells
Office of Accessibility and Customer Support Director	Martha Younger-White (Acting, 7/16/08 - 5/15/12) Vacant (5/16/12 - 6/15/12) Pam Enno (Acting, 6/16/12 - 9/12/13) Jeff Pyle (Acting, 9/16/13 - 2/28/14 retired) Jeff Pyle (75-day contract 3/1/14 - Present)
Hispanic/Latino Affairs Director	Nelida Smyser-DeLeon (Through 10/22/13) Nelida Smyser-DeLeon (Acting, 10/23/13 - 2/28/14) Silvia Villa (3/1/14 - Present)
General Counsel	Mary-Lisa Sullivan (Through 4/20/12) Brian Dunn (Effective 4/23/12 - Present)
Inspector General	Bill Davis (Through 7/27/12) Daniel Dyslin (Acting, 7/28/12 - 12/09/12) Michael McCotter (12/10/12 - Present)
Office of Strategic Planning and Performance Director	Layla Suleiman-Gonzalez (Through 1/31/13) Grace Hong-Duffin (Acting, 2/1/13 - 9/30/13) Joan Small (10/1/13 - Present)
Division of Alcohol and Substance Abuse Director	Theodora Binion-Taylor
Division of Rehabilitation Services Director	Rob Kilbury (Through 11/30/11) Kris Smith (Acting, 12/1/11 - 11/15/12) David Hanson (11/16/12 - Present)
*Division of Community Health and Prevention Director	Ivonne Sambolin-Jones (Through 12/15/11) Vacant (12/16/11 - 2/29/12) Dan Harris (3/1/12 - 5/1/13)
Division of Developmental Disabilities Director	Reta Hoskin (Acting, 4/16/11 - 8/28/11) Kevin Casey (Effective 8/29/11)

AGENCY OFFICIALS – Continued

Division of Mental Health Director	Lorrie Rickman-Jones, Ph.D. (Through 12/31/12) Theodora Binion-Taylor (Acting, 1/1/13 - Present)
Division of Clinical, Administrative and Program Support Manager	Jim Hobbs
*Office of Human Capital Development Director	Linda Saterfield (Acting, Through 11/30/11) Linda Saterfield (12/1/11 - 1/15/14) Dyahanne Ware (1/20/14 - Present)
Grant Administration Director	Sharon Zahorodnyj
Office of Security and Emergency Preparedness Director	Hero Tameling (Through 8/17/11) Vacant (8/18/11 - 1/12/12) John Mack (Effective 1/13/12 - Present)

*Effective 5/1/13, the Division of Human Capital Development (DHCD) and the Division of Community Health and Prevention (DCHP) were merged together to create a new division, Division of Family and Community Services (DFCS). At that time, Linda Saterfield became the Director of DFCS. DCHP is awaiting approval to move Dan Harris into the Assistant Director position in DFCS.

Agency main offices are located at:

100 South Grand Avenue, East Springfield, Illinois 62762	501 South Clinton Street Chicago, Illinois 60607

Pat Quinn, *Governor*

Illinois Department of Human Services

Michelle R.B. Saddler, *Secretary*

100 South Grand Avenue, East • Springfield, Illinois 62762
401 South Clinton Street • Chicago, Illinois 60607

MANAGEMENT ASSERTION LETTER

May 13, 2014

Sikich LLP
3201 West White Oaks Drive, Suite 102
Springfield, IL 62704

Ladies and 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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2013. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2013, the Agency has materially complied with the assertions below.

A. The Agency 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. Other than what has been previously disclosed, the Agency 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. Other than what has been previously disclosed, the Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the Agency 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 Agency on behalf of the State or held in trust by the Agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Department of Human Services

Michelle R.B. Saddler
Secretary

Carol Kraus
Chief Financial Officer

Brian Dunn
General Counsel

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers but contained report modifications for compliance and internal control.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	38	43
Repeated findings	27	29
Prior recommendations implemented or not repeated	19	10

SCHEDULE OF FINDINGS

Item No.	Page	Description	Finding Type
		FINDINGS (*GOVERNMENT AUDITING STANDARDS*)	
2013-001	18	Weaknesses in preparation of GAAP reporting form submitted to the Illinois Office of the Comptroller and preparation of year-end Department financial statements	Material Weakness
2013-002	22	Weaknesses over quarterly reporting of accounts receivable	Material Weakness
2013-003	24	Commodity inventory system outdated and insufficient for user needs	Significant Deficiency
2013-004	26	Inadequate controls over capital asset financial reporting	Significant Deficiency

FINDINGS (STATE COMPLIANCE)

2013-005	28	Inadequate administration of closing Mental Health Centers and Developmental Centers	Significant Deficiency and Material Noncompliance
2013-006	34	Failure to calculate and pay prompt payment interest on medical assistance payments	Significant Deficiency and Material Noncompliance
2013-007	37	Failure to transfer remaining fund balance as required by Illinois Public Aid Code	Significant Deficiency and Material Noncompliance
2013-008	39	Inadequate administration of the Home Services Medicaid Trust Fund	Significant Deficiency and Material Noncompliance
2013-009	41	Inadequate compliance with procedures for disposal of confidential information	Significant Deficiency and Noncompliance
2013-010	44	Internal control weaknesses in the Home Services Program	Significant Deficiency and Material Noncompliance
2013-011	46	Weaknesses in processing Personal Assistants payments	Significant Deficiency and Noncompliance
2013-012	48	Inadequate monitoring of provider agencies	Significant Deficiency and Noncompliance
2013-013	49	Inadequate controls over accounts receivable	Significant Deficiency and Noncompliance
2013-014	54	Inadequate controls over receipts	Significant Deficiency and Noncompliance
2013-015	57	Inadequate controls over returned checks	Significant Deficiency and Noncompliance
2013-016	58	Inadequate administration of locally held funds	Significant Deficiency and Noncompliance
2013-017	64	Voucher processing, approval and payment	Significant Deficiency and Noncompliance
2013-018	66	Failure to ensure expenditure reconciliations are prepared timely	Significant Deficiency and Noncompliance
2013-019	67	Inadequate recordkeeping for payroll and personnel files	Significant Deficiency and Noncompliance

2013-020	70	Employee performance evaluations not performed on a timely basis	Significant Deficiency and Noncompliance
2013-021	72	Weaknesses in maintaining documentation of temporary assignments	Significant Deficiency and Noncompliance
2013-022	74	Time records not maintained in compliance with the State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance
2013-023	76	Inadequate controls over commodities	Significant Deficiency and Noncompliance
2013-024	80	Lack of physical control over State property	Significant Deficiency and Noncompliance
2013-025	83	Access to Department production data not adequately restricted	Significant Deficiency and Noncompliance
2013-026	84	Unsecured confidential information transmitted over the Internet	Significant Deficiency and Noncompliance
2013-027	86	Contingency planning weaknesses	Significant Deficiency and Noncompliance
2013-028	88	Controls over telecommunication services and expenditures	Significant Deficiency and Noncompliance
2013-029	90	Cellular phones not cancelled in a timely manner	Significant Deficiency and Noncompliance
2013-030	92	Inadequate compliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Material Noncompliance
2013-031	94	Failure to comply with Public Benefits Fraud Protection Task Force provisions of the Illinois Public Aid Code	Significant Deficiency and Noncompliance
2013-032	96	Noncompliance with statutory requirements	Significant Deficiency and Noncompliance
2013-033	100	Late submission of required reports	Significant Deficiency and Noncompliance
2013-034	103	Failure to make appointments in accordance with State law	Significant Deficiency and Noncompliance
2013-035	105	Noncompliance with fire safety standards	Significant Deficiency and Noncompliance

2013-036	106	Weaknesses in conducting annual eligibility redeterminations for KidCare (ALL KIDS)	Significant Deficiency and Noncompliance
2013-037	108	Duplication of medical assistance enrollees	Significant Deficiency and Material Noncompliance
2013-038	110	Medical assistance records not updated timely for deceased individuals	Significant Deficiency and Material Noncompliance

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

2013-001	18	Weaknesses in preparation of GAAP reporting form submitted to the Illinois Office of the Comptroller and preparation of year-end Department financial statements	Material Weakness and Material Noncompliance
2013-002	22	Weaknesses over quarterly reporting of accounts Receivable	Material Weakness and Material Noncompliance
2013-003	24	Commodity inventory system outdated and insufficient for user needs	Significant Deficiency and Noncompliance
2013-004	26	Inadequate controls over capital asset financial reporting	Significant Deficiency and Material Noncompliance

PRIOR FINDINGS NOT REPEATED

Financial Audit – Year Ending June 30, 2012

A	114	Inadequate controls over prompt payment interest
B	114	Noncompliance with statutory requirements for fiscal reporting
C	114	Inadequate controls over commodities *

Compliance Examination – Two Years Ended June 30, 2011

D	114	Child care provider addresses matched to Illinois Sex Offender Registry
E	115	Child care assistance payments and tuition
F	115	Contract overpayments to vendor not resolved in a timely manner
G	116	Preferential payments to provider not adequately supported in a timely manner
H	116	Weaknesses in contract administration
I	116	Inadequate oversight of union contracts
J	116	Lack of controls over monitoring unemployment insurance benefits paid under the Home Services Program
K	116	Failure to comply with Medicare and Medicaid certification requirements
L	117	Failure to reconcile grant expenditures and seek recovery of funds in a timely manner
M	117	Failure to timely determine the disposition of unspent grant funds
N	117	Weaknesses in monitoring interagency agreements
O	117	Failure to transfer surplus real property
P	117	Inadequate records for State vehicles assigned to Department employees
Q	118	Failure to display proper identification
R	118	Failure to administer the Rapid Reintegration Pilot Program
S	118	Whistle blower notices not conspicuously displayed

** Repeated as 2013-026, but considered a finding for State Compliance purposes only.*

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 28, 2014. Attending were:

Department of Human Services

Michelle R.B. Saddler	Secretary
Matthew Hammoudeh	Assistant Secretary - Operations
Michael Layden	Director of Fiscal Services
Jane Hewitt	Chief Internal Auditor
John Mack	Office of Security and Emergency Preparedness Director
Doug Kasamis	Management Information Services Chief
Albert Okwuegbunam	Bureau Chief, Audit Liaison
Anna Moore	Audit Liaison
Sunday Odele	Audit Liaison
Rebecca Wilson	Bureau Chief, General Accounting
Cheri Wehmhoff Chery Wehmoff	Division of Mental Health
Bill Suttles	Illinois School for the Deaf
Taj Ibrahim	Elgin Mental Health Center
Randy Waselewski	William W. Fox Developmental Center
Jeff Frey	Andrew McFarland Mental Health Center
Ruth Doyle	John J. Madden Mental Health Center
Joseph Turner	Division of Developmental Disabilities
Waverly Robinson	Ann M. Kiley Developmental Center
Greg Scott	Treatment and Detention Facility – Division of Mental Health
Chris Wells	Clyde L. Choate Mental Health and Developmental Center
Ira Collins	Gov. Samuel H. Shapiro Developmental Center
Randy LeBeau	Gov. Samuel H. Shapiro Developmental Center
Amy Toombs	Chicago-Read Mental Health Center
Theodora Binion	Director, Division of Alcoholism and Substance Abuse
Kacy Bassett	Acting Chief Operation Officer – DHS
Michael Pelletier	Division of Mental Health
Louis D. Parker	Division of Rehabilitation Services - Home Services Program
Cherri A. Montgomery	Division of Rehabilitation Services - Home Services Program
Jim Orum	Contract Administration
Derrick R. Crane	Office of Clinical, Administrative and program Support
Kate Atteberry	Management Information Services
Shawn Henderliter	Division of Rehabilitation Services

Department of Human Services - Continued

Brenda Flowers	Division of Family and Community Services
Paul Thelen	Division of Family and Community Services
Dan Blair	Division of Developmental Disabilities
Justin Smock	Director, Labor Relations

Office of the Auditor General

Elvin Lay	Audit Manager
Joe Gudgel	Audit Manager
Scott Wahlbrink	Audit Manager
Sara Cunningham	Performance Staff

Sikich LLP – Special Assistant Auditors

Andy Lascody	Partner
Ann Bova	Supervisor
Matt Maynerich	Supervisor

Responses to the recommendations were provided by Michelle R.B. Saddler, Secretary, in a letter dated May 13, 2014.

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INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

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 Human Services' (the Department) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2013. The management of the Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

A. 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.

B. 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.

C. 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.

D. State revenues and receipts collected by the Department 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 Department on behalf of the State or held in trust by the Department 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 Department's compliance with those requirements listed in the first paragraph of this report 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 Department's compliance with specified requirements.

As described in items 2013-001, 2013-002, 2013-004 to 008, 2013-010, 2013-030, 2013-037, and 2013-038 in the accompanying schedule of findings, the Department did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. In addition, as described in item 2013-008 in the accompanying schedule of findings, the Department did not comply with requirements regarding obligating, expending, receiving and using public funds of the State in accordance with the purpose for which said funds have been appropriated or otherwise authorized by law. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Department complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2013. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2013-003, 2013-009, 2013-011 to 2013-029, and 2013-031 to 2013-036.

Internal Control

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Department's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2013-001 and 2013-002 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2013-003 to 2013-038 to be significant deficiencies.

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

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department's responses and, accordingly, we express no opinion on the responses.

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.

Sikich LLP

Springfield, Illinois
May 13, 2014

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INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (the Department), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated January 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2013-001 and 2013-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as items 2013-003 and 2013-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from 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*

Department's Response to Findings

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
January 31, 2014

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

SCHEDULE OF FINDINGS

June 30, 2013

CURRENT FINDINGS *(GOVERNMENT AUDITING STANDARDS)*

2013-001 FINDING: (Weaknesses in preparation of GAAP reporting forms submitted to the Illinois Office of the Comptroller and preparation of year-end Department financial statements)

The Department of Human Services' (Department's) year-end financial reporting in accordance with generally accepted accounting principles (GAAP) to the Illinois Office of the Comptroller (Comptroller) contained inaccuracies and errors which resulted in changes being made to originally submitted information.

Auditors noted the Department had not timely recorded expenditures and receipts to their Consolidated Accounting and Reporting System (CARS) which resulted in manual adjustments to their financial reporting data used in the preparation of the GAAP reporting packages. Auditors also noted in some cases there was lack of adequate supporting documentation or thorough review of the reporting packages or work papers. For example, auditors noted instances where the Department supported entries or account balances with only an e-mail from an internal or external source. This resulted in errors and additional Comptroller adjustments. During the audit of the June 30, 2013 Department financial statements, the following exceptions were noted:

- GAAP reporting packages were incomplete and contained numerous inaccuracies and required corrections. The Department was responsible for preparing and submitting 67 packages and several were submitted late. One was submitted 24 days late, 2 were submitted 14 days late, 10 were submitted 4 to 6 days late, and 8 were submitted 1 day late. Significant adjustments were made after the original submission.

- Auditors noted the Department incorrectly included State match expenditures in the current year expenditures on Form SCO-563 for the Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596) program in the General Revenue Fund (Fund No. 0001). The Department overstated current year expenditures by $133.221 million. The error caused numerous accounts related to revenue, receivables and unearned revenue in the financial statements to be adjusted by significant amounts. The Department subsequently agreed to revise the form and the financial statements.

- Auditors noted the Department overstated current year expenditures for the Temporary Assistance for Needy Families (TANF) (CFDA 93.558) program by $68.800 million on the original SCO-563 Form submitted to the Comptroller. As in prior years, these expenditures are claimed by the Illinois Department of Children and Family Services in Fund 0220. The Department subsequently agreed to revise the form and the financial statements which required significant adjustments to receivables and unavailable revenue in the General Revenue Fund.

- The Department failed to calculate and record a liability for prompt payment interest on payments to vendors for developmental disability services covering fiscal years 2010 through 2013. On November 13, 2013, Department officials notified the auditors of the potential for a liability. They estimated the total liability to be $20.476 million for the 4 years, of which $5.983 million related to fiscal year 2013. Although the Department was aware of the potential liability prior to completing their financial reporting process, no actions were taken to determine the financial impact during the preparation of the GAAP fund packages and Departmental financial statements. The Department ultimately determined they had no legal appropriation authority to process the expenditures for payment, so no liability would be recorded. The Department included a footnote to the financial statements to disclose the liability.

- Auditors noted the Department had not timely posted payroll expenditures to CARS. The Department generally relied on inquiries from the Comptroller's Statewide Accounting Management System (SAMS) for payroll expenditure data. The Department determined they could not efficiently rely on their own internal accounting records for payroll information. The Department made an effort but failed to record $111.212 million of payroll expenditures into CARS by June 30, 2013. In addition, auditors noted three funds for which the Department had not posted lapse period payroll. The funds and amounts include: 1) Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund (Fund 0013) for $166 thousand, 2) Illinois Veterans' Rehabilitation Fund (Fund 0036) for $134 thousand, and 3) Early Intervention Services Revolving Fund (Fund 0502) for $58 thousand.

- When reviewing the expenditure reconciliations from the Department's accounting system, CARS, to the Comptroller's accounting system at June 30, 2013, the auditors noted the General Revenue Fund (Fund 0001) and the Community Mental Health Medicaid Trust Fund (Fund 0718) both had significant reconciling items. In Fund 0001, expenditures processed by another State agency through the Medicaid Management Information System (MMIS) totaling $40.174 million were not posted in CARS. In Fund 0718, amounts totaling $1.376 million were not posted in CARS.

- The Comptroller instructed the Department on August 23, 2013 to record the unpaid fiscal year 2012 back wages of $28.020 million as a liability in the General Revenue Fund (Fund 0001) GAAP reporting package. However, the Department failed to include this liability when they submitted the GAAP reporting package on September 30, 2013 and the adjustment was ultimately recorded by the Comptroller on October 23, 2013.

- Auditors noted the Department did not accurately report current expenditures for indirect costs for the Social Security – Disability Insurance (CFDA 96.001) program in the Vocational Rehabilitation Fund (Fund 0081) based on support in the GAAP reporting package work papers. Program personnel provided support for indirect costs totaling $3.626 million, however, only $966 thousand was recorded, a difference of $2.660 million. The Department's support for the $3.626 million was only an e-mail from program personnel. The analysis was not included in the work papers, and there was no indication of review or why the amount provided was not recorded. A thorough review of the analysis may have prompted the Department to record the correct amount.

- Auditors noted another State agency recalculated program expenditures for the Home and Community-Based Waiver program. As a result, the Comptroller adjusted federal operating grant revenue by $36.456 million for the Community Development Disability Services Medicaid Trust Fund (Fund 0142) and $11.288 million for the Health and Human Services Medicaid Trust Fund (Fund 0365) approximately one month after the Department initially submitted the GAAP reporting packages for those funds.

- The Department overstated operating transfers out from the General Revenue Fund (Fund 0001) to the DHS Public Assistance Recoveries Trust Fund (Fund 0921) by $11.655 million. The Illinois Public Aid Code (Code) (305 ILCS 5/12-9.1) required the Department to calculate and certify excess monies in Fund 0921 on the first day of each calendar quarter and transfer those monies to Fund 0001 within 30 days. The Department recorded liabilities for these transfers as far back as fiscal year 2007 but never transferred the funds. The $11.655 million was the liability recorded in Fund 0921 for the transfers as of June 30, 2012. Rather than transferring the monies from Fund 0921 to Fund 0001, the Department recorded a transfer out from Fund 0001 to Fund 0921 of $11.655 to remove or offset the liability from the Department's financial records. A statutory change to the Code was effective June 19, 2013 and no longer requires the transfer. However, the statutory change should have been implemented on a prospective basis beginning with the effective date. In addition, the Department failed to change the presentation in the financial statements of Fund 0921 from a general fund type to a special revenue fund type despite instructions from the State Comptroller to do so.

- Auditors noted the Department overstated current year expenditures for the Child Care and Development Block Grant (CFDA 93.575) program by $8.120 million in the DHS Special Purposes Trust Fund (Fund 0408). The Department analyzed prior year expenditures and the prior year fund balance and determined there were errors. The effect is that current year revenues are overstated to compensate for the prior fund balance being understated.

- Auditors noted the Department committed two errors in the Rehabilitation Services – Vocational Rehabilitation Grants to States (CFDA 84.126) program in the Vocational Rehabilitation Fund (Fund 0081). Both errors were as a result of not accounting for prior year amounts correctly (reversals) in the current year resulting in net effects of an overstatement of due from federal government of $1.732 million, an overstatement of deferred revenue – unavailable of $364 thousand, and an overstatement of federal operating grants of $1.368 million.

- Auditors noted the Department understated current year expenditures for the Refugee and Entrant Assistance – State-Administered Programs (CFDA 93.566) program in the General Revenue Fund (Fund 0001). This is a program that is administered out of more than one fund and in total the expenditure amount was not accounted for correctly. The effect was that due from federal government and deferred revenue – unavailable were understated by $2.465 million.

Department officials stated the errors contained in the GAAP reporting packages were primarily due to a lack of a sufficient number of qualified staff and corresponding titles, education, and experience to prepare GAAP reporting packages and financial statements in accordance with GAAP. The lack of a complete general ledger and grants management system also contributed to the errors.

The Comptroller requires State agencies to prepare GAAP Reporting Packages for each of their funds to assist in the annual preparation of the Statewide financial statements. GAAP Reporting Package instructions are specified in the Comptroller's Statewide Accounting Management System (SAMS) Manual, Chapter 27. The Comptroller sets due dates for the financial information to be submitted in order for the Statewide financial statements to be prepared and audited within a specified timeline to provide users of these statements information in a timely manner.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal controls to provide assurance that revenues, expenditures and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports.

Because of the significance of the weaknesses in preparation of GAAP reporting forms submitted to the Illinois Office of the Comptroller and preparation of year-end Department financial statements, this is considered a material weakness in the Department's internal control. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The exceptions noted, if not detected and corrected, can materially misstate the Department's financial statements and negatively impact the Statewide financial statements. Accurate and timely preparation of the Department's financial information for GAAP reporting purposes is important due to the complexity of the Department and the impact adjustments have on the Statewide financial statements. (Finding Code No. 2013-001, 12-1, 11-1, 10-1 and 09-1)

RECOMMENDATION:

We recommend the Department implement procedures and cross-training measures to ensure GAAP Reporting Packages are prepared in a timely, accurate and complete manner. This should include seeking or allocating sufficient staff resources and the implementation of formal procedures to ensure GAAP financial information is prepared and submitted to the Office of the Comptroller in a timely and accurate manner, and that all supporting documentation is maintained in a contemporaneous manner.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will implement procedures and cross-training measures to ensure GAAP Reporting Packages are prepared in a timely, accurate and complete manner. This will include seeking or allocating sufficient staff resources and the implementation of formal procedures to ensure GAAP financial information is prepared and submitted to the Office of the Comptroller in a timely and accurate manner, and that all supporting documentation is maintained in a contemporaneous manner.

2013-002 **<u>FINDING</u>:** (Weaknesses over quarterly reporting of accounts receivable)

The Department of Human Services (Department) accounts receivable reporting system is cumbersome, relies on numerous subsystems, and requires manual entries.

The Office of the State Comptroller's (Comptroller) Statewide Accounting Management System (SAMS) (Procedure 26.30.10) and the Illinois State Collection Act of 1986 (30 ILCS 210 <u>et</u> <u>seq.</u>) requires agencies to file quarterly accounts receivable information with the Comptroller. This is accomplished by completing a Quarterly Summary of Accounts Receivable – Accounts Receivable Activity report (Form C-97) and Aging of Total Gross Receivables (Form C-98), which are prepared and submitted to the Comptroller each quarter.

During testing of the quarterly receivable forms, the auditors noted the reports were manually compiled from multiple accounts receivable systems in order to issue a single report. The compilation is complex and cumbersome and, as a result, there is a potential for errors in reporting. The current process takes several hours to complete over a period of several weeks. The Department's current primary accounts receivable system is the Accounts Receivable System (ARS) with the secondary systems in the Consolidated Accounting and Reporting System (CARS) and the Reimbursement System II (RE2). The systems need to be updated to handle the quantity of transactions processed by the Department.

Auditors noted the quarterly Form C-98 submitted to the Comptroller contained differences that could not be reconciled with the Department's supporting documentation. For example, for the Mental Health Fund (Fund 0050), receivable balances each quarter consist of balances from CARS, RE2, plus entries for Medicare Part D. The Department does not maintain a detail accounts receivable subsidiary ledger to support the detail of the ending Fund 0050 quarterly balances. Rather, the Department generally takes the beginning quarterly receivable balance, adds new receivables and deletes payments to derive an ending quarterly balance. Auditors reviewed the supporting documentation for these receivables but were unable to reconcile the amounts to the totals reported for the quarter end. For fiscal year 2013, differences ranged from $5 million to $16 million at the end of each quarter.

Auditors also noted there were Form C-98s generated for funds that do not report receivables. Department personnel indicated that CARS will populate receivable amounts for funds that actually do not have receivables. According to Department personnel, these amounts are populated in error and must be zeroed out manually.

In response to this prior finding, the Department has developed formal written policies and procedures to document its existing system and cross-trained other workers on preparing the required reports. It appears there is a methodology for accumulating quarterly accounts receivable information, but limitations in current systems make it cumbersome and difficult to support. However, due to the size of the Department and the balance of accounts receivable (approximately $514 million), the current process for compiling the data does not efficiently or effectively integrate automation of its accounts receivable activity into the Department's financial accounting system, CARS, and makes it difficult to prepare an accurate aging of the Department's accounts receivable.

Because of the significance of the weaknesses in the Department's accounts receivable reporting system, this is considered a material weakness in the Department's internal control. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Failure to maintain a centralized and automated accounts receivable system could hinder the Department's ability to timely and accurately report accounts receivable balances. The current process also increases the possibility there are unrecorded accounts receivable, interest or double counted amounts. (Finding Code No. 2013-002, 12-4, 11-5, 09-24 and 07-16)

RECOMMENDATION:

We recommend the Department implement a Department-wide accounts receivable system, working with the appropriate parties regarding any possible state-wide consolidated accounting system initiatives.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department continues to review the Accounts Receivable agency wide. Based on the results of the review, we will establish and implement any changes as solutions occur.

DHS would like to see one uniform Accounts Receivable System that would handle all DHS debt and would satisfy all receivable functions including financial reporting. Until a Statewide solution is implemented the Department will work to improve the systems it currently maintains.

The Department will continue to work with the appropriate parities regarding any possible state-wide consolidated accounting system initiatives.

2013-003 **<u>FINDING</u>:** (Commodity inventory system outdated and insufficient for user needs)

The Department of Human Services' (Department's) Commodity Control System (CCS) is a batch entry system developed over 30 years ago that does not allow users real time inventory controls regarding inventory management and purchasing.

The CCS is utilized for inventory at all mental health and developmental centers and for the Bureau of Pharmacy and Clinical Support Services pharmaceutical warehouse. The CCS had an inventory balance of approximately $5.636 million at June 30, 2013.

The CCS does not allow the system user to readily review the purchase history of items to ensure the commodities are accurately priced under the average cost method. Under the average cost method, inventory is valued based on the average purchase price (cost) of the items in stock.

Since the CCS only provides for a weekly report, which is run on Sunday nights, actual quantities of stock are not readily available at any given time. Depending on the last business day of the fiscal year in relation to last weekly report, auditors may have to reconcile test counts to a report that is up to one week old.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

In addition, generally accepted accounting principles require the proper valuation of inventory for financial reporting purposes. This would require verifying each purchase transaction and updating specific item information as purchases are made throughout the year. This includes utilizing an appropriate cost accounting system to recognize the average cost for all items. By not maintaining appropriate records, the Department's overall inventory could be misstated.

Because of the significance of the weaknesses in the Department's current Commodity Control System, this is considered a significant deficiency in the Department's internal control. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

An outdated computer inventory system may result in over-purchasing, waste, obsolescence, theft, loss, or unauthorized use of State assets. Recording of inventory quantity information is crucial to maintain control over and to properly manage inventory quantities, such as determining reorder and overstocking points. This is especially important due to the size of the Department and the number of users throughout the State. (Finding Code No. 2013-003, 12-6, 11-3, 10-3, 09-3, 08-4, 07-13 and 05-17)

<u>RECOMMENDATION</u>:

We recommend the Department upgrade the CCS or implement a new system that includes real-time capabilities. This would allow the Department to access current inventory levels so all inventory unit costs are properly recorded.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will continue to work on enhancing the Commodities Control System (CCS) or to implement a new system that includes real-time capabilities. This will allow the Department to access current inventory levels and to ensure all inventory unit costs are properly recorded.

2013-004 <u>FINDING</u>: (Inadequate controls over capital asset financial reporting)

The Department of Human Services' (Department's) capital asset GAAP Package Forms contain several accounts that are not supported by the Department's capital asset accounting records.

During testing of the capital asset reporting system, several accounts on the GAAP Package Form *Capital Asset Summary* (SCO-538) could not be traced to supporting records. The Department knew the beginning and ending balance because they had reports that generated the year end balances. As a result, in several instances activity for the year was "netted" and recorded as a deletion, when there may have been net transfers. For example, the Department has reports that calculate depreciation expense monthly or quarterly. The Department currently uses three systems, the Commodity Control System (CCS), Warehouse Control System (WCS), and Real Property System (RPS) for capital assets. The compilation is complex and cumbersome and, as a result, there is a potential for errors in reporting. The current process takes several hours to complete. As a result, the Department recorded any differences as deletions. Since the differences between "netted" and "gross" totals are significant, additions, deletions, and transfers during the year should be supported and reported separately.

The original SCO-538 was submitted to the Office of the Comptroller on September 10, 2013 or four days late. The Department indicated the Comptrollers' Office had only follow-up questions which the Department answered.

Auditors noted the Department was unable to provide supporting documentation, or documentation that matched, for various amounts reported on the SCO-538 Form. The following inconsistencies were noted:

- Site improvements – net transfers of $23.509 million and accumulated depreciation net transfers of $20.068 million were not supported.
- Buildings and building improvements – deletions of ($3.155) million and accumulated depreciation deletions of ($4.652) million were not supported. Additionally, the Department reported net transfers of $136.130 million which were supported by documentation totaling $139.482 million and reported accumulated depreciation net transfers of $124.542 million were supported by documentation totaling $119.681 million.
- Equipment – deletions of $1.069 million, net transfer in of $2.060 million, accumulated depreciation deletions of $5.507 million, and net transfers out of $412 thousand were not supported.
- The Department included an addition of $224 thousand for site improvements rather than buildings and building improvements.
- The support for buildings and building improvements did not tie to the year end balance and was off by a Court of Claims adjustment totaling $500 thousand.

This finding has been reported six other times. In the response to the June 30, 2012 finding, the Department stated it would review and enhance, as necessary, its current system of gathering capital asset information to improve the accuracy and timeliness of its capital asset records and devote necessary personnel to those tasks. Department personnel indicated they have purchased a software package to streamline the reporting process; however, the estimated implementation date is the end of fiscal year 2014. This system will not replace the current systems but run concurrently and be utilized for reporting purposes.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

The Department's reporting systems generate quarterly and monthly amounts but not annual amounts. As a result, it is cumbersome to accumulate all reports for the yearly amounts. In addition, the current system does not generate reports in a timely, accurate manner. Department records do not always readily reflect the components of additions, deletions, and net transfers. As a result, the Department noted they will adjust deletions in order to match the Department's correct ending balances.

Because of the significance of the exceptions noted, specifically the weaknesses in the capital asset financial reporting, this is considered a significant deficiency in the Department's internal control. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

An important element of internal control is the accurate review, reconciliation, and reporting of accounting data. In addition, the Comptroller's SAMS Manual (Procedure 27.20.38) requires a State agency to report capital assets and related accumulated depreciation. (Finding Code No. 2013-004, 12-7, 11-4, 10-4, 09-4, 08-5 and 07-5)

RECOMMENDATION:

We recommend the Department review and revise, as necessary, its current system of gathering capital asset information to improve the accuracy and timeliness of its capital asset records and devote necessary personnel to these tasks.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The department will review and enhance, as necessary, its current system of gathering capital asset information to improve the accuracy and timeliness of its capital asset records and devote necessary personnel to these tasks.

FINDINGS (STATE COMPLIANCE)

2013-005 **FINDING:** (Inadequate administration of closing Mental Health Centers and Developmental Centers)

The Department of Human Services (Department) did not exercise adequate internal control while closing Mental Health Centers and Developmental Centers during the examination period.

During fiscal years 2013 and 2012, the Department closed the following local facilities:

- Tinley Park Mental Health Center (Tinley Park) – June 30, 2012
- H. Douglas Singer Mental Health Center (Singer) – October 31, 2012
- Jacksonville Developmental Center (Jacksonville) – November 27, 2012

During testing of the Department's operations and close-out procedures at Singer, Tinley Park, and Jacksonville, auditors noted numerous weaknesses. The weaknesses concerning the disposal of confidential information at those 3 locations were noted in Finding 2013-009. Finding 2013-013 includes exceptions specific to Singer, Tinley Park, and Jacksonville concerning inadequate controls over accounts receivable. Each were cited in Finding 2013-016 regarding inadequate administration of locally held funds. Finally, auditors noted close-out procedures regarding the administration of Department commodities, property, expenditures, personnel, and other areas at the Tinley Park and Singer locations were not executed by the Department according to Department policy, the Illinois Administrative Code, and State statute. Auditors identified several exceptions during their testing, many of which are included below.

Commodities

Singer

- During a walkthrough of the facility 9 months after its closure date, the auditors noted a large inventory of mechanical stores items was still on hand near the loading dock.

- Singer did not conduct an inventory of commodities (general stores, mechanical stores, and pharmacy) promptly following the announcement of the closure. In addition, Singer did not conduct an inventory of the general stores or mechanical stores after the closure and other State entities had received transfers of excess inventory.

- Singer did not enter inventory requisitions after October 3, 2012 or enter inventory receiving reports after October 15, 2012 into the Commodity Control System until after the closure date of October 31, 2012.

- Singer direct charged dairy and meat products, totaling $6,695, received after its closure date to Singer's Dietary Unit. Singer's Dietary Unit requisitioned food products, totaling $1,063, after the closure. Documentation was provided by the Department to show the food products were subsequently transferred for use by other facilities.

- The Illinois Correctional Industries delivered bread and juice products, totaling $1,024, to Singer 28 and 30 days after its closure date.

- Singer directly charged products, totaling $7,143, originally ordered for use at Singer that were ultimately delivered to the Elgin Mental Health Center. As these products were received at the Elgin Mental Health Center, transactions for these products should have been recorded on the Elgin Mental Health Center's inventory records.

- After other Department facilities had removed some excess inventory items from Singer, the facility booked an "out of stock" transaction, totaling $5,006, 21 days after the closure date. This transaction removed all of Singer's remaining commodities items from the Department's records within the Commodity Control System. According to a Singer employee, these items were either transferred to other State facilities or disposed of by Singer.

- Singer did not appear to provide supporting documentation to substantiate transfers of all general stores and mechanical stores commodities items prior to the closure. According to a Singer employee, other Department facilities took approximately 7 truckloads of inventory items out of Singer after its closure date; however, transfer documentation did not appear to reflect all of these transactions.

Tinley Park

- The auditors noted a large inventory of mechanical stores items were still on hand within the Tinley Park warehouse during their fieldwork.

- Tinley Park did not conduct an inventory of commodities (general and mechanical stores) promptly following the announcement of the closure. In addition, Tinley Park did not conduct an inventory of the mechanical stores after the closure and other State entities had received transfers of excess inventory.

- Tinley Park did not provide an inventory for commodities related to the frozen food preparation operations prior to its transfer out of Tinley Park.

- Tinley Park did not provide supporting documentation to substantiate transfers of all mechanical stores commodities items prior to the closure.

- The auditors noted a substantial difference, totaling 23,000 pharmaceutical items, between the physical counts of pharmacy inventory and the quantity of pharmacy inventory transferred out of Tinley Park. The Department stated this was due to the items being in-transit and reconciling items, however, no documentation could be provided.

Property

Singer

- The Department was unable to provide documentation supporting internal notification of the Department's Property Control Unit of the impending closure of Singer 6 months prior to closure.

- Singer did not conduct an inventory of equipment and real property inventory promptly following the announcement of the closure of Singer on September 8, 2011.

- The Department reported Singer had two vehicles, totaling $37,057, on Singer's June 30, 2013 equipment listing. During an auditor walkthrough conducted 30 days later, the auditors were informed all equipment items had been transferred to the Department of Central Management Services prior to June 30, 2013. Based upon auditor observation and inquiry, the Department did not have any remaining vehicles at Singer.

- Singer completed its annual June 30, 2012, equipment inventory on August 24, 2012, 68 days prior to closure on October 31, 2012. Singer reported staff had physically identified and located all equipment items at Singer, except two items valued at $768. For Singer's final inventory count completed in February 2013, occurring approximately 5 months after the previous inventory count with only two discrepancies, the auditors noted Singer lost a significant amount of equipment items. Singer reported 217 items were lost, valued at $82,387, to the Department of Central Management Services (DCMS) as a result of this final inventory count. This represented 9% of the total inventory dollar value and 17% of the total number of items on hand at Singer's closure date of October 31, 2012. Some of the lost items included:

  - a Nintendo Wii, valued at $319;
  - basketball equipment and accessories, valued at $1,603;
  - an exercise bicycle, valued at $589;
  - six refrigerators, valued at $2,556; and,
  - an icemaker, valued at $6,800.

  Singer reported it had lost one computer, valued at $500, during its equipment inventory following closure. The Department did not provide the auditors with a detailed assessment and therefore the auditors were unable to assess whether the missing computer contained confidential information.

  On January 24, 2014, the Department identified a previously missing and reported as unfound inventory to the DCMS, a walk-in freezer valued at $2,846, had been found by the Department at the Chicago-Read Mental Health Center. This property item has been removed from the exception noted in the bullet point above.

- During their fieldwork, the auditors noted Singer's equipment items, generally furniture, had been placed in hallways and had, presumably, been abandoned.

Tinley Park

- The Department was unable to provide documentation supporting internal notification of the Department's Property Control Unit of the impending closure of Tinley Park 6 months prior to closure.

- Tinley Park did not conduct an inventory of equipment and real property inventory promptly following the announcement of the closure.

- Tinley Park was unable to locate its postage meter. Officials at the Elisabeth Ludeman Developmental Center, who processed Tinley Park's transactions after it was closed, indicated the postage meter was presumably transferred to the Department's Central Warehouse upon Tinley Park's closure; however, it was lost and had not been located within the Department. During fiscal year 2013, Tinley Park paid $2,011 to lease the postage meter from July 2012 to May 2013.

- The auditors identified equipment items, including furniture, 4 farm tractors, a forklift, and 10 inoperable State vehicles that were still on site within various buildings across the Tinley Park campus and had, presumably, been abandoned. The inoperable State vehicles appeared they had been inoperable for a considerable length of time. In addition, the auditors identified one vehicle that had been abandoned by a private person at Tinley Park after it was sold by the DCMS several years ago. The auditors also identified one operable vehicle at Tinley Park that was in use by the Department of Central Management Services' caretaker at Tinley Park. This vehicle was still on the Tinley Park equipment inventory at June 30, 2013, totaling $18,135.

- During a review of 220 equipment items reported to the Department of Central Management Services as lost, valued at $157,656, the auditors noted the following:

  - For equipment items with either an acquisition cost in excess of $500 or deemed a high theft, Tinley Park reported 86 items were lost, valued at $123,772. This represented 10% of the total inventory dollar value and 13% of the total number of items on hand at Tinley Park's closure date of July 1, 2012.

  - Tinley Park reported it had lost 3 computers, valued at $1,500, during its equipment inventory following the closure. The Department did not provide the auditors with a detailed assessment and therefore the auditors were unable to assess whether the missing computers contained confidential information.

  - Tinley Park reported it had lost a refrigerated van trailer, valued at $29,217, during its equipment inventory following the closure.

Personnel

Auditors tested the personnel files of 10 Singer employees and 13 Tinley Park employees who were transferred to another Department location after the Singer and Tinley Park closures. Auditor noted 1 of 10 (10%) Singer employees and 7 of 13 (54%) Tinley Park employees tested did not have their personnel record updated to reflect the employee's transfer from respective closed facility to another Department facility.

Other

Singer

- Auditors identified some of the Singer's accounts receivable records had been placed on a pallet, shrink-wrapped, and stored in the Elgin Mental Health Center's warehouse after Singer's closure on October 31, 2012. According to Department personnel, the records had not been accessed yet after receiving them until the auditors' inquiry. After further inquiry, Department personnel indicated other accounts receivable records from Singer were stored in an office.

Tinley Park

- During walkthroughs of Spruce Hall at Tinley Park, the auditors identified several boxes of envelopes and several envelopes strewn throughout the building where the envelopes had been run through a postage meter. These envelopes were preaddressed for recipients to mail documentation to the Department's Family Community Resource Center.

The Department's Administrative Directive (A.D.) 01.05.06.020 requires the closing Mental Health Center or Developmental Center's manager to notify the Department's Property Control Unit of a facility scheduled for closure six months prior to the anticipated closure date. The Department's A.D. 01.05.06.020 requires the Department's Office of Business Services to work with the closing Mental Health Center or Developmental Center's staff "to secure effective and efficient delivery/removal of all equipment, including files and commodities, from the premises." The Department's A.D. 01.05.06.030 states, "When the closure of a unit has been announced, the unit administrator shall promptly ensure that the inventory housed in the DHS Warehouse Control System (WCS), Equipment Inventory System (EIS), Real Property System, and the Commodity Control System (CCS) balance and are accurate." Further, the Department's A.D. 01.05.06.030 requires the location take a physical inventory count "when substantially only the residual inventory remains…Central Office management staff shall promptly advise the unit administrator, in writing, of the plans for the disposition of the property, and the proposed time schedule."

The State Property Control Act (30 ILCS 605/4 and 30 ILCS 605/6.02) requires the Department be accountable for the supervision, control, and inventory of all items under its control.

The Illinois Administrative Code (44 Ill. Adm. Code 5000.770) requires, prior to transferring surplus real property to the Department of Central Management Services, the Department perform a "proper and orderly shut-down of transferor agency operations, including payment of all outstanding bills, removal of unwanted items of equipment and commodities, removal of all trash and leaving premises clean."

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that assets and resources are properly recorded and accounted for to maintain accountability over the State's resources.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

Department officials stated the exceptions were due to oversight.

Failure to maintain a proper system of internal controls over the proper closure of a State facility could lead to fraud, theft, or misuse of the State's resources. (Finding Code No. 2013-005)

RECOMMENDATION:

We recommend the Department improve its central oversight of the closure of remote locations. The oversight should include the assignment of a liaison between the Central Office and the remote location to monitor the completion of the tasks needed to close out is operations. The tasks to monitor should include, but not be limited to, the proper accounting of the books and records pertaining to the operations; provide for the safekeeping of the assets on-site; allow for a streamlined transition of commodity and property inventory to other locations in a timely manner; and the compliance with applicable Department and State rules and statutes.

Please refer to Findings 2013-009, 2013-013, and 2013-016 for additional recommendations pertaining to weaknesses noted pertaining to the operations at Tinley Park and Singer.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department of Human Services has developed an Administrative Directive for the process for shutting down or decommissioning a DHS-operated facility, Center or School. In conjunction with this Administrative Directive, the Department of Human Services has developed a comprehensive facility closure planning manual to provide instructions for submitting a plan during closures. The draft plan identifies the respective division responsibilities and actions to be taken.

2013-006 **FINDING:** (Failure to calculate and pay prompt payment interest on medical assistance payments)

The Department of Human Services (Department) failed to calculate and pay prompt payment interest that resulted from late medical assistance payments to vendors.

The Department makes certain medical assistance payments through the Department of Healthcare and Family Services (HFS) using the Medicaid Management Information System (MMIS). The Department submits information for medical services for eligibility determination and payment by HFS as the Statewide Medicaid agency for the State of Illinois. HFS enters the information into MMIS to determine if the individual expenditure for medical services is properly payable under federal Medicaid regulations. MMIS creates the payment vouchers from the Department's appropriations that are submitted by HFS for the eligible claims to Illinois Office of the Comptroller (Comptroller). The voucher posts overnight at a summary level to Department appropriations when the payment vouchers are released to the Comptroller.

During their testing, auditors determined the Department does not have a methodology to calculate prompt payment interest that resulted from late medical payments to vendors processed through MMIS and therefore did not record a liability while preparing its financial statements for the year ended June 30, 2013. In response to an inquiry from the auditors, the Department determined it had failed to pay prompt payment interest to 270 vendors during fiscal years 2010 through 2013 as follows:

Year Ended*	Unpaid Prompt Payment Interest
June 30, 2010	$ 8,176,481
June 30, 2011	3,475,224
June 30, 2012	2,841,140
June 30, 2013	5,982,904
Total	$ 20,475,749

* From fiscal year 2010 through fiscal year 2013, HFS processed $2.2 billion in medical assistance payments for the Department.

During testing of the Department's calculation of the estimated interest, auditors noted the Department overstated the amount owed for fiscal year 2010 by $641,865. The overstatement was due to the Department applying the 2% interest rate to all of fiscal year 2010 when the effective date of the interest change was January 1, 2010 according to the State Prompt Payment Act (30 ILCS 540/3-2). In addition, the Department was unable to provide auditors with supporting documentation for the medical assistance payments recorded against its appropriations for the period July 1, 2009 through June 30, 2013 because, staff stated, HFS controls the documentation. Department management stated the Department only receives summary transactions data for entry into their Consolidated Accounting and Reporting System (CARS).

The State Prompt Payment Act (30 ILCS 540/3-2) (Act) currently requires agencies to determine whether interest is due and automatically pay interest penalties amounting to $50 or more to the appropriate vendor when payment is not issued within 90 days after receipt of a proper bill. Because the Department's failure to pay interest penalties spanned multiple fiscal years, several changes have occurred in the State Prompt Payment Act over this period. Public Act 096-0959, effective August 18, 2009, established the requirement to automatically pay interest penalties amounting to $50 or more as well as establishing requirements for amounts of less than $50. Public Act 096-0802, effective January 1, 2010, increased the rate to 2.0% for medical payments under Article V of the Illinois Public Aid Code. Lastly, Public Act 097-0072, effective July 1, 2011, increased the late period to 90 days and decreased the rate for all interest payments back to 1.0%.

The Statewide Accounting Management System (SAMS) procedure 17.20.45 states, "It is the responsibility of each State agency to develop and implement internal procedures that will permit full compliance with the provisions of the State Prompt Payment Act (30 ILCS 540/1, *et seq*) and the rules jointly promulgated by the State Comptroller and the Department of Central Management Services to govern the uniform application of that Act." SAMS procedure 17.20.45 provides guidance on the conditions to apply the Act, the type of written records which must be kept, and the calculation which must be performed to determine the appropriate interest payment to record and remit. According to SAMS procedure 17.20.45, "Agencies must maintain written records reflecting the following date or dates on which: (1) the goods were received and accepted or the Services were rendered; (2) the Proper Bill was received by the State agency; (3) approval for payment of a bill was given by the Agency; (4) a vendor bill was disapproved, in whole or in part, based upon a defect or what the State agency believes to be a defect; and (5) the payment was issued by the Comptroller's Office."

Department management indicated a verbal agreement to pay and process MMIS interest payments was initiated back in fiscal year 2010 between the Department and HFS. However, no written interagency agreement has ever been in place to handle processing MMIS payments or paying interest between the Department and HFS. The Department also noted that because their access to MMIS data is limited, they felt it was impossible to calculate the full amount of eligible prompt payment interest.

Failure to pay the required interest on vouchers results in noncompliance with the State Prompt Payment Act and SAMS. In addition, failure to properly calculate and pay the prompt payment interest in a timely manner results in unpaid vendors needing to seek payment through the Illinois Court of Claims. (Finding Code No. 2013-006)

RECOMMENDATION:

We recommend the Department:

- Develop a methodology to calculate prompt payment interest that results from late medical payments to vendors processed through MMIS. The methodology should include the creation of an interagency agreement with HFS to obtain the necessary detailed documentation to allow the Department to ensure prompt payment interest is calculated as outlined in SAMS procedure 17.20.45.

- Estimate a liability for such contingency when preparing its financial statements.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work with the Department of Healthcare and Family Services (HFS) to develop an interagency agreement regarding the calculation of the Medical Management Information System (MMIS) Prompt Payment Interest on Medical Assistance. The Department will also estimate a liability for such contingency when preparing its financial statements.

2013-007 FINDING: (Failure to transfer remaining fund balance as required by Illinois Public Aid Code)

The Department of Human Services (Department) failed to transfer the remaining balance in the DHS Recoveries Trust Fund (Fund 0921) to the General Revenue Fund (Fund 0001) as required by the Illinois Public Aid Code (305 ILCS 5/12-9.1) (Code).

The Code stated from July 1, 1999 through June 19, 2013, "…The balance in the Fund on the first day of each calendar quarter, after payment therefrom of any amounts reimbursable to the federal government, and minus the amount reasonably anticipated to be needed to make the disbursements during that quarter authorized by this Section, shall be certified by the Secretary of Human Services and transferred by the State Comptroller to the General Revenue Fund within 30 days after the first day of each calendar quarter."

As stated in Finding 2013-001, the Department recorded liabilities for these transfers as far back as fiscal year 2007 but never transferred the funds. $11.655 million was the liability recorded in Fund 0921 for the transfers it had not made as of June 30, 2012. During fiscal year 2013, the Department overstated operating transfers out from Fund 0001 to Fund 0921 by $11.655 million. Rather than transferring the monies from Fund 0921 to Fund 0001, the Department recorded a transfer out from Fund 0001 to Fund 0921 of $11.655 million to remove or offset the liability from the Department's financial records.

Effective June 19, 2013, Public Act 98-0024 revised the Code to no longer require transfers to Fund 0001 from Fund 0921. However, the statutory change was not implemented by the Department on a prospective basis beginning with the effective date. In addition, the Department failed to change the presentation in the financial statements of Fund 0921 from a general fund type to a special revenue fund type despite instructions from the Illinois Office of the Comptroller (Comptroller) to do so.

Department officials stated excess funds should have been retained in the Fund 0921 to make disbursements authorized by the Code. Department officials also stated that discussions with the Governor's Office led to a decision not to transfer any further excess operating needs beginning in fiscal year 2012. The purpose for not transferring these funds was based upon an estimated operating budget that would be required to purchase accounts receivable systems, in development of a fraud unit, increase staffing needs, and develop systems related to the Affordable Care Act.

Failure to make quarterly transfers from Fund 0921 to Fund 0001 and properly implement the statutory change resulted in noncompliance with the Code. (Finding Code No. 2013-007)

RECOMMENDATION:

We recommend the Department comply with the specific requirements of the Code and ensure its future unaudited financial statements contain the proper fund type classification based upon the guidance provided by the Comptroller.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will work with the Governor's Office of Management and Budget (GOMB) to enhance its procedures to comply with the specific requirements of the Code. The Department will also ensure its future unaudited financial statements contain the proper fund type classification based upon the guidance provided by the Comptroller.

2013-008 **<u>FINDING</u>:** (Inadequate administration of the Home Services Medicaid Trust Fund)

The Department of Human Services (Department) did not administer the Home Services Medicaid Trust Fund (Fund 0120) in compliance with the Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/18.7) (Act).

Section 18.7 of the Act became effective June 30, 2012 through Public Act 097-0732. At that time, Fund 0120 became a special fund in the State treasury. According to Sections 18.7(b) and (c) of the Act, "…(b) Amounts paid to the State during each State fiscal year by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered in relation to the Department's Home Services Program…and any interest earned thereon, shall be deposited into the Fund. (c) Moneys in the Fund may be used by the Department for the purchase of services, and operational and administrative expenses, in relation to the Home Services Program."

During the examination period, the Department relied on the Department of Healthcare and Family Services (HFS), as the Statewide Medicaid agency for the State of Illinois, to draw down the funds from the U.S. Department of Health and Human Services and deposit them into the fund as required by the Act. The Department also relied on HFS to provide the Illinois Office of the Comptroller (Comptroller) with the accounting entries specific to the receipts, disbursements, and other journal entries.

When the Department prepared its original SCO-563 (Grant/Contract Analysis) GAAP reporting form for submission to the Comptroller, it relied on information and journal entries provided by HFS to determine the current year expenditure totals to record for the Medical Assistance Program, CFDA No. 93.778. The Medical Assistance Program was the only federal program recorded on Fund 0120's SCO-563. As a result, the current year expenditures were not supported by data from the Department's Consolidated Accounting Reporting System (CARS) or the Statewide Accounting Management System data warehouse. The Department subsequently analyzed its expenditures and determined 79.6% of total expenditures of Fund 0120 should be reported on its SCO-563 based upon its historic experience of the percentage of claims being reimbursable once eligibility was determined by HFS. After this analysis, the Department submitted a revised SCO-563. The revision did not affect the Department's financial statements for Fund 0120.

During testing of the Department's administration of Fund 0120, auditors reviewed correspondence between the Department and HFS stating federal deposits into Fund 0120 had been limited to the Department's appropriation for the fund of $246 million in order to not build a large fund balance within Fund 0120 and "not to short GRF of needed revenues." GRF, in the correspondence, stood for General Revenue Fund (Fund 0001). Such practice violated Section 18.7(b) of the Act which required all amounts paid to the State to be deposited into the Fund.

Department personnel stated recordkeeping for Fund 0120 is further complicated by the fact HFS submits claims for the Medical Assistance Program as a whole, rather than by Fund 0120 alone. Auditors reviewed correspondence between HFS and Department personnel and noted HFS claims Home Service Program receipts based upon the service hours provided to Medicaid recipients, which is approximately 80% of the Medicaid recipients and not on direct expenditures from either Fund 0001 or Fund 0120. The federal portion of the draws was done weekly based upon an estimated amount. Any amounts owed or due to the State as a result of the actual claims versus the estimated total were accounted for in Fund 0001. Any federal funds for the Home Services Program received in excess of what was deposited into Fund 0120 would be accounted for in Fund 0001.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that revenues, expenditures and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports.

During the examination period, the Department did not have an interagency agreement to govern the administration of Fund 0120. Total revenues and expenditures included in the Department's financial statements for the year ended June 30, 2013 were $246,000 and $236,796, respectively, expressed in thousands.

Failure to ensure the proper administration of the Home Services Medicaid Trust Fund resulted in noncompliance with a statutory mandate. (Finding Code No. 2013-008)

RECOMMENDATION:

We recommend the Department develop an interagency agreement with HFS that outlines the proper administration of the Home Services Medicaid Trust Fund. The interagency agreement should outline the responsibilities between each party and ensure compliance with the Act, specifically:

- "Amounts paid to the State during each State fiscal year by the federal government under Title XIX or Title XXI of the Social Security Act for services delivered in relation to the Department's Home Services Program…shall be deposited into the Fund." (Section 18.7(b))

- Documentation supporting expenditures within Fund 0120 is specific such that the Department can accurately prepare its GAAP reporting forms for the Comptroller.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department of Healthcare and Family Services (HFS) deposits amounts to Fund 0120 as an estimate of earned federal funds. The total amount appropriated for the fund was approximately the Federal Financial Participation (FFP) for the Home Services program in fiscal year 2012. The total of DHS Home Services FFP is not known until after the fact. The Department has to accumulate the service data from the Personal Assistants (PA's) and translate that into claims which can be processed by HFS Medicaid Management Information System (MMIS). There is a time lag between the service dates and the date the claim are actually processed. HFS will reconcile the total amount claimed for fiscal year 2013 to the deposits made. All over/under reconciliation adjustments are taken to/from the General Revenue Fund. There will be a reconciliation done and adjustments made for the deposits.

2013-009 **<u>FINDING</u>:** (Inadequate compliance with procedures for disposal of confidential information)

The Department of Human Services (Department) had not ensured compliance with procedures for disposal of documents containing confidential and sensitive information.

The Department regularly collects and maintains various types of documents, including confidential and personal identifiable information, necessary for fulfilling its mission. Although the Department has established several administrative directives regarding the disposal of confidential information, procedures for properly disposing and securing of confidential information were not always being followed by Department employees.

During our walkthroughs at the Department's Central Office, we found unlocked shred bins in open areas that were clearly marked as shred. We also found confidential information that was disposed of in a recycle bin.

During walkthroughs at three closed facilities, auditors noted the following exceptions:

- At Tinley Park Mental Health Center, which closed June 30, 2012, auditors conducted a walkthrough 13 months following closure and found the Department had left boxes of patient records near the side entrance of a building. In addition, files were noted in four buildings that contained employee personnel records, recipient files, forms containing names and contact information for volunteers, clinical record files, files containing medical tests, pharmaceutical records, patient incident records, patient surgical and psychiatric records, and files containing information on Hurricane Katrina refugees.

- At H. Douglas Singer Mental Health Center, which closed October 31, 2012, auditors conducted a walkthrough 9 months following closure and found complete employee records, recipient court records and other court records, and Patient Daily Census and Movement reports with recipient names. In addition, auditors noted filing cabinets full of investigations, reports, and attorney correspondence related to the Department's Office of the Inspector General.

- At the Jacksonville Developmental Center, which closed on November 27, 2012, auditors found confidential information in trash receptacles, filing cabinets, binders, boxes, and on desks. We found resident's names, health information, and social security numbers, a labeled medical specimen, photos of residents' labeled with residents' names and incident number, security reports which included residents' names; filing cabinets with folder separators labeled with residents' names; two computer monitors and three computer towers; large stack of binders which contained the last name and first initial of residents on the spine of the binders; and manila filing folders with patient names written on the tabs.

We noted the confidential information at the above facilities may have been exposed to outside individuals, including employees of the Department of Central Management Services and vandals. With regard to Tinley Park Mental Health Center, additional exposure occurred as a result of training conducted at the Center by members of the U.S. Navy SEALs and area police officers.

Additionally, documents containing confidential information were found in trash or recycle bins while performing visits at certain other Department facilities:

- At Clyde L. Choate Mental Health and Developmental Center, auditors observed a patient registration form in an unsecured recycling container that contained the patient's name, social security number, guardian's name, address and telephone numbers.

- At Elisabeth Ludeman Developmental Center, auditors noted instances of confidential information in unsecured trash containers within the facility. We found three forms containing patient names, appointments, assessments, specimen logs, and test orders, a meeting agenda that detailed patient health information along with patient ID numbers, and a Center employee's time correction report with the employee's social security number within unsecured trash containers within the facility.

- At the Illinois School for the Deaf, auditors found confidential information in trash receptacles and recycling bins, including bank account, federal employer identification, account, and customer numbers.

- At Warren G. Murray Developmental Center, auditors found confidential letters and disclosure forms identifying the resident's names, their physicians' names, prescription names and amounts prescribed, and a list of their conditions, as well as Behavioral Intervention Program (Program) and an Annual Evaluation (Evaluation) of two separate residents that were left unattended at copier machines. The Program included the resident's name, resident number, date of birth, an overall description of the resident's medical and behavioral problems, and specific behavioral incidents. The Evaluation included the resident's name, address, date of birth, guardian information, and primary and additional diagnoses.

Confidential, sensitive and personal identifiable information (including personal health information) collected and maintained by the Department should be adequately secured at all times. The Department of Human Services Directive (01.02.03.140) requires records to be secured when not in direct use by an employee who is authorized to have the records. As such, it is the Department's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. Inherent within this responsibility is the requirement of adequate disposition of all confidential information that is no longer needed.

Department management stated the discrepancies were due to employee oversight or error.

Failure by the Department to enforce compliance with its procedures to protect and timely dispose of confidential information can lead to such information being compromised. (Finding Code No. 2013-009, 11-10, 09-12, 07-09, 05-25)

RECOMMENDATION:

We recommend the Department:

- Ensure confidential information is adequately protected.

- Review existing policies regarding the security and control of confidential information, and assure Department-wide procedures exist for ensuring confidential and personal information is adequately secured in both electronic and hardcopy format. Confidential and personal information in hardcopy format should be adequately secured at all times prior to shredding.

- Effectively communicate and enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information to all Department personnel, including facilities.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is developing a new Administrative Directive to ensure confidential information is adequately protected and personal information is adequately secured in both electronic and hardcopy format. The Department will also communicate and enforce its procedures for safeguarding, retention, and subsequent disposal of all confidential information to all Department personnel, including facilities.

2013-010 FINDING: (Internal control weaknesses in the Home Services Program)

During testing, numerous internal control weaknesses were identified in the Department of Human Services' (Department) Home Services Program managed by the Department's Division of Rehabilitation Services. These weaknesses were first noted in a review of the Home Services Program that Department management had performed in fiscal year 2005.

The Home Services Program allows individuals with disabilities (customers) who are at risk of placement in a nursing home to remain in their homes. According to the Department, this is accomplished through the use of a variety of services, the most prevalent of which is the use of individual caregivers known as Personal Assistants. During fiscal years 2013 and 2012, the Home Services Program maintained 43 field offices and, over the course of those two years, on behalf of the customers, paid 37,868 Personal Assistants $399,416,759 and 40,162 Personal Assistants $419,937,877, respectively. Personal Assistants are hired, supervised, and fired by the customer.

The auditors noted through testing and discussions with Home Services Program and fraud division personnel the following weaknesses were still prevalent during the current examination period:

- The Home Services Program relies on the customer under an "honor system" to guard against abuse and to ensure compliance. The customer is responsible for approving and signing their Personal Assistant's timesheets.

- There was insufficient monitoring of case files to ensure program objectives were being met. There is only one supervisor at each of the 43 field offices to monitor Home Services Program activities. On average, each supervisor was responsible for approximately 803 case files during fiscal years 2013 and 2012. During the previous examination period, management indicated the Statewide average responsibility per supervisor was approximately 890 case files. On average, local offices typically have 3 to 4 districts with 1 counselor per district. Home Services Program management stated Statewide average caseload per counselor is approximately 216 cases, which is down from 222 cases per counselor in the previous examination period.

- During testing of 5 field offices, auditors noted many cases that did not contain a timely redetermination of need. The customer receiving services is to be visited by the Case Counselor once annually and the counselor is to perform a redetermination of need. In circumstances of a traumatic brain injury, the customer is to be visited twice annually. Of the 50 files tested, auditors noted 22 (44%) did not contain a timely redetermination.

- During Personal Assistant timesheets testing, auditors noted 9 of the 50 (18%) case files did not contain updated service plans that covered the time period being tested. These weaknesses are addressed in finding 2013-011.

The Disabled Persons Rehabilitation Act (20 ILCS 2405/3) establishes the Department's powers and duties for the Home Services Program. The Illinois Administrative Code (Code) (89 Ill. Admin. Code 682.410) establishes the redetermination time frames for customers served under standard Medicaid waivers. In addition, the Code (89 Ill. Admin. Code 682.410(a)) requires the redetermination to be performed at least every 12 months or whenever there is a change in his/her condition or situation that may affect his/her ongoing eligibility. Further, the Code (89 Ill. Admin. Code 682.410(c)) addresses customers served with a brain injury and such customers must have their eligibility redetermined at least every 6 months, or when there is a change in his/her condition or situation that may affect his/her ongoing eligibility.

Department officials stated the lack of adequate controls on the process have resulted from the complex nature of the Department's relationship with customers as co-employers. In addition, the large volume of timesheets requiring processing by a traditionally small number of staff in very tight timeframes, as well as the prioritization of ensuring that Personal Assistant payments are processed quickly over controls that could risk delays in payments.

In response to the previous finding, the Department stated it would implement additional controls regarding timekeeping accuracy and reducing the caseload per counselor. The Department was successful in decreasing the overall average caseload per counselor from 890 to 803 cases. However, many local offices continue to have caseloads of 300 to 1,000 per counselor.

Adequate review, monitoring and staffing are important to provide internal controls over the Home Services Program due to the size and decentralization of the program. Because the customer approves timesheets, and Department reviews are not adequate, Personal Assistants may be paid for excessive hours. (Finding Code No. 2013-010, 11-12, 09-15, 07-7, 05-4)

RECOMMENDATION:

We recommend the Department implement procedures to strengthen internal controls over the Home Services Program as follows:

- Implement controls to monitor and ensure accuracy in the timekeeping process for Personal Assistants.
- Perform customer redeterminations in accordance with the Department's Administrative Rules governing the Home Services Program.
- Continue to show improvement in its caseload per counselor through the allocation of resources or alternative controls.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is enhancing its procedures to strengthen internal controls over the Home Services Programs. The Division of Rehabilitation Services (DRS) intends that the ongoing improvements to the systems and procedures will address the areas that the auditors are identifying as weaknesses.

2013-011 **<u>FINDING</u>:** (Weaknesses in processing Personal Assistants payments)

The Department of Human Services (Department) did not ensure adequate internal controls existed for processing its Rehabilitation Services' Personal Assistants timesheets within the STARS payroll system. Specifically, auditors noted the following:

- Although procedures existed for entering the Personal Assistants timesheets into the system, auditors found no formal Department-wide procedures for reviewing the accuracy of timesheets prior to entry into the system. Department staff stated each field office used its own review process. However, during testing at 5 field offices auditors found no formal procedures existed.

- No supervisory approval was required for overriding system warnings associated with service plan overages or more than 1 timesheet per pay period. Auditors found no record these overrides were maintained or reviewed.

- No reconciliation was performed of the Personal Assistants warrants to the timesheets. Auditors found no formal procedures existed to ensure a Personal Assistant was not paid more than permitted.

During testing of a sample of 50 Personal Assistant's timesheets to payroll, auditors identified the following exceptions:

- In 1 of 50 (2%) files tested, it was noted the hours paid to the Personal Assistant varied from the hours recorded on the timesheet. This resulted in an overpayment of 16 hours for a total of $185.

- In 2 of 50 (4%) files tested, the Department could not provide timesheets for the Personal Assistant paid. As a result, 54 hours totaling $624 of payroll did not have proper documentation.

- In 2 of 50 (4%) files tested, the Personal Assistant was paid for more hours than allowed by the service plan. This resulted in 20.5 hours totaling $237 of unallowed payroll.

- In 9 of 50 (18%) files tested, while the hours paid did not exceed the service plan, the service plan in the file was not up to date. The annual (or semi-annual for traumatic brain injury) reassessments had not been performed in some cases since 2009. This practice allowed the Personal Assistant hours to be limited and the pay calculated based upon out of date service plans, regardless of the current care need of the customer. The hours paid during the auditors' May testing period for those 9 files were 1,044.5 hours totaling $11,995.

Generally accepted information technology (IT) guidance requires systems have adequate written policies and procedures as well as input, processing, and output controls. IT general and application controls are necessary to preserve the integrity of the system, to provide reliance on the results produced by the system, and to ensure the processing of transactions are performed in accordance with laws and regulations and with management's design and intent. The Disabled Persons Rehabilitation Act (20 ILCS 2405/3) establishes the

Department's powers and duties for the Home Services Program. The Illinois Administrative Code (Code) (89 Ill. Admin. Code 682.410) establishes the redetermination time frames for customers served under standard Medicaid waivers. The Code (89 Ill. Admin. Code 682.410(a)) requires the redetermination to be performed at least every twelve months or whenever there is a change in his/her condition or situation that may affect his/her ongoing eligibility. The Code (89 Ill. Admin. Code 682.410(c)) addresses customers served with a Brain Injury and states that such customers must have their eligibility redetermined at least every six months, or when there is a change in his/her condition or situation that may affect his/her ongoing eligibility.

Department officials stated the lack of adequate controls on the process have resulted from the complex nature of the Department's relationship with customers as co-employers. In addition, the large volume of timesheets requiring processing by a traditionally small number of staff in very tight timeframes, as well as the prioritization of ensuring that Personal Assistant payments are processed quickly over controls that could risk delays in payments.

Failure to establish adequate internal controls over processing payroll, including reconciliation procedures and eligibility redeterminations, results in the Department incorrectly processing payments to Personal Assistants. (Finding Code No. 2013-011, 11-15)

RECOMMENDATION:

We recommend the Department:

- Establish formal Department-wide procedures for processing Personal Assistant payroll, including procedures for reviewing the accuracy of timesheets prior to entry into the system. Procedures should address monitoring of the payroll process to ensure timesheets are completed properly and a Personal Assistant is not paid more than permitted.

- Require supervisory approval to override system warnings associated with service plan overages or more than one timesheet per pay period. A record of these override approvals should be maintained and reviewed.

- Perform a reconciliation of Personal Assistant timesheets to the payroll warrants.

- Perform eligibility redeterminations in accordance with the requirements outlined in the Department's Administrative Rules governing the Home Services Program.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is implementing an Electronic Visit Verification (EVV) system that should address almost all of the issues identified in this finding.

2013-012 **<u>FINDING</u>:** (Inadequate monitoring of provider agencies)

The Department of Human Services (Department) did not adequately monitor provider agencies with an awards and grant agreement with the Department's Division of Rehabilitation Services.

The Department's Division of Rehabilitation Services programs accounted for $74 million of $1,046 million (7%) of the Department's awards and grant agreements in fiscal year 2013 and $71 million of $991 million (7%) of its awards and grant agreements in fiscal year 2012.

Auditors tested the Department's monitoring of the Division of Rehabilitation Services' awards and grant agreements with its provider agencies and noted the following exceptions:

- No on-site monitoring had occurred for multiple fiscal years for 2 of 20 (10 %) providers tested. One provider of the Independent Living program had not been visited since August 2001 and another provider of the Blind Services program had not been visited since May 2009. According to the Community Rehabilitation Program (CRP) Manual, the DHS/DRS Program Advisor is to perform on-site reviews of all contracted CRPs no less than every 3 years.

- Four of 20 (20%) providers tested did not receive their monitoring report from the Department in a timely manner. These reports were provided from 16 to 45 days late. The Illinois Administrative Code (89 Ill. Admin. Code 530.10(e)), requires a written report be sent to the providers within 30 calendar days after the evaluation.

Department officials stated staffing vacancies and a lack of a smooth transition led to instances where on-site reports were not completed timely.

Failure to adequately monitor provider agencies decreases the Department's accountability over these funds and results in noncompliance with Administrative Rules. (Finding Code No. 2013-012)

<u>RECOMMENDATION</u>:

We recommend the Department implement improved monitoring procedures to ensure compliance with the Department's Administrative Rules. The monitoring procedures should encompass timely on-site visits and issuance of monitoring reports.

<u>DEPARTMENT RESPONSE</u>:

The Department accepts the recommendation. The Division of Rehabilitation Services is working to fill vacancies and implement improved monitoring procedures to ensure compliance with the Department's Administrative Rules. The monitoring procedures will encompass timely on-site visits and issuance of monitoring reports.

2013-013 **<u>FINDING</u>:** (Inadequate controls over accounts receivable)

The Department of Human Services' (Department) mental health and developmental disability centers (facilities) failed to exercise adequate controls over accounts receivable. The facilities did not make timely determinations of residents' ability to pay non-Medicare and non-Medicaid charges and did not follow-up on outstanding accounts receivable in a timely manner. In addition, the facilities did not accurately record and report accounts receivable on the Quarterly Summary of Accounts Receivable Reports as required.

During the examination period, 2 facilities did not timely complete the "Notice of Determination" (Form DHS-612) which is used to notify residents or their responsible parties of charges. Resident financial case records supporting receivables in the billing system were noted as being incomplete. Complete case records are required to investigate every individual or entity that may have an obligation or responsibility for the payment of services rendered to a resident. In addition, facility resource staff did not follow Department procedures to monitor and report accounts receivable. Specific exceptions noted include:

- Facility staff failed to complete a Notice of Determination as required for 7 of 11 (64%) files tested at 2 facilities. There were instances where the form was not completed at all or filed untimely.

- Resident financial case records did not have documentation, ILL-1 forms, to support the determination of the resident's ability to pay for 5 of 10 (50%) files tested at 2 facilities.

- At 4 facilities, 11 of 21 (52%) accounts receivable tested, totaling $42,749, were outstanding for over 180 days and the facilities did not coordinate collection efforts with the Department's Central Office in order to ensure outstanding account balances are pursued in accordance with Department policies and procedures. An additional 2 of 21 (10%) accounts receivable tested, totaling $186,603, were noted as not submitted to the Central Office in a timely manner. At 1 facility, auditors noted for 249 out of 273 (91%) accounts, totaling $960,160, the facility and Central Office did not analyze the financial history in order to determine the adequacy of a potential write-off, as required.

- The Illinois School for the Deaf (School) did not accurately record and report accounts receivable on Form C-97, Quarterly Summary of Accounts Receivable, to the Illinois Office of the Comptroller. Specifically:

  - For 3 of 16 (19%) Form C-97s tested, the School could not provide all supporting documentation for collections and receivables in the DHS/DORS Special Revenue Fund. Collection amounts not supported on those Form C-97s totaled $56,200. Receivable amounts not supported on those Form C-97s totaled $47,400.

  - For 7 of 16 (44%) Form C-97s tested, the School failed to report collections, totaling $4,759, because related receivables had not been reported in a previous quarter.

  - For 1 of 16 (6%) Form C-97s tested, the School used an improper cutoff period. As a result, collections were overstated by $1,186 and receivables were understated by $132.

- For 1 of 16 (6%) Form C-97s tested, the School failed to report $800 of receivables during the quarter.

- Auditors noted multiple instances of inadequate supporting documentation for account balances for facility residents.

  - At Samuel L. Shapiro Developmental Center, auditors noted 3 of 5 (60%) resident files tested did not report the correct account receivable balances, which resulted in a total overstatement of $8,010.

  - At Clyde L. Choate Mental Health and Developmental Center, auditors noted 1 of 5 (20%) resident files tested, totaling $22,968, was incorrect due to a duplicate entry in a previous period. A $22,968 claim was entered twice in error, leaving a receivable balance after the account was properly paid off. The facility removed the account after auditor inquiry.

  - At Warren G. Murray Developmental Center, auditors noted 1 of 5 (20%) resident files tested, totaling $26,166, was not valid and was the result of an erroneous entry in the facility's accounts receivable system. The facility removed the account after auditor inquiry.

  - At Chicago-Read Mental Health Center, auditors noted 4 of 5 (80%) resident files, totaling $11,977, in which no documentation was maintained at the facility. Additionally, auditors noted one account with an overpayment balance of $50 that could not be supported.

- At 2 facilities, auditors noted employee positions relating to accounts receivables were not adequately filled. The Reimbursement Office position at John J. Madden Mental Health Center remained vacant from August 1, 2012 until May 31, 2013. Additionally, Chicago-Read Mental Health Center had no individual handling accounts receivable for the month June 2013 after a prior staff transferred.

- At 3 facilities, auditors noted errors on aged analysis of accounts reports. The facilities had large negative balance line items totaling $1,343,191 for which there was no supporting documentation.

- At 2 facilities, auditors noted a majority of aged accounts receivable that were beyond six months with many of those accounts being beyond one year old.

- Issues were also identified with the processing of Medicare or Medicaid claims at 2 facilities:

  - At Chicago-Read Mental Health Center, auditors noted 2 of 5 (40%) recipient files tested, totaling $327, where a recipient was placed in a noncertified unit which led to improper Medicare billing. The Center did not properly monitor the files which were maintained at a contractor firm and one file was shown as being four months outstanding when actually it was 10 months outstanding at that point in time. In addition, auditors noted 1 of 5 (20%) recipient files, totaling $763, where no Medicare check was completed.

- At Elgin Mental Health Center, auditors noted 2 of 2 (100%) Medicare files that did not contain support for the charges.

- Auditors also tested accounts receivable at the closed facilities and noted the following issues:

  - At Jacksonville Developmental Center, auditors noted 1 of 5 (20%) recipient files, totaling $66, which was not transferred to another State facility and left on the Center's aged listing of accounts receivable. Additionally, auditors noted an additional 6 accounts, totaling $213, which were also not transferred to other State facilities for collection.

  - At H. Douglas Singer Mental Health Center (Singer), auditors noted 27 of 60 (45%) recipient files which were not transferred to the Department's Central Office for collection. In addition, the auditors identified several negative account balances including 7 recipient accounts totaling $3,527, one locally held fund, and an account titled settlements totaling $5,426. The auditors ceased further testing on these accounts 8 months after beginning the examination, when the Department informed the auditors about the time required to fulfill the auditor's request. As a result, the auditors were unable to complete all close-out procedures for the Singer accounts receivable.

  - At Tinley Park Mental Health Center (Tinley Park), auditors noted that the Department was unable to provide all requested accounts receivable records. The Department was notified of a final deadline for identifying the location of the Tinley Park accounts receivable records. The deadline was January 31, 2014, which was 7 months after the start of the examination. The Department eventually located the files at Alton Mental Health Center, but it was after the deadline date. As such, auditors were unable to perform close-out procedures related to Tinley Park accounts receivable.

At the Department's Central Office, in 6 of 60 (10%) files tested, auditors were not provided with documentation to allow for them to test the legitimacy of the receivable because the information for these receivables was not forwarded to the Central Office from Andrew McFarland Mental Health Center and Singer.

The Department reported gross resident accounts receivable (excluding Medicare and Medicaid) at facilities totaling $18 million and $19 million for the years ending June 30, 2013 and 2012, respectively. The related uncollectible allowances were $16 million and $15 million, respectively. Also, the total revenue from hospitalization insurance covering individuals for fiscal years 2013 and 2012 totaled $16 million and $14 million, respectively.

The Department is in violation of its own policies and procedures as well as statutory requirements regarding the administration of accounts receivable.

The Illinois State Collection Act of 1986 (30 ILCS 210) mandates State agencies to capture receivable information and report receivables in accordance with rules established by the Comptroller.

The Department’s Administrative Directive 02.08.01.040 states, “…Facility resource staff generates the Notice of Determination form from RE-2, and mail the IL462-0612 to the debtor…” in the first month that an individual enters a Center. Also, the Directive establishes that the Center staff mail the Collection Activities Delinquent Notice when the account becomes delinquent. The Directive offers further guidance stating “…an individual account is not due until 90 days after the IL462-0612 is mailed...” Once the account has become past due for 180 days and “when the debtor has refused to cooperate … the facility resource staff refer the amount to RMS (Revenue Management Section) for further evaluation and action.” The Comptroller’s Statewide Accounting Management System (SAMS) procedure 26.40.20 states agencies must place all debts over $250 and more than 90 days past due in the Comptroller’s Offset system.

SAMS procedure 26.20.10 requires State agencies to record and maintain accurate detailed information related to each receivable. Further, SAMS procedure 26.30.20 requires the correction of any errors or discrepancies to be reported as adjustments on the Quarterly Summary of Accounts Receivable Report (C-97) with corresponding explanations for the adjustments.

The Mental Health and Developmental Disabilities Code (Code) (405 ILCS 5/5-108) states the Department may investigate the financial condition of each person liable, and make determinations of the ability of each person to pay sums representing service charges. Whenever an individual is covered, in part or in whole, under any type of insurance agreement, private or public, for services provided by the Department, the proceeds from such insurance shall be considered as part of the individual’s ability to pay, notwithstanding the insurance contract was entered into by a person other than the individual or notwithstanding the premiums for such insurance were paid for by a person other than the individual.

The State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that revenues, expenditures and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports.

Department management stated facility staffing limitations and oversight contributed to this finding.

Failure to make timely determinations of residents’ ability to pay and follow-up on accounts receivable in a timely manner may result in the delay or loss of revenue. In addition, the lack of controls can lead to an understatement or overstatement of net collectible accounts receivable. (Finding Code No. 2013-013, 11-22, 09-23, 07-15)

RECOMMENDATION:

We recommend the Department comply with the established policies and procedures to ensure accounts receivable are reported in accordance with Department directives.

Additionally, we recommend the Department maintain detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. The Department should consider writing off delinquent or uncollectible accounts to reflect only realizable amounts. Finally, we recommend the Department allocate sufficient staff and fill pertinent positions in order to ensure job duties are performed as required so that accounts receivable transactions are processed and accounts are properly maintained.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will enhance its process to exercise adequate controls over accounts receivable processing, complying with applicable administrative directives.

2013-014 FINDING: (Inadequate controls over receipts)

The Department of Human Services (Department) lacked an adequate receipt reconciliation process and did not timely deposit all receipts.

The Department did not timely reconcile its receipt account balances with the Illinois Office of the Comptroller (Comptroller) records, as required by the Comptroller's Statewide Accounting Management System (SAMS). The Department prepared monthly fund reconciliations during the fiscal year; however, they were not completed timely. Additionally, the Department did not timely deposit all receipts and refunds.

The following exceptions were identified related to the Department's receipts reconciliation process:

- During receipt reconciliation testing, 22 funds were found to have reconciling items which were not resolved within 60 days after identification. Clearance of the reconciling items ranged from 64 to 346 days.

- The Department did not reconcile its receipt records to Comptroller records on a timely basis. In 135 of 140 (96%) revenue source codes tested, the reconciliation was not completed until 37 to 386 days following the end of the month. In 4 of the 140 (3%) revenue source codes tested, the reconciliation report did not include a completion date to verify how quickly the reconciliation was performed. Further, one of the reconciliations with no completion date was revised 9 months after the original reconciliation period. The revised reconciliation reported an increase in the receipts according to the Department's accounting system of $9,998,137 and an increase in the receipts according to the Comptroller of $6,414,106.

Similar weaknesses at the Department were noted in the previous 5 reports. An analysis summarizing the exceptions identified in the current and past 2 reports is noted in the following table:

	Two Years Ending June 30,		
Reconciliation Exceptions	2013	2011	2009
Source codes not corrected within 1-2 months	X		X
Monthly receipts reconciliations performed late	X	X	X
Reconciling items outstanding 60 days after month end	X	X	X

The following exceptions were identified related to the Department's receipts process:

- Three of 60 (5%) nonfederal receipts tested totaling $1,247,556, were not deposited timely. The deposits ranged between 4 to 22 days late. The timeliness of the nonfederal receipts deposits was not in compliance with the State Officers and Employees Money Disposition Act (30 ILCS 230/2) (Act) which specifies deposit requirements based on the amount of receipt and also allows for deposit extensions if approved by the Treasurer and Comptroller. The Department did not make timely deposits taking into account any applicable deposit extensions and deposit criteria specified in the Act.

- In 5 of 39 (13%) resident receipts tested, auditors noted the receipts were not entered into the Consolidated Accounting Reporting System (CARS) in a timely manner. CARS was updated between 4 and 22 days late. As a result, resident account receivable balances did not accurately reflect payments made.

- In 23 of 60 (38%) nonfederal receipts totaling $2,119,318, drafts received from the Treasurer's clearing account were not submitted to the Comptroller within 5 business days, which is considered a reasonable time frame. The drafts were submitted between 6 and 49 business days beyond this time frame.

- The Department utilizes a deposit control card to document the approval and entry of receipts in CARS. Six of 39 (15%) control cards tested were not initialed by the individual responsible for entering and reviewing the deposit.

- In 2 of 60 (3%) federal receipts tested, proper approvals were not documented on the Receipts Deposit Transmittal (Form C-64) forms. The goldenrod copy (retained by the Department) was not properly completed and approved.

The following exceptions were identified related to the Department's refunds process:

- Auditors were not provided with the necessary documentation to test 3 of 60 (5%) refunds selected totaling $237.

- In 55 of 60 (92%) refunds tested totaling $413,756 the refund was not deposited in compliance with the Act. The deposits ranged between 4 to 227 days late. The Department did not make timely deposits taking into account any applicable deposit extensions and deposit criteria specified in the Act.

Similar weaknesses were noted at Clyde L. Choate Mental Health and Developmental Center (Center). Auditors noted the Center collected reimbursement from the Department's Office of Inspector General (OIG) for its usage of the Center's postage machine. The Center invoiced the OIG monthly based on its usage, and the OIG then vouchered payments to the Center. The Center maintained several OIG monthly reimbursement vouchers in a locked cabinet and then exchanged them for a money order. These receipts were never deposited into the State Treasury as specified in the Act.

Department officials stated the exceptions were a result of staffing vacancies and the lack of an integrated accounting system.

SAMS procedure 25.40.20 requires agencies to perform monthly reconciliations between receipt account balances maintained by the agency with the Statewide receipt account records maintained by the Comptroller's Office so the necessary corrective action can be taken to locate the differences and correct the accounting records. Furthermore, the Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) requires each State agency to establish and maintain an effective system of internal control, which would include the processing of receipts/checks.

Failure to implement adequate internal controls over the processing of receipts/checks increases the risk that errors and irregularities could occur and not be detected. (Finding Code No. 2013-014, 11-21, 09-22, 07-11, 05-11, 03-8, 01-11)

RECOMMENDATION:

We recommend the Department strengthen controls over the processing of receipts. This should include the timely deposit of receipts as well as timely entry to CARS. In addition, the controls should ensure timely completion and submission of reconciliations as well as the clearance of reconciling items.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will continue to strengthen its controls over the processing of receipts. The Department did reconcile receipt records to the Comptroller records. It was not done timely for the first part of fiscal year 2013 due to staff vacancies. The reconciliations were done and caught up by the end of fiscal year 2013. The reconciliation with no completion date was one fund that had two (2) revenue source codes un-reconciled for the month they tested due to staff vacancies. The revenue source codes were reconciled at a later time when staffing was at a higher level.

2013-015 FINDING: (Inadequate controls over returned checks)

The Department of Human Services (Department) did not maintain adequate internal controls over checks returned for insufficient funds.

During testing of 60 non-sufficient funds (NSF) or stop payment checks, auditors noted 23 of 60 (38%) checks tested, totaling $5,275, were entered into the Department's accounting system but had not been forwarded from the Cash Management Unit (CMU) to the Bureau of Collections (BOC) for establishment of receivables. The 23 checks all related to fiscal year 2013.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) states the Department, "shall keep in proper books a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payor, and purpose and amount." According to the Department's Administrative Directive 01.09.01.040, "all checks, money orders, and bank drafts received by any DHS entity must be promptly forwarded to the CMU." Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) requires each State agency to establish and maintain an effective system of internal control, which would include the processing of returned NSF checks.

Department officials stated the problems were a result of staffing vacancies and the lack of an integrated accounting system.

Failure to document and maintain detailed records for NSF checks increases the risk that the Department will not be able to collect for those receivables. (Finding Code No. 2013-015)

RECOMMENDATION:

We recommend the Department implement controls to ensure NSF checks are forwarded to the Bureau of Collections on a timely basis for the establishment of receivables.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will implement controls to ensure NSF checks are forwarded to the Bureau of Collections on a timely basis for the establishment of receivables.

2013-016 <u>FINDING</u>: (Inadequate administration of locally held funds)

The Department of Human Services' (Department) Central Office and mental health and developmental disability facilities inadequately administered locally held funds (bank accounts) during the examination period. Auditors noted exceptions regarding the administration, accounting, reconciliation, reporting, receipt and disbursement of these funds.

The following weaknesses were noted during the testing of the Department's quarterly reporting of receipts and disbursements for the two years ended June 30, 2013:

- Auditors noted exceptions in 1 of 6 (17%) funds tested at the Central Office:

  - For the DHS Resident's Trust Fund (Fund 1143), the supporting documentation provided did not agree to the amounts on the Form C-17. The cash on hand, cash in banks, and investments balances did not individually agree to the supporting documentation.

- Eight of 17 (47%) facilities tested did not properly perform monthly reconciliations of their locally held funds:

  - Auditors noted the Warren G. Murray Developmental Center performed 32 of 36 (89%) fiscal year 2013 monthly bank reconciliations from 40 to 345 days after the bank statement date.

  - Auditors noted the Chester Mental Health Center failed to remit excess cash of $13,536 and $13,562 from the Patient Travel Trust Fund to the State Treasury at the end of fiscal year 2013 and 2012, respectively.

  - At Illinois School for the Visually Impaired, during review of the School's controls over the DHS/DORS Agency Fund, auditors noted the same individual responsible for authorizing locally held fund disbursements was assigned to assume recordkeeping duties of other accounting staff in their absence. This permitted the same individual to authorize disbursements, write and sign checks, post disbursements to the accounting system, and prepare bank reconciliations.

  - At Chicago-Read Mental Health Center, auditors noted various exceptions in 4 locally held funds:

    - ➢ Auditors noted instances in which the same person prepared checks, received receipts, and recorded receipts and disbursements. The individual responsible for entering receipts and disbursements into the locally held funds system did not have their own username and password. The individual used the credentials of a former employee.

    - ➢ The Center improperly comingled monies between the DHS Other Special Trusts Fund and the Patient Travel Trust Fund. Auditors noted the DHS Other Special Trusts Fund provided 3 temporary loans to the Patient Travel Trust Fund totaling $5,000 during fiscal year 2013.

- During review of the fourth quarter fiscal year 2013 Form C-17, auditors noted the ending cash balance in the DHS Other Special Trusts Fund was overstated by $100 and the Living Skills Fund ending cash balance was understated by $250.

- During a surprise cash count, the cash on hand did not reconcile back to the fully authorized amounts for the Living Skills Fund, Patient Travel Trust Fund, DHS Other Special Trusts Fund, and DHS Resident's Trust Fund. The differences between the reconciled amount and authorized amounts ranged from $1 to $100.

- The DHS Resident's Trust Fund had a balance of $21,878 at June 30, 2013. The Center did not accumulate interest on any funds not needed for immediate disbursement.

- The Center made payments for professional services to an individual, totaling $5,629, during calendar year 2011, but failed to file a Form 1099-MISC with the Internal Revenue Service for these payments.

- At Elisabeth Ludeman Developmental Center, auditors were unable to reconcile the DHS Resident's Trust Fund's final fund balances from the June 30, 2013 and 2012 Locally Held Fund System reports to the Center's respective checkbook registers. The differences were $162 and $62, respectively.

- At Clyde L. Choate Mental Health and Developmental Center, auditors noted the Center did not maintain the Patient Travel Trust Fund in a local FDIC insured bank account as required. The fund was maintained in a cash box in a locked cabinet and safe. In addition, the Center's transfer of the remaining cash balance in the fund was not remitted timely to the State Treasury. The fund's balance was remitted 56 days late. Further, the transfer was made using a Receipt Deposit Transmittal (Form C-64) instead of the required Expenditure Adjustment Transmittal Form (Form C-63).

- At Rushville Treatment and Detention Facility, auditors noted 4 of 4 (100%) Form C-17s were not accurate. In addition, the facility did not maintain adequate segregation of duties for the DHS Resident's Trust Fund. The same employee maintained the DHS Resident's Trust Fund records in addition to preparing the deposits and delivering the deposits to the bank. Further, interest earned in the DHS Resident's Trust Fund was not allocated to individual resident accounts for 2 of 12 (17%) months during fiscal year 2013.

- At the Illinois School for the Deaf (School), auditors noted exceptions for 2 different locally held funds:

  - 4 of 12 (33%) monthly fund bank reconciliations for the DHS/DORS Agency Fund (Fund 1147) were not completed timely, or within 30 days of month end. Reconciliations were performed between 12 and 103 days late. In addition, 4 of 12 (33%) reconciliations contained unreconciled differences that ranged from $30 to $230 each month.

  - During testing of the School's controls over cash for the DHS/DORS Agency Fund (Fund 1147), auditors noted the same individual responsible for authorizing locally held fund disbursements was assigned to assume recordkeeping duties of other accounting staff in their absence. This would allow the same individual to authorize disbursements, write and sign checks, post disbursements to the accounting system, and prepare bank reconciliations.

  - For the DHS/DORS Special Revenue Fund (Fund 1149), one of 24 (4%) bank reconciliations tested were not performed on a timely basis, or within 30 days of month end. The bank reconciliation was performed 8 days late. In addition, one of 3 (33%) reconciling items examined, totaling $19,500, was not further reviewed after it remained outstanding for over 3 months. Further, for 1 of 1 (100%) intra-account transfers tested, totaling $1,000, the School did not maintain documentation to substantiate the accuracy and approval of the transfer.

The Statewide Accounting Management System (SAMS) requires agencies to report their locally held funds on Form C-17. SAMS procedure 33.13.20 states, "The Locally Held Fund Reporting System's major function is to capture cash receipts and disbursements information on a quarterly basis in order to provide a more comprehensive fiscal data base for the State of Illinois… The 'Report of Receipts and Disbursement for Locally Held Funds' (Form C-17) is used to report locally held activity… Each agency is responsible for preparing one report for each 'locally-held' fund it maintains." In addition, SAMS procedure 17.20.50 requires the Department comply with Federal tax law by reporting payments made to nonemployees in the course of a trade or business aggregating $600 or more during a calendar year to the Internal Revenue Service on a Form 1099-MISC.

Auditors noted a variety of errors during the testing of the Department's disbursements from locally held funds for the two years ended June 30, 2013 at 9 of 17 (53%) facilities including: not properly recording the check number; the disbursement not tracing from the system ledger to the bank statement and supporting documentation; the disbursement not including the proper signatures for its approval; statutory late fees; and instances of untimely or failing to post disbursements to the system ledger. In addition, auditors noted inadequate supporting documentation and instances when no supporting documentation was provided for the tested disbursement. In other examples, auditors were unable to reconcile the disbursements according to the system ledger reports to the checkbook ledgers or identified disbursements made from the incorrect fund.

Auditors also identified several errors while testing the Department's receipts of locally held funds for the two years ended June 30, 2013 at 4 of 17 (24%) facilities including: not posting the receipt to the system ledger in a timely manner; the receipt not tracing from the system ledger to the bank statement; and auditors were unable to reconcile the receipt according to the system ledger reports to the checkbook ledgers.

The Jacksonville Developmental Center (Jacksonville) was closed on November 27, 2012. During the examination period, Jacksonville conducted activities in four locally held funds: DHS Other Special Trusts Fund, DHS Resident's Trust Fund, DHS Rehabilitation Fund, and Living Skills Fund. During testing of the Form C-17s filed by the Center during the examination period, auditors noted the following weaknesses:

- Four of 32 (13%) Form C-17s were not accurate. The third and fourth quarter fiscal year 2013 DHS Other Special Trusts Fund Form C-17s both reported balances of $28,722 when the balances on each should have been $0. The third and fourth quarter DHS Rehabilitation Fund Forms C-17s both reported balances of $4,221 when each should have been $0.

- Eight of 32 (25%) Form C-17s did not utilize proper cut-off reporting dates. Cut-off dates utilized were from 12 to 24 days after the end of the quarter.

- Eight of 32 (25%) interest income amounts reported on the DHS Other Special Trusts Fund Form C-17s did not appear reasonable or consistent. The interest income amounts accrued between quarters ranged from $0 to $13,319.

- Two of 32 (6%) Quarterly Activity Statements were not accurate. The third and fourth quarter fiscal year 2013 Quarterly Activity Statements each reported balances of $28,722 when both of the amounts reported should have been $0.

Auditors tested the final disposition of the funds at Jacksonville and concluded 1 of 4 (25%) did not appear to be proper. The ending balances of the individual resident accounts in the DHS Resident's Trust Fund were to be closed out and transferred to another facility or paid out to the resident. However, one of 4 (25%) fund balances as reported by the facility was not confirmed by the bank. The bank confirmed a June 30, 2013 balance of $8,854, but the amount reported by Jacksonville was $0.

Finally, Jacksonville did not preserve or was unable to find the following records requested by the auditors:

- 45 of 67 (67%) bank statements.

- 67 of 67 (100%) bank reconciliations.

- 64 of 67 (96%) months of canceled checks.

- A detailed listing of disbursements from the DHS Rehabilitation Fund from July 1, 2011 until the fund was closed.

The H. Douglas Singer Mental Health Center (Singer) was closed on October 31, 2012. During the examination period, the Center conducted activities in four locally held funds: DHS Other Special Trusts Fund, DHS Resident's Trust Fund, Patient Travel Trust Fund, and Living Skills Fund. During testing of the Form C-17s filed by Singer during the examination period, auditors noted the following weaknesses:

- 18 of 24 (75%) Form C-17s were not accurate. The amount of cash on Singer's bank reconciliation did not agree with the amount on the Form C-17. Auditors noted unreconciled differences ranging between $400 and $800 covering all four locally held funds. In addition, Form C-17's filed in the third quarter of fiscal year 2013 noted Singer was holding $19,445 in cash within its four locally held funds; however, Singer had closed out each of the funds in November 2012.

- 20 of 24 (83%) bank reconciliations supporting Form C-17 were prepared between 17 and 39 days late.

- 12 of 24 (50%) Form C-17s were completed between 2 and 10 days late.

- Auditors noted 7 unusual disbursements from the DHS Other Special Trusts Fund. The disbursements included gas for a State vehicle, fees for a resident's eye exam, guardian mailing fees, flashlights, late charges on an invoice, and an IPASS transponder and tolls.

- Auditors noted one deposit, totaling $918, within the DHS Other Special Trusts Fund which was a transfer in from the DHS Resident's Trust Fund from a patient's remaining balance. Singer indicated they were unable to locate the patient and transferred the funds.

Auditors tested the final disposition of the funds at Singer and concluded 2 of 4 (50%) did not appear to be proper. The auditors noted the final transfer out of the DHS Other Special Trusts Fund to the Elgin Mental Health Center, totaling $3,317, was not reported as a transfer out. Further, the transfer to the General Revenue Fund from the Patient Travel Trust Fund, totaling $5,848, was erroneously reported as $5,448 on the corresponding Form C-17. In addition, Singer did not monitor the cash balance of the DHS Resident's Trust Fund after the closure which resulted in two bounced checks and overdraft fees for the Center.

Finally, Singer did not preserve or was unable to find the following records requested by the auditors:

- Supporting documentation for outstanding checks and deposits noted on Singer's bank reconciliations.

- 7 of 15 (47%) final disbursements to residents from the DHS Resident's Trust Fund, totaling $4,763.

The Tinley Park Mental Health Center (Tinley Park) was closed on July 1, 2012. During the examination period, Tinley Park conducted activities in three locally held funds: DHS Other Special Trusts Fund, DHS Resident's Trust Fund, and Patient Travel Trust Fund. Auditors noted Tinley Park was unable to provide all requested locally held fund documentation. Therefore, the auditors were unable to perform close-out procedures related to locally held funds. The Department provided access to boxes of documentation pertaining to the Center which were housed at Elisabeth Ludeman Developmental Center. The documentation showed activity ceased at the conclusion of fiscal year 2011 and restarted during fiscal year 2013. Department officials indicated they were uncertain if the remainder of the Tinley Park's records had been sent elsewhere within the Department.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system or systems of internal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation which would include locally held funds.
The State Records Act (5 ILCS 160/8) requires agencies to maintain adequate and proper documentation, including essential transactions of the agency.

Department officials stated oversight by facility staff, lack of a unified approach for fund reconciliations efforts and late receipt of bank statements contributed to the discrepancies noted.

It is important to properly administer locally held funds as they are not subject to appropriations and are held outside the State Treasury. In addition, failure to adequately administer locally funds could lead to fraud, theft, or the use of unavailable moneys in the funds causing overdraft charges. Inadequate administration also represents noncompliance with State statutes. (Finding Code No. 2013-016, 11-23, 09-26)

RECOMMENDATION:

We recommend the Department develop, implement, and monitor a training program for all personnel involved in administering the Department's locally held funds to ensure Central Office and facility staff are educated of the requirements set forth in the statutes, SAMS, and, as applicable, Department policies and procedures related to these funds.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. Facility staff will be trained on specific requirements on the processing of locally held funds per statutes, SAMS and applicable Department policies and procedures for all postings and fund reconciliations with the bank statements.

2013-017 FINDING: (Voucher processing, approval and payment)

The Department of Human Services (Department) did not maintain controls over the processing, approval and payment of vouchers as required by the Illinois Administrative Code and Department policy.

Auditors tested invoice vouchers processed at Department facilities during the examination period and noted the following exceptions:

- Twelve of 141 (9%) contractual services invoice vouchers totaling $251,913 were not approved within 30 days of receiving the vendor invoice. The vouchers were approved for payment 8 to 266 days late. The Illinois Administrative Code (Code) (74 Ill. Adm. Code 900.70(b)) requires an agency to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt of the bill.

- Thirty-four of 141 (24%) contractual services invoice vouchers totaling $837,534 did not remit required prompt payment interest to vendors which totaled $8,138.

- Six of 79 (8%) travel vouchers exceeded the travel allowance rates set for reimbursement of mileage, lodging, meals, and incidentals.

- Five of 79 (6%) travel vouchers did not have dates and times of travel that appear reasonable based on the distances traveled.

- Six of 79 (8%) travel vouchers did not itemize all travel expenses directly billed to the State on the voucher.

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires, "Any bill …must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 90-day period, until final payment is made."

The Code (80 Ill. Adm. Code 2800.APPENDIX A) establishes the rate schedule for allowed travel reimbursements. In addition, the Code (80 Ill. Adm. Code 2800.240(d)) states "When a privately owned vehicle is used, the travel voucher shall show, at minimum, commuting mileage (if applicable), the dates, points of travel and mileage. If the distance traveled between any given points is greater than the usual route between these points shown on a road map, the reason for the greater distance shall be explained and detailed separately." Also, the Code (80 Ill. Adm. Code 2800.260) states, "Employees may not be reimbursed for items billed directly to the State. Such direct billed items shall be indicated on the travel voucher along with all reimbursable items."

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department officials stated staffing shortages and oversight contributed to the discrepancies noted.

Failure to timely process and review vouchers results in late payment to vendors and interest penalties being levied against the Department. Failure to provide adequate supporting documentation for invoice vouchers weakens internal control and increases the likelihood that a loss from errors or irregularities could occur and not be detected in a timely manner. (Finding Code No. 2013-017, 11-24)

RECOMMENDATION:

We recommend the Department devote adequate resources and follow established policies to ensure invoice vouchers are processed and paid in a timely manner to limit interest penalties. We also recommend the Department ensure the invoice vouchers are completed properly in accordance with the appropriate guidelines.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will ensure voucher requirements are sent to all fiscal staff.

2013-018 **FINDING:** (Failure to ensure expenditure reconciliations are prepared timely)

The Department of Human Services (Department) did not reconcile its expenditure balances with the Illinois Office of the Comptroller (Comptroller) records in a timely manner.

The Statewide Accounting Management System (SAMS) procedure 11.40.20 states, "Each month, the Comptroller's Office distributes the Monthly Appropriation Status Report (SB01) to the agencies. The Monthly Appropriation Status Report should be reconciled on a timely basis to ensure the early detection and correction of errors."

In 2 of 5 (40%) monthly expenditure reconciliations tested, auditors noted the reconciliation was not performed timely. The reconciliations were completed 4 months after the period being reconciled.

In addition, when specifically testing the month of June 2013, auditors noted 4 of 5 (80%) appropriations tested had payroll transactions that had not been posted to the Consolidated Accounting Reporting System (CARS) at June 30, 2013, or in a timely manner throughout fiscal year 2013. The 4 appropriations contained payroll transactions originating on July 1, 2012. The last date these items were entered into CARS was July 31, 2013. The total amount of tested payroll transactions not posted to CARS in a timely manner was $7,743,275.

Department officials stated that staffing vacancies and the lack of an integrated accounting system led to the delays.

Failure to prepare expenditure reconciliations on a timely basis increases the risk that errors or irregularities could occur and not be detected and corrected on a timely basis. This practice also diminishes the effectiveness of the expenditure reconciliations performed and causes the records to be incomplete. Timely reconciliations and complete records are especially important as the Department expends over $5.8 billion per year. (Finding Code No. 2013-018, 11-25)

RECOMMENDATION:

We recommend the Department develop and implement procedures to perform expenditure reconciliations in a timely manner. Those procedures should ensure the timely posting of expenditure transactions to CARS prior to the performance of the reconciliations.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will develop and implement procedures to perform expenditure reconciliations in a timely manner. Those procedures will also ensure the timely posting of expenditure transactions to CARS prior to the performance of the reconciliations.

2013-019 **<u>FINDING</u>:** (Inadequate recordkeeping for payroll and personnel files)

The Department of Human Services (Department) did not maintain all necessary and required supporting documentation in employee payroll and personnel files.

During testing of employee payroll and personnel files at the Central Office and Department facilities, auditors noted the following exceptions:

- In 29 of 120 (24%) payroll files tested, voluntary withholding payroll deduction authorization requests were not maintained in the files. The items missing included deferred compensation forms, union deduction cards, insurance deduction cards, and charity deduction cards.

  The Voluntary Payroll Deductions Act of 1983 (Act) (5 ILCS 340/4) states, "An employee may authorize the withholding of a portion of his or her salary or wages for contribution to a maximum number of 4 organizations…upon written request of a State employee, for each regular payroll period, from the salary or wages of the employee the amount specified in the written request for payment to the organization designated by the employee."

- In 16 of 120 (13%) payroll files tested, the exemptions, marital status, or withholding on the employee's W-4 on file did not agree to the employee's withholdings in the payroll system.

- In 6 of 120 (5%) payroll files tested, the employee's W-4 was not maintained on file, but the employee's payroll tax exemptions were greater than zero. The Department's Administrative Directive 01.02.02.260 states, "If no W-4 cards are completed by the employee, federal statute requires withholdings as single with zero (0) exemptions."

- In 5 of 120 (4%) personnel files tested, the pay rate per the CMS-2 on file did not match the employee's actual pay amount. The CMS-2 documents the employee's rate of pay. The most current CMS-2 was not in the employee's file.

During testing of employees on leave of absence, auditors noted the following exceptions:

- In 2 of 50 (4%) leaves of absences tested documentation was not provided that authorized the leave of absence. Department Administrative Directive 01.02.02.230 regarding leave of absences states, "The following information shall be submitted: A. Written request to the employee's supervisor, unless precluded by an emergency condition that prevents a timely written request; B. Documentation specific to medical leaves, including diagnosis and prognosis."

- In 2 of 50 (4%) leaves of absences tested, the Department failed to provide the Physician's Statement Form (CMS-95) or additional verification of recovery while on leave for employees claiming non-service disability leave. Department Administrative Directive 01.02.02.230 regarding non-service connected disability leave states, "Upon submission of a doctor's statement using the Physician's Statement Form (CMS-95) that includes diagnosis, prognosis, and estimated return to work date, the employee shall be granted leave of absence for the duration of the disability…During the leave, the employee shall provide additional written verification by a person licensed under the Illinois Medical Practices Act, similar laws of Illinois, other states or countries, or by an individual authorized by a recognized religious denomination to treat by prayer or spiritual means which includes the diagnosis, prognosis, and expected duration of the disability. The verification shall be made no less often that every thirty (30) days during a period of disability, unless precluded by the nature of the disability."

- In 2 of 50 (4%) leaves of absences tested the Department failed to provide the Physician's Statement Form (CMS-95) or additional verification of recovery while on leave for employees claiming service disability leave of absence. Department Administrative Directive 01.02.02.230(II)(B)(5) states, "During the disability leave, the disabled employee shall provide written verification by a person licensed under the Illinois Medical Practices Act. The verification must include diagnosis, prognosis and expected duration of the leave, and shall be made no less often than every thirty (30) days during a period of disability, unless precluded by the nature of the disability. Failure of an employee to provide verification of continued disability upon reasonable request, shall, on due notice, cause termination of the leave of absence."

During testing of employees who incurred overtime, auditors noted the following exceptions:

- In 3 of 40 (8%) employees tested, the Department's attendance and payroll records did not agree with the overtime amount on the daily attendance sheets.

- In 4 of 40 (10%) employees tested, the Department failed to provide an approved Monthly Attendance Record.

Department Administrative Directive 01.02.02.170 regarding time and attendance records states, "The Department of Human Services will maintain accurate and current records of employee time and attendance…Employees are responsible for completing the DHS Attendance Sheet (IL444-4605) on daily basis…employees will receive a Monthly Attendance Record report (AM027001) for their review… they are to review the AM027001 and determine whether it accurately reflects time spent on official state business…."

During testing of employees who were terminated, the following exceptions were noted:

- In 7 of 50 (14%) employees tested, the Department did not provide supporting payroll documentation and/or the CMS-2 report to support the employee's termination.

- In 8 of 50 (16%) employees tested, salary amounts on the payroll system screenprints did not match those on the CMS-2 report.

Department Administrative Directive 01.02.02.180 regarding separations states, "The separating employee shall give such written notice of resignation to his or her immediate supervisor, who shall then forward it to the Office of Human Resources and other designated personnel responsible for entering personnel information into the Department of Central Management Services (CMS) system."

In addition to the specific citations referenced above, the State Records Act (5 ILCS 160/9) states, "The head of each agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities."

Department officials stated considering the sheer number of Department employees and the many people who maintain personnel and payroll files, paperwork can be misfiled or otherwise lost. Overtime approvals when the overtime is mandatory for continuity of service are often not completed at the facility level because of the volume of occurrences.

Without proper recordkeeping there is no documented basis for withholdings, leaves of absence, employee overtime or terminations. (Finding Code No. 2013-019, 11-26, 09-32, 07-21)

RECOMMENDATION:

We recommend the Department maintain the necessary documentation in employee files including the forms necessary for payroll deduction authorizations, leaves of absence, employee overtime, and terminations.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Office of Human Resources (OHR) will send a reminder to remote facility payroll and personnel offices to ensure the Department maintains the necessary documentation in employee files including the forms necessary for payroll deduction authorizations, leaves of absence, employee overtime, and terminations.

2013-020 **<u>FINDING</u>:** (Employee performance evaluations not performed on a timely basis)

The Department of Human Services (Department) did not conduct employee performance evaluations on a timely basis.

During testing of personnel expenditures, auditors noted 6 of 54 (11%) Central Office employee evaluations sampled did not receive a performance evaluation on a timely basis. Many of these employees had not had evaluations for several years. Additionally, the Department could not provide documentation that an employee performance evaluation had been performed during the examination period for 26 of 54 (48%) employees.

Auditors also noted 30 of 386 (8%) facility employees at 7 of 20 (35%) facilities did not receive a performance evaluation on a timely basis. Additionally, 9 of 20 (45%) facilities could not provide documentation that an employee performance evaluation had been performed during the examination period for 37 of 386 (10%) employees.

During testing of the timeliness and completeness of performance evaluations, other exceptions were noted as follows:

- At Jacksonville Developmental Center, auditors noted the Center could not provide personnel files for 2 employees due to layoff meetings.

- Auditors noted that Chicago-Read Mental Health Center did not use the creditable service date for employee evaluations. Consequently, the evaluation periods for 5 employees did not match their creditable service date, which is used to determine eligible employee benefits including leave accrual.

- Clyde L. Choate Mental Health and Developmental Center (Center) did not maintain a control mechanism to ensure evaluations were conducted timely. The Center's Human Resource Database (database) tracked various personnel transactions, and it also generated monthly notifications of performance evaluations to be completed. The database crashed on May 11, 2012 resulting in loss of data for fiscal years 2011 and 2012, and there was no backup of that data. The database was partially restored; however, the data for fiscal year 2012 had to be re-entered manually by Center staff.

- At 2 of 20 (10%) facilities tested, auditors noted 3 of 61 (5%) evaluations were not dated by the employee; therefore, they were unable to determine the timeliness of the evaluations.

Personnel rules issued by the Department of Central Management Services (80 Ill. Adm. Code 302.270) require performance records to include an evaluation of employee performance prepared by each agency not less often than annually. Annual evaluations support administrative personnel decisions by documenting regular performance measures. The Department's Administrative Directive 01.02.04.020 indicates that evaluations must be "permanently included in the employee's personnel file."

Department officials stated the Department does have an electronic tracking system in place for employee performance evaluations; however, the system crashed during the examination period causing a delay in sending monthly notifications to the supervisors. Department officials stated the system was backed up, but some data was lost and required a rebuild.

Without performance evaluations there is no documented basis for promotion, demotion, discharge, layoff, recall, or reinstatement and current employment status. (Finding Code No. 2013-020, 11-27, 09-33, 05-15)

RECOMMENDATION:

We recommend the Department follow the Personnel Rules and hold management accountable for completing employee performance evaluations on a timely basis.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will follow the Personnel Rules and hold management accountable for completing employee performance evaluations on a timely basis.

2013-021 **<u>FINDING</u>:** (Weaknesses in maintaining documentation of temporary assignments)

The Department of Human Services (Department) failed to maintain proper documentation of temporary assignments.

During testing of temporary assignments, the Department was unable to provide proper documentation for 7 of 50 (14%) employees tested who currently work in temporary assignment positions. Because there was no documentation properly authorizing the temporary assignment, auditors were unable to determine how long the employees had been functioning in these positions. Also, for 5 of 50 (10%) employees tested, the start and end dates for the temporary assignment on the authorization form did not match those on the payroll records provided.

For bargaining unit employees, AFSCME Collective Bargaining Agreement Article XIV, Section 1, defines temporary assignments as "the Employer may, within the provisions of this Article, temporarily assign an employee to perform the duties of another position classification." Department policy regarding temporary assignments states, "Once the Temporary Assignment Authorization form is completed and approved, it must be submitted to the timekeeper who enters it onto the timekeeping system. The timekeeping system provides the payroll system with the necessary information to assure payment is made. The timekeeper should retain the approved authorization form for audit purposes. A copy of the approved form should be sent to the appropriate Payroll and Personnel Office."

For non-bargaining unit employees, the Illinois Administrative Code (80 Ill. Adm. Code 302.150(j)) defines interim assignments as, "for a certified non-bargaining unit employee in a salary grade or merit compensation position assigned to perform on a full-time interim basis and be accountable for the higher-level duties and responsibilities of a non-bargaining unit, salary grade or merit compensation position."

The State Records Act (5 ILCS 160/8) requires the Department preserve records containing adequate and proper documentation of the essential transactions of the Department to protect the legal and financial rights of the State.

Department officials stated temporary assignment is a timekeeping function and the Payroll/Timekeeping System maintains an accurate record of all temporary assignment entries. There is always the possibility that the Temporary Assignment Authorization Form does not get included in the employee's payroll file.

Failure to maintain adequate documentation for temporary assignments is an internal control weakness that could lead to abuse. Temporary assignments are, by their nature, not meant to be permanent and may result in higher pay rates. As a result, there is a greater opportunity for waste, fraud or abuse if there are a lack of mitigating controls and supporting documentation. (Finding Code No. 2013-021, 11-28, 09-34, 07-23)

<u>RECOMMENDATION</u>:

We recommend the Department maintain the required documentation in order to substantiate all temporary assignments.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Office of Human Resources (OHR) will send another reminder to supervisors to ensure all temporary assignments are documented on the Department forms and maintain the required documentation in order to substantiate all temporary assignments.

2013-022 **FINDING:** (Time records not maintained in compliance with the State Officials and Employees Ethics Act)

The Department of Human Services (Department) did not maintain time records in compliance with the State Officials and Employees Ethics Act (Act).

Auditors noted the following exceptions with employee Monthly Attendance Records at Department facilities:

- 8 were not retained at 2 of 20 (10%) facilities.
- 25 were not signed and dated by the employee, supervisor, and/or timekeeper within 5 working days (in fiscal year 2012) or ten working days (in fiscal year 2013) of the employee's submission at 5 of 20 (25%) facilities tested. The individuals signed the Monthly Attendance Records between 1 and 292 days late.
- 39 were missing required signatures and/or dates from the employee, supervisor, and/or timekeeper at 5 of 20 (25%) facilities tested. As a result, the auditors could not determine whether the Monthly Attendance Record was signed and approved within the required time period.
- 7 were signed by the supervisor and/or timekeeper before they were signed by the employee at 4 of 20 (20%) facilities tested.

The Act (5 ILCS 430/5-5(c)) requires the Department to adopt personnel policies consistent with the Act. The Act states, "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour." The Act further requires timesheets to be maintained by the fiscal office for at least two years.

The Illinois Department of Human Services' Administrative Directive 01.02.02.170 requires a Monthly Attendance Record (Report) which documents that employee time was spent on official State business to be reviewed and signed by the employee, timekeeper, and supervisor within 5 working days. In fiscal year 2013, the policy was revised and required the employee, timekeeper, and supervisor to review and sign the Report within 10 working days. In addition, if the Report is not accurate the employee is required to complete an Employee Time Correction Report which shall be attached to the Report. The facilities are to ensure the signed Reports and any Employee Time Correction Reports are maintained in the employee's official timekeeping file.

Department officials stated the unintentional lack of oversight, misunderstanding on the Administrative Directive, staff shortages and employees on vacation or leave of absence contributed to the discrepancies noted.

By not maintaining appropriate time records, the Department is not in compliance with the Act. (Finding Code No. 2013-022, 11-29, 09-35)

RECOMMENDATION:

We recommend the Department follow its Administrative Directive and the Act and hold management accountable for maintaining appropriate time records.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Office of Human Resources (OHR) will send another reminder to supervisors (through Executive Staff) to ensure the Department is following its Administrative Directive and the Act and hold management accountable for maintaining appropriate time records.

2013-023 <u>FINDING</u>: (Inadequate controls over commodities)

The Department of Human Services (Department) does not maintain an adequate oversight function over commodities, resulting in inadequate controls. Inventory control includes responsibilities at individual facilities, multiple warehouses, and Central Office locations.

Audit testing performed at various locations, including warehouses, facilities, schools, and centers, identified several exceptions and weaknesses over commodities inventories. The following inventory problems were noted during testing:

- Weaknesses in segregation of duties for annual inventory counting were noted at 3 of 20 (15%) facilities. For example, Elgin Mental Health Center and Chicago-Read Mental Health Center did not have independent recounts of inventory. Storekeepers who were responsible for the specific physical inventory also performed the inventory recounts. Additionally, recounts were performed using a listing that included the inventory balance. The Illinois School for the Deaf did not have a designated back-up employee to ensure the Account Technician's duties could be performed in the event of his or her absence.

- Auditors noted the Department is not consistently removing items classified as forward stock from the inventory system. Forward stock includes items altered in the print shop such as envelopes, folders and application forms. Department personnel stated the forward stock items would not be included in the year end physical count as they were not reflected on the inventory listing. During the physical count conducted by auditors, it was noted there were items on the year-end inventory listing that were considered forward stock. At the Springfield and Chicago Warehouses, a total of 760 print shop items with a dollar value of $59,943 was on the inventory listing at year end.

- The Department's accounting policy is to report its inventories at weighted average cost. However, auditors noted the Warehouse Control System (WCS) does not allow the system user to readily review the purchase history of items to ensure the commodities are accurately priced under the weighted average cost method. Under the weighted average cost method, inventory is valued based on the total cost of goods available for sale divided by the total number of units available for sale. Auditors noted the weighted average cost method was not being utilized to record the cost of commodities inventories at the two warehouses; instead, the warehouses valued the inventory based on most recent invoice price.

- Three of 20 (15%) facilities had inventory items that were overstocked or in excess of a 12-month supply. The Illinois Procurement Code (30 ILCS 500/50-55) states every State agency shall inventory or stock no more than a 12-month need of equipment, supplies, commodities, articles, and other items, except as otherwise authorized by the State agency's regulations.

- Elgin Mental Health Center received inventory from the closure of Singer Mental Health Center but did not include the items on their inventory system.

- After a review of the adjustments by facility to inventory balances, auditors noted a total of 3 facilities, Clyde L. Choate Mental Health and Developmental Center, Rushville Treatment and Detention Facility, and John J. Madden Mental Health Center, with significant adjustments. The percentage of net adjustments ranged from 4% to 10% of the total general ledger balance for these facilities.

- During testing of inventory transferred from the Jacksonville Developmental Center to other State facilities, the Center was unable to provide supporting documentation for 8 of 10 (80%) items tested, totaling $11,428.

- Auditors noted an excessive amount of unused office supplies left at the Jacksonville Developmental Center after its closure.

- Auditors noted several errors and discrepancies in the annual inventory counts at Ann M. Kiley Developmental Center (Center) at June 30, 2013 as follows:

  - The Center did not count pharmaceutical items in the facility's sorting machine in 1 location.

  - 428 of 510 (84%) pharmaceutical items were inaccurately counted by the Center during the June 30, 2013 physical count. The auditors performed test counts and identified a significant number of uncounted items. The auditors and pharmacists performed recounts and noted 192,699 units valued at $75,088 which were not counted during the initial count. Auditor adjustments were recorded by the Center.

  - Auditors noted the Center's pharmaceutical inventory was not arranged in a manner as to assist the Department in conducting its inventory count in an orderly and efficient manner. Two areas were maintained in alphabetical order, while 1 area was stored in usage rate order. Further, the counters did not use tags to signify they had counted an item, contributing to the counters missing significant amounts of pharmaceutical items stored on bulk storage shelves and in the area categorized by usage rate.

  - Auditors also noted the Center did not count any food items, nine cigarette disposal containers, 10 boxes of blankets, eight boxes of flat sheets, 14 boxes of pillows, 90 boxes of isolation gowns, 29 boxes of aerosols, and one pallet of miscellaneous items.

Similar exceptions were noted at the Department in previous reports. An analysis summarizing the exceptions identified in the current and past 3 reports is noted in the following table:

Inventory Exceptions	Year Ending June 30,			
	2013	2012	2011	2010
Inadequate segregation of duties	X	X	X	X
Lack of or inadequate written inventory procedures			X	
Count sheets not properly completed		X	X	
Purchase history unable to be reviewed	X	X	X	X
Failure to make timely adjustments to inventory records			X	
Counts that could not be reconciled			X	
Improper cutoff for pharmaceutical inventories			X	
Inventory items overstocked or expired	X		X	
Inventory items not clearly labeled with CCS item number			X	
Improperly recording values of inventory		X	X	X
Incorrect adjustments made after physical count			X	
Inventory items not included in physical count	X		X	
Inventory items not adequately controlled			X	
Discrepancies/weakness noted in inventory balance	X	X	X	
Inventory storage areas were disorganized	X		X	
Counting not performed at all facilities				X
Failure to document who counted inventory			X	
Errors on Summary of Commodity Control System and Other Inventories			X	X
Improper removal of forward stock from inventory listing	X	X		
Inventory counts not conducted on required dates		X		
Unable to provide year end inventory adjustment listings		X		
Failure to provide supporting documentation for transferred inventory	X			
Significant adjustments to inventory balances	X			
Excessive amount of unused office supplies	X			

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, generally accepted accounting principles require the proper valuation and control over annual physical inventory processes to ensure complete and accurate inventories for financial reporting purposes. An improved oversight function would allow the Department to increase the accuracy of reported inventory balances and reduce deficiencies in internal control over maintaining inventory.

The Department stated they have established a centralized oversight for commodities; however, staffing shortages and the outdated system continue to contribute to the weaknesses noted for commodity inventories.

Strong internal controls would require an improved centralized oversight function related to commodities. This is important considering the Department made commodities expenditures of $27.298 million during fiscal year 2013. In addition, the Department recorded ending commodities inventories of $7.345 million at June 30, 2013. (Finding Code No. 2013-023, 12-5, 11-2, 10-2, 09-2, 08-3, 07-4, 06-2, 05-2, 03-15, 03-17, 01-9 and 99-14)

(Also see related finding 2013-003 - Commodity inventory system outdated and insufficient for user needs)

RECOMMENDATION:

We recommend the Department continue strengthening its oversight function related to commodities to allow for improved internal controls.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will enhance its procedures and continue strengthening its oversight function related to commodities to allow for improved internal controls.

2013-024 FINDING: (Lack of physical control over State property)

The Department of Human Services (Department) did not have adequate physical control over or recordkeeping for State property.

As of June 30, 2013, the Department valued its State property at $185,981,000. During testing of property and equipment at the Central Office and Department facilities, the following discrepancies were noted:

- At 9 of 20 (45%) facilities tested, the property records did not agree with the observed physical location or description of the equipment totaling $33,705. For example, auditors at Rushville Treatment and Detention Facility noted 11 of 25 (44%) equipment items tested, totaling $10,849, were located in different geographical locations than reported on the facility's property listing.

- At 2 of 20 (10%) facilities tested, items physically observed were not recorded on the respective location property listings, and the Department was not able to provide support verifying the items were recently transferred or loaned to the location. For example, at Chicago-Read Mental Health Center, auditors noted a tv/vcr valued at $425 with a property tag. The item was deleted in August 2010 when it could not be located during annual inventory. At the time the auditors noted the error it had remained at the facility, but not on the equipment listing, for over 1,065 days.

- At 5 of 20 (25%) facilities tested, inventory items were identified that did not have inventory identification tags properly affixed. For example, two of 10 (20%) equipment items observed at Jack Mabley Developmental Center, totaling $5,718, did not have property control tags.

- At 6 of 20 (30%) facilities tested contained equipment items, totaling $732,271, which appeared to be obsolete or not utilized at the time of observation.

- Auditors noted 18 items, with a value of $14,369 on the property listings, which could not be physically located at the facilities at 4 of 20 (20%) facilities tested. Fifteen of these items, totaling $5,606, were noted at Chicago-Read Mental Health Center. Two of the items at Chicago-Read Mental Health Center had unknown values.

- At 2 of 20 (10%) facilities tested, auditors noted deterioration of property and equipment. At Alton Mental Health Center, 14 of 20 (70%) buildings observed were deteriorating or susceptible to deterioration due to nonuse. At Clyde L. Choate Mental Health and Developmental Center, auditors noted storage buildings contained instances of oversupply and deterioration of property and equipment. As of June 30, 2013, the buildings contained 523 items valued at $206,577. Choate officials stated many of the items came from the closed Jacksonville Developmental Center and they wanted to ensure the items were not usable.

- At Ann M. Kiley Developmental Center, auditors noted 60 surplus equipment items valued at $24,162 which consisted of computers, peripheral computer equipment, fax machines, table, dressers, chairs and a sofa. In addition, auditors noted transfer documentation for a truck and van from the closed Jacksonville Developmental Center that did not have proper authorizing signatures from Jacksonville Developmental Center personnel. The truck and van were valued at $56,175 and $19,335, respectively. Auditors also noted a defibrillator valued at $2,699 without supporting transfer documentation. Furthermore, property records were not updated to reflect a chair transferred from the closed H. Douglas Singer Mental Health Center.

- At Jacksonville Developmental Center, auditors noted an excessive amount of items listed as lost or not found during a review of discrepancies reported to Department of Central Management Services (DCMS) Property Control. The Center requested 1,012 items, totaling $412,014, be deleted from inventory on March 8, 2013.

- For two of 60 (3%) additions tested, the transferred-in property was not recorded at original cost. These two items had a combined value of $23,326.

The auditors, in performing detail voucher testing, noted 3 of 108 (3%) vouchers tested, totaling $22,223, related to the purchase of new furniture. For those vouchers, the Department did not provide the auditors with a State Property Surplus – New Furniture Affidavit. The State Property Control Act (30 ILCS 605/7a) (Act) requires agencies that desire to purchase new furniture to first check with the administrator if any of the surplus furniture under the administrator's control can be used in place of new furniture. If an agency finds that it is unable to use the surplus property, the agency shall file an affidavit with the administrator prior to any purchase, specifying the types of new furniture to be bought, the quantities of each type of new furniture, the cost per type, and the total cost per category. The affidavit shall also clearly state why the furniture must be purchased new as opposed to obtained from the administrator's surplus. The affidavits shall be made available by the administrator for public inspection and copying. The administrator referenced in the Act is the Director of DCMS.

The auditors, while testing lease and installment purchase agreements, noted the Department was unable to provide supporting documentation for 1 of 10 (10%) leases tested totaling $1,618,159. The lease the Department was unable to provide totaled $10,015.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State Government to be accountable for the supervision, control, and inventory of all items under their jurisdiction. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation. Furthermore, it states that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial statistical reports and to maintain accountability over the State's resources. Finally, the State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

The Department officials stated that staffing shortages and the outdated system continue to contribute to the weaknesses noted for control over State property.

Failure to properly control and record State property is statutory non-compliance. In addition, failure to properly record State property can lead to inaccurate financial information being reported. (Finding Code No. 2013-024, 11-30, 09-36, 07-14, 05-20)

RECOMMENDATION:

We recommend the Department comply with the State Property Control Act for property control. Specifically, the Department should document and control property movements, submit documents to the Property Control Unit timely for updates to the property list, place inventory decals on all State property, properly authorize transfers of unused and obsolete State property items to the Department warehouse; and protect property against the potential of loss. Additionally, the Department should adequately maintain buildings and facilities to prevent further deterioration.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is enhancing its procedures to continue complying with the State Property Control Act for property control. The Department will document and control property movements, submit documents to the Property Control Unit timely for updates to the property list, place inventory decals on all State property, properly authorize transfers of unused and obsolete State property items to the Department warehouse; and protect property against the potential loss. Additionally, the Department will adequately maintain building and facilities to prevent further deterioration.

2013-025 **<u>FINDING</u>:** (Access to Department production data not adequately restricted)

The Department of Human Services (Department) did not adequately restrict access to its production data.

Department Management Information Systems (MIS) Standards state, "Development personnel are not normally allowed access to transactions that are in production status. Execution of an update transaction requires the documented permission of the Manager of Information Management and Development or the Chief of MIS."

Excessive access rights to production data were identified. We found several instances where programmers were allowed inappropriate access to production datasets, including instances where access was no longer needed. It appears the Department is not reviewing access to its production data on a regular basis, which has contributed to the datasets not being adequately restricted.

In addition, weaknesses were still found in the use of the Department's User ID Action Request form used to assign access rights. Twenty-five employees were selected for testing from a list of new Department employees for fiscal years 2012 and 2013. Of the 25 forms requested, the Department was unable to provide 2 of the forms and 14 forms did not contain the appropriate signatures.

Access to production data was not routinely checked for access rights of programmers. As a result, procedures will be enhanced to periodically review and assess access to production data.

Failure to adequately restrict access to production data exposes the Department to a risk of unauthorized changes being made to the programs and datasets. Unauthorized and undetected changes to programs or data could result in a destruction of data and possibly impact overall system integrity. (Finding Code No. 2013-025, 11-36, 09-31)

<u>RECOMMENDATION</u>:

The Department should periodically review and assess access to its production data and restrict programmer access. In addition, the Department should ensure the Department's User ID Action Request form is properly completed and retained.

<u>DEPARTMENT RESPONSE</u>:

The Department accepts the recommendation. The Department will enhance its procedures to periodically review and assess access to its production data and restrict programmer access. The Department will include such review in our annual access control policy and procedures to ensure that programmer's access to production data is validated and updated to reflect current needs and responsibilities.

2013-026 **<u>FINDING</u>:** (Unsecured confidential information transmitted over the Internet)

The Department of Human Services (Department) did not adequately protect confidential sensitive information.

The Department regularly collects and maintains various types of documents, including confidential and personal identifiable information, necessary for fulfilling its mission.

In addition to administrative directives regarding the maintenance and safeguarding of confidential information, the Department was also required to comply with Acts that required the protection of personal information, including:

- Personal Information Protection Act (815 ILCS 530)
- Identity Protection Act (5 ILCS 179)
- Health Insurance Portability and Accountability Act (Pub. L. 104-191)

Although required to protect personal and confidential information, the Department routinely put such information at the risk of disclosure during the audit. In addition, at the entrance and at subsequent meetings, our staff informed Department staff about the importance of protecting such information, provided information on encryption resources, and specifically requested that personal information not be sent to our staff in unencrypted emails over the Internet.

From July to October Department staff sent numerous unprotected emails to our staff that contained information such as:

- Protected health information
- Names and social security numbers
- Bank account information

In each case, our staff informed the sender of the infraction, asked the sender to refrain from sending such information in an email, and provided information on the availability of State's encryption resources.

Confidential, sensitive and personal identifiable information collected and maintained by the Department should be adequately secured at all times. As such, it is the Department's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced.

DHS personnel are still unfamiliar and uncomfortable utilizing the Entrust software to encrypt data. As most are used to sending email internal to the State network which is considered secure they tend to forget when sending email outside the State network.

Failure by the Department to ensure compliance with requirements to protect confidential information can lead to such information being compromised. (Finding Code No. 2013-026)

(Also see related finding 2013-009 - Inadequate compliance with procedures for disposal of confidential information)

RECOMMENDATION:

The Department should ensure confidential information is adequately protected. The Department should effectively communicate and enforce procedures for safeguarding, retaining, and communicating confidential information to all Department personnel, including facilities. The Department should provide staff with information on available encryption resources such as those available from the Department of Central Management Services.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Departments Division of Management Information Services (MIS) recognizes the need to protect confidential information while in-transit. The State approved encryption resource is Entrust and MIS Information Security will educate and inform Department users about how to utilize Entrust as well as using the Illinois FTP Transfer Site when sharing confidential or protected data with those external to the State network. In addition, MIS Information Security will educate and inform Department users about security awareness and handling of confidential and protected data.

2013-027 FINDING: (Contingency planning weaknesses)

The Department of Human Services (Department) had not updated its Disaster Recovery Plan to reflect the current environment, and had not assured adequate recovery testing had been performed at its facilities.

We found the Department had not updated its Disaster Recovery Plan to include the Alternate Data Center in northern Illinois.

The Department participated in the annual comprehensive Disaster Recovery exercise on September 13 and 16, 2013. Although the Department considered the test to be successful, they were not able to recover their critical systems within the 24-hour timeframe. Department personnel contributed this to staff participating in the exercise who had not been involved with the recovery process in the past. Additionally, not all of the Department's facilities performed recovery testing in accordance with their plans during the review period.

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses the formal development and testing of disaster contingency plans. Tests of disaster contingency plans (and the associated documentation of the test results) verify that the plan, procedures, resources (including personnel) provide the capability to recover critical systems within the required timeframes. Ensuring adequate recovery capability is necessary to ensure recovery of critical systems and data within the required timeframes.

Department officials stated they had not updated their Disaster Recovery Plan to include the Alternate Data Center in northern Illinois but have since done so. Although the Department has performed recovery testing in their most critical locations, recovery exercises were not performed in all locations due to budgetary constraints and major construction/network upgrades being conducted.

Failure to have an updated Disaster Recovery Plan and ensuring plans are adequately tested increases the risk of extended recovery timeline and system unavailability. (Finding Code Nos. 2013-027, 11-35, 09-30, 07-28, 05-24)

RECOMMENDATION:

The Department should establish and document guidelines that outline both the Department's and DCMS responsibilities for recovery of its critical computer systems. Specifically, the Department should:

- Continually review and update its contingency plan to reflect the current operating environment and ensure all of its facilities have an adequately developed contingency plan.
- Continue participation in disaster recovery exercises and strive to recover critical systems within the 24-hour timeframe.
- Ensure facilities perform and document tests of their recovery capabilities at least once a year.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Departments Disaster Recovery (DR) plan verbiage had not been changed from reading Boulder, CO to “Oakbrook, IL”. This oversight was corrected immediately once identified by auditors. The recovery within 24 hours was due to a binding issue within the mainframe databases which required additional technical support and time to resolve.

The Department has taken steps to increase the specificity and quality of the documentation in regards to the database recovery efforts. In addition, the Department feels additional training of personnel on the recovery efforts and documentation would be beneficial in achieving the DR goals.

2013-028 **<u>FINDING</u>:** (Controls over telecommunication services and expenditures)

The Department of Human Services (Department) did not maintain adequate controls over telecommunication services and expenditures.

During testing of detail billings for telephone and cell phone charges to determine if the Department performed a timely review of vendor invoices and monitored charges for services and expenditures, auditors noted the following:

- In 11 of 56 (20%) unusual telephone calls reviewed, auditors noted the Department could not explain the nature of the phone call.

- In 8 of 56 (14%) unusual telephone calls reviewed, auditors noted the call was personal in nature. The employees had not reimbursed the Department for these calls as of the completion of the auditors' testing.

- Thirty-four of 90 (38%) Telecommunication Billing Verification forms were determined by auditors not to be completed in accordance with DHS Administrative Rule 01.02.03.030.

The Department expended $11 million and $13 million for telecommunications services during fiscal years 2013 and 2012, respectively.

The Department's Administrative Directive (A.D.) 01.02.03.030 requires the head of a unit or designee to review the telephone bill for patterns of unusual charges or questionable numbers. Any unauthorized charges are to be reconciled by (1) obtaining employee payment for unauthorized calls, (2) explaining an incorrect billing, or (3) seeking assistance from the Office of Business Services, Bureau of Administrative Services, for telephone charges that cannot be reconciled. A.D. 01.02.03.030 also requires the head of unit or designee that receives the bill to complete the Telecommunication Billing Verification form (IL444-4457). Completion of the IL444-4457 includes obtaining signatures listed on the monthly bill, having it signed by the Bureau Chief and/or Division Head, and attaching it to the Billing Invoice Form along with any employee reimbursement checks for unauthorized calls. Payment from the employee should include a copy of the phone number's bill with the numbers in question highlighted. Telecommunication bills which do not have a signed IL444-4457 attached are to be sent back to the originating unit.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) requires State agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, unauthorized use, and misappropriation which would include enforcing procedures to review telephone usage.

Department officials stated that a lack of staff oversight and tracking of telephone calls contributed to the discrepancies noted.

These weaknesses could lead to unnecessary expenditures for telecommunications services and a misuse of State resources. (Finding Code No. 2013-028, 11-32)

RECOMMENDATION:

We recommend the Department enforce procedures to ensure monitoring of telecommunication charges and services, as well as adherence to Department guidelines and policies. In addition, we recommend the Department seek reimbursement for the noted personal telephone calls.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will enforce procedures to ensure monitoring of telecommunication charges and services, as well as adherence to Department guidelines and policies.

2013-029 **FINDING:** (Cellular phones not cancelled in a timely manner)

The Department of Human Services (Department) did not cancel cellular phones in a timely manner when an employee retired, transferred, or otherwise left the Department.

Auditors tested 40 telecommunication device cancellation requests processed during the examination period to assess the timeliness of the Department's processing of the requests. Auditors determined 17 of the 40 (43%) requests were not cancelled in a timely manner ranging from 1 month to over 1 year after the employee left the Department.

The Department requires a "Closeout/Exit Report and Personnel Termination/Transfer Checklist" be completed by all employees prior to their separation. This form includes a listing of various items the employee must turn in before leaving, including State property. Once all applicable items are checked off, the form and the returned items are verified by the employee's supervisor and Property Control Coordinator. Additionally, Department Administrative Directive 01.02.02.180 states, "…the appropriate Property Control Coordinator who will forward a request as soon as possible (preferably within 48 hours and no later than 7 days) to DHS Management Information Systems staff on all telecommunication cancellations, allowing MIS time to submit to the Bureau of Technical Services at CMS within 21 days of notification of any situation that necessitates cancellation, along with a reason for the cancellation or documentation as to why the device does not need to be cancelled."

Department officials stated supervisors/employees are not submitting IL444-4144 Request for MIS Hardware, Software and Services or the IL 444-4950 (R-4-13) Closeout/Exit Report and Personnel Termination/Transfer Checklist Employee to MIS in a timely manner to allow for cancellation of cellular phones. Oftentimes, the unit transfers the phone to another individual in the unit or to the replacement personnel. Usually they do not intend to cancel service. This is often done without notification to MIS Telecommunications.

Failure to perform timely telecommunication device cancellations could result in misuse of State funds due to possible abuse. Good internal control procedures dictate Department telecommunication devices be cancelled or reviewed whenever an employee terminates to avoid future misuse of the device and adequate telecommunication records be maintained. (Finding Code No. 2013-029, 11-33, 09-37)

RECOMMENDATION:

We recommend the Department implement measures to ensure its supervisory personnel require employees to follow procedures and submit all telecommunication device cancellation requests to the Property Control Coordinator immediately upon notification of a situation that necessitates cancellation, along with a reason for the cancellation, to ensure adequate documentation and timely compliance. In addition, we recommend the Department maintain accurate and up to date records of telecommunication devices in instances where devices have been transferred to other employees.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will implement measures to ensure its supervisory personnel require employees to follow procedures and submit all telecommunication device cancellation requests to the Property Control Coordinator immediately upon notification of a situation that necessitates cancellation, along with a reason for the cancellation, to ensure adequate documentation and timely compliance. In addition, the Department will maintain accurate and up to date records of telecommunication devices in instances where devices have been transferred to other employees.

2013-030 **FINDING:** (Inadequate compliance with the Fiscal Control and Internal Auditing Act)

The Department of Human Services' (Department) Office of Internal Audit (OIA) did not adequately comply with the Fiscal Control and Internal Auditing Act (30 ILCS 10/2003) (Act). Specifically, we found the Office of Internal Audit:

- Did not complete audits of all of the Department's major systems of internal accounting and administrative control at least once in each of two fiscal years. For the internal audits completed during fiscal years 2012 and 2013, auditors determined there was inadequate internal audit coverage in the areas of purchasing, contracting, and leasing; property control and inventory; payroll; and electronic data processing major systems of internal accounting and administrative control; and,

- Did not perform a review of new electronic data processing systems or major modifications of existing systems before their installation including the Child Care System, the Temporary Assistance to Needy Families (TANF) Work Verification System, and the Vendor Management System.

The OIA was reestablished at the Department effective July 1, 2010 by Public Act 096-0795. At June 30, 2013, the Department's OIA consisted of the Chief Internal Auditor and 5 staff members, of which no information systems auditor was a member. The number of staff members and the lack of information systems experience does not appear adequate to ensure appropriate internal audit coverage.

The following table, which is summarized from the OIA fiscal year 2013 and 2012 annual reports, shows the OIA efforts during the examination period compared to the internal audit plans for the respective fiscal years.

	Fiscal Year 2013		Fiscal Year 2012	
	Number	%	Number	%
Audits completed	20	41	20	37
Audit draft reports or potential findings issued	7	14	7	13
Audits in progress at fiscal year end	7	14	4	7
Audits postponed until next fiscal year	15	31	15	28
Audits cancelled	-	-	8	15
Total	49	100	54	100

For the 27 internal audit reports finalized, reports issued in draft stage, or through the issuance of potential findings during both fiscal year 2013 and 2012, the OIA demonstrated its audit coverage by primarily addressing the following major systems of internal accounting and administrative control:

- Agency organization and management
- Agency support services
- Budgeting, accounting and reporting
- Expenditure control
- Personnel and payroll

- Property, equipment, and inventories
- Revenue and receivables

The Department postponed or cancelled 38 of 103 (37%) planned audits during fiscal years 2013 and 2012, respectively. An example of audits that were postponed or cancelled included reviews of Cash Management, the administration of contracts, personal assistants, financial reporting, and an audit of the Tinley Park Mental Health Center which was closed on June 30, 2012.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/2003) requires the internal auditing program include audits of major systems of internal accounting and administrative control on a periodic basis so that all major systems are reviewed *at least once* (emphasis added) every two years. In addition, the Act requires the internal auditing program to perform reviews of the design of major new electronic data processing systems and major modifications of those systems to be performed before their installation to ensure the systems provide for adequate audit trails and accountability.

Department official stated the Office of Internal Audit's attempts to recruit a qualified information systems auditor have been unsuccessful. The position was posted but there were no applicants and the Department of Central Management Services did not have any potential candidates on the open competitive list.

Incomplete auditing of all major systems of internal accounting and administrative control increases the risk that significant internal control weaknesses will exist and errors and irregularities may go undetected. Further, lack of independent reviews of major new computer systems and major modifications to those systems could result in undetected security and integrity problems in new or modified systems. (Finding Code No. 2013-030)

RECOMMENDATION:

We recommend the Department ensure audits of all major systems of internal accounting and administrative control are conducted at least once every 2 years as required by the Act, and ensure reviews of new system developments and major modifications to existing systems are performed.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Office of Internal Audit will continue to seek qualified individuals to conduct reviews of new system developments and major modifications to existing systems, and major systems of fiscal and administrative control.

2013-031 **<u>FINDING</u>:** (Failure to comply with Public Benefits Fraud Protection Task Force provisions of the Illinois Public Aid Code)

The Department of Human Services (Department) failed to comply with the Public Benefits Fraud Protection Task Force (Task Force) provisions within the Illinois Public Aid Code (305 ILCS 5/12-4.41) (Code).

Effective January 1, 2011, the 96th General Assembly created the Public Benefits Fraud Protection Task Force (Task Force). According to Section 12-4.41 of the Code, "The purpose of the Public Benefits Fraud Protection Task Force is to conduct a thorough review of the nature of public assistance fraud in the State of Illinois; to ascertain the feasibility of implementing a mechanism to determine the pervasiveness and frequency of public assistance fraud; to calculate the detriment of public assistance fraud to the financial status and socio-economic status of public aid recipients specifically and Illinois taxpayers generally; and to determine if more stringent penalties or compassionate procedures are necessary."

The Task Force was to be comprised of 17 members, of whom the Department was responsible for appointing 5: the Secretary, the Department's Inspector General, and 3 additional members appointed by the Secretary. According to Section 12-441(e), the appointments were to be completed by April 1, 2011.

The Code assigned responsibility for the administration of the Task Force to the Department. The duties of the Task Force, as enumerated by Section 12-441(g) of the Code, included gathering information and making recommendations related to at least the following topics pertaining to public assistance fraud:

- Reviews of provider billing of public aid claims;
- Reviews of recipient utilization of public aid;
- Protocols for investigating recipient public aid fraud;
- Protocols for investigating provider public aid fraud;
- Reporting of alleged fraud by private citizens through qui tam actions;
- Examination of current fraud prevention measures which may hinder legitimate aid claims;
- Coordination between relevant agencies in fraud investigation;
- Financial audit of the current costs borne by aid recipients and Illinois government through fraud;
- Examination of enhanced penalties for fraudulent recipients and providers;
- Enhanced whistleblower protections; and,
- Voluntary assistance from businesses and community groups in efforts to curb fraud.

Section 12-441(h) required the Department to make any findings, recommendations, public postings, and other relevant information regarding the Task Force available on its website. Section 12-441(i) provided the deadline of December 31, 2011 for the Task Force to submit findings and recommendations to the Governor and the General Assembly.

During the examination period, the Department failed to appoint the required members to the Task Force as outlined in the Code and did not act in an administrative capacity concerning the Task Force. Additionally, auditors noted the Department has not provided any information on its website concerning the Task Force.

Department officials stated the changes in personnel and oversight contributed to failure to appoint the appropriate personnel to the Task Force.

The inactivity of the Department concerning the Public Benefits Fraud Protection Task Force constitutes statutory non-compliance and negates the legislative intent to examine the nature of public assistance fraud in the State of Illinois. (Finding Code No. 2013-031)

RECOMMENDATION:

We recommend the Department appoint the members allocated to it within the Code to the Task Force. We also recommend the Department assume its assigned responsibilities for the administration of the Task Force. Finally, we recommend the Department make any findings, recommendations, public postings, and other relevant information regarding the Task Force available on its website and, when the Task Force is ready, assist in submitting the findings and recommendations to the Governor and the General Assembly.

DEPARTMENT RESPONSE:

The Department accepts the recommendation and will appoint the appropriate personnel to required boards and commissions. Additionally, the Department will evaluate the process for making statutorily required appointments to ensure they are made in a timely manner.

2013-032 **<u>FINDING</u>:** (Noncompliance with statutory requirements)

The Department of Human Services (Department) facilities did not comply with various statutory requirements.

During testing, auditors noted the following:

- At 4 of 20 (20%) facilities, auditors noted instances in which employees did not receive annual training in the safe and humane application of restraints to prevent a recipient from causing physical harm to himself or others. The Mental Health and Developmental Disabilities Code (405 ILCS 5/2-108(g)) (Code) states, "Every facility that employs restraint shall provide training in the safe and humane application of each type of restraint employed…Each facility in which restraint is used shall maintain records detailing which employees have been trained and are authorized to apply restraint, the date of the training and the type of restraint that the employee was trained to use."

  Facility personnel stated these issues were due to oversight, a loss of restraint training instructors and staffing.

- At Ann M. Kiley Developmental Center, for 2 of 19 (11%) restraint applications tested, the application was not submitted in writing to the Facility Director, or designee, within 24 hours of application. The reports were received by the Facility Director 7 and 85 hours late. Additionally, in 17 of 19 (89%) restraint applications tested, the Facility Director did not review the restraint orders in a timely manner. The Code (405 ILCS 5/2-108 (c) and (d)) states, "The person who orders restraint shall inform the facility director or his designee in writing of the use of restraint within 24 hours. The facility director shall review all restraint orders daily and shall inquire into the reasons for the orders for restraint by any person who routinely orders them."

  Facility personnel stated these issues were due to human error.

- At 4 of 20 (20%) facilities, auditors noted the facilities either submitted late or incomplete resident death notifications to the Department of Public Health. The Code (405 ILCS 5/5-100) states, "Written notice of the death of a recipient of services which occurs at a mental health or developmental disabilities facility…shall within 10 days of the death of the recipient be mailed of the Department of Public Health".

  Facility personnel stated these issues were due to oversight.

- At 3 of 20 (15%) facilities, auditors noted the facilities did not maintain or timely provide a written notice of discharge to clients served as required by the Code. For example, at Clyde L. Choate Mental Health and Developmental Center (Choate), auditors noted 2 of 3 (67%) recipient files tested did not include a written notice of discharge.

The Code (405 ILCS 5/4-704(a)) states, “At least 14 days prior to the discharge of a client from a Department developmental disabilities facility under Section 4-701 or 4-702, the facility director shall give written notice of the discharge to the client, if he is 12 years of age or older, to his attorney and guardian, if any, to the person who executed the application for admission and to the resident school district when appropriate. The notice, except that to the school district, shall include the reason for the discharge and a statement of the right to object.” Furthermore, the State Records Act (5 ILCS 160/8) requires the Secretary of Human Services to make and preserve records containing adequate and proper documentation of the essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State.

Facility personnel stated the facilities did not maintain or timely provide a written notice of discharge due to staffing and turnover. Additionally, Choate officials stated the written notice of discharge form has never consistently been used and its utilization has been very case-specific.

- At 4 of 20 (20%) facilities, auditors noted the facilities did not adequately document residents’ requests to notify specified individuals or entities of his or her admission. For example, At Chicago-Read Mental Health Center, auditors noted 20 of 30 (67%) Notice of Admission Forms tested were incomplete and did not include documentation that appropriate persons were notified of the recipient’s admission to the facility.

  The Code (405 ILCS 5/2-113(a)) requires, upon admission, the facility to inquire of the recipient whether a spouse, family member, friend or an agency is to be notified of his or her admission to the facility. If the recipient consents to release of information concerning his or her admission, the facility shall immediately attempt to make phone contact with at least two designated persons or agencies or by mail within 24 hours.

  Facility personnel stated that the failure to adequately document residents’ requests to notify specified individuals or entities of his or her admission was due to staff turnover and oversight.

- At Rushville Treatment and Detention Facility, auditors noted the facility has not formally documented a policy on charging residents for services and a corresponding rate structure. Under the existing conditions, a resident may have access to assets to pay for services the facility provides, but the resident would not be required to pay without a documented policy in place. As of July 15, 2013, the facility had 519 residents. The facility’s expenditures for fiscal year 2013, as of August 7, 2013 were $27,480,687. The facility expenditures for fiscal year 2012 were $26,472,128.

  The Sexually Violent Persons Commitment Act (725 ILCS 207/90) states, “Each person committed or detained under this Act who receives services provided directly or funded by the Department and the estate of the person is liable for the payment of sums representing charges for services to the person at a rate to be determined by the Department.”

Facility management stated no rule change or process has been established by the Department or the Division of Mental Health related to a rate structure for charging residents for services. Reimbursement language and a rate structure have been established, but they have not yet been codified in the Department's Administrative Rules. The facility cannot write a policy until the rate structure is formally established and codified.

- At Clyde L. Choate Mental Health and Developmental Center, auditors noted 9 of 10 (90%) files tested from female recipients who remained at the Center for more than 60 days were missing or contained incomplete information regarding the recipient's menstrual record.

  The Mental Health and Developmental Disabilities Act (20 ILCS 1705/10.1) requires the Department to maintain for each recipient who is admitted to and remains in a facility for more than 60 days a record of the recipient's menstrual cycle.

  Center personnel stated they updated their Nursing Assessment Policy to include menstrual cycle documentation; however, there was not follow up review of documentation for admissions greater than 60 days.

- At Andrew McFarland Mental Health Center, auditors noted the Center did not timely complete assessments and Habilitation/Service Determination Forms (Forms) for 2 of 10 (20%) files tested. The Forms were completed 1 and 4 days late.

  The Code (405 ILCS 5/4-201(b)) states, "Any person admitted to a Department mental health facility who is reasonably suspected of being mildly or moderately intellectually disabled, including those who also have a mental illness, shall be evaluated by a multidisciplinary team which includes a qualified mental retardation professional designated by the Department facility director. The evaluation…shall include: (1) written assessment of whether the person needs a habilitation plan and, if so, (2) a written habilitation plan…and (3) a written determination whether the admitting facility is capable of providing the specified habilitation services. This evaluation shall occur within a reasonable period of time, but in no case shall that period exceed 14 days after admission…."

  Facility personnel stated that the forms were not completed timely due to staff oversight.

Failure to comply with State laws could adversely affect the care and treatment of residents as well as impact the operation of the facilities. (Finding 2013-032, 11-17)

RECOMMENDATION:

We recommend the Department:

- Ensure all employees authorized to employ restraints receive the annual required training;
- File notifications of death with the Illinois Department of Public Health in a timely manner;

- Maintain and provide written notices of discharge to clients served;
- Complete a Notice of Admissions Form for each new resident and notify the designated person of the resident's admission to the facility;
- Establish a rate structure for services provided at the Rushville Treatment and Detention Facility;
- Maintain documentation of the female residents' menstrual cycle; and,
- Timely complete assessments and Habilitation/Service Determination forms.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department is enhancing its procedures to comply with the statutory requirements noted.

2013-033 FINDING: (Late submission of required reports)

The Department of Human Services (Department) did not submit required reports to the Governor and the General Assembly in a timely manner as required by State law.

During the examination period, the Department was required to submit various reports to the Governor and the General Assembly. These reports included, but were not limited to, children with developmental disabilities, the Work Opportunity Tax Credit, and the Commission on Children and Youth. None of these reports were filed in a timely manner.

- The Department of Human Services Act (20 ILCS 1305/10-55) states, "On or before March 1, 2008, the Department shall submit a report to the Governor and to the General Assembly regarding the extent to which children (i) with developmental disabilities, mental illness, severe emotional disorders, or more than one of these disabilities, and (ii) who are currently being provided services in an institution, could otherwise be served in a less-restrictive community or home-based setting for the same cost or for a lower cost. The Department shall submit bi-annual updated reports to the Governor and the General Assembly no later than March 1 of each even numbered year beginning in 2010."

  The Department provided a copy of the biannual report for fiscal year 2012. The Department was unable to provide any documentation to support when the report was submitted to the Governor's Office and General Assembly, so the auditors are unable to determine if the report was submitted in a timely manner. The contents of the report complied with the requirements outlined in the statute.

- The Department of Human Services Act (20 ILCS 1305/10-27) states, "The Department shall collect, during the period of July 1, 2009 through June 30, 2010, information regarding all of the following: (1) The number of employers that have claimed the Work Opportunity Tax Credit and the amounts claimed during this time frame. (2) The size of the employer claiming the Work Opportunity Tax Credit and whether the employer is a small business or a large business... The Department shall submit a report, annually, to the Governor and the General Assembly concerning its actions under this Section."

  The Department did not provide any documentation showing the required information was collected or that they annually reported to the Governor and General Assembly. Department officials stated the inability to access federal tax credit information prevents the Department from being able to provide the required reports.

- The Commission on Children and Youth Act (20 ILCS 4075/35) (Act) states, "…The final strategic plan shall be submitted to the Governor and to the General Assembly on or before June 1, 2011…."

  The auditors were not provided documentation to verify the Commission on Children and Youth submitted a comprehensive 5-year strategic plan to the Governor and General Assembly.

- The Task Force on Inventorying Employment Restrictions Act (20 ILCS 5000/15) (Act) created a task force to review statutes, administrative rules, policies, and practices that restrict employment of people with criminal backgrounds. According to the Act, the Director of the Department or designee must serve on the Task Force. On or before November 1, 2011, the Department was to produce a report for the Task Force that describes the employment restrictions for each occupation under the Department's jurisdiction that are based on criminal records for each occupation. Additionally, the Department was to provide the Task Force with a report on or before February 1, 2012, to review the impact of the employment restrictions based on criminal records and the effectiveness of existing case-by-case review mechanisms.

  The Department provided support showing that the required information that was due on November 1, 2011 was submitted to the Task Force on July 18, 2012 (261 days late). Additionally, the required information that was due on February 1, 2012 was submitted on July 18, 2012 (169 days late). The Department did have a designated representative serving on the Task Force as required during the examination period.

- The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/18.5(b-9)) (Act) states, "The Department of Human Services shall annually report to the Governor and the General Assembly, by September 1, on both the total revenue deposited into the Trust Fund and the total expenditures made from the Trust Fund for the previous fiscal year. This report shall include detailed descriptions of both revenues and expenditures regarding the Trust Fund from the previous fiscal year." The Trust Fund mentioned in the statute is the Community Developmental Disability Services Medicaid Trust Fund. The Act requires the Department to present the report also to the House of Representatives and the Senate. The Department is to make the report available to the public and publish it on its website at least one week prior to the presentation of the report to the General Assembly.

  During the engagement period, the Department did not submit a report to the Governor and the General Assembly or publish a report on its website.

- The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705-73(a)) states that, "No later than December 31, 2011, and on December 31st of each of the following 4 years, the Department of Human Services shall prepare and submit an annual report to the General Assembly concerning the implementation of the Williams v. Quinn consent decree and other efforts to move persons with mental illnesses from institutional settings to community-based settings…The requirement for reporting to the General Assembly shall be satisfied by filing copies of the report with the Speaker, Minority Leaders, and Clerk of the House of Representatives; the President, Minority Leader, and Secretary of the Senate; and the Legislative Research Unit, as required by Section 3.1 of the General Assembly Organization Act, and by filing additional copies with the State Government Report Distribution Center for the General Assembly... ."

  The Department provided the 2011 and 2012 annual reports that were submitted to the General Assembly, and the reports appeared to be in compliance with the requirements. However, the Department failed to provide support showing the reports were filed with and received by the required parties.

In addition to the causes provided in the specific bullets above, Department officials stated the reports were not submitted as required because of changes in personnel and oversight.

Failure to submit required reports to the Governor and General Assembly in a timely manner is in noncompliance with State law and could impact decisions made by the Governor and General Assembly. (Finding Code No. 2013-033, 11-37, 09-27)

RECOMMENDATION:

We recommend the Department submit all reports on or before the due date specified in State law.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will ensure that all reports are submitted on or before the due date specified in State law. Additionally, the Department will evaluate the process for submission of required reports to ensure they are reported in a timely manner.

2013-034 FINDING: (Failure to make appointments in accordance with State law)

The Department of Human Services (Department) did not make appointments to State boards and commissions as follows:

- The Department appointed a representative for only 3 of its 6 divisions to the Employment and Economic Opportunity for Persons with Disabilities Task Force. The Task Force shall analyze programs and policies of the State to determine what changes, modifications, and innovations may be necessary to remove barriers to competitive employment and economic opportunity for persons with disabilities. The Employment and Economic Opportunity for Persons with Disabilities Task Force Act (20 ILCS 4095/10(c)) states, "The Task Force shall be comprised of the following representatives of State Government... representatives of each division of the Department of Human Services, designated by the Secretary of Human Services… ."

- The Department could not provide support showing it appointed its ex-officio, nonvoting members to the commission created by the Governor to review funding methodologies, identify gaps in funding, identify revenue, and prioritize use of that revenue related to the Community Services Act (405 ILCS 30) (Act). The Department stated the commission did not call a meeting during the examination period and it could not provide the auditors with evidence the Department appointed commission members participated or performed other duties to fulfill the commissions' functions.

  Section 4(d) of the Act states, "…(L)The commission shall also have the following ex-officio, nonvoting members... the Director of the Department of Human Services Division of Developmental Disabilities or his or her designee; (M) the Director of the Department of Human Services Division of Mental Health or his or her designee; and (N) the Director of the Department of Human Services Division of Alcohol and Substance Abuse or his or her designee."

Department officials stated the changes in personnel and oversight contributed to failure to appoint the appropriate personnel to the boards and commissions in a timely manner.

In response to the previous recommendation, the Department was successful in having the requirement to appoint 5 physicians to a medical advisory panel repealed within the Mental Health and Developmental Disabilities Act (30 ILCS 1705/18.3). During the examination period, the Department appointed a representative as an ex-officio member of the Illinois Health Information Exchange Authority, as required by the Illinois Health Information Exchange and Technology Act (20 ILCS 3860/15). In addition, the Department appointed a representative to the Task Force on Inventorying Employment Restrictions, as required by the Task Force on Inventorying Employment Restrictions Act (20 ILCS 5000/15(b)).

By failing to appoint representatives, the Department's interests and purposes are not being represented on these boards and commissions. Furthermore, leaving these boards and commissions understaffed makes it difficult to comply with requirements of State law, such as submitting reports to the Governor and General Assembly. (Finding Code No. 2013-034, 11-38, 09-28)

RECOMMENDATION:

We recommend the Department appoint the appropriate personnel to the boards and commissions listed above and evaluate its process to make statutorily required appointments to ensure they are made in a timely manner.

DEPARTMENT RESPONSE:

The Department accepts the recommendation and will appoint the appropriate personnel to required boards and commissions. Additionally, the Department will evaluate the process for making statutorily required appointments to ensure they are made in a timely manner.

2013-035 FINDING: (Noncompliance with fire safety standards)

The Department of Human Services (Department) failed to fully comply with fire safety standards.

The Illinois School for the Deaf (School) has a building on campus that does not fully comply with safety standards. The School has not fully corrected fire safety conditions which were noted in a December 2006 State Fire Marshal inspection report. The School has one dormitory that lacks automatic or self-closing doors. At the time of the auditors' testing, the school was in the process of installing fire sprinklers in four dormitories.

The State Fire Marshal's inspection was conducted pursuant to National Fire Protection Association Standard #101 "Life Safety Code" (2000 ed.) and applicable references adopted by the State Fire Marshal (41 Ill. Adm. Code 100), pursuant to the Fire Investigation Act (425 ILCS 25/9). Those standards establish minimum fire safety standards for schools, including required specifications for automatic or self-closing doors.

School personnel stated they were closing out paperwork with the Capital Development Board to make modifications to the last remaining dormitory.

The role of the School is to provide students who are deaf and hard of hearing educational opportunities in a safe environment. Compliance with fire safety standards is essential to ensure the safety of the students and personnel. (Finding Code No. 2013-035, 11-39)

RECOMMENDATION:

We recommend the Department complete the dormitory modifications necessary to correct the fire safety conditions noted by the State Fire Marshal and ensure the safety of residents.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Illinois School for the Deaf (ISD) has been working with the Capital Development Board (CDB) to complete the installation of the sprinklers in the dormitories on the ISD campus. ISD has been waiting on the funding since 2006. Three dormitories are now complete with Cullom Hall pending.

2013-036 **FINDING:** (Weaknesses in conducting annual eligibility redeterminations for KidCare (ALL KIDS))

The Department of Human Services (Department) failed to make annual redeterminations of eligibility for KidCare (now known as ALL KIDS) services in compliance with the Children's Health Insurance Program Act (Act) (215 ILCS 106). The ALL KIDS program provides health benefits to children of the State. The Department is responsible for eligibility determinations or redeterminations of the ALL KIDS program. The Department of Healthcare and Family Services (HFS) is responsible for overall program administration.

The Act (215 ILCS 106/20(b)) states, "A child who has been determined to be eligible for assistance must reapply or otherwise establish eligibility at least annually." The Act further states, "The eligibility of a child may be redetermined based on the information reported or may be terminated based on the failure to report or failure to report accurately."

During testing of 30 ALL KIDS case files, auditors identified 17 (57%) case files where an annual redetermination was not performed as required. Included in the 17 exceptions were 3 instances of passive redeterminations that occurred during fiscal year 2012. Department personnel indicated the Department eliminated the use of passive redeterminations in July 2012; however, the active redetermination procedures did not become effective until January 2013. The passive redetermination process included sending a form to the client annually which is required to be completed only upon changes to the client's income. In this process, the Department assumed there were no changes if a response was not received. Passive redeterminations were utilized for cases that involved families where the only benefits received by the children were medical benefits.

Department officials stated insufficient staffing and the implementation of new procedures and the accompanying learning curve contributed to the Department being less than 100% current on its medical redetermination performance.

Failure to perform active annual eligibility redeterminations could allow ineligible recipients to receive services under the ALL KIDS Program and results in noncompliance with the Act. (Finding Code No. 2013-036, 11-43, 09-39, 07-30, 05-34)

RECOMMENDATION:

We recommend the Department monitor the transition of its eligibility redetermination process to ensure all redeterminations are performed on an active annual basis in compliance with the Act.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department will continue to work with the Department of Healthcare and Family Services to review current processes for performing eligibility redeterminations and consider changes necessary to ensure all redeterminations are performed within prescribed timeframes.

During the audit period, HFS and the Department contracted with an outside vendor, Maximus, in order to perform electronic eligibility factor verifications and recommendations on the continuance of cancelation of medical cases. There was a 3 or 4 month time during the audit period in which the Department and HFS worked to develop a partnership and a process with Maximus in order to address the redetermination backlog. This time resulted in an increased backlog of cases overdue for redetermination due to inherent start up issues such as training of Maximus staff on the proper recommendations; training of Department staff on the handling of Maximus recommendations; as well as becoming acclimated to the new HMS and Integrimatch software.

Additionally, although the Department was able to hire some additional staff during the audit period, those hires were new staff having no previous Department program knowledge or experience. As a result, production was not initially at an optimum level given the needed staff development in addition to the barriers associated with new staff, processes, procedures, and software.

Also, during the audit period, the Administrative Renewal process ended. As a result, the thousands of cases that qualified for renewal using the Administrative Renewal process had to be absorbed by casework staff, which added to the current backlog of overdue cases.

In order to improve production and to be more efficient, the Department has worked to modify redetermination procedures, utilizing the strengths of Maximus and newly hired Department staff strategically located in 5 central redetermination units. These new staff will assume the responsibility for processing redeterminations based on information loaded in the new Maximus software, Max-IL.

2013-037 FINDING: (Duplication of medical assistance enrollees)

The Department of Human Services (Department) is responsible for the determination of eligibility for medical assistance clients for which services are paid by the Department of Healthcare and Family Services (HFS). We found that eligibility files included duplicate enrollees for the medical assistance program under Title XIX of the Social Security Act (Title XIX).

We reviewed the Title XIX eligibility files for fiscal year 2013, noting 29,684 Social Security Numbers (SSN) had been assigned approximately 60,840 recipient identification numbers. Recipient identification numbers are unique identification numbers (Recipient IDs) that are assigned to enrollees. Specifically, we noted:

- 28,316 SSNs with two different Recipient IDs;
- 1,276 SSNs with three different Recipient IDs;
- 83 SSNs with four different Recipient IDs;
- 7 SSNs with five different Recipient IDs;
- 1 SSN with six different Recipient IDs; and
- 1 SSN with seven different Recipient IDs.

We identified overpayments for duplicative capitation and coordinated care fee payments made by the HFS totaling $192,432 in fiscal year 2013. These payments were for individuals that had more than one recipient identification number in the eligibility data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable laws; and provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriations.

Department officials stated the cause of the finding is due to customers being issued more than one Recipient ID number. The issuance of multiple RINs presents duplicate billing risks only in the uncommon situation where 2 RINs are active simultaneously.

The assignment of multiple recipient identification numbers to one individual creates the opportunity for abuse and may result in multiple payments for the same service for the same individual. (Finding Code No. 2013-037)

RECOMMENDATION:

We recommend the Department implement controls to ensure only one recipient identification number is assigned to a social security number/individual.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department continues to work to minimize duplicate RIN issuance. The Department has written policy that included instructions for assigning RINs that aim at minimize duplication.

An individual with more than one RIN carries a risk of duplicate payments only when and if both RINs are active simultaneously.

The majority of the duplicate RIN situations occur with no overlapping coverage, therefore not presenting a problem or duplicate billing risk. According to HFS data, as of June 30, 2013, there were approximately 7,700 (0.3%) SSNs with two or more active RINs within the Department's database of 2.7 million SSNs.

Although the Department does maintain policy and procedure in order to minimize duplicate RIN issuances, there are situations where a duplicate RIN is unavoidable. The Department distributes temporary medical cards to DCFS in order to ensure children taken into protective custody are able to receive the mandated timely physical examination. The attending physician is able to bill for these services using the RIN on the card submitted by the DCFS worker. It is often found later that the child was previously covered by Medicaid while in the home of the parent.

It should be noted that RINs previously issued in error cannot be reduced, even if future issuances of duplicate RINs is eliminated. Once a 2nd RIN is issued, it will remain in the database, regardless of its active or canceled status.

The Department will continue to review and correct duplicate IDs and to recover any improper payments. The Department has staff who make appropriate corrections to cases with duplicate RINs based upon reports from medical providers. Additionally, when the Integrated Eligibility System is fully operational in 2015, the Department expects improved controls that will minimize the creation of duplicate IDs.

2013-038 **<u>FINDING</u>:** (Medical assistance records not updated timely for deceased individuals)

The Department of Human Services (Department) is responsible for the determination of eligibility for medical assistance clients for which services are paid by the Department of Healthcare and Family Services (HFS). Fiscal year 2013 records of individuals eligible for participation in the medical assistance program under Title XIX of the Social Security Act (Title XIX) included individuals that are deceased according to the Illinois Department of Public Health Vital Records data.

Deceased Individuals in Fiscal Year 2013 Eligibility Data

We obtained records from HFS of individuals eligible for Title XIX services and compared them to Department of Public Health (DPH) death records dating back to 1970. Our comparison identified 8,232 individuals for which the DPH had a death record, but were included in the HFS system as being eligible for medical services. Of the 8,232 deceased individuals with eligibility, 3,522 died prior to FY13. We recognize that the Department does not have instantaneous access to death records, and for the purposes of this finding, the 8,232 total includes only those individuals still included as eligible for medical services more than 60 days after their date of death. The comparison was based on an exact match of name, date of birth, and Social Security Number.

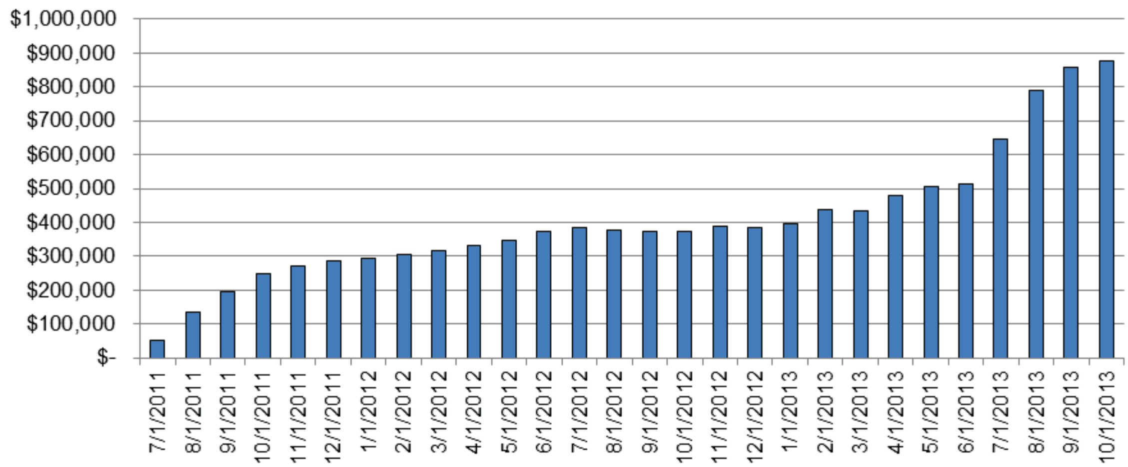
Payments on Behalf of Deceased Individuals

In our review of payment data received from HFS, we noted the following

- $12.3 million was paid for capitation and fee-for-service medical costs for 2,850 of the 8,232 deceased individuals.
- $11.4 million of the $12.3 million (93%) was paid specifically for capitation arrangements.
- The $11.4 million was paid on behalf of 993 individuals whose date of death was more than 60 days prior to the payment date.
- That 94 percent of the eligibility for the 993 individuals were aged, blind, or disabled.

The payments for capitation arrangements occurring more than 60 days after death began to increase on July 1, 2011, and have continued to steadily increase through the last data we received in connection with this testing, which was October 2013 (see Exhibit below). As of October 1, 2013, capitation payments were continuing to be paid for 861 of the 993 individuals (87%) identified.

MONTHLY CAPITATION PAYMENTS FOR RECIPIENTS 60 DAYS OR MORE AFTER DATE OF DEATH



We determined that many of the individuals were signed up for managed care months after their date of death. For individuals with Title XIX eligibility in fiscal year 2013, of the 993 individuals whose date of death was more than 60 days prior to the payment date, we identified 561 who were enrolled in managed care and had capitation services paid on their behalf more than 90 days after their date of death. The average number of days they were signed up after their date of death was 663. Due to the fact that these individuals were deceased, the State in most cases was not paying for any fee-for-service expenses for these individuals after their date of death. However, once the Department enrolled these 561 deceased individuals into managed care, the State began paying their monthly premiums, which totaled $6.96 million through October 1, 2013. The highest monthly rate paid was $5,384.

We identified four individuals who had a large amount of fee-for-service expenditures after their date of death. The following summarizes these four instances:

- An individual died on January 21, 1989; however, $29,860 in payments were made for 816 services (dental, lab, hospital, etc) beginning December 5, 2005 and continued through October 2013, which was the last month of data used in this testing;
- An individual died on November 1, 2010; however, $8,604 in payments for homemaker services and emergency response fees were made through January 2013. Additionally, the individual was enrolled in managed care in September 2011, which continued through October 2013, the last month of data used in this testing;
- An individual died on March 19, 2008; however, $14,109 in payments, for medical supplies, were made through March 2013. Subsequently, the individual was enrolled in managed care, which continued through October 2013, the last month of data used in this testing; and
- An individual died on May 27, 2006; however, $22,233 in payments, primarily for pharmacy, general clinic, outpatient, physician, and dental services, were made through May 7, 2013. Subsequently, the individual was enrolled in managed care, which continued through October 2013, the last month of data used in this testing.

Although the Department routinely identifies instances such as those noted above, the results of our testing is indicative that there are weaknesses in the effectiveness and timeliness of such controls and efforts. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable laws, and provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department officials stated the exceptions noted were a result of case cancelation due to death not being performed timely, causing improper capitation payments to managed care entities.

By not timely updating the Title XIX eligibility records to reflect deceased individuals' date of death, the Department is not complying with State and federal eligibility requirements and payments by HFS for ineligible services will continue to be paid. Furthermore, prolonged delays could diminish the State's ability to recover such payments from vendors and providers. (Finding Code No. 2013-038)

RECOMMENDATION:

We recommend the Department improve its system of internal controls to ensure death dates for current enrollees are entered timely.

DEPARTMENT RESPONSE:

The Department accepts the recommendation. The Department and HFS prioritize program integrity and cancelling ineligible cases, and have cancelled approximately 57,000 cases in the past 2 years due to the death of a recipient. The Department has several procedures in place in order to delete and/or cancel deceased clients as soon as possible.

The Department's Funeral and Burial Unit is in constant communication with funeral directors with death information. They also routinely receive funeral and/or burial claims from which they obtain death dates. Both of these result in cancelations of cases. Additionally, the Exception Processing Unit routinely cancels cases that select for the Long Term Care Deceased Recipient Report. This report is fed by long term care facilities statewide and includes the recipient number, recipient name and date of death. An Exception Processing Unit staff member is responsible for canceling each of those cases. Further, there is a centralized process that automatically terminates benefits for individuals reported by the Social Security Administration as deceased.

Additional sources of information worked by caseworkers include family notification of a client's death, caseworker knowledge of a client's death, and knowledge gained through local obituaries. These lead to many case cancellations each month. Finally, death information is obtained centrally from several different sources which make up the monthly Consolidated Death Match, sent to the appropriate FCRCs to be worked.

As the audit points out, though, some ineligible recipients are not timely cancelled. Therefore, the Department and HFS are working aggressively to ensure that we have correct data available to us and that these reports are acted on timely.

First, one potential way of minimizing the HFS expenditure associated with capitation payments on behalf of deceased clients is to suspend those payments in the HFS Claims Processing system by matching records with monthly IDPH death records. This option is currently being discussed by HFS officials.

Additionally, the Department has recently created an Administrative Control Unit, using some of the new hires. This staff has been set up to handle special assignments, similar to the issue at hand regarding the active deceased clientele. Although their role is still being defined, their access to the system is statewide, and may be able to handle the processing of death reports in a more efficient manner than can be handled at the FCRC level.

A third possibility being investigated at this time is to utilize the death match data received by Maximus as part of the Illinois Medicaid Redetermination Project. Discussions are currently taking place in order to determine if death data gathered by Maximus can be used immediately rather than at the redetermination date.

Finally, we are investigating the sources of electronic information available to us to ensure we have the most accurate and current information available.

PRIOR FINDINGS NOT REPEATED

Financial Audit – Year Ended June 30, 2012

A. Inadequate controls over prompt payment interest

The previous engagement noted the Department did not maintain adequate controls over the calculation and payment of its 2011 prompt payment interest (PPI) expenditures. In addition, the Department failed to timely recover overpayments paid to vendors during the prior audit period.

During the current engagement, auditors noted the Department improved controls over the calculation and payment of prompt payment interest expenditures by providing guidance to its staff and reviewing the application program used to calculate the prompt payment interest due to vendors. In addition, the auditors noted the prior overpayments were established as receivables and collection procedures have been initiated. As a result, this finding is not repeated. However, auditors reported an unrelated finding for failure to calculate and pay prompt payment interest on medical assistance payments. See Finding Code 2013-006. (Finding Code No. 12-2)

B. Noncompliance with statutory requirements for fiscal reporting

The previous engagement noted the Department did not file timely the necessary financial information for fiscal year 2012 with the Illinois Office of the Comptroller (Comptroller).

During the current engagement, auditors noted the Department improved the timeliness of the information provided to the Comptroller. As a result, this finding is not repeated. (Finding Code No. 12-3)

C. Inadequate controls over commodities *

The previous engagement noted the Department did not maintain an adequate oversight function over commodities, resulting in inadequate controls over inventories maintained at individual facilities, multiple warehouses, and Central Office locations.

During the current engagement, auditors noted the Department improved its oversight of commodities inventories at the various locations. As a result, this finding is not repeated. (Finding Code 12-5)

** Repeated as 2013-023, but considered a finding for State Compliance purposes only.*

Compliance Examination – Two Years Ended June 30, 2011

D. Child care provider addresses matched to Illinois Sex Offender Registry

The Department of Human Services' Child Care Assistance Program provides low income, working families with access to quality, affordable child care that allows them to continue working. The Department's rules (89 Ill. Adm. Code Sec. 50.240c) require that payments will not be made to a provider who has been convicted of crimes, including if the provider is listed on the Illinois Sex Offender Registry. The previous examination noted 16 providers who listed addresses that still matched the address of a registered sex offender. Of the 16 providers, the Department indicated 11 of them were still no longer providing child care services. In 5 cases, the provider's address still matched the address of a sex offender. The Department was unable to provide the auditors with documentation to verify the action taken with the providers, including closing out the provider and sending the parent a change of provider form.

During the current examination, the Department strengthened its controls over background checks utilized to closeout providers if they or members of the household are listed on the Illinois Sex Offender Registry. In addition, the Department implemented systems during the examination period to allow the Department to periodically match the addresses of child care providers with those addresses listed in the Illinois Sex Offender Registry. During the testing performed, the Department was able to provide the auditors with documentation to support the action it took concerning address matches of providers listed in the Illinois Sex Offender Registry. For the matches noted in the cases tested, auditors concluded the action taken was reasonable. As a result, the finding was not repeated. (Finding Code No. 11-6, 09-7)

E. Child care assistance payments and tuition

In July 2009, the Office of the Auditor General released a Management Audit of the $1 Million Grant to Loop Lab School. The audit contained a recommendation to the Department regarding the use of child care assistance funds for tuition payments. As part of the compliance examination of the Department, testing was conducted to determine if other providers were also using child care funds to cover the cost of tuition. While auditors noted no situations in which individuals attending private or parochial school received full-time reimbursement, auditors noted the Department did not require the parents and guardians of children to disclose this information on the child care application as per the previous audit recommendation. In addition, the Department did not have a policy in place requiring private providers to retain documentation of the number of hours of child care provided. Failure to follow established Department policy led to overpayments being made to providers.

During the current examination, auditors did not note any situations in which individuals attending private or parochial school received full-time reimbursement. Auditors determined the Department modified its procedures to ask parents and guardians to disclose whether school age children attending private or parochial schools for care were attending classes with the providers. Auditors also noted the Department was verifying, for providers receiving full-time reimbursement, that the hours in care do not include the school day. During fieldwork, auditors noted the Department was in the process of implementing controls to monitor actual hours provided when multiple child care providers are utilized. Auditors determined the Department had substantially implemented the recommendations of the prior year finding. As a result, this finding is not repeated. (Finding Code No. 11-7)

F. Contract overpayments to vendor not resolved in a timely manner

The previous examination noted the Department's Division of Mental Health was in the process of converting from grant based payments to fee-for-service payments to providers of mental health services with the aid of an Administrative Service Organization (ASO). During testing, auditors noted overpayments to the ASO were not resolved in a timely manner.

During the current examination, auditors were able to determine that all prior year overpayments dating back to fiscal year 2008 had been recouped. As a result, this finding is not repeated. (Finding Code No. 11-8, 09-9)

G. Preferential payments to provider not adequately supported in a timely manner

The previous examination noted the Department made preferential payments to a mental health provider (provider) which the provider could not support in a timely manner. Such payments included advances, a $1.2 million safety-net payment, and catch-up payments.

During the current examination, auditors determined the provider closed in July 2012. As a result, there were no Department contracts with it for fiscal year 2013. Based on auditor testing of prepaid grants in the General Revenue Fund (Fund 0001), auditors noted the Department had recouped the prior year advances. As a result, this finding is not repeated. (Finding Code No. 11-9)

H. Weaknesses in contract administration

The previous examination noted the Department failed to ensure proper controls were established in the administration of its contracts.

During the current examination, the auditors conducted testing of contract administration and noted only minor instances of inadequate controls. As a result, this finding is not repeated. (Finding Code No. 11-11, 09-13)

I. Inadequate oversight of union contracts

The previous examination noted the Department did not adequately monitor its two contracts with the union which provides the health insurance for personal assistants and home day care providers.

During the current examination, auditors noted the Department adequately monitored the two union contracts. One agreement lacked several clauses, provisions, and submissions utilized by the Department in previous agreements with the unions to aid in its oversight of the services provided to the Department and the State of Illinois. Although there were still minor exceptions noted and reported in the Department's Report of Immaterial Findings, this finding is not repeated. (Finding Code No. 11-13)

J. Lack of controls over monitoring unemployment insurance benefits paid under the Home Services Program

The previous examination noted the Department did not have adequate controls over monitoring unemployment insurance benefits paid by the Illinois Department of Employment Security (IDES) to Personal Assistants (PA) employed by customers of the Program.

During the current examination, the auditors conducted testing of unemployment claimants and noted only minor instances of inadequate controls. As a result, this finding is not repeated. (Finding Code No. 11-14, 09-16)

K. Failure to comply with Medicare and Medicaid certification requirements

In the prior examination, one of the Department's facilities, Tinley Park Mental Health Center, continued to remain decertified during fiscal year 2011 due to failure to comply with requirements to be certified as an eligible Medicare or Medicaid service provider.

During the current examination, auditors noted the Tinley Park Mental Health Center was closed during fiscal year 2013 and no other facilities were decertified. As a result, this finding is not repeated. (Finding Code No. 11-16, 10-5, 09-5, 08-6, 07-6)

L. Failure to reconcile grant expenditures and seek recovery of funds in a timely manner

In the prior examination, auditors noted the Department's Office of Contract Administration (OCA) failed to reconcile grant funds and to seek recovery of unspent funds in a timely manner.

During the current examination, auditors noted OCA properly reconciled grant funds. In addition, the Department revised its Administrative Directives to address this issue. As a result, this finding is not repeated. (Finding Code No. 11-18)

M. Failure to timely determine the disposition of unspent grant funds

In the prior examination, during testing of the fiscal year 2011 annual Office of the Comptroller financial reporting (GAAP) forms for various funds, 13 concluded programs were identified with unspent grant funds of which the Department had not determined the final disposition.

During the current examination, auditors determined the Department was no longer reporting deferred revenue in grant programs that concluded in prior fiscal years. As a result, this finding is not repeated. (Finding Code No. 11-19, 09-20, 07-20)

N. Weaknesses in monitoring interagency agreements

In the prior examination, auditors noted the Department did not adequately monitor interagency agreements. The Department failed to ensure all parties signed interagency agreements prior to the effective date, did not finalize a Quit Claim Deed for the closed Lincoln Developmental Center, and did not seek reimbursement for days worked by a shared employee.

During the current examination, auditors noted exceptions pertaining to the execution of interagency agreements, but not related to monitoring. As a result, this finding is not repeated. (Finding Code No. 11-20)

O. Failure to transfer surplus real property

In the prior examination, auditors noted the Department did not follow the required procedures for surplus real property. The Department failed to transfer the Lincoln Developmental Center to the Department of Central Management Services (DCMS).

During the current examination, auditors noted the Lincoln Developmental Center was transferred to DCMS during fiscal year 2013, therefore removing it from the Department's property records and financial statements. As a result, this finding is not repeated. (Finding Code No. 11-31)

P. Inadequate records for State vehicles assigned to Department employees

In the prior examination, auditors noted the Department did not maintain adequate records for Department owned vehicles.

During the current examination, auditors noted the Department made improvements related to the records for State vehicles assigned to Department employees. Although there were still minor exceptions noted and reported in the Department's Report of Immaterial Findings, this finding is not repeated. (Finding Code No. 11-34, 09-38, 07-25, 05-21, 03-21)

Q. Failure to display proper identification

The previous examination noted the Department facilities did not ensure all employees wore the proper State identification while on the facility grounds.

During the current examination, significant improvements were made by the Department concerning ensuring proper State identification was worn by employees while on facility grounds and only one exception was noted. As a result, this finding is not repeated. (Finding Code No. 11-40)

R. Failure to administer the Rapid Reintegration Pilot Program

The previous examination noted the Department failed to administer the Rapid Reintegration Pilot Program as required by the Disabilities Services Act of 2003.

During the current examination, auditors noted the Department combined the Pilot Program with the Reintegration Program operated by the Division of Rehabilitation Services. The Reintegration Program serves the population of individuals who would not need a lengthy stay in a nursing home. Additionally, the statutory requirement to operate a Rapid Reintegration Pilot Program ended in October 2012. Although the Department still failed to operate a separate Pilot Program which will be reported in the Department's Report of Immaterial Findings, this finding is not repeated. (Finding Code No. 11-41)

S. Whistle blower notices not conspicuously displayed

The previous examination noted the Department did not conspicuously display notices of State employee protection under the Whistle Blower Protection Article of the State Officials and Employees Ethics Act.

During the current examination, auditors noted the Department conspicuously displayed notices of State employee protection under the Whistle Blower Protection Article of the State Officials and Employees Ethics Act. As a result, this finding is not repeated. (Finding Code No. 11-42)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2013

Illinois Department of Public Aid's KidCare Program (July 2002)

In July 2002, the Office of the Auditor General released its report of the Program and Management Audit of the Illinois Department of Public Aid's KidCare program. The audit was conducted pursuant to Senate Resolution 152, which was adopted May 24, 2001. This resolution required the Auditor General to conduct a program and management audit of the Illinois Department of Healthcare and Family Services' (formerly Department of Public Aid) KidCare program. KidCare is now referred to as ALL KIDS.

In addition to the eligibility determination process at the Department of Healthcare and Family Services, Department of Human Services' caseworkers can determine eligibility. As a result of the audit, the Office of the Auditor General developed 7 recommendations for the Department of Healthcare and Family Services to improve its management controls over the KidCare program. Four of the 7 recommendations were also applicable to the Department of Human Services.

During fiscal year 2005, auditors followed up on these recommendations. Auditors noted at that time that the Department was not properly making annual eligibility redeterminations for KidCare services. As a result of this testing, auditors issued Finding 05-34. During fiscal year 2007, auditors noted the Department made progress in implementing the recommendations; however, the following recommendations were only partially implemented:

- *The Departments of Public Aid and Human Services should assure that income is properly determined and appropriate documentation is included in the case files.*

And

- *The Departments of Public Aid and Human Services should assure the KidCare re-determinations are done when required and income is properly determined.*

During fiscal years 2009 and 2011, auditors followed up on the remaining recommendations. As of July 1, 2006, the KidCare program was transitioned into a new program titled ALL KIDS. Auditors noted the Department has improved controls over properly determining income and assuring proper documentation is included in the case file. However, auditors noted one instance in fiscal year 2009 and five instances in fiscal year 2011 of the annual redetermination not being performed as required. Additionally, auditors noted the Department was utilizing a passive redetermination process which instructs the family to return the form only if any of the information has changed. Due to the utilization of passive redeterminations, auditors were not able to determine if eligibility requirements were continuing to be met. As a result, the finding was repeated in 2009 and 2011. During fiscal year 2013, auditors followed up on the recommendations and prior year finding. Auditors noted 6 instances in fiscal year 2012 and 12 instances in fiscal year 2013 of the annual redetermination not being performed as required. In addition to these instances, auditors noted that passive redeterminations were still being utilized during fiscal year 2012 before the Department eliminated the use of these redeterminations in January 2013. As a result, the finding will be repeated. Auditors will follow up on the recommendations in the next compliance examination. (Finding Code No. 2013-036)

Management Audit of $1 Million Grant to Loop Lab School (July 2009)

In July 2009, the Office of the Auditor General released its Management Audit of the $1 Million Grant to Loop Lab School. The audit was conducted pursuant to House Resolution 1190, which was adopted May 1, 2008. This resolution asked the Auditor General to review the funds promised to or received by the Loop Lab School and the Pilgrim Baptist Church (Church). Specifically, the Resolution directed the Auditor General to determine how and when the funds were promised to the Church and what process was followed, if any.

As a result of the audit, the Office of the Auditor General developed 8 recommendations, one of which was specific to the Department of Human Services as follows:

> "The Department of Human Services should ensure that recipients of child care funds do not utilize those funds for unallowable tuition payments."

During fiscal year 2011, auditors followed up on the recommendation. Auditors reviewed a sample of payments to providers for school age children who received full-time child care assistance during fiscal years 2010 and 2011 for certified providers. Although auditors did not note instances of tuition payments being made with child care assistance monies, it was noted the recommendations made as a result of the prior year finding were not fully implemented. Auditors noted the Department did not require the parents and guardians of children to disclose whether school age children attending private or parochial schools are attending classes with the provider. In addition, auditors noted other issues related to overpayments and the lack of a system to substantiate the actual hours of child care provided when more than one child care provider was being utilized. As a result, the finding was repeated in 2011. (Finding Code No. 11-7)

During fiscal year 2013, auditors followed up on the recommendation. Auditors reviewed a sample of payments to providers for school age children who received full-time child care assistance during fiscal years 2013 and 2012 for certified providers. Auditors did not note instances of tuition payments being made with child care assistance monies. Auditors determined the Department had substantially implemented the recommendations of the prior year finding and the recommendation noted above has been implemented.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
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Management Audit of Pilsen-Little Village Community Mental Health Center, Inc. (February 2008)

In February 2008, the Office of the Auditor General released its report of the Management Audit of the Pilsen-Little Village Community Mental Health Center, Inc. The audit was conducted pursuant to House Resolution Number 1146, which was adopted May 4, 2006. This resolution required the Auditor General to conduct a management audit of Pilsen-Little Village Community Mental Health Center, Inc.

The audit reported 19 recommendations. One recommendation (Recommendation 19) pertained to the Department of Human Services as follows:

> "The Departments of Human Services (DHS), Public Health, and Healthcare and Family Services, as well as the Illinois State Board of Education, should follow up on the questionable expenditures reported in this audit and seek recovery of any inappropriately expended State funds."
>
> And
>
> "DHS should also assess Pilsen's practice of supporting deficit programs with funding intended for other programs."

During fiscal year 2009, auditors followed up on the recommendation. The Department was able to provide supporting documentation which substantiated the recalculation of questionable expenditures. The Department determined the allocation of management fees were properly recorded by Pilsen-Little Village Community Mental Health Center, Inc. (Pilsen). However, the Department did seek repayment for an automobile that was purchased with grant funds and is no longer in the possession of Pilsen-Little Village Community Mental Health Center, Inc. At that time, the Department stated they were in the process of seeking recovery of these funds. Additionally, the Department was not able to provide supporting documentation of their efforts towards assessing Pilsen's practice of supporting deficit programs with funding intended for other programs. As a result, the recommendation was only partially implemented.

During fiscal year 2011, auditors conducted follow up regarding the recovery of the funds for the automobile that was purchased with grant funds. The Department was unable to provide documentation that the recovery had occurred or that efforts had been made to recover the funds during the current audit cycle. Auditors also conducted follow up regarding the practice by Pilsen of supporting deficit programs with funding intended for other programs. The Department was unable to provide supporting documentation of their efforts to assess this practice. As a result, the recommendation was not implemented, and auditors decided that it should be followed up on further during the next compliance examination of the Department.

During fiscal year 2013, auditors conducted follow up regarding the recovery of the funds for the automobile that was purchased with grant funds in 2009. Auditors noted that the Department's Division of Mental Health, Region 1 Central Office issued a letter dated March 5, 2014, informing Pilsen that it must refund the purchase price of the vehicle to the Department by April 15, 2014 or the Division will recover the funds from Medicaid payments issued to Pilsen. However, since no action was taken by the Department until after the close of fiscal year 2013, auditors will conduct a follow up during the next compliance examination to ensure that the funds have been recovered.

Auditors also conducted follow up regarding the practice by Pilsen of supporting deficit programs with funding intended for other programs and noted the Department had shifted most of its funding from grant payments to fee-for-service. Along with this, the Department also conducted post payment reviews on a portion of paid claims to assure all required documentation for the services rendered was in place. For any funds still delivered to the provider on a grant basis, the provider must now sign a separate contract exhibit containing a scope of services and deliverables for each type of funding. As a result, this part of the recommendation has been implemented.

Auditors determined that Recommendation 19 has been partially implemented. Follow-up regarding the recovery of the funds for the automobile that was purchased with grant funds will be conducted during the next compliance examination.

Performance Audit of Funding Provided by State Agencies to Heartland Human Services (May 2009)

In May 2009, the Office of the Auditor General released its report of the Performance Audit of Heartland Human Services. The audit was conducted pursuant to House Resolution Number 1307, which was adopted May 31, 2008. This resolution required the Auditor General to conduct a performance audit of the State funding provided by State agencies to Heartland Human Services under contracts or grant agreements in fiscal years 2007 and 2008.

The audit reported 7 recommendations. Four of the recommendations pertained to the Department of Human Services. Of the 4 recommendations that pertained to the Department, 3 were implemented as of June 30, 2011, and one was not implemented.

During the engagement of fiscal years 2012 and 2013, auditors followed up on the remaining recommendation, which was as follows:

> "The Department of Human Services should ensure that providers who received funding from either DASA or DRS calculate and repay interest earned on grant funds as required by the Grant Funds Recovery Act." (Recommendation 6)

During fiscal year 2011, Department officials stated they lacked adequate staff to seek repayment for interest earned but not repaid in a timely manner. As a result, the recommendation was not implemented. During fiscal year 2013, auditors followed up to determine if the Department was ensuring providers who received funding from DASA or DRS calculated and repaid interest earned on grant funds as required by the Grant Funds Recovery Act. Auditors found that both DASA and DRS have moved away from advanced funding for providers in order to resolve the issue of collecting interest on grant funds. DASA last used advanced funding in fiscal year 2011 and provided auditors with the grant reconciliation/recovery form instructions from 2011 that indicated the provider must calculate and repay interest on all grant funds held 30 days or more. DRS last used advanced funding in fiscal year 2009 and provided auditors with a listing of all contract payments since fiscal year 2010 to show that advanced payments were no longer being used.

Auditors determined Recommendation 6 has been implemented.

Performance Audit of the Medical Assistance Program, Long Term Care Eligibility Determination (September 2009)

In September 2009, the Office of the Auditor General released its report of the Performance Audit of the Medical Assistance Program, Long Term Care Eligibility Determination. The audit was conducted pursuant to House Resolution Number 1295. The resolution directed the Auditor General to audit the Medical Assistance Program jointly administered by the Departments of Healthcare and Family Services and Human Services with respect to the accuracy and impact of eligibility determination standards and procedures regarding persons applying for or receiving assistance for long term care.

As a result of the audit, the Office of the Auditor General developed 9 recommendations to improve controls over long term care eligibility determination. Two of the recommendations were specific to the Department (recommendations 5 and 8) and one recommendation was specific to the Department of Healthcare and Family Services (recommendation 9). Six of the recommendations were for the Departments of Healthcare and Family Services (HFS) and the Department of Human Services (Department). Information regarding the status of the recommendations based on testing and information provided that is specific to the Department is as follows:

> "The Departments of Healthcare and Family Services and Human Services should review the Medical Assistance Program computer systems, specifically for long term care cases with a community spouse, and ensure the systems are working together and serving their intended purpose. The Departments should take the necessary actions to assure that the data contained in those systems is consistent, reliable, and timely updated." (Recommendation 1)

During fiscal year 2011, auditors noted that the recommendation had been partially implemented. The Department made programming changes which allows automatic updating of changes made in the HFS system to the DHS system. This aids in ensuring the facility receives the correct payment for services rendered. However, the Department was utilizing the same system, as the funds for updating the system had not been appropriated. Department personnel stated HFS had secured the funding and issued a request for proposal and received bids as of June 12, 2012, which was to enable them to build a new integrated eligibility system. Auditors followed up with the Department during fiscal year 2013 and noted that the recommendation had been partially implemented. HFS and DHS are currently rolling out an Integrated Eligibility System (IES), with the rollout expected to continue through fiscal year 2015. The first phase has been implemented, which allows certain applications to be filed by the customer via the Internet. Some intake functions have also been transitioned to IES, however ongoing case maintenance functions remain with the legacy system and IES does not yet have the functionality to process or maintain Long Term Care cases. This recommendation is partially implemented and will be followed up on during the next compliance examination.

> "The Departments of Healthcare and Family Services and Human Services should stop centrally adjusting the group care credit amount for clients who are diverting income to a community spouse. Instead, caseworkers should adjust the group care credit manually based on current information." (Recommendation 4)

During fiscal year 2011, auditors noted the recommendation had not been implemented. HFS is responsible for centrally adjusting the group care credit amount, and this practice continues. In addition, the group care credit is still adjusted manually to correct errors as a result of the central adjustment. In order to ensure the adjustments are made timely, the Department has implemented a schedule where all annual redeterminations for long term care cases with diverted income are conducted in March after the cost of living increase is made available. Auditors followed up on this recommendation during fiscal year 2013 and noted that the recommendation had not been implemented as the group care credit continues to be centrally adjusted with the annual redetermination occurring in March.

> "The Departments of Healthcare and Family Services and Human Services should implement a control to ensure that any overpayments made by a client as a result of the Department's eligibility determination process are repaid to the client in the long term care facility." (Recommendation 6)

During fiscal year 2011, auditors noted the recommendation had not been implemented. Neither HFS nor DHS had implemented controls to ensure overpayments by a client are repaid to the client by the long term care facility. Auditors followed up on this recommendation during fiscal year 2013 and noted that client notices were revised to combine both the Social Security Administration (SSA) increase notice and the option of diverting income notice. The revision does provide clarification for clients on what information is needed to perform the redetermination and the consequences if proof of income is not received. However, the Department was unable to provide any revised rules or policies concerning controls for repayment due to clients in a long term care facility. As a result this recommendation is partially implemented and will be followed up on during the next compliance examination.

> "The Departments of Healthcare and Family Services and Human Services should work together to clarify policies. In particular, attention should be given to:
>
> - Assuring that using the Mail-In Application for Medical Benefits Form allows clients to get the assistance they need in applying for benefits;
> - Conducting Annual Facility Visits as is required by established policy;
> - Clarifying Responsible Relative Policy, so that only applicable long term care clients' spouses are referred for appropriate collection; and
> - Ensuring that Outdated Forms are not referenced in policy manuals or used by caseworkers
>
> The Departments should also assure the established policies are followed by local offices." (Recommendation 7)

During fiscal year 2011, auditors noted the recommendation had not been implemented. The Department stated there was assistance available to applicants in completing the Mail-In Application for Medical Benefits Form upon request; however, the process had not changed. Additionally, Department personnel stated lack of adequate staffing did not allow them to perform site visits for all long term care redeterminations. The Department had requested that HFS modify their policy to allow site visits to be conducted based on staffing levels. The Department does collect eligibility information via mail, email, fax and phone calls when a site visit is not possible. In regards to clarifying the Responsible Relative Policy, the Department stated they have conducted trainings in several locations to help clarify the policy; however, the policy had not been officially revised. Lastly, the Department advised all caseworkers to not utilize outdated forms. Auditors followed up on this recommendation during fiscal year 2013 and noted that the recommendation had been partially implemented. The Department stated the mail-application process had not changed but help is available for applicants if needed. Additionally, policy surrounding annual facility visits had not changed. When sufficient staff or resources are not available to make the annual site visit, DHS staff obtains eligibility information via telephone, mail, and/or email. The Department revised the Responsible Relative Policy as well as the referral form in order to clarify which responsible relatives do not need to be referred to the Bureau of Collections Field Recovery Unit, which includes community spouses of long term care residents with income below the Community Spouse Maintenance Allowance. In regards to the use of outdated forms, the Department stated that many forms used by caseworkers are now available electronically and new versions are linked as forms are updated. The Department also stated that policy adherence is controlled by supervision, staff meetings, and training.

Of the 8 recommendations that pertain to the Department, 4 were implemented, 3 were partially implemented, and one remains not implemented after fiscal year 2013. Auditors will conduct follow up during the next compliance examination.

Program Audit of the Office of the Inspector General, Department of Human Services (December 2010)

In December 2010, the Office of the Auditor General released its report of the Program Audit of the Office of the Inspector General, Department of Human Services. The audit was conducted pursuant to Section 1-17(w) of the Department of Human Service Act (Act) (20 ILCS 1305). This Act requires the Auditor General to conduct a program audit of the Department's Office of the Inspector General (OIG) on as-needed basis, as determined by the Auditor General.

The audit reported 9 recommendations as follows:

> "The Office of the Inspector General should continue to consider adding serious injuries to its investigative database that would allow it to look for and identify patterns and trends in serious injuries, which may be an indicator of staff neglect or other problems which need to be addressed." (Recommendation 1)

During fiscal year 2011, auditors noted the Department's OIG indicated they would add serious injuries to its investigative database for tracking purposes. Auditors followed up on this recommendation during the current compliance examination and noted the OIG provided a similar response as in prior years. The OIG continues to add serious injuries to its investigative database when reported but continues to not report all serious injuries. The OIG investigates when those serious injuries are alleged or suspected to result from abuse or neglect by staff. The OIG indicated that, "When the injuries do not fall under this category, it is outside of the OIG's jurisdiction but the injuries are still retained in the database, listed as "non-reportable", and referred back to the facility or community agency for review and action." Based upon the lack of full implementation, auditors will review implementation of the recommendation during the next compliance examination or program audit.

> "The Office of the Inspector General should update its interagency agreements with other State agencies that have investigatory powers." (Recommendation 2)

During fiscal year 2011, auditors noted the Department's OIG had updated its interagency agreement with the Illinois State Police. However, the other agreements referenced in the program audit with the Illinois Department of Public Health and the Department of Children and Family Services had not been updated. Auditors followed up on the recommendation during the current compliance examination. The Department provided an updated interagency agreement between the Department's OIG and the Illinois Department of Public Health that updates outdated statutory references as well as clarifies the duties of each agency. In April 2012, a member of the Department's legal counsel determined the interagency agreement with the Department of Children and Family Services was no longer necessary because the Department does not operate units for minors and the Department of Children and Family Services statute does not allow it to conduct redundant investigations. However, this was a discussion amongst different divisions within the Department and not an official legal determination. The OIG is required to investigate any allegations of abuse or neglect at State facilities or community agencies that the Department licenses, funds, or certifies. The Department would still need an interagency agreement in place with the Department of Children and Family Services in order to ensure that a duplication of investigations is not occurring. Based upon the lack of full implementation, this recommendation will be reviewed for implementation during the next compliance examination or program audit.

> "The Office of the Inspector General should continue to work to improve the timeliness of investigations of abuse and neglect. The OIG should also work to improve the timeliness of investigations conducted by Clinical Coordinators, especially death investigations." (Recommendation 3)

During fiscal year 2011, auditors noted that the Office of the Inspector General indicated all staff were reminded to timely investigate allegations of abuse and neglect, especially death investigations. Auditors followed up on the implementation of the recommendation during the current compliance examination and noted that the recommendation had been partially implemented. During fiscal year 2013, the average time of completion for all Department OIG investigations increased from 45.9 days in fiscal year 2012 to 54.8 days, which omitted time for delays necessitated by pending Illinois State Police or local law enforcement investigations. Although the average falls within the required 60 days, the timeliness of investigations was not improving. The average time for Clinical Coordinators, however, improved from 129 average days in calendar year 2012 to 95 days in calendar year 2013. Steps taken by the OIG to improve timeliness include relocating staff, requesting additional staff, and the creation of a Clinical Coordinator Department with all Clinical Coordinators reporting to the same Bureau Chief. As a result of the increase in time of completion of all OIG investigations, auditors will follow up on this recommendation during the next compliance examination or program audit.

> "The Office of the Inspector General should assign all allegations to an investigator within one working day and complete all investigative plans within three working days as is required by OIG directives." (Recommendation 4)

During fiscal year 2011, auditors noted that the Office of the Inspector General indicated all Bureau Chiefs had been reminded to assign all allegations to an investigator within one working day and complete all investigative plans within 3 working days. Auditors reviewed implementation of the recommendation during the current compliance examination and noted the recommendation had not been implemented. Although the Office of the Inspector General indicated that they assign investigations within one working day when possible, delays occur due to backlog of intakes, absence of supervisors, and an initial law enforcement referral. The database has been programmed to send an email to an investigator when the Bureau Chief assigns him/her a case. Additionally, Bureau Chiefs are responsible for ensuring that investigative plans are completed within 3 working days. Auditors will review implementation of the recommendation in the next compliance examination or program audit.

> "The Office of the Inspector General should continue to work with State facilities and community agencies to ensure that allegations of abuse or neglect are reported within the time frame specified in the Department of Human Services Act and OIG's administrative rules." (Recommendation 5)

During fiscal year 2011, auditors noted that the Department was able to provide supporting documentation that illustrated their correspondence to State facilities and community agencies regarding allegations of abuse or neglect reporting requirements. During the current compliance examination, auditors reviewed whether allegations of abuse or neglect were reported within the time frame specified in the administrative rules and noted that the recommendation had been partially implemented. During fiscal year 2013, 12.5% of allegations reported to the OIG by staff of the community agency or facility where the alleged abuse or neglect occurred were reported late, an increase of 0.2% from fiscal year 2012. If an allegation is reported late, the database will flag the allegation and the field investigator will investigate as to why it was late. The final investigative report will cite the agency or facility for late reporting and the written response will indicate corrective action required. Additional efforts to improve timeliness include a review of all community agency internal policies on reporting to ensure each one contains accurate reporting timeframes as well as providing training sessions to facility and agency staff each year that covers timely reporting. Auditors will follow up on this recommendation during the next compliance examination or program audit to ensure that the controls implemented by the Department are able to decrease the number of late reports.

> "The Office of the Inspector General should ensure that all routing and approval forms are completed and signed off on by the Bureau Chief." (Recommendation 6)

During fiscal year 2011, the Office of the Inspector General indicated all Bureau Chiefs had been reminded to complete and sign off on all routing and approval forms. During the current compliance examination, auditors reviewed implementation of the recommendation and noted the OIG has a two step monitoring process to ensure that the routing and approval forms are signed by the Bureau Chief. An entire section of the Case Closure Checklist Form is designated to reviewing proper completion of the Case Routing/Approval Form. After a member of the clerical staff completes this form, a secondary review and signature is required by each Bureau Chief. Auditors tested the Department's implementation of the recommendation by reviewing a sample of forms for proper completion. Auditors concluded the OIG had implemented the recommendation.

> "The Department of Human Services should continue its efforts to ensure that written responses from facilities and community agencies are received and approved in a timely manner." (Recommendation 7)

During fiscal year 2011, auditors noted that the Department conducted training on preparing written responses to Office of the Inspector General findings and recommendations for community providers via eight webinars during fiscal year 2011. Auditors reviewed supporting documentation including attendee lists, session handouts, and email correspondence to substantiate these efforts. During the current compliance examination, the Department stated the Division of Developmental Disabilities (DDD) had implemented improvements in order to ensure that written responses are received and approved in a timely manner. These improvements include designating one person to be the OIG liaison for written responses at the Bureau of Quality Management (BQM), weekly meetings to review and approve written responses, ongoing communication between the OIG and community agencies, and the creation of monthly reports to monitor needed written responses. The process used by DDD and BQM also established controls to ensure these written responses are received and approved in a timely manner. Additionally, the Director of the Division of Mental Health (DMH) appointed a specific person to monitor receipt and approval of written responses. Although the Department has developed a process of tracking cases, there were still issues with regard to timeliness. Based upon the lack of full implementation, this recommendation will be reviewed for implementation during the next compliance examination or program audit.

> "The Office of the Inspector General should use the annual site visit process to target and examine areas at individual facilities where other investigations and/or reports have identified systemic resident safety concerns, such as the underreporting of abuse and neglect. Furthermore, if State facilities repeatedly fail to take corrective action on matters raised by OIG site visits or arising out of other investigations, the Inspector General should also consider making recommendations, up to and including sanctions, to ensure the safety of State-operated facility residents." (Recommendation 8)

During fiscal year 2011, the Office of the Inspector General indicated they were using the annual site visit process to target and examine areas at individual facilities. In addition, the Office of the Inspector General stated they will consider making recommendations to ensure the safety of State-operated facility residents. During the current compliance examination, auditors noted that the OIG has continued to fail to impose sanctions on facilities. The Department stated the OIG considers issues raised in investigations during the site visit issue selection process. Each year, repeat recommendations exist and they are reviewed during the site survey process. If the facility has a realistic and appropriate plan in place the OIG notifies the program division of the finding and plan and continues to monitor progress. During fiscal year 2012 and 2013, the Department made 4 second-year recommendations and one third-year recommendation. No sanctions were involved, however, the OIG requested the assistance of the Division of Developmental Disabilities to explore ways to resolve the issue that occurred for a third consecutive year. The Department still appears to have an issue with addressing site visit recommendations not implemented for multiple years. Based upon the lack of full implementation, this recommendation will be reviewed for implementation during the next compliance examination or program audit.

> "The Secretary of the Department of Human Services and the Inspector General should continue to work with the Governor's Office to get members appointed to the Board as promptly as possible, in order to fulfill statutory membership requirements (20 ILCS 1305/1-17(u)). Staggering the terms of members should be used in order to ensure membership." (Recommendation 9)

During fiscal year 2011, the Office of the Inspector General indicated they had continued to urge that appointments be made as required by statute. During the current compliance examination, auditors reviewed implementation of the recommendation and noted that the recommendation has not been implemented. Although a quorum met for each quarterly meeting during both fiscal year 2012 and 2013, the Board was unable to maintain seven members as required.

Of the nine recommendations that pertain to the Department, 1 was implemented, 2 were partially implemented, and 6 were not implemented. As a result, auditors will follow up with the Department again during the next compliance examination or program audit.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2013

Management Audit of the Department of State Police's Administration of the Firearm Owner's Identification Act (April 2012)

In April 2012, the Office of the Auditor General released its Management Audit of the Illinois State Police's (ISP) administration of the Firearm Owners Identification Card (FOID) Act. The audit was conducted pursuant to House Resolution 89, which was adopted April 14, 2011. This resolution asked the Auditor General to specifically review what steps are taken to determine whether applicants are eligible or ineligible along with revocations and denials issued within the past 3 years.

As a result of the audit, the Office of the Auditor General developed 12 recommendations, 2 of which were specific to the Department of Human Services as follows:

> "The Department of State Police and the Department of Human Services should work with hospitals, nursing homes, clinicians and other entities required to report prohibiting mental health information to the DHS-FOID system, to ensure that: all required reports are filed; the information is timely, complete and accurate; and voluntary and involuntary admissions are differentiated. In addition, ISP should review its controls to ensure that all mental health matches sent by DHS are properly worked by eligibility staff." (Recommendation 3)

In response to the recommendation, the Department indicated it was adding necessary fields to the DHS-FOID system that would allow the users (hospitals, nursing homes and other entities) to report the voluntary/involuntary designation for patient admissions. The Department stated a notification would be sent to users explaining the new requirements for reporting the information once the necessary fields were added to the DHS-FOID system. During the current compliance examination, auditors followed up on the recommendation and noted that the recommendation was partially implemented. The Department indicated the necessary fields allowing users to report voluntary/involuntary designation were added to the DHS-FOID system in June 2012. Auditors also followed up on how the Department is working with hospitals, nursing homes, clinicians, and other entities to ensure that all required reports are filed timely and accurately. Department personnel explained the Department is in the process of implementing a comprehensive public outreach and educational campaign to ensure all providers are aware of their reporting responsibilities. The outreach campaign did not begin until after the end of the fiscal year 2013. Auditors will follow-up on this recommendation again during the next compliance examination.

> "The Department of State Police should ensure that information reported to the National Instant Criminal Background Check System is submitted completely, accurately, and timely, and should update it as necessary. The Department should work with DHS to identify individuals with NICS prohibitors prior to June 2008 and should report them to NICS as required." (Recommendation 4)

The Department responded that its Clinical Unit had notified the Illinois State Police that the Department has additional records for the National Instant Criminal Background Check System (NICS) dated back to 1980 and going to present. At the time of its response to the Office of the Auditor General's report, the Illinois State Police was reviewing the sample of information the Department provided to the Illinois State Police and would advise the Department if the records were acceptable. Additionally, the Department stated it would add necessary fields to the DHS-FOID system that will allow users to submit the physical description of patients as required. During the current compliance examination, auditors followed up on the recommendation and noted that the recommendation has been fully implemented. The Department indicated it provided the Illinois State Police with the entire file of records for the NICS dating back to 1980 on March 23, 2012. Additionally, in June 2012, the Department added the necessary fields to the DHS-FOID system so users are able to submit a physical description of patients. A notification was added to the login screen to communicate the new requirements to users. As a result, auditors considered this recommendation to be implemented.

Of the two recommendations that pertained to the Department, Recommendation 3 was partially implemented and Recommendation 4 was fully implemented. As a result auditors will conduct follow up of Recommendation 3 in the next compliance examination.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FINANCIAL AUDIT AND COMPLIANCE REPORT
For the Two Years Ended June 30, 2013

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the State of Illinois, Department of Human Services was performed by Sikich LLP as special assistants for the Auditor General.

Based on their audit, the auditors expressed an unmodified opinion on the Department's basic financial statements.

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INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (Department), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information for the Department, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Restatement

As discussed in Note 16, the Department restated its fund balance/net position between the General Fund and the DHS Recoveries Trust Fund as of June 30, 2012, to reflect reporting errors related to an overstatement that occurred in fiscal year 2012. The restatement totaled $4.011 million. Our opinions are not modified with respect to that matter.

Reclassification

As discussed in Note 17, the Department reclassified the DHS Recoveries Trust Fund during the year ended June 30, 2013 from a subaccount of the General Fund to a special revenue fund type. The reclassification was the result of a statutory change that no longer requires a transfer of excess monies to the General Revenue Fund. The reclassification moved the assets and liabilities from the General Fund to a special revenue fund. There was no effect on the Department's assets and liabilities for governmental activities. Our opinions are not modified with respect to the matter.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information for any of its funds that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit for the year ended June 30, 2013 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying supplementary information in the combining General Fund, individual nonmajor governmental funds, Agency funds financial statements and schedules, the State Compliance Schedules 1 through 13, and the Analysis of Operations Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the year ended June 30, 2013, in the combining General Fund, individual nonmajor governmental funds, Agency funds financial statements and schedules, and the State Compliance Schedules 1, 3, and 5 through 13 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2013, in the combining General Fund, individual nonmajor governmental funds, Agency funds financial statements and schedules, and the State Compliance Schedules 1, 3, and 5 through 13 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2013, in the combining General Fund, individual nonmajor governmental funds, Agency funds financial statements and schedules, and the State Compliance Schedules 1, 3, and 5 through 13 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Department's basic financial statements as of and for the years ended June 30, 2012 and June 30, 2011 (not presented herein), and have issued our reports thereon dated April 24, 2013 and May 18, 2012, which contained unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 2, 3, and 5 through 13 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 and June 30, 2011 financial statements. The accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 2, 3, and 5 through 13 has been subjected to the auditing procedures applied in the audits of the June 30, 2012 and June 30, 2011 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 2, 3, and 5 through 13 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in Schedule 4 and the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Restricted Use of this Auditor's Report

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

Sikich LLP

Springfield, Illinois
January 31, 2014, except for State Compliance Schedules
1, 3 and 5 through 13 for which the date is
May 13, 2014

Statement of Net Position and Governmental Funds Balance Sheet

June 30, 2013 (Expressed in Thousands)

	General Fund	Other Non-major Funds	Total Governmental Funds	Adjustments	Statement of Net Position
ASSETS					
Unexpended appropriations	$ 469,462	$ 3,504	$ 472,966	$ -	$ 472,966
Cash equity with State Treasurer	83,730	182,157	265,887	-	265,887
Cash and cash equivalents	214	3,488	3,702	-	3,702
Securities lending collateral equity with State Treasurer	71,190	16,934	88,124	-	88,124
Investments	-	2,208	2,208	-	2,208
Due from other government - federal	164,499	99,468	263,967	-	263,967
Due from other government - local	-	270	270	-	270
Taxes receivable, net	-	200	200	-	200
Other receivables, net	1,304	47,296	48,600	-	48,600
Loans and notes receivable, net	-	323	323	-	323
Due from other Department funds	53,339	15,585	68,924	(68,924)	-
Due from other State funds	47,750	3,118	50,868	-	50,868
Due from State of Illinois component units	-	794	794	-	794
Inventories	7,345	166	7,511	-	7,511
Prepaid expenses	-	-	-	948	948
Capital assets not being depreciated	-	-	-	16,596	16,596
Capital assets being depreciated, net	-	-	-	169,385	169,385
Total assets	$ 898,833	$ 375,511	$ 1,274,344	118,005	1,392,349
LIABILITIES					
Accounts payable and accrued liabilities	$ 491,154	$ 139,546	$ 630,700	-	630,700
Due to other government - federal	7,851	2,197	10,048	-	10,048
Due to other government - local	11,472	8,645	20,117	-	20,117
Due to other Department fiduciary funds	15	-	15	-	15
Due to other State fiduciary funds	12,651	5,303	17,954	-	17,954
Due to other Department funds	15,585	53,339	68,924	(68,924)	-
Due to other State funds	36,651	9,221	45,872	-	45,872
Due to State of Illinois component units	1,116	6,361	7,477	-	7,477
Unavailable revenue	124,015	42,315	166,330	(166,330)	-
Unearned revenue	63,962	58,625	122,587	-	122,587
Obligations under securities lending of State Treasurer	71,190	16,934	88,124	-	88,124
Long-term obligations:					
Due within one year	-	-	-	2,964	2,964
Due subsequent to one year	-	-	-	62,359	62,359
Total liabilities	835,662	342,486	1,178,148	(169,931)	1,008,217
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable	7,345	1,328	8,673	(8,673)	-
Restricted	41,858	14,800	56,658	(56,658)	-
Committed	75,787	28,933	104,720	(104,720)	-
Assigned	-	-	-	-	-
Unassigned	(61,819)	(12,036)	(73,855)	73,855	-
Net investment in capital assets	-	-	-	185,424	185,424
Restricted net position:					
Restricted for health and social service programs	-	-	-	53,279	53,279
Funds held as permanent investments:					
Nonexpendable purposes	-	-	-	8,709	8,709
Expendable purposes	-	-	-	109	109
Unrestricted net position	-	-	-	136,611	136,611
Total fund balances/net position	63,171	33,025	96,196	$ 287,936	$ 384,132
Total liabilities and fund balances	$ 898,833	$ 375,511	$ 1,274,344		

The accompanying notes to financial statements are an integral part of this statement.

State of Illinois
Department of Human Services
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2013
(Expressed in Thousands)

Total fund balances-governmental funds		$ 96,196
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		185,981
Prepaid expenses for governmental activities are current uses of financial resources for funds.		948
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.		166,330
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:		
Capital lease obligations	(539)	
Installment purchase obligations	(18)	
Compensated absences	(64,766)	
		(65,323)
Net position of governmental activities		$ 384,132

The accompanying notes to financial statements are an integral part of this statement.

Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2013 (Expressed in Thousands)

	General Fund	Other Non-major Funds	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/expenses:					
Health and social services	$ 3,617,508	$ 4,945,934	$ 8,563,442	$ 44,660	$ 8,608,102
Debt service - principal	356	35	391	(391)	-
Debt service - interest	73	10	83	-	83
Capital outlays	3,488	2,875	6,363	(6,363)	-
Total expenditures/expenses	3,621,425	4,948,854	8,570,279	37,906	8,608,185
Program revenues:					
Charges for services:					
Licenses and fees	98	6,703	6,801	-	6,801
Other charges for services	190	42,707	42,897	(6,737)	36,160
Total charges for services	288	49,410	49,698	(6,737)	42,961
Operating grant revenue:					
Federal operating grants	524,114	4,774,904	5,299,018	49,340	5,348,358
Other operating grants	-	5,513	5,513	-	5,513
Total operating grant revenue	524,114	4,780,417	5,304,531	49,340	5,353,871
Net program revenues	(3,097,023)	(119,027)	(3,216,050)	4,697	(3,211,353)
General revenues:					
Interest and investment income	406	133	539	-	539
Other taxes	-	902	902	-	902
Other revenues	(138)	6,105	5,967	50	6,017
Total general revenues	268	7,140	7,408	50	7,458
Other sources (uses):					
Appropriations from State resources	3,570,042	31,005	3,601,047	-	3,601,047
Lapsed appropriations	(52,000)	(11,464)	(63,464)	-	(63,464)
Receipts collected and transmitted to State Treasury	(132,793)	(19,049)	(151,842)	-	(151,842)
Capital transfers from other State agencies	-	-	-	5,122	5,122
Amount of SAMS transfers-in	(67,939)	-	(67,939)	-	(67,939)
Amount of SAMS transfers-out	3,969	-	3,969	-	3,969
Transfers-in	23,494	98,599	122,093	(101,316)	20,777
Transfers-out	(96,563)	(3,591)	(100,154)	101,316	1,162
Transfer of administration of funds from other state agencies	-	66	66	-	66
Capital lease and installment purchase financing	151	24	175	(175)	-
Total other sources (uses)	3,248,361	95,590	3,343,951	4,947	3,348,898
Change in fund balance/net position	151,606	(16,297)	135,309	9,694	145,003
Fund balance/net position, July 1, 2012 (as restated)	(87,308)	49,366	(37,942)	277,071	239,129
Increase (decrease) for changes in inventories	(1,127)	(44)	(1,171)	1,171	-
Fund balance/net position, June 30, 2013	$ 63,171	$ 33,025	$ 96,196	$ 287,936	$ 384,132

The accompanying notes to financial statements are an integral part of this statement.

State of Illinois
Department of Human Services
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2013
(Expressed in Thousands)

Net change in fund balances	$ 135,309
Change in inventories	(1,171)
	134,138
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.	(40,101)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	391
Some capital additions were financed through installment purchases. In governmental funds, installment purchases are considered a source of financing, but in the Statement of Net Position the installment purchase obligation is reported as a liability.	(175)
Some capital assets were transferred in from other State agencies and therefore, were received at no cost.	5,122
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	42,653
Prepaid expenses in the Statement of Activities are reported as expenses in governmental funds.	(699)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities.	
Decrease in compensated absences obligation	3,674
Change in net position of governmental activities	$ 145,003

The accompanying notes to financial statements are an integral part of this statement.

State of Illinois
Department of Human Services

Statement of Fiduciary Net Position

June 30, 2013 (Expressed in Thousands)

	Private-Purpose Trust: Hansen-Therkelsen Memorial Deaf Student College 0123	Agency Funds
ASSETS		
Cash equity with State Treasurer	$ 1,004	$ -
Cash and cash equivalents	-	1,448
Securities lending collateral equity with State Treasurer	686	-
Investments	-	830
Due from other government - federal	-	54
Other receivables, net	-	2
Loans and notes receivable	56	-
Due from other Department funds	-	15
Total assets	1,746	$ 2,349
LIABILITIES		
Accounts payable and accrued liabilities	-	$ 24
Due to other government - federal	-	-
Due to other State funds	-	-
Obligations under securities lending of State Treasurer	686	-
Other liabilities	-	2,325
Total liabilities	686	$ 2,349
NET POSITION		
Held in trust and other purposes	$ 1,060	

The accompanying notes to financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Private-Purpose Trust Hansen-Therkelsen Memorial Deaf Student College 0123
Additions:	
Investment income	$ 6
Total additions	6
Deductions:	
Health and Social Services	10
Total deductions	10
Net additions (deductions)	(4)
Net position, July 1, 2012	1,064
Net position, June 30, 2013	$ 1,060

The accompanying notes to financial statements are an integral part of this statement.

NOTE (1) - Organization

The Department of Human Services (the Department) is a part of the executive branch of government of the State of Illinois (State) and operates 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 primarily from the General Fund are appropriated for the use of the Department. 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, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Department and all other cash received are under the custody and control of the State Treasurer, excluding all locally-held funds authorized by State law.

The Department is organized to assist Illinois residents to achieve self-sufficiency, independence and health to the maximum extent possible by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes in partnership with communities.

NOTE (2) - Summary of Significant Accounting Policies

The financial statements of the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

(a) Financial Reporting Entity

The financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government.

Based upon the required criteria, the Department has no component units and is not a component unit of any other entity. However, because the Department is not legally separate from the State of Illinois, the financial statements of the Department are included in the financial statements of the State of Illinois. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Division of Financial Reporting; 325 West Adams Street; Springfield, Illinois, 62704-1871.

(b) Basis of Presentation

The financial statements of the State of Illinois, Department of Human Services, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2013 and the changes in financial position for the year then ended in conformity with GAAP.

The financial activities of the Department, which consist only of governmental activities, are reported under the health and social services function in the State of Illinois' Comprehensive Annual Financial Report. For reporting purposes, the Department has combined the fund and government-wide financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. A brief description of the Department's government-wide and fund financial statements is as follows:

Government-wide Statements: The government-wide statement of net position and statement of activities report the overall financial activity of the Department, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the Department. The financial activities of the Department consist only of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The statement of net position presents the assets and liabilities of the Department's governmental activities with the difference being reported as net position. The assets and liabilities are presented in order of their relative liquidity by class of asset or liability with liabilities whose average maturities are greater than one year reported in two components - the amount due within one year and the amount due in more than one year.

The statement of activities presents a comparison between direct expenses and program revenues for the health and social services function of the Department's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Department's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on the major governmental fund, which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Department administers the following major governmental fund (or portions thereof in the case of shared funds) of the State of Illinois' Comprehensive Annual Financial Report:

General – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Department and accounted for in the General Fund include, among others, health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The Department's portion of the General Fund is composed of a primary sub-account (General Revenue) and seven secondary sub-accounts (Illinois Veterans' Rehabilitation, Home Services Medicaid Trust, Community Developmental Disabilities Services Medicaid Trust, CMS vs AFSCME Wages Trust, Care Provider Fund for Persons with a Developmental Disability, Health and Human Services Medicaid Trust, and the Community Mental Health Medicaid Trust). Any sub-account additions are the result of adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with GASB 54, those funds receiving 100% of revenue as a result of transfers from the General Fund are reported within the General Fund group.

Additionally, the Department reports the following fund types:

Governmental Fund Types:

Special Revenue – These funds are used to account for and report the proceeds of specific revenue sources that are *restricted or committed to expenditure for specified purposes* other than debt service or capital projects. The Department does not have any major special revenue funds to disclose.

Permanent – These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

Fiduciary Fund Types:

Private Purpose – These funds account for resources legally held in trust for use by individuals the Department serves. All resources of these funds, including any earnings on invested resources, may be used to support these individuals. There is no requirement that any portion of these resources be preserved as capital.

Agency – These funds account for receipts from individuals or groups of individuals at the Department's mental health and developmental centers, and schools, as well as electronic benefit transfers, and receipts from the Federal Government for transfer to other funds for social service programs. These funds are collected by the Department, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

(c) Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental grants. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include intergovernmental grants, charges for services, and interest and other investment income. All other revenue sources including fines and other miscellaneous revenues are considered to be measurable and available only when cash is received.

(d) Shared Fund Presentation

The financial statement presentation for the General Revenue, CMS vs AFSCME Wages Trust and Care Provider Fund for Persons with a Developmental Disability subaccounts of the General Fund, and the Tobacco Settlement Recovery and Maternal and Child Health Services Block Grant, non-major governmental funds, represents only the portion of the shared fund that can be directly attributed to the operations of the Department. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' Comprehensive Annual Financial Report. In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present the Department's portion of shared funds:

Unexpended appropriations – This "asset" account represents lapse period expenditure transactions processed by the State Comptroller's Office after June 30 annually in accordance with Statewide Accounting Management System (SAMS) records plus any liabilities relating to obligations re-appropriated to the subsequent fiscal year and voucher, interfund payment, and mandatory SAMS transfer transactions held by the State Comptroller's Office at June 30.

Appropriations from State resources – This "other financing source" account represents the final legally adopted appropriation according to SAMS records.

Lapsed appropriations – Lapsed appropriations are the legally adopted appropriations less net warrants issued for the 14 month period from July to August of the following year and re-appropriations to subsequent years according to SAMS records.

Receipts collected and transmitted to State Treasury – This "other financing use" account represents all cash receipts received during the fiscal year from SAMS records.

Amount of SAMS transfers-in – This "other financing source" account represents cash transfers made by the Office of the Comptroller in accordance with statutory provisions to the corresponding fund during the fiscal year per SAMS records in which the Department did not make a deposit into the State Treasury.

Amount of SAMS transfers-out – This "other financing use" account represents cash transfers made by the Office of the Comptroller in accordance with statutory provisions from the corresponding fund during the fiscal year per SAMS records in which a legally adopted appropriation was not charged.

(e) Eliminations

Eliminations have been made in the government-wide statement of net position to minimize the "grossing-up" effect on assets and liabilities within the governmental activities column of the Department. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide statement of net position. Amounts reported in the governmental funds balance sheet as receivable from or payable to fiduciary funds have been included in the government-wide statement of net position as receivable from and payable to external parties, rather than as internal balances.

(f) Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of less than 90 days at the time of purchase. Cash and cash equivalents include cash on hand, cash in banks, certificates of deposit, and money market accounts for locally held funds.

(g) Investments

Investments are reported at fair value. The Department holds investments pursuant to statutory authority for locally held funds.

(h) Inventories

For governmental funds, the Department recognizes the costs of inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories, consisting primarily of food and drugs maintained at the mental health and developmental centers, in governmental funds and are reported at weighted average cost. The remaining inventories are valued at replacement cost. Inventories reported in governmental funds do not reflect current appropriable resources, and therefore, the Department reports an equivalent portion of fund balance as nonspendable.

(i) Interfund Transactions

The Department has the following types of interfund transactions between Department funds and funds of other State agencies:

Interfund Borrowings – Interfund loans made in accordance with State statute that are to be repaid with interest to the lender fund. Interfund borrowings are reported as interfund receivables in lender funds and interfund payables in borrower funds.

Services Provided and Used – Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the governmental funds balance sheet or the government-wide statements of net position.

Designated Revenues – Revenues specifically restricted or committed by State statute initially received by another fund and subsequently distributed to a special revenue fund. Designated revenues are reported as revenues in the receiving special revenue fund and a reduction of revenues in the fund of initial deposit.

Reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – Flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

The Department also has activity with various component units of the State of Illinois for professional services received and payments for State and Federal programs.

(j) Capital Assets

Capital assets, which include property, plant, equipment, and intangibles are reported at cost or estimated historical cost based on appraisals. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated/amortized using the straight-line method.

Capitalization thresholds (amounts expressed in whole dollars) and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life (in Years)
Land	$ 100,000	N/A
Land Improvements	25,000	N/A
Site Improvements	25,000	3 - 50
Buildings	100,000	10 - 60
Building Improvements	25,000	10 - 45
Equipment	5,000	3 - 25
Purchased Computer Software	25,000	3 - 5
Internally Generated Computer Software	1,000,000	5 - 20

(k) Compensated Absences

The liability for compensated absences reported in the government-wide Statement of Net Position consists of unpaid, accumulated vacation and sick leave balances for Department employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability is calculated based on the employees' salary at June 30 and includes salary related costs (e.g., Social Security and Medicare taxes).

Legislation that became effective January 1, 1998, capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997, (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997, will be converted to service time for purposes of calculating employee pension benefits.

(l) Fund Balances

For year ending June 30, 2013, components of fund balance include the following captions:

Nonspendable – Fund balance component resulting from portions of net resources that cannot be spent because of their form or because they must be legally or contractually maintained intact.

Restricted – Fund balance component resulting from enforceable external limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.

Committed – Fund balance component resulting from self-imposed limitations set in place prior to the end of the reporting period. The limitations are imposed at the highest level of decision-making authority that requires formal action at the same level to remove. For the Department, the Office of the Governor is the highest level of decision-making. In order to commit fund balance for a specific purpose, the Office of the Governor must pass a resolution specifying the commitment.

Assigned – Fund balance component resulting from limitations on intended use established by the Department itself. The intended use is established by an official designated for that purpose. The Secretary of the Department has been designated by the Office of the Governor for this purpose.

Unassigned – Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned fund balance.

If there is an expenditure incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available, the Department considers restricted fund balance to be spent before unrestricted fund balance. In addition, if there is an expenditure incurred for which committed, assigned or unassigned fund balance may be used, the Department considers committed fund balance to be spent before assigned fund balance and assigned fund balance to be spent before unassigned fund balance.

(m) Net Position

Net position represent the difference between assets and liabilities. In the government-wide statement of net position, equity is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation/amortization, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The Department's restricted net position is restricted by outside parties or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that do not meet the definition of "restricted" or "Net Investment in Capital Assets".

(n) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Future Accounting Pronouncements

Effective for the year ending June 30, 2014, the Department will adopt GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Department has not yet determined the impact on the Department's financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2014, the Department will adopt GASB Statement No. 66, "Technical Correction – 2012" – an amendment of GASB Statement No. 10 and No. 62. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The Department has not yet determined the impact on the Department's financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2014, the Department will adopt GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of Statement No. 25, which is to improve financial reporting by state and local governmental pension plans. The Department has not yet determined the impact on the Department's financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2015, the Department will adopt GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of Statement No. 27, which is to improve financial reporting by state and local governmental pensions. The Department has not yet determined the impact on the Department's financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2015, the Department will adopt GASB Statement No. 69, Government Combinations and Disposals of Government Operations, which is to improve accounting and financial reporting for state and local governments' combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or a sale. The new standard provides guidance for:

- Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations;
- Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations;
- Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and

- Reporting the disposal of government operations that have been transferred or sold.

Effective for the year ending June 30, 2014, the Department will adopt GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The Department has not yet determined the impact on the Department's financial statements as a result of adopting this statement.

NOTE (3) - Deposits and Investments

(a) Deposits

The State Treasurer is the custodian of the Department's deposits and investments for funds maintained in the State Treasury. The Department manages deposits and investments maintained outside the State Treasury.

Deposits in the custody of the State Treasurer are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Department does not own individual securities. Details on the nature of these deposits and investments are available within the State of Illinois' Comprehensive Annual Financial Report.

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned. The Department is required by the State Officers and Employees Money Disposition Act (30 ILCS 230/2c) to obtain a bond, pledged securities, or other eligible collateral equal to or greater than the uninsured portion of the deposit. Deposits for locally-held funds of governmental activities had a carrying amount and a bank balance of \$4.479 and \$4.487 million at June 30, 2013, respectively. Deposits of locally-held funds of fiduciary funds had a carrying amount and a bank balance of \$2.263 million at June 30, 2013.

Of the total bank balances, \$2.9 million was exposed to custodial credit risk (amounts expressed in thousands) as follows:

Uninsured and collateral held by the pledging financial institution (but not in its trust department or agent) in the Department's name	\$ 900
Uninsured and collateral not held by the pledging financial institution in the Department's name	2,029
Total	\$ 2,929

(b) Investments

As of June 30, 2013, the Department had the following investments outside of the State Treasury:

Governmental Activities	Fair Value (Thousands)	Weighted Average Maturity (Years)
U.S. Treasury Notes	$ 10	6.000
U.S. Agency Obligations	48	5.000
Certificates of deposit	271	Various
Illinois Public Treasurers' Investment Pool	1,072	.117 years
Total Governmental Activities	$ 1,401	

Interest Rate Risk – The Department does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Department does not have an investment policy that limits investment choices. The U.S. Agency Obligations were rated AAA by Moody's Investors Services, AAA by Fitch Ratings, or AAA by Standard & Poor's ratings. The Illinois Public Treasurers' Investment Pool was rated AAAm by Standard & Poor's.

Reconciliation to Statement of Net Position and Statement of Fiduciary Net Position

The amounts reported as investments in the Statement of Net Position and the Statement of Fiduciary Net Position contain certain long-term deposits to reflect their lack of liquidity. A reconciliation (amounts expressed in thousands) follows:

Governmental Activities	Cash & Cash Equivalents/ Deposits	Investments
Amounts per note	$ 4,479	$ 1,401
Deposits held for investment purposes	(934)	934
Cash equivalents	127	(127)
Petty cash	30	-
Amounts per Statement of Net Position	$ 3,702	$ 2,208
Fiduciary Funds		
Amounts per note	$ 2,263	$ -
Deposits held for investment purposes	(830)	830
Petty cash	15	-
Amounts per Statement of Fiduciary Net Position	$ 1,448	$ 830

NOTE (4) - Other Receivables

Other receivables at June 30, 2013 (amounts expressed in thousands) consisted of the following:

	Governmental Funds		
Revenue Source	General Fund	Non-major Funds	Fiduciary Funds
Fines and fees	$ -	$ 1,739	$ -
Public assistance recoveries	9,070	765	-
Rebates	-	12,773	-
Recipient services	9,073	480,397	2
Investment and other income	33	8	-
Total other receivables	18,176	495,682	2
Allowance for uncollectible amounts	(16,872)	(448,386)	-
Other receivables, net	$ 1,304	$ 47,296	$ 2

NOTE (5) - Securities Lending Transactions

Under the authority of the Treasurer's published investment policy that was developed in accordance with State statute, the State Treasurer lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State Treasurer has, through a Securities Lending Agreement, authorized Deutsche Bank Group to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During fiscal year 2013, Deutsche Bank Group lent U.S. agency securities and U.S. Treasury Securities and received as collateral U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate market value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the market value to 100%.

The State Treasurer did not impose any restrictions during the fiscal year on the amount of the loans of available, eligible securities. In the event of borrower default, Deutsche Bank Group provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank Group is obligated to indemnify the State Treasurer if Deutsche Bank Group loses any securities, collateral or investments of the State Treasurer in Deutsche Bank Group's custody. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or Deutsche Bank Group.

During the fiscal year, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank Group and marked to market daily at no less than 102%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent.

In accordance with GASB Statement No. 28, paragraph 9, the Office of the State Treasurer has allocated the assets and obligations at June 30, 2013 arising from securities lending agreements to the various funds of the State. The amounts allocated to the Department were $88.124 million for governmental activities and $.686 million for fiduciary funds at June 30, 2013.

NOTE (6) - Interfund Balances and Activity

(a) Balances Due from/to Other Funds

The following balances (amounts expressed in thousands) at June 30, 2013 represent amounts due from other Department and State of Illinois funds:

	Due from Other			
Fund Type	**Department Funds**	**State Funds**	**State Fiduciary Funds**	**Description/Purpose**
General	$ 53,339	$ 47,750	$ -	See comment below.
Non-major governmental	15,585	3,118	-	See comment below.
Fiduciary	15	-	-	See comment below.
Totals	$ 68,939	$ 50,868	$ -	

General - Due from other Department funds for required transfers and expenditure reimbursements and other State funds for expenditure reimbursements.

Non-major governmental - Due from other Department funds for required transfers and expenditure reimbursements and other State funds for expenditure reimbursements.

Fiduciary - Due from other Department and State funds for expenditure reimbursements.

The following balances (amounts expressed in thousands) at June 30, 2013 represent amounts due to other Department and State of Illinois funds:

	Due to Other				
Fund Type	**Department Funds**	**State Funds**	**Department Fiduciary Funds**	**State Fiduciary Funds**	**Description/Purpose**
General	$ 15,585	$ 36,651	$ 15	$ 12,651	See comment below.
Non-major governmental	53,339	9,221	-	5,303	See comment below.
Totals	$ 68,924	$ 45,872	$ 15	$ 17,954	

General - Due to other Department funds and other Department fiduciary funds for expenditure reimbursements, other State funds for expenditure reimbursements, and other State fiduciary funds for postemployment benefits.

Non-major governmental - Due to other Department funds for required transfers and expenditure reimbursements, other State funds for expenditure reimbursements, and other State fiduciary funds for postemployment benefits.

(b) Transfers from/to Other Funds

Interfund transfers-in (amounts expressed in thousands) for the year ended June 30, 2013, were as follows:

	Transfers-in from Other		
Fund Type	**Department Funds**	**State Funds**	**Description/Purpose**
General	$ 3,488	$ 20,006	Transfer from other Department funds and other State funds pursuant to statute.
Non-major governmental	86,173	12,426	Transfers from other Department funds and other State funds pursuant to statute and annual appropriations bill.
Totals	$ 89,661	$ 32,432	

Interfund transfers-out (amounts expressed in thousands) for the year ended June 30, 2013, were as follows:

	Transfers-out to Other		
Fund Type	**Department Funds**	**State Funds**	**Description/Purpose**
General	$ 86,173	$ 10,390	Transfers to other Department funds pursuant to statute and to other State funds for State budget shortfalls.
Non-major governmental	3,488	103	Transfers to other Department funds pursuant to statute.
Totals	$ 89,661	$ 10,493	

(c) Balances due from/to State of Illinois Component Units

The following balances (amounts expressed in thousands) at June 30, 2013 represent amounts due from/to State of Illinois component units for reimbursement for expenses incurred:

	Due from	Due to	
Component Unit	**Non-major Governmental Funds**	**General Fund**	**Non-major Governmental Funds**
Toll Highway Authority	$ -	$ 2	$ -
Illinois Housing Dev Authority	-	-	-
Chicago State University	-	-	57
Eastern Illinois University	9	23	44
Governors State University	-	6	50
Northeastern Illinois University	1	26	19
Western Illinois University	-	6	104
Illinois State University	-	-	-
Northern Illinois University	-	18	3
Southern Illinois University	-	150	532
University of Illinois	784	885	5,552
Totals	$ 794	$ 1,116	$ 6,361

NOTE (7) - Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Net Transfers	Balance June 30, 2013
Capital assets not being depreciated/amortized:					
Land and land improvements	$ 3,248	$ -	$ (172)	$ (427)	$ 2,993
Internally generated intangible assets in development	11,034	4,699	-	(2,130)	13,603
Total capital assets not being depreciated/amortized	14,282	4,699	(172)	(2,557)	16,596
Capital assets being depreciated/amortized:					
Site improvements	109,329	224	-	(23,509)	86,044
Buildings and building improvements	682,563	-	(3,155)	(136,130)	549,588
Equipment	35,178	1,265	1,069	(2,060)	33,314
Capital leases - equipment	1,020	175	15	-	1,180
Non-internally generated software	204	-	-	-	204
Internally generated software	5,628	-	-	-	5,628
Total capital assets being depreciated/amortized	833,922	1,664	(2,071)	(161,699)	675,958
Less accumulated depreciation/amortization:					
Site improvements	89,811	3,318	-	(20,068)	73,061
Buildings and building improvements	511,210	16,857	(4,652)	(124,542)	408,177
Equipment	24,993	4,061	5,507	(412)	23,135
Capital leases - equipment	319	381	15	-	685
Non-internally generated software	67	41	-	-	108
Internally generated software	844	563	-	-	1,407
Total accumulated depreciation/amortization	627,244	25,221	870	(145,022)	506,573
Total capital assets being depreciated/amortized, net	206,678	(23,557)	(2,941)	(16,677)	169,385
Total capital assets, net	$ 220,960	$ (18,858)	$ (3,113)	$ (19,234)	$ 185,981

Depreciation expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2013 was charged as follows:

Health and social services	$ 25,221

During fiscal year 2002, the Department closed the Lincoln Developmental Center. During fiscal year 2013, the Department transferred the Lincoln Developmental Center to the Department of Central Management Services.

During fiscal year 2013, the Department closed the Tinley Park Mental Health Center, Jacksonville Developmental Center and the Singer Mental Health Center facilities. These facilities were transferred to the Department of Central Management Services.

NOTE (8) - Long-term Obligations

(a) Changes in Long-term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2013, were as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts Due Within One Year
Other long-term obligations:					
Compensated absences	$68,440	$ 89,519	$ 93,193	$64,766	$ 2,590
Capital lease obligations	738	175	374	539	356
Installment purchase obligations	35	-	17	18	18
Totals	$69,213	$ 89,694	$ 93,584	$65,323	$ 2,964

Compensated absences will be liquidated by the applicable governmental funds that account for the salaries and wages of the related employees.

(b) Capital Lease Obligations

The Department leases office and computer equipment with a historical cost and accumulated depreciation (amounts expressed in thousands) of $1,180 and $ 685, respectively, under capital lease arrangements. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered non-cancelable leases for financial reporting. Future minimum lease payments (amounts expressed in thousands) at June 30, 2013 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 356	$ 35	$ 391
2015	161	8	169
2016	22	2	24
Totals	$ 539	$ 45	$ 584

(c) Installment Purchase Obligations

The Department has acquired certain office equipment, computer equipment, and other assets through installment purchase arrangements. Future debt service requirements under installment purchase contracts (amounts expressed in thousands) at June 30, 2013, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 18	$ -	$ 18
Totals	$ 18	$ -	$ 18

NOTE (9) - Pension Plan

Substantially all of the Department's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2013 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. The SERS issues a separate CAFR that may be obtained by writing to the SERS; 2101 South Veterans Parkway; Springfield, Illinois, 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

The Department pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2013, the employer contribution rate was 37.987%.

NOTE (10) - Post-employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998 and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998 the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expense by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing to the Department of Central Management Services; William G. Stratton Building, 401 S. Spring St., Springfield, Illinois, 62706.

NOTE (11) - Fund Balances

(a) Categories

At June 30, 2013, the Department's fund balances were classified as follows:

	General Fund	Non-major Governmental Funds	Total
Nonspendable:			
Inventory	$ 7,345	$ 166	$ 7,511
Permanent endowments	-	1,162	1,162
Total nonspendable	7,345	1,328	8,673
Restricted purposes:			
Health and social services	41,858	14,800	56,658
Committed purposes:			
Health and social services	75,787	28,933	104,720
Unassigned	(61,819)	(12,036)	(73,855)
Total fund balances	$ 63,171	$ 33,025	$ 96,196

(b) Fund Deficits

The General Revenue, CMS vs AFSCME Wages Trust and Care Provider Fund for Persons with a Developmental Disability subaccounts of the General Fund had fund deficits (amounts expressed in thousands) of $54,326, $140, and $8, respectively at June 30, 2013. The Vocational Rehabilitation, Federal National Community Services, Gaining Early Awareness and Readiness for Undergraduate Programs, Early Intervention Services Revolving, and Alcoholism and Substance Abuse non-major governmental funds had fund deficits (amounts expressed in thousands) of $10,924, $160, $48, $640 and $98, respectively at June 30, 2013.

The deficit in the General Fund will be eliminated through the collection and allocation of future State revenues to the Department. The deficits in the non-major governmental funds will be eliminated by future recognition of earned but unavailable revenues and from future revenues.

NOTE (12) - Risk Management

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; aviation liability; auto liability; workers compensation; and natural disasters. The State retains the risk of loss (i.e. self-insured) for these risks.

NOTE (13) - Commitments and Contingencies

(a) Operating Leases

The Department leases office facilities, office equipment, and computer equipment under the terms of non-cancelable operating lease agreements that require the Department to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases was $.337 million for the year ended June 30, 2013.

The following is a schedule of future minimum lease payments under operating leases (amounts expressed in thousands):

Year Ending June 30,	Amount
2014	$ 337
2015	243
2016	-
2017	-
2018	-
Total	$ 580

(b) Federal Funding

The Department receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants and subject to repayment by the Department. Generally, no provision for repayment is recorded until the federal grantor agency has determined a repayment is necessary. Identified questioned costs are reported in the State of Illinois Single Audit Report. A copy of the report may be obtained by contacting the State of Illinois Office of the Auditor General; Iles Park Plaza; 740 East Ash Street; Springfield, IL 62703-3154.

For federal grant programs in which questioned costs could be determined, the State of Illinois Single Audit Reports for the years ended June 30, 2012 and June 30, 2011 included nominal questioned costs. Management of the Department disagrees with the determination of questioned costs and has provided documentation supporting their position to the federal grantor agency conducting the review. The Department expects questioned costs to be reported in the State of Illinois Single Audit Report for the year ended June 30, 2013.

(c) Litigation

The Department has been named as a defendant in the cases disclosed in the following paragraphs. For each described case, there is a likelihood of a negative outcome, although the amount of the liability is uncertain and no cost has been recognized in the Department's financial statements for the year ended June 30, 2013. The cost of adverse outcomes in such cases often require the Department to commit future financial resources to satisfy the terms of the Consent Decree.

Ligas v. Hamos is a complaint for declaratory and injunctive relief filed against the Department and the Department of Healthcare and Family Services by individuals with developmental disabilities who claim violation of various statutes in connection with defendants' alleged failure to provide them with appropriate services sufficient to permit them to live in more integrated settings. A Consent Decree has been approved by the Court and the parties agreed on an implementation plan in February 2012. The Ligas case is estimated to cost the Department $71.8 million in State Fiscal Year 2014.

Williams v. Quinn is a complaint for declaratory relief and injunctive relief filed against the Office of the Governor, the Department, the Department of Healthcare and Family Services and the Department of Public Health. A Consent Decree and an implementation plan have been approved by the Court. The Williams case is estimated to cost the Department $46.8 million in State Fiscal Year 2014.

In addition, the Department is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these matters is not expected to have any material adverse effect on the financial position or results of operations of the Department.

(d) Prompt Pay Penalty

The Prompt Payment Penalty liability amount has not been paid from fiscal year 2010 through fiscal year 2013 to eligible vendors for claims adjudicated by the Department of Healthcare and Family Services. The liability is calculated at 2% per month for any proper bill presented after 60 days for fiscal years 2010 and 2011. For fiscal years 2012 and 2013, the liability is calculated at 1 percent per month for unpaid invoices that have aged at least 90 days. In order for vendors to recoup the amounts owed them, a Court of Claims action must be filed with the Secretary of State. The liability is contingent on claims filed by vendors. The Department estimates the maximum of $8.8 million could be filed with the Secretary of State Court of Claims for payment of the Prompt Payment Penalty.

NOTE (14) – Subsequent Events

The Department is in the process of closing the Murray Developmental Center facility. The closure is anticipated to occur during FY2014. Public hearings have been held regarding the expected closure; however, the closure date is subject to change due to the availability of appropriations, the movement of residents to other facilities and other factors impacting the decision making process.

NOTE (15) – Transfer of Administration of funds from other state agencies

Effective July 1, 2012, two special revenue governmental funds were transferred to DHS from other state agencies. The Autism Awareness Fund #0458 and the Special Olympics Illinois Fund #0623 were part of other State agencies in State fiscal year 2012 and were transferred to DHS in fiscal year 2013 in the amounts of $16 thousand and $50 thousand, respectively. A transfer of administration of funds from other state agencies in the amount of $66 thousand is reflected on the Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances.

NOTE (16) – Prior Period Adjustment

During the fiscal year, it was determined that DHS did not record certain inter-fund activity in accordance with State statute. As such, a prior period adjustment was recorded in the General Fund and the DHS Recoveries Trust Fund #921 to account for the activity from the prior year. The effect of the restatement on net position is presented below:

General Fund:		
Net Position, June 30, 2012 as previously reported	$	(140,958)
Restatement for inter-fund activity		(4,011)
Restated Net Position, July 1, 2012	$	(144,969)
DHS Recoveries Fund:		
Net Position, June 30, 2012 as previously reported	$	-
Restatement for inter-fund activity		4,011
Restated Net Position, July 1, 2012	$	4,011

This adjustment had no net prior year effect on the Agency's assets and liabilities for governmental activities.

NOTE (17) – Fund Reclassification

During the fiscal year, the Agency reclassified the DHS Recoveries Trust Fund #921 from a General Fund subaccount to a Special Revenue Fund. This reclassification moved the assets and liabilities of the fund from the General Fund to a Special Revenue Fund. This reclassification had no effect on the Agency's assets and liabilities for governmental activities.

SUPPLEMENTARY INFORMATION

Combining Schedule of Accounts - General Fund

June 30, 2013 (Expressed in Thousands)

	General Revenue 0001	Illinois Veterans' Rehabilitation 0036	Home Services Medicaid Trust 0120	Community DD Services Medicaid Trust 0142	CMS vs AFSCME Wages Trust 0168	Care Provider Fund for Persons with a Developmental Disability 0344	Health and Human Services Medicaid Trust 0365	Community Mental Health Medicaid Trust 0718	Eliminations	Total
ASSETS										
Unexpended appropriations	$ 449,350	$ -	$ -	$ -	$ 20,100	$ 12	$ -	$ -	$ -	$ 469,462
Cash equity with State Treasurer	689	232	25,179	3,311	-	-	9,461	44,858	-	83,730
Cash and cash equivalents	214	-	-	-	-	-	-	-	-	214
Securities lending collateral equity with State Treasurer	-	-	31,924	2,771	-	-	6,803	29,692	-	71,190
Due from other government - federal	108,544	-	34,356	5,074	-	-	804	15,721	-	164,499
Other receivables, net	1,271	-	15	1	-	-	3	14	-	1,304
Due from other Department funds	53,282	1,645	-	-	-	-	-	-	(1,588)	53,339
Due from other State funds	6	-	-	36,456	-	-	11,288	-	-	47,750
Inventories	7,345	-	-	-	-	-	-	-	-	7,345
Total assets	$ 620,701	$ 1,877	$ 91,474	$ 47,613	$ 20,100	$ 12	$ 28,359	$ 90,285	$ (1,588)	$ 898,833
LIABILITIES										
Accounts payable and accrued liabilities	$ 432,790	$ 821	$ 32,497	$ 2,134	$ 13,975	$ 20	$ 3,057	$ 5,860	$ -	$ 491,154
Due to other government - federal	6,801	15	-	-	1,030	-	-	5	-	7,851
Due to other government - local	10,941	41	81	1	-	-	34	374	-	11,472
Due to other Department fiduciary funds	15	-	-	-	-	-	-	-	-	15
Due to other State fiduciary funds	7,318	75	-	-	5,235	-	-	23	-	12,651
Due to other Department funds	17,173	-	-	-	-	-	-	-	(1,588)	15,585
Due to other State funds	34,964	30	49	-	-	-	-	1,608	-	36,651
Due to State of Illinois component units	1,016	59	41	-	-	-	-	-	-	1,116
Unavailable revenue	100,047	-	17,505	849	-	-	804	4,810	-	124,015
Unearned revenue	63,962	-	-	-	-	-	-	-	-	63,962
Obligations under securities lending of State Treasurer	-	-	31,924	2,771	-	-	6,803	29,692	-	71,190
Total liabilities	675,027	1,041	82,097	5,755	20,240	20	10,698	42,372	(1,588)	835,662
FUND BALANCES (DEFICITS)										
Nonspendable	7,345	-	-	-	-	-	-	-	-	7,345
Restricted	-	-	-	41,858	-	-	-	-	-	41,858
Committed	-	836	9,377	-	-	-	17,661	47,913	-	75,787
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(61,671)	-	-	-	(140)	(8)	-	-	-	(61,819)
Total fund balances (deficits)	(54,326)	836	9,377	41,858	(140)	(8)	17,661	47,913	-	63,171
Total liabilities and fund balances (deficits)	$ 620,701	$ 1,877	$ 91,474	$ 47,613	$ 20,100	$ 12	$ 28,359	$ 90,285	$ (1,588)	$ 898,833

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund

For the Year Ended June 30, 2013 (Expressed in Thousands)

	General Revenue 0001	Illinois Veterans' Rehabilitation 0036	Home Services Medicaid Trust 0120	Community DD Services Medicaid Trust 0142	CMS vs AFSCME Wages Trust 0168	Care Provider Fund for Persons with a Developmental Disability 0344	Health and Human Services Medicaid Trust 0365	Community Mental Health Medicaid Trust 0718	Eliminations	Total
REVENUES										
Federal operating grants	$ 127,956	$ -	$ 246,000	$ 55,551	$ -	$ -	$ 14,222	$ 80,385	$ -	$ 524,114
Licenses and fees	98	-	-	-	-	-	-	-	-	98
Interest and investment income	-	-	173	46	-	-	53	134	-	406
Other charges for services	190	-	-	-	-	-	-	-	-	190
Other revenues, net of refunds	(197)	59	-	-	-	-	-	-	-	(138)
Total revenues	128,047	59	246,173	55,597	-	-	14,275	80,519	-	524,670
EXPENDITURES										
Health and social services	3,203,909	5,071	236,796	29,544	20,240	7,780	37,001	77,167	-	3,617,508
Debt service - principal	356	-	-	-	-	-	-	-	-	356
Debt service - interest	73	-	-	-	-	-	-	-	-	73
Capital outlays	3,488	-	-	-	-	-	-	-	-	3,488
Total expenditures	3,207,826	5,071	236,796	29,544	20,240	7,780	37,001	77,167	-	3,621,425
Excess (deficiency) of revenues over (under) expenditures	(3,079,779)	(5,012)	9,377	26,053	(20,240)	(7,780)	(22,726)	3,352	-	(3,096,755)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES										
Appropriations from State resources	3,497,802	-	-	-	20,240	52,000	-	-	-	3,570,042
Lapsed appropriations	(33,555)	-	-	-	(140)	(18,305)	-	-	-	(52,000)
Receipts collected and transmitted to State Treasury	(112,553)	-	-	-	(20,240)	-	-	-	-	(132,793)
Amount of SAMS transfers-in	(67,939)	-	-	-	-	-	-	-	-	(67,939)
Amount of SAMS transfers-out	3,969	-	-	-	-	-	-	-	-	3,969
Transfers-in	38	4,763	-	-	20,240	-	20,000	-	(21,547)	23,494
Transfers-out	(116,364)	(111)	-	-	-	-	-	(1,635)	21,547	(96,563)
Capital lease and installment purchase financing	151	-	-	-	-	-	-	-	-	151
Net other sources (uses) of financial resources	3,171,549	4,652	-	-	20,100	33,695	20,000	(1,635)	-	3,248,361
Net change in fund balances	91,770	(360)	9,377	26,053	(140)	25,915	(2,726)	1,717	-	151,606
Fund balances (deficits), July 1, 2012 (as restated)	(144,969)	1,196	-	15,805	-	(25,923)	20,387	46,196	-	(87,308)
Decrease for change in inventories	(1,127)	-	-	-	-	-	-	-	-	(1,127)
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ (54,326)	$ 836	$ 9,377	$ 41,858	$ (140)	$ (8)	$ 17,661	$ 47,913	$ -	$ 63,171

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed In Thousands)

	Special Revenue						
	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant 0013	Group Home Loan Revolving 0025	Mental Health 0050	Vocational Rehabilitation 0081	Assistance to the Homeless 0100	Youth Alcoholism and Substance Abuse Prevention 0128	Children's Wellness Charities 0178
ASSETS							
Unexpended appropriations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash equity with State Treasurer	437	65	17,221	2,571	378	4	33
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	44	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	6,550	-	2,306	7,044	-	-	-
Due from other government - local	-	-	-	-	-	-	-
Taxes receivable, net	-	-	200	-	-	-	-
Other receivables, net	-	-	1,371	765	-	-	-
Loans and notes receivable, net	-	36	-	-	-	-	-
Due from other Department funds	-	-	-	2,679	-	-	-
Due from other State funds	-	-	1,630	-	2	1,089	1
Due from State of Illinois component units	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	$ 6,987	$ 145	$ 22,728	$ 13,059	$ 380	$ 1,093	$ 34
LIABILITIES							
Accounts payable and accrued liabilities	$ 6,107	$ -	$ 6,715	$ 12,310	$ -	$ 192	$ -
Due to other government - federal	16	-	271	328	-	-	-
Due to other government - local	333	-	72	1,741	-	49	-
Due to other State fiduciary funds	78	-	1,505	1,648	-	-	-
Due to other Department funds	-	-	-	251	-	-	-
Due to other State funds	162	-	874	1,238	-	-	-
Due to State of Illinois component units	291	-	43	666	-	-	-
Unavailable revenue	-	-	594	4,158	-	-	-
Unearned revenue	-	-	-	1,643	-	-	-
Obligations under securities lending of State Treasurer	-	44	-	-	-	-	-
Total liabilities	6,987	44	10,074	23,983	-	241	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	101	-	-	-	-	34
Committed	-	-	12,654	-	380	852	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(10,924)	-	-	-
Total fund balances (deficits)	-	101	12,654	(10,924)	380	852	34
Total liabilities and fund balances (deficits)	$ 6,987	$ 145	$ 22,728	$ 13,059	$ 380	$ 1,093	$ 34

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Housing for Families Fund 0181	Diabetes Research Check-off 0198	Autism Research Check-off 0228	Drunk and Drugged Driving Prevention 0276	Federal National Community Services 0343	Employment and Training 0347	Drug Treatment 0368
ASSETS							
Unexpended appropriations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash equity with State Treasurer	40	110	64	217	664	483	1,703
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	46	44	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	-	-	-	343	30,380	-
Due from other government - local	-	-	-	-	-	-	158
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-
Due from other State funds	1	1	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	$ 41	$ 157	$ 108	$ 217	$ 1,007	$ 30,863	$ 1,861
LIABILITIES							
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 119	$ 687	$ 30,601	$ 129
Due to other government - federal	-	-	-	3	-	-	2
Due to other government - local	-	-	-	7	228	97	-
Due to other State fiduciary funds	-	-	-	15	1	-	13
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	-	-	63	-	12	4
Due to State of Illinois component units	-	-	-	10	55	153	-
Unavailable revenue	-	-	-	-	160	-	-
Unearned revenue	-	-	-	-	36	-	-
Obligations under securities lending of State Treasurer	-	46	44	-	-	-	-
Total liabilities	-	46	44	217	1,167	30,863	148
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	41	-	64	-	-	-	-
Committed	-	111	-	-	-	-	1,713
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(160)	-	-
Total fund balances (deficits)	41	111	64	-	(160)	-	1,713
Total liabilities and fund balances (deficits)	$ 41	$ 157	$ 108	$ 217	$ 1,007	$ 30,863	$ 1,861

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Sexual Assault Services 0389	Gaining Early Awareness and Readiness for Undergraduate Programs 0394	DHS Special Purposes Trust 0408	Autism Awareness Fund 0458	Old Age Survivors Insurance 0495	Early Intervention Services Revolving 0502	DHS Community Services 0509
ASSETS							
Unexpended appropriations	$ -	$ -	$ -		$ -	$ -	$ -
Cash equity with State Treasurer	75	8,134	89,670	27	547	9,018	12,427
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	-	5,556	-	-	-	2,442	8,792
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	48	19,726	-	5,481	18,444	-
Due from other government - local	3	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	3	2	-	-	125	4
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	12,904	-
Due from other State funds	-	-	214	-	-	58	-
Due from State of Illinois component units	-	-	8	-	-	-	-
Inventories	-	-	-	-	166	-	-
Total assets	$ 78	$ 13,741	$ 109,620	$ 27	$ 6,194	$ 42,991	$ 21,223
LIABILITIES							
Accounts payable and accrued liabilities	$ -	$ 3	$ 22,124	$ -	$ 4,089	$ 32,413	$ 913
Due to other government - federal	-	-	75	-	247	6	-
Due to other government - local	-	-	1,386	-	3	532	7
Due to other State fiduciary funds	-	2	415	-	1,195	28	-
Due to other Department funds	-	-	45,443	-	-	-	-
Due to other State funds	-	1	916	-	660	28	-
Due to State of Illinois component units	-	5	1,763	-	-	93	81
Unavailable revenue	-	48	1,552	-	-	4,267	-
Unearned revenue	-	8,174	32,719	-	-	3,822	-
Obligations under securities lending of State Treasurer	-	5,556	-	-	-	2,442	8,792
Total liabilities	-	13,789	106,393	-	6,194	43,631	9,793
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	166	-	-
Restricted	-	-	3,227	27	-	-	-
Committed	78	-	-	-	-	-	11,430
Assigned	-	-	-	-	-	-	-
Unassigned	-	(48)	-	-	(166)	(640)	-
Total fund balances (deficits)	78	(48)	3,227	27	-	(640)	11,430
Total liabilities and fund balances (deficits)	$ 78	$ 13,741	$ 109,620	$ 27	$ 6,194	$ 42,991	$ 21,223

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Domestic Violence Abuser Services 0528	DHS Federal Projects 0592	Special Olympics Illinois Fund 0623	DHS State Projects 0642	Alcoholism and Substance Abuse 0646	DHS Private Resources 0690	U.S.D.A. Women Infants and Children 0700
ASSETS							
Unexpended appropriations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash equity with State Treasurer	65	2,743	6	6,276	764	2,994	3,434
Cash and cash equivalents	-	-	-	-	-	-	2,129
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	969	-	-	481	-	395
Due from other government - local	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	12,821
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-
Due from other State funds	-	-	-	-	-	-	-
Due from State of Illinois component units	-	86	-	-	3	-	-
Inventories	-	-	-	-	-	-	-
Total assets	$ 65	$ 3,798	$ 6	$ 6,276	$ 1,248	$ 2,994	$ 18,779
LIABILITIES							
Accounts payable and accrued liabilities	$ -	$ 1,936	$ -	$ 1,752	$ 593	$ 171	$ 11,659
Due to other government - federal	-	4	-	-	5	-	18
Due to other government - local	-	604	-	18	-	-	1,943
Due to other State fiduciary funds	-	17	-	-	5	2	133
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	220	-	4,489	23	-	187
Due to State of Illinois component units	-	406	-	17	48	-	51
Unavailable revenue	-	-	-	-	98	-	-
Unearned revenue	-	611	-	-	574	2,821	4,788
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-
Total liabilities	-	3,798	-	6,276	1,346	2,994	18,779
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	6	-	-	-	-
Committed	65	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(98)	-	-
Total fund balances (deficits)	65	-	6	-	(98)	-	-
Total liabilities and fund balances (deficits)	$ 65	$ 3,798	$ 6	$ 6,276	$ 1,248	$ 2,994	$ 18,779

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Hunger Relief 0706	Tobacco Settlement Recovery 0733	Local Initiative 0762	Rehabilitation Services Elementary and Secondary Education Act 0798	Farmer's Market Technology Improvement Fund 0864	Domestic Violence Shelter and Service 0865	Maternal and Child Health Services Block Grant 0872
ASSETS							
Unexpended appropriations	$ -	$ 149	$ -	$ -	$ -	$ -	$ 3,355
Cash equity with State Treasurer	64	-	5,577	529	6	1,123	-
Cash and cash equivalents	-	-	-	-	-	-	-
Securities lending collateral equity with State Treasurer	10	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	-	-	-	-	-	4,405
Due from other government - local	-	-	-	-	-	20	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-
Due from other State funds	1	-	-	112	-	-	-
Due from State of Illinois component units	-	-	-	-	-	-	689
Inventories	-	-	-	-	-	-	-
Total assets	$ 75	$ 149	$ 5,577	$ 641	$ 6	$ 1,143	$ 8,449
LIABILITIES							
Accounts payable and accrued liabilities	$ -	$ 135	$ 1,948	$ 68	$ 6	$ 52	$ 817
Due to other government - federal	-	-	5	1	-	-	7
Due to other government - local	-	3	335	-	-	49	1,031
Due to other State fiduciary funds	-	-	23	4	-	-	34
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	-	54	1	-	14	25
Due to State of Illinois component units	-	11	130	-	-	-	2,538
Unavailable revenue	-	-	-	-	-	-	763
Unearned revenue	-	-	3,082	-	-	-	-
Obligations under securities lending of State Treasurer	10	-	-	-	-	-	-
Total liabilities	10	149	5,577	74	6	115	5,215
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	567	-	-	3,234
Committed	65	-	-	-	-	1,028	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	65	-	-	567	-	1,028	3,234
Total liabilities and fund balances (deficits)	$ 75	$ 149	$ 5,577	$ 641	$ 6	$ 1,143	$ 8,449

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Community Mental Health Services Block Grant 0876	Youth Drug Abuse Prevention 0910	Juvenile Justice Trust 0911	DHS Recoveries Trust 0921	DHS Other Special Trusts 1139	DHS Commissary Funds 1140	DHS Rehabilitation 1144
ASSETS							
Unexpended appropriations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash equity with State Treasurer	221	557	650	13,260	-	-	-
Cash and cash equivalents	-	-	-	-	766	9	47
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-
Investments	-	-	-	-	856	-	-
Due from other government - federal	2,861	-	-	-	35	-	-
Due from other government - local	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	32,182	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	-	-	-	-
Due from other State funds	-	-	9	-	-	-	-
Due from State of Illinois component units	-	-	8	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	$ 3,082	$ 557	$ 667	$ 45,442	$ 1,657	$ 9	$ 47
LIABILITIES							
Accounts payable and accrued liabilities	$ 2,877	$ -	$ 157	$ 943	$ -	$ -	$ 4
Due to other government - federal	3	-	-	1,202	-	-	4
Due to other government - local	185	-	22	-	-	-	-
Due to other State fiduciary funds	13	-	1	171	-	-	-
Due to other Department funds	-	-	-	7,644	-	1	-
Due to other State funds	4	-	133	113	-	-	-
Due to State of Illinois component units	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	30,675	-	-	-
Unearned revenue	-	-	354	-	-	1	-
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-
Total liabilities	3,082	-	667	40,748	-	2	8
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	4,694	1,657	7	39
Committed	-	557	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	-	557	-	4,694	1,657	7	39
Total liabilities and fund balances (deficits)	$ 3,082	$ 557	$ 667	$ 45,442	$ 1,657	$ 9	$ 47

State of Illinois

Department of Human Services

Combining Balance Sheet - Non-major Governmental Funds

June 30, 2013 (Expressed in Thousands)

	Special Revenue				Permanent Trust			
	DHS/DORS Special Revenue 1149	Food Stamp and Commodity 1245	Vending Facility Program for the Blind 1385	Assets for Independence 1391	DHS/DORS Permanent Trust 1150	Burr Bequest 1272	Eliminations	Total
ASSETS								
Unexpended appropriations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,504
Cash equity with State Treasurer	-	-	-	-	-	-	-	182,157
Cash and cash equivalents	161	-	214	-	87	75	-	3,488
Securities lending collateral equity with State Treasurer	-	-	-	-	-	-	-	16,934
Investments	78	-	-	-	329	945	-	2,208
Due from other government - federal	-	-	-	-	-	-	-	99,468
Due from other government - local	89	-	-	-	-	-	-	270
Taxes receivable, net	-	-	-	-	-	-	-	200
Other receivables, net	-	-	23	-	-	-	-	47,296
Loans and notes receivable, net	-	-	287	-	-	-	-	323
Due from other Department funds	167	-	-	-	-	-	(165)	15,585
Due from other State funds	-	-	-	-	-	-	-	3,118
Due from State of Illinois component units	-	-	-	-	-	-	-	794
Inventories	-	-	-	-	-	-	-	166
Total assets	$ 495	$ -	$ 524	$ -	$ 416	$ 1,020	$ (165)	$ 375,511
LIABILITIES								
Accounts payable and accrued liabilities	$ -	$ -	$ 26	$ -	$ -	$ -	$ -	$ 139,546
Due to other government - federal	-	-	-	-	-	-	-	2,197
Due to other government - local	-	-	-	-	-	-	-	8,645
Due to other State fiduciary funds	-	-	-	-	-	-	-	5,303
Due to other Department funds	-	-	-	-	165	-	(165)	53,339
Due to other State funds	-	-	-	-	-	-	-	9,221
Due to State of Illinois component units	-	-	-	-	-	-	-	6,361
Unavailable revenue	-	-	-	-	-	-	-	42,315
Unearned revenue	-	-	-	-	-	-	-	58,625
Obligations under securities lending of State Treasurer	-	-	-	-	-	-	-	16,934
Total liabilities	-	-	26	-	165	-	(165)	342,486
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	217	945	-	1,328
Restricted	495	-	498	-	34	75	-	14,800
Committed	-	-	-	-	-	-	-	28,933
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(12,036)
Total fund balances (deficits)	495	-	498	-	251	1,020	-	33,025
Total liabilities and fund balances (deficits)	$ 495	$ -	$ 524	$ -	$ 416	$ 1,020	$ (165)	$ 375,511

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant 0013	Group Home Loan Revolving 0025	Mental Health 0050	Vocational Rehabilitation 0081	Assistance to the Homeless 0100	Youth Alcoholism and Substance Abuse Prevention 0128	Children's Wellness Charities 0178
REVENUES							
Federal operating grants, net of refunds	$ 66,909	$ -	$ -	$ 111,427	$ -	$ -	$ -
Licenses and fees, net of refunds	-	-	-	-	-	1,089	-
Interest and investment income	-	-	-	-	-	-	-
Other charges for services, net of refunds	-	-	27,146	435	-	-	-
Other operating grants	-	-	-	-	-	-	-
Other taxes	-	-	902	-	-	-	-
Other revenues	-	-	-	3,930	119	-	34
Total revenues	66,909	-	28,048	115,792	119	1,089	34
EXPENDITURES							
Health and social services	66,832	25	49,783	122,109	-	650	-
Debt service - principal	1	-	-	29	-	-	-
Debt service - interest	-	-	-	9	-	-	-
Capital outlays	-	-	206	175	-	-	-
Total expenditures	66,833	25	49,989	122,322	-	650	-
Excess (deficiency) of revenues over (under) expenditures	76	(25)	(21,941)	(6,530)	119	439	34
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	24	76	1,501	-	-	-
Transfers-out	(76)	-	(210)	(1,970)	-	-	-
Transfer of administration of funds from other state agencies	-	-	-	-	-	-	-
Capital lease and installment purchase financing	-	-	-	18	-	-	-
Net other sources (uses) of financial resources	(76)	24	(134)	(451)	-	-	-
Net change in fund balances	-	(1)	(22,075)	(6,981)	119	439	34
Fund balances (deficits), July 1, 2012 (as restated)	-	102	34,729	(3,943)	261	413	-
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ -	$ 101	$ 12,654	$ (10,924)	$ 380	$ 852	$ 34

State of Illinois
Department of Human Services

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Housing for Families Fund 0181	Diabetes Research Check-off 0198	Autism Research Check-off 0228	Drunk and Drugged Driving Prevention 0276	Federal National Community Services 0343	Employment and Training 0347	Drug Treatment 0368
REVENUES							
Federal operating grants, net of refunds	$ -	$ -	$ -	$ -	$ 8,575	$ 495,202	$ -
Licenses and fees, net of refunds	-	-	-	1,718	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other charges for services, net of refunds	-	-	-	-	-	-	3,632
Other operating grants	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Other revenues	41	53	-	-	-	-	-
Total revenues	41	53	-	1,718	8,575	495,202	3,632
EXPENDITURES							
Health and social services	-	53	-	1,805	8,565	495,202	3,382
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	-	53	-	1,805	8,565	495,202	3,382
Excess (deficiency) of revenues over (under) expenditures	41	-	-	(87)	10	-	250
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	(124)	(1)	-	(21)
Transfer of administration of funds from other state agencies	-	-	-	-	-	-	-
Capital lease and installment purchase financing	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	-	-	-	(124)	(1)	-	(21)
Net change in fund balances	41	-	-	(211)	9	-	229
Fund balances (deficits), July 1, 2012 (as restated)	-	111	64	211	(169)	-	1,484
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ 41	$ 111	$ 64	$ -	$ (160)	$ -	$ 1,713

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Sexual Assault Services 0389	Gaining Early Awareness and Readiness for Undergraduate Programs 0394	DHS Special Purposes Trust 0408	Autism Awareness Fund 0458	Old Age Survivors Insurance 0495	Early Intervention Services Revolving 0502	DHS Community Services 0509
REVENUES							
Federal operating grants, net of refunds	$ -	$ 2,413	$ 261,296	$ -	$ 77,734	$ 64,359	$ -
Licenses and fees, net of refunds	-	-	-	11	-	3,870	-
Interest and investment income	-	24	-	-	-	17	52
Other charges for services, net of refunds	65	-	-	-	-	-	-
Other operating grants	-	-	5,489	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Other revenues	-	-	10	-	-	(205)	-
Total revenues	65	2,437	266,795	11	77,734	68,041	52
EXPENDITURES							
Health and social services	113	2,446	250,083	-	77,315	151,812	14,822
Debt service - principal	-	-	4	-	-	-	-
Debt service - interest	-	-	1	-	-	-	-
Capital outlays	-	-	1,713	-	8	2	-
Total expenditures	113	2,446	251,801	-	77,323	151,814	14,822
Excess (deficiency) of revenues over (under) expenditures	(48)	(9)	14,994	11	411	(83,773)	(14,770)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	84,904	12,350
Transfers-out	-	-	(8)	-	(579)	(70)	-
Transfer of administration of funds from other state agencies	-	-	-	16	-	-	-
Capital lease and installment purchase financing	-	-	2	-	2	-	-
Net other sources (uses) of financial resources	-	-	(6)	16	(577)	84,834	12,350
Net change in fund balances	(48)	(9)	14,988	27	(166)	1,061	(2,420)
Fund balances (deficits), July 1, 2012 (as restated)	126	(39)	(11,761)	-	210	(1,701)	13,850
Decrease for changes in inventories	-	-	-	-	(44)	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ 78	$ (48)	$ 3,227	$ 27	$ -	$ (640)	$ 11,430

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Domestic Violence Abuser Services 0528	DHS Federal Projects 0592	Special Olympics Illinois Fund 0623	DHS State Projects 0642	Alcoholism and Substance Abuse 0646	DHS Private Resources 0690	U.S.D.A. Women Infants and Children 0700
REVENUES							
Federal operating grants, net of refunds	$ -	$ 22,942	$ -	$ 14	$ 5,801	$ -	$ 227,219
Licenses and fees, net of refunds	-	-	15	-	-	-	-
Interest and investment income	-	-	-	-	-	-	1
Other charges for services, net of refunds	27	-	-	-	-	-	-
Other operating grants	-	-	-	-	24	-	-
Other taxes	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	639	-
Total revenues	27	22,942	15	14	5,825	639	227,220
EXPENDITURES							
Health and social services	-	23,242	59	14	5,918	639	226,366
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	2	-	-	749
Total expenditures	-	23,242	59	16	5,918	639	227,115
Excess (deficiency) of revenues over (under) expenditures	27	(300)	(44)	(2)	(93)	-	105
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	(51)	-	-	(5)	-	(105)
Transfer of administration of funds from other state agencies	-	-	50	-	-	-	-
Capital lease and installment purchase financing	-	-	-	2	-	-	-
Net other sources (uses) of financial resources	-	(51)	50	2	(5)	-	(105)
Net change in fund balances	27	(351)	6	-	(98)	-	-
Fund balances (deficits), July 1, 2012 (as restated)	38	351	-	-	-	-	-
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ 65	$ -	$ 6	$ -	$ (98)	$ -	$ -

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Hunger Relief 0706	Tobacco Settlement Recovery 0733	Local Initiative 0762	Rehabilitation Services Elementary and Secondary Education Act 0798	Farmer's Market Technology Improvement Fund 0864	Domestic Violence Shelter and Service 0865	Maternal and Child Health Services Block Grant 0872
REVENUES							
Federal operating grants, net of refunds	$ -	$ -	$ 19,202	$ 418	$ 6	$ -	$ 18,193
Licenses and fees, net of refunds	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other charges for services, net of refunds	-	-	-	-	-	590	-
Other operating grants	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Other revenues	58	-	-	119	-	-	-
Total revenues	58	-	19,202	537	6	590	18,193
EXPENDITURES							
Health and social services	-	2,316	19,201	624	6	448	17,450
Debt service - principal	-	-	1	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	20	-	-	-
Total expenditures	-	2,316	19,202	644	6	448	17,450
Excess (deficiency) of revenues over (under) expenditures	58	(2,316)	-	(107)	-	142	743
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	2,369	-	-	-	-	28,636
Lapsed appropriations	-	(53)	-	-	-	-	(11,411)
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	(19,049)
Transfers-in	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-	(113)
Transfer of administration of funds from other state agencies	-	-	-	-	-	-	-
Capital lease and installment purchase financing	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	-	2,316	-	-	-	-	(1,937)
Net change in fund balances	58	-	-	(107)	-	142	(1,194)
Fund balances (deficits), July 1, 2012 (as restated)	7	-	-	674	-	886	4,428
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ 65	$ -	$ -	$ 567	$ -	$ 1,028	$ 3,234

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue						
	Community Mental Health Services Block Grant 0876	Youth Drug Abuse Prevention 0910	Juvenile Justice Trust 0911	DHS Recoveries Trust 0921	DHS Other Special Trusts 1139	DHS Commissary Funds 1140	DHS Rehabilitation 1144
REVENUES							
Federal operating grants, net of refunds	$ 19,028	$ -	$ 1,715	$ -	$ 267	$ -	$ -
Licenses and fees, net of refunds	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	18	-	-
Other charges for services, net of refunds	-	373	-	9,944	-	48	-
Other operating grants	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Other revenues	-	-	-	-	351	-	220
Total revenues	19,028	373	1,715	9,944	636	48	220
EXPENDITURES							
Health and social services	19,008	240	1,712	9,040	794	39	250
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	19,008	240	1,712	9,040	794	39	250
Excess (deficiency) of revenues over (under) expenditures	20	133	3	904	(158)	9	(30)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-	-
Transfers-out	(20)	-	(3)	(221)	(32)	(6)	-
Transfer of administration of funds from other state agencies	-	-	-	-	-	-	-
Capital lease and installment purchase financing	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	(20)	-	(3)	(221)	(32)	(6)	-
Net change in fund balances	-	133	-	683	(190)	3	(30)
Fund balances (deficits), July 1, 2012 (as restated)	-	424	-	4,011	1,847	4	69
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ -	$ 557	$ -	$ 4,694	$ 1,657	$ 7	$ 39

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Special Revenue				Permanent Trust			
	DHS/DORS Special Revenue 1149	Food Stamp and Commodity 1245	Vending Facility Program for the Blind 1385	Assets for Independence 1391	DHS/DORS Permanent Trust 1150	Burr Bequest 1272	Eliminations	Total
REVENUES								
Federal operating grants, net of refunds	$ -	$ 3,372,185	$ -	$ (1)	$ -	$ -	$ -	$ 4,774,904
Licenses and fees, net of refunds	-	-	-	-	-	-	-	6,703
Interest and investment income	-	-	-	-	20	1	-	133
Other charges for services, net of refunds	-	-	447	-	-	-	-	42,707
Other operating grants	-	-	-	-	-	-	-	5,513
Other taxes	-	-	-	-	-	-	-	902
Other revenues	386	-	350	-	-	-	-	6,105
Total revenues	386	3,372,185	797	(1)	20	1	-	4,836,967
EXPENDITURES								
Health and social services	332	3,372,185	698	317	28	11	-	4,945,934
Debt service - principal	-	-	-	-	-	-	-	35
Debt service - interest	-	-	-	-	-	-	-	10
Capital outlays	-	-	-	-	-	-	-	2,875
Total expenditures	332	3,372,185	698	317	28	11	-	4,948,854
Excess (deficiency) of revenues over (under) expenditures	54	-	99	(318)	(8)	(10)	-	(111,887)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	31,005
Lapsed appropriations	-	-	-	-	-	-	-	(11,464)
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	(19,049)
Transfers-in	7	-	-	-	-	-	(263)	98,599
Transfers-out	-	-	(232)	-	(7)	-	263	(3,591)
Transfer of administration of funds from other state agencies	-	-	-	-	-	-	-	66
Capital lease and installment purchase financing	-	-	-	-	-	-	-	24
Net other sources (uses) of financial resources	7	-	(232)	-	(7)	-	-	95,590
Net change in fund balances	61	-	(133)	(318)	(15)	(10)	-	(16,297)
Fund balances (deficits), July 1, 2012 (as restated)	434	-	631	318	266	1,030	-	49,366
Decrease for changes in inventories	-	-	-	-	-	-	-	(44)
FUND BALANCES (DEFICITS), JUNE 30, 2013	$ 495	$ -	$ 498	$ -	$ 251	$ 1,020	$ -	$ 33,025

State of Illinois
Department of Human Services

Combining Statement of Fiduciary Net Position - Agency Funds

June 30, 2013 (Expressed in Thousands)

	Agency			
	Electronic Benefits Transfers 0540	DHS Resident's Trust 1143	DHS/DORS Agency 1147	Total
ASSETS				
Cash and cash equivalents	$ -	$ 1,440	$ 8	$ 1,448
Investments	-	830	-	830
Due from other government - federal	-	54	-	54
Other receivables, net	-	1	1	2
Due from other Department funds	-	-	15	15
Total assets	$ -	$ 2,325	$ 24	$ 2,349
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ 24	$ 24
Other liabilities	-	2,325	-	2,325
Total liabilities	$ -	$ 2,325	$ 24	$ 2,349

Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the Year Ended June 30, 2013 (Expressed in Thousands)

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Electronic Benefits Transfers (0540)				
ASSETS				
Cash equity with State Treasurer	$ -	$ 213,792	$ 213,792	$ -
Due from other Department funds	76	-	76	-
Total assets	$ 76	$ 213,792	$ 213,868	$ -
LIABILITIES				
Accounts payable and accrued liabilities	$ 76	$ -	$ 76	$ -
Total liabilities	$ 76	$ -	$ 76	$ -
DHS Resident's Trust (1143)				
ASSETS				
Cash and cash equivalents	$ 1,322	$ 15,868	$ 15,750	$ 1,440
Investments	930	-	100	830
Due from other government - federal	61	13,684	13,691	54
Other receivables, net	1	-	-	1
Total assets	$ 2,314	$ 29,552	$ 29,541	$ 2,325
LIABILITIES				
Due to Other Funds	$ -	$ 1,121	$ 1,121	$ -
Other liabilities	2,314	28,432	28,421	2,325
Total liabilities	$ 2,314	$ 29,553	$ 29,542	$ 2,325
DHS/DORS Agency (1147)				
ASSETS				
Cash and cash equivalents	$ 7	$ 196	$ 195	$ 8
Other receivables, net	1	122	122	1
Due from other Department funds	25	64	74	15
Total assets	$ 33	$ 382	$ 391	$ 24
LIABILITIES				
Accounts payable and accrued liabilities	$ 33	$ 186	$ 195	$ 24
Total liabilities	$ 33	$ 186	$ 195	$ 24
Total - All Agency Funds				
ASSETS				
Cash equity with State Treasurer	$ -	$ 213,792	$ 213,792	$ -
Cash and cash equivalents	1,329	16,064	15,945	1,448
Investments	930	-	100	830
Due from other government - federal	61	13,684	13,691	54
Other receivables, net	2	122	122	2
Due from other Department funds	101	64	150	15
Total assets	$ 2,423	$ 243,726	$ 243,800	$ 2,349
LIABILITIES				
Accounts payable and accrued liabilities	$ 109	$ 186	$ 271	$ 24
Due to Other Funds	-	1,121	1,121	-
Other liabilities	2,314	28,432	28,421	2,325
Total liabilities	$ 2,423	$ 29,739	$ 29,813	$ 2,349

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FINANCIAL AUDIT AND COMPLIANCE REPORT
For the Two Years Ended June 30, 2013

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

    Schedule of Appropriations, Expenditures and Lapsed Balances
        Fiscal Year 2013
        Fiscal Year 2012
    Comparative Schedule of Expenditures by Object
    Comparative Schedule of Expenditures by Facility (Unaudited)
    Schedule of Changes in State Property
    Comparative Schedule of Cash Receipts
    Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
    Schedule of Locally Held Funds
    Analysis of Significant Variations in Expenditures
    Analysis of Significant Variations in Receipts
    Analysis of Significant Lapse Period Spending
    Analysis of Changes in State Property
    Analysis of Accounts Receivable

- Analysis of Operations (Unaudited)

    Department Functions and Planning Program (Unaudited)
    Schedule of Number of Employees (Unaudited)
    Analysis of Employee Overtime (Unaudited)
    Emergency Purchases (Unaudited)
        Year Ended June 30, 2013
        Year Ended June 30, 2012
    Memorandums of Understanding (Unaudited)
    Annual Cost Statistics (Unaudited)
    Facility/School Statistics (Unaudited)
    Service Efforts and Accomplishments (Unaudited)
    Schedule of Indirect Cost Reimbursements (Unaudited)

The auditor's report that covers the Supplementary Information for State Compliance Purposes presented in the Financial Statement Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The auditor's report also states the Comparative Schedule of Expenditures by Facility and the Analysis of Operations Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
PUBLIC ACTS 97-0725; 97-0730; 98-0001; 98-0017						
Appropriated Funds						
General Revenue Fund - 0001:						
Distributive Items	$ 487,787	$ 436,003	$ 43,496	$ 479,499	$ 8,288	$ -
Administrative and Program Support	53,665	43,593	6,658	50,251	3,414	-
Management Information Service	38,443	29,304	8,832	38,136	307	-
Aggregated Personal Services & Fringes	298,585	263,562	35,021	298,583	2	-
Jack Mabley Developmental Center	10,117	9,798	311	10,109	8	-
Home Services Program	331,552	325,618	5,625	331,243	309	-
Mental Health Grants-in-aid and Purchase of Care	442,191	397,298	32,718	430,016	12,175	-
Inspector General	309	260	45	305	4	-
Developmental Disabilities Grants-in-aid and Purchase of Care	1,201,883	1,090,639	98,537	1,189,176	12,707	-
Addiction Treatment	128,391	121,121	6,946	128,067	324	-
Clyde L. Choate Mental Health & Developmental Center	35,014	33,447	1,557	35,004	10	-
Rehabilitation Service Bureaus	14,769	12,854	1,562	14,416	353	-
Disability/Behavioral Health Program Administration	5,469	1,848	2,139	3,987	1,482	-
Treatment/Detention Sexually Violent Person	10,177	9,497	659	10,156	21	-
Ann M. Kiley Developmental Center	27,259	26,368	834	27,202	57	-
Illinois School for the Deaf	2,380	1,916	299	2,215	165	-
Illinois School for the Visually Impaired	1,031	881	139	1,020	11	-
Warren G. Murray Developmental Center	35,911	33,507	2,120	35,627	284	-
Community and Residential Services for the Blind and Visually Impaired	57	57	-	57	-	-
Jacksonville Mental Health & Developmental Center	10,856	10,640	104	10,744	112	-
Illinois Center for Rehabilitation and Education	996	868	78	946	50	-
Governor Samuel H. Shapiro Developmental Center	69,298	64,666	4,624	69,290	8	-
Employment and Social Service Program	225,591	203,619	11,083	214,702	10,889	-
Elizabeth Ludeman Developmental Center	49,906	48,370	1,510	49,880	26	-
Governor's Discretionary Appropriation	16,171	14,964	1,012	15,976	195	-
Total General Revenue Fund	$ 3,497,808	$ 3,180,698	$ 265,909	$ 3,446,607	$ 51,201	$ -
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:						
Administration and Program Support	$ 220	$ -	$ -	$ -	$ 220	$ -
Addiction Treatment	64,132	47,040	5,821	52,861	11,271	-
Employment and Social Service Program	16,000	12,891	1,076	13,967	2,033	-
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	$ 80,352	$ 59,931	$ 6,897	$ 66,828	$ 13,524	$ -

(Continued)

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Group Home Loan Revolving Fund - 0025:						
Addiction Treatment	$ 200	$ 25	$ -	$ 25	$ 175	$ -
Total Group Home Loan Revolving Fund	$ 200	$ 25	$ -	$ 25	$ 175	$ -
Illinois Veterans' Rehabilitation Fund - 0036:						
Rehabilitation Service Bureaus	$ 5,445	$ 4,015	$ 1,040	$ 5,055	$ 390	$ -
Total Illinois Veterans' Rehabilitation Fund	$ 5,445	$ 4,015	$ 1,040	$ 5,055	$ 390	$ -
Mental Health Fund - 0050:						
Administrative and Program Support	$ 6,100	$ 1,061	$ 299	$ 1,360	$ 4,740	$ -
Management Information Service	5,942	4,014	1,037	5,051	891	-
Mental Health Grants-in-aid and Purchase of Care	20,000	17,498	2,165	19,663	337	-
Developmental Disabilities Grants-in-aid and Purchase of Care	9,966	9,965	-	9,965	1	-
Disability/Behavioral Health Program Administration	22,247	12,813	5,401	18,214	4,033	-
Total Mental Health Fund	$ 64,255	$ 45,351	$ 8,902	$ 54,253	$ 10,002	$ -
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support	$ 18,909	$ 13,345	$ 1,243	$ 14,588	$ 4,321	$ -
Management Information Service	11,009	4,032	482	4,514	6,495	-
Rehabilitation Service Bureaus	131,759	88,929	14,020	102,949	28,810	-
Client Assistance Project	1,089	285	34	319	770	-
DHS Administration	1,579	1,322	69	1,391	188	-
Illinois School for the Deaf	50	39	-	39	11	-
Illinois School for the Visually Impaired	43	22	-	22	21	-
Illinois Center for Rehabilitation and Education	60	56	1	57	3	-
Total Vocational Rehabilitation Fund	$ 164,498	$ 108,030	$ 15,849	$ 123,879	$ 40,619	$ -
Assistance to the Homeless Fund - 0100:						
Employment and Social Service Program	$ 300	$ -	$ -	$ -	$ 300	$ -
Total Assistance to the Homeless Fund	$ 300	$ -	$ -	$ -	$ 300	$ -
Home Services Medicaid Trust Fund - 0120:						
Home Services Program	$ 246,000	$ 204,128	$ 32,646	$ 236,774	$ 9,226	$ -
Total Home Services Medicaid Trust Fund	$ 246,000	$ 204,128	$ 32,646	$ 236,774	$ 9,226	$ -

(Continued)

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:						
Employment and Social Service Program	$ 1,200	$ 427	$ 252	$ 679	$ 521	$ -
Total Youth Alcoholism and Substance Abuse Prevention Fund	$ 1,200	$ 427	$ 252	$ 679	$ 521	$ -
State Gaming Fund - 0129:						
Addiction Treatment	$ 996	$ 690	$ 162	$ 852	$ 144	$ -
Total State Gaming Fund	$ 996	$ 690	$ 162	$ 852	$ 144	$ -
Community DD Services Medicaid Trust Fund - 0142:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 35,000	$ 27,425	$ 2,135	$ 29,560	$ 5,440	$ -
Total Community DD Services Medicaid Trust Fund	$ 35,000	$ 27,425	$ 2,135	$ 29,560	$ 5,440	$ -
DHS Technology Initiative Fund - 0211:						
Administrative and Program Support	$ 5,000	$ -	$ -	$ -	$ 5,000	$ -
Total DHS Technology Initiative Fund	$ 5,000	$ -	$ -	$ -	$ 5,000	$ -
Autism Research Checkoff Fund - 0228:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Autism Research Checkoff Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Drunk and Drugged Driving Prevention Fund - 0276:						
Addiction Treatment	$ 3,083	$ 1,637	$ 157	$ 1,794	$ 1,289	$ -
Total Drunk and Drugged Driving Prevention Fund	$ 3,083	$ 1,637	$ 157	$ 1,794	$ 1,289	$ -
Illinois Affordable Housing Trust Fund - 0286:						
Employment and Social Service Program	$ 13,084	$ 11,064	$ 1,914	$ 12,978	$ 106	$ -
Total Illinois Affordable Housing Trust Fund	$ 13,084	$ 11,064	$ 1,914	$ 12,978	$ 106	$ -
Federal National Community Services Fund - 0343:						
Administrative and Program Support	$ 38	$ -	$ -	$ -	$ 38	$ -
Employment and Social Service Program	12,970	7,630	969	8,599	4,371	-
Total Federal National Community Services Fund	$ 13,008	$ 7,630	$ 969	$ 8,599	$ 4,409	$ -

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Care Provider Fund for Persons with a Developmental Disability - 0344:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 52,000	$ 33,683	$ 12	$ 33,695	$ 18,305	$ -
Total Care Provider Fund for Persons with a Developmental Disability	$ 52,000	$ 33,683	$ 12	$ 33,695	$ 18,305	$ -
Employment and Training Fund - 0347:						
Distributive Items	$ 25,000	$ 24,996	$ 2	$ 24,998	$ 2	$ -
Employment and Social Service Program	460,000	423,429	28,264	451,693	8,307	-
Federal Stimulus - ARRA	20,000	-	-	-	20,000	-
Total Employment and Training Fund	$ 505,000	$ 448,425	$ 28,266	$ 476,691	$ 28,309	$ -
Health and Human Services Medicaid Trust Fund - 0365:						
Mental Health Grants-in-aid and Purchase of Care	$ 11,000	$ 9,801	$ 498	$ 10,299	$ 701	$ -
Developmental Disabilities Grants-in-aid and Purchase of Care	34,450	24,550	2,593	27,143	7,307	-
Employment and Social Service Program	3,383	3,367	-	3,367	16	-
Total Health and Human Services Medicaid Trust Fund	$ 48,833	$ 37,718	$ 3,091	$ 40,809	$ 8,024	$ -
Drug Treatment Fund - 0368:						
Administrative and Program Support	$ 5	$ -	$ -	$ -	$ 5	$ -
Addiction Treatment	5,000	3,234	148	3,382	1,618	-
Total Drug Treatment Fund	$ 5,005	$ 3,234	$ 148	$ 3,382	$ 1,623	$ -
Sexual Assault Services Fund - 0389:						
Employment and Social Service Program	$ 100	$ 100	$ -	$ 100	$ -	$ -
Total Sexual Assault Services Fund	$ 100	$ 100	$ -	$ 100	$ -	$ -
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:						
Employment and Social Service Program	$ 3,500	$ 2,475	$ (10)	$ 2,465	$ 1,035	$ -
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	$ 3,500	$ 2,475	$ (10)	$ 2,465	$ 1,035	$ -

(Continued)

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
DHS Special Purposes Trust Fund - 0408:						
Administrative and Program Support	$ 575	$ 327	$ 68	$ 395	$ 180	$ -
Employment and Social Service Program	281,073	219,586	22,220	241,806	39,267	-
Federal Stimulus - ARRA	1,700	3	-	3	1,697	-
Total DHS Special Purposes Trust Fund	$ 283,348	$ 219,916	$ 22,288	$ 242,204	$ 41,144	$ -
Autism Awareness Fund - 0458:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Autism Awareness Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Old Age Survivors Insurance Fund - 0495:						
Administrative and Program Support	$ 2,879	$ 2,368	$ 218	$ 2,586	$ 293	$ -
Disability Determination Services Bureau	111,037	68,766	5,975	74,741	36,296	-
Total Old Age Survivors Insurance Fund	$ 113,916	$ 71,134	$ 6,193	$ 77,327	$ 36,589	$ -
Early Intervention Services Revolving Fund - 0502:						
Administrative and Program Support	$ 412	$ 164	$ 13	$ 177	$ 235	$ -
Employment and Social Service Program	160,000	131,462	19,168	150,630	9,370	-
Total Early Intervention Services Revolving Fund	$ 160,412	$ 131,626	$ 19,181	$ 150,807	$ 9,605	$ -
DHS Community Services Fund - 0509:						
Mental Health Grants-in-aid and Purchase of Care	$ 20,000	$ 13,821	$ 1,015	$ 14,836	$ 5,164	$ -
Total DHS Community Services Fund	$ 20,000	$ 13,821	$ 1,015	$ 14,836	$ 5,164	$ -
Domestic Violence Abuser Services Fund - 0528:						
Employment and Social Service Program	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Domestic Violence Abuser Services Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
DHS Federal Projects Fund - 0592:						
Administrative and Program Support	$ 2,160	$ -	$ -	$ -	$ 2,160	$ -
Mental Health Grants-in-aid and Purchase of Care	34,450	7,648	895	8,543	25,907	-
Disability/Behavioral Health Program Administration	5,949	535	59	594	5,355	-
Employment and Social Service Program	21,965	10,505	1,407	11,912	10,053	-
Total DHS Federal Projects Fund	$ 64,524	$ 18,688	$ 2,361	$ 21,049	$ 43,475	$ -

(Continued)

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Multiple Sclerosis Assistance Fund - 0604:						
Rehabilitation Service Bureaus	$ 300	$ -	$ -	$ -	$ 300	$ -
Total Multiple Sclerosis Assistance Fund	$ 300	$ -	$ -	$ -	$ 300	$ -
Special Olympics Illinois Fund - 0623:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 100	$ 59	$ -	$ 59	$ 41	$ -
Total Special Olympics Illinois Fund	$ 100	$ 59	$ -	$ 59	$ 41	$ -
DHS State Projects Fund - 0642:						
Administrative and Program Support	$ 1,000	$ -	$ -	$ -	$ 1,000	$ -
Employment and Social Service Program	368	-	-	-	368	-
Total DHS State Projects Fund	$ 1,368	$ -	$ -	$ -	$ 1,368	$ -
Alcoholism and Substance Abuse Fund - 0646:						
Addiction Treatment	$ 22,103	$ 4,709	$ 647	$ 5,356	$ 16,747	$ -
Employment and Social Service Program	8,309	597	1	598	7,711	-
Total Alcoholism and Substance Abuse Fund	$ 30,412	$ 5,306	$ 648	$ 5,954	$ 24,458	$ -
DHS Private Resources Fund - 0690:						
Administrative and Program Support	$ 450	$ 107	$ 74	$ 181	$ 269	$ -
Total DHS Private Resources Fund	$ 450	$ 107	$ 74	$ 181	$ 269	$ -
U.S.D.A. Women Infants and Children Fund - 0700:						
Administrative and Program Support	$ 600	$ 38	$ -	$ 38	$ 562	$ -
Management Information Service	1,363	394	37	431	932	-
Employment and Social Service Program	323,131	277,889	13,071	290,960	32,171	-
Federal Stimulus - ARRA	15,000	2,358	756	3,114	11,886	-
Total U.S.D.A. Women Infants and Children Fund	$ 340,094	$ 280,679	$ 13,864	$ 294,543	$ 45,551	$ -
Hunger Relief Fund - 0706:						
Employment and Social Service Program	$ 300	$ -	$ -	$ -	$ 300	$ -
Total Hunger Relief Fund	$ 300	$ -	$ -	$ -	$ 300	$ -

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Community Mental Health Medicaid Trust Fund - 0718:						
Mental Health Grants-in-aid and Purchase of Care	$ 122,690	$ 71,419	$ 7,870	$ 79,289	$ 43,401	$ -
Total Community Mental Health Medicaid Trust Fund	$ 122,690	$ 71,419	$ 7,870	$ 79,289	$ 43,401	$ -
Tobacco Settlement Recovery Fund - 0733:						
Employment and Social Service Program	$ 2,369	$ 2,166	$ 150	$ 2,316	$ 53	$ -
Total Tobacco Settlement Recovery Fund	$ 2,369	$ 2,166	$ 150	$ 2,316	$ 53	$ -
Local Initiative Fund - 0762:						
Administrative and Program Support	$ 125	$ 73	$ -	$ 73	$ 52	$ -
Employment and Social Service Program	22,484	16,620	2,447	19,067	3,417	-
Total Local Initiative Fund	$ 22,609	$ 16,693	$ 2,447	$ 19,140	$ 3,469	$ -
Crisis Nursery Fund - 0777:						
Employment and Social Service Program	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Crisis Nursery Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Healthcare Provider Relief Fund - 0793:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 100,000	$ 62,998	$ -	$ 62,998	$ 37,002	$ -
Total Healthcare Provider Relief Fund	$ 100,000	$ 62,998	$ -	$ 62,998	$ 37,002	$ -
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:						
DHS Administration	$ 1,363	$ 670	$ 74	$ 744	$ 619	$ -
Total Rehabilitation Services Elementary and Secondary Education Act Fund	$ 1,363	$ 670	$ 74	$ 744	$ 619	$ -
Farmer's Market Technology Improvement Fund - 0864:						
Employment and Social Service Program	$ 1,000	$ -	$ 6	$ 6	$ 994	$ -
Total Farmer's Market Technology Improvement Fund	$ 1,000	$ -	$ 6	$ 6	$ 994	$ -
Domestic Violence Shelter and Service Fund - 0865:						
Administrative and Program Support	$ 64	$ -	$ -	$ -	$ 64	$ -
Employment and Social Service Program	952	350	107	457	495	-
Total Domestic Violence Shelter and Service Fund	$ 1,016	$ 350	$ 107	$ 457	$ 559	$ -

(Continued)

Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Maternal and Child Health Services Block Grant Fund - 0872:						
Administrative and Program Support	$ 87	$ -	$ -	$ -	$ 87	$ -
Management Information Service	347	304	19	323	24	-
Employment and Social Service Program	28,202	13,566	3,336	16,902	11,300	-
Total Maternal and Child Health Services Block Grant Fund	$ 28,636	$ 13,870	$ 3,355	$ 17,225	$ 11,411	$ -
Preventive Health and Health Services Block Grant Fund - 0873:						
Employment and Social Service Program	$ 1,500	$ -	$ -	$ -	$ 1,500	$ -
Total Preventive Health and Health Services Block Grant Fund	$ 1,500	$ -	$ -	$ -	$ 1,500	$ -
Community Mental Health Services Block Grant Fund - 0876:						
Administrative and Program Support	$ 71	$ -	$ -	$ -	$ 71	$ -
Mental Health Grants-in-aid and Purchase of Care	22,149	15,940	3,081	19,021	3,128	-
Total Community Mental Health Services Block Grant Fund	$ 22,220	$ 15,940	$ 3,081	$ 19,021	$ 3,199	$ -
Habitat for Humanity Fund - 0877:						
Employment and Social Service Program	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Habitat for Humanity Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Youth Drug Abuse Prevention Fund - 0910:						
Administrative and Program Support	$ 30	$ -	$ -	$ -	$ 30	$ -
Addiction Treatment	530	240	-	240	290	-
Total Youth Drug Abuse Prevention Fund	$ 560	$ 240	$ -	$ 240	$ 320	$ -
Juvenile Justice Trust Fund - 0911:						
Administrative and Program Support	$ 15	$ -	$ -	$ -	$ 15	$ -
Employment and Social Service Program	13,459	1,808	313	2,121	11,338	-
Total Juvenile Justice Trust Fund	$ 13,474	$ 1,808	$ 313	$ 2,121	$ 11,353	$ -
DHS Recoveries Trust Fund - 0921:						
Administrative and Program Support	$ 10,197	$ 6,578	$ 806	$ 7,384	$ 2,813	$ -
Total DHS Recoveries Trust Fund	$ 10,197	$ 6,578	$ 806	$ 7,384	$ 2,813	$ -
Build Illinois Bond Fund - 0971:						
Administrative and Program Support	$ 100	$ -	$ -	$ -	$ -	$ 100
Total Build Illinois Bond Fund	$ 100	$ -	$ -	$ -	$ -	$ 100
Total Appropriated Funds	$ 6,088,125	$ 5,110,754	$ 452,172	$ 5,562,926	$ 525,099	$ 100

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
Non-Appropriated Funds						
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support		$ 179	$ -	$ 179		
Total Vocational Rehabilitation Fund		$ 179	$ -	$ 179		
CMS vs AFSCME Wages Trust Fund - 0168:						
Administrative and Program Support		$ -	$ 20,100	$ 20,100		
Total CMS vs AFSCME Wages Trust Fund		$ -	$ 20,100	$ 20,100		
DHS Special Purposes Trust Fund - 0408:						
Employment and Social Service Program		$ 7,150	$ 2,323	$ 9,473		
Federal Stimulus - ARRA		2,590	7	2,597		
Total DHS Special Purposes Trust Fund		$ 9,740	$ 2,330	$ 12,070		
Electronic Benefits Transfer Fund - 0540:						
Distributive Items		$ 213,715	$ -	$ 213,715		
Total Electronic Benefits Transfer Fund		$ 213,715	$ -	$ 213,715		
DHS Federal Projects Fund - 0592:						
Administrative and Program Support		$ 338	$ 137	$ 475		
Addiction Prevention		1,781	423	2,204		
Community Health		267	192	459		
Total DHS Federal Projects Fund		$ 2,386	$ 752	$ 3,138		
DHS State Projects Fund - 0642:						
Administrative and Program Support		$ 318	$ 460	$ 778		
Employment and Social Service Program		9,083	1,344	10,427		
Total DHS State Projects Fund		$ 9,401	$ 1,804	$ 11,205		

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Schedule 1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2013
FOURTEEN MONTHS ENDED AUGUST 31, 2013
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2013	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2013
DHS Private Resources Fund - 0690:						
Mental Health Grants-in-aid and Purchase of Care		$ 50	$ -	$ 50		
Disability/Behavioral Health Program Administration		34	3	37		
Employment and Social Service Program		16	-	16		
Total DHS Private Resources Fund		$ 100	$ 3	$ 103		
DHS Recoveries Trust Fund - 0921:						
Distributive Items		$ 3,306	$ 754	$ 4,060		
Total DHS Recoveries Trust Fund		$ 3,306	$ 754	$ 4,060		
Total Non-Appropriated Funds		$ 238,827	$ 25,743	$ 264,570		
Total All Funds		$ 5,349,581	$ 477,915	$ 5,827,496		

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

(Concluded)

Schedule 2

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
PUBLIC ACTS 97-0070; 97-0076; 97-0642; 97-0684; 97-0685						
Appropriated Funds						
General Revenue Fund - 0001:						
Distributive Items	$ 497,661	$ 456,781	$ 39,334	$ 496,115	$ 1,546	$ -
Tinley Park Mental Health Center	19,780	16,828	1,670	18,498	1,282	-
Administrative and Program Support	81,465	62,519	12,637	75,156	6,309	-
Management Information Service	48,805	40,098	8,373	48,471	334	-
Disability Determination Services Bureau	1,351	1,185	166	1,351	-	-
Home Services Program	573,489	524,215	49,237	573,452	37	-
Mental Health Grants-in-aid and Purchase of Care	453,165	395,822	38,302	434,124	19,041	-
Inspector General	5,009	4,597	369	4,966	43	-
Developmental Disabilities Grants-in-aid and Purchase of Care	1,109,300	1,068,281	38,492	1,106,773	2,527	-
Addiction Prevention	130,146	122,669	6,285	128,954	1,192	-
Rehabilitation Service Bureaus	15,384	13,329	1,453	14,782	602	-
Disability/Behavioral Health Program Administration	15,798	11,658	1,957	13,615	2,183	-
Treatment/Detention Sexually Violent Persons	25,349	22,500	1,886	24,386	963	-
Illinois School for the Deaf	17,046	14,502	2,392	16,894	152	-
Illinois School for Visually Impaired	8,460	7,052	1,157	8,209	251	-
Community and Residential Services for the Blind and Visually Impaired	1,475	1,262	128	1,390	85	-
Illinois Center for Rehabilitation and Education	5,248	4,566	531	5,097	151	-
Employment and Social Service Program	451,823	408,783	34,244	443,027	8,796	-
Total General Revenue Fund	$ 3,460,754	$ 3,176,647	$ 238,613	$ 3,415,260	$ 45,494	$ -
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:						
Administration and Program Support	$ 220	$ -	$ -	$ -	$ 220	$ -
Addiction Treatment	63,726	42,327	7,399	49,726	14,000	-
Employment and Social Service Program	16,000	12,413	546	12,959	3,041	-
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	$ 79,946	$ 54,740	$ 7,945	$ 62,685	$ 17,261	$ -
Group Home Loan Revolving Fund - 0025:						
Addiction Treatment	$ 200	$ -	$ -	$ -	$ 200	$ -
Total Group Home Loan Revolving Fund	$ 200	$ -	$ -	$ -	$ 200	$ -

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Illinois Veterans' Rehabilitation Fund - 0036:						
Rehabilitation Service Bureaus	$ 5,138	$ 4,741	$ 211	$ 4,952	$ 186	$ -
Total Illinois Veterans' Rehabilitation Fund	$ 5,138	$ 4,741	$ 211	$ 4,952	$ 186	$ -
Mental Health Fund - 0050:						
Administrative and Program Support	$ 5,100	$ 7	$ -	$ 7	$ 5,093	$ -
Management Information Service	5,520	2,886	146	3,032	2,488	-
Developmental Disabilities Grants-in-aid and Purchase of Care	9,966	9,964	1	9,965	1	-
Disability/Behavioral Health Program Administration	19,762	16,019	1,201	17,220	2,542	-
Total Mental Health Fund	$ 40,348	$ 28,876	$ 1,348	$ 30,224	$ 10,124	$ -
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support	$ 18,078	$ 12,500	$ 1,897	$ 14,397	$ 3,681	$ -
Management Information Service	10,595	3,847	147	3,994	6,601	-
Rehabilitation Service Bureaus	124,769	80,550	12,711	93,261	31,508	-
Client Assistance Project	1,153	430	22	452	701	-
DHS Administration	1,466	1,190	52	1,242	224	-
School for the Deaf	50	47	-	47	3	-
School for the Visually Impaired	43	38	-	38	5	-
Illinois Center for Rehabilitation and Education	60	37	7	44	16	-
Federal Stimulus - ARRA	15,000	7,213	(1)	7,212	7,788	-
Total Vocational Rehabilitation Fund	$ 171,214	$ 105,852	$ 14,835	$ 120,687	$ 50,527	$ -
Assistance to the Homeless Fund - 0100:						
Employment and Social Service Program	$ 300	$ -	$ -	$ -	$ 300	$ -
Total Assistance to the Homeless Fund	$ 300	$ -	$ -	$ -	$ 300	$ -
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:						
Employment and Social Service Program	$ 1,200	$ 3	$ 628	$ 631	$ 569	$ -
Total Youth Alcoholism and Substance Abuse Prevention Fund	$ 1,200	$ 3	$ 628	$ 631	$ 569	$ -

(Continued)

Schedule 2

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
State Gaming Fund - 0129:						
Addiction Treatment	$ 974	$ 577	$ 230	$ 807	$ 167	$ -
Total State Gaming Fund	$ 974	$ 577	$ 230	$ 807	$ 167	$ -
Community DD Services Medicaid Trust Fund - 0142:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 35,000	$ 34,833	$ 146	$ 34,979	$ 21	$ -
Total Community DD Services Medicaid Trust Fund	$ 35,000	$ 34,833	$ 146	$ 34,979	$ 21	$ -
Diabetes Research Checkoff Fund - 0198:						
Employment and Social Service Program	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Diabetes Research Checkoff Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Autism Research Checkoff Fund - 0228:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Autism Research Checkoff Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Drunk and Drugged Driving Prevention Fund - 0276:						
Addiction Treatment	$ 3,083	$ 1,481	$ 166	$ 1,647	$ 1,436	$ -
Total Drunk and Drugged Driving Prevention Fund	$ 3,083	$ 1,481	$ 166	$ 1,647	$ 1,436	$ -
Federal National Community Services Fund - 0343:						
Administrative and Program Support	$ 38	$ 4	$ -	$ 4	$ 34	$ -
Employment and Social Service Program	10,000	7,251	1,391	8,642	1,358	-
Federal Stimulus - ARRA	3,000	-	-	-	3,000	-
Total Federal National Community Services Fund	$ 13,038	$ 7,255	$ 1,391	$ 8,646	$ 4,392	$ -
Care Provider Fund for Persons with a Developmental Disability - 0344:						
Developmental Disabilities Grants-in-aid and Purchase of Care	$ 50,000	$ 46,945	$ 17	$ 46,962	$ 3,038	$ -
Total Care Provider Fund for Persons with a Developmental Disability	$ 50,000	$ 46,945	$ 17	$ 46,962	$ 3,038	$ -

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Employment and Training Fund - 0347:						
Employment and Social Service Program	$ 500,000	$ 452,220	$ 46,681	$ 498,901	$ 1,099	$ -
Federal Stimulus - ARRA	20,000	387	162	549	19,451	-
Total Employment and Training Fund	$ 520,000	$ 452,607	$ 46,843	$ 499,450	$ 20,550	$ -
Health and Human Services Medicaid Trust Fund - 0365:						
Mental Health Grants-in-aid and Purchase of Care	$ 9,383	$ 3,225	$ -	$ 3,225	$ 6,158	$ -
Developmental Disabilities Grants-in-aid and Purchase of Care	34,450	30,013	2,822	32,835	1,615	-
Total Health and Human Services Medicaid Trust Fund	$ 43,833	$ 33,238	$ 2,822	$ 36,060	$ 7,773	$ -
Drug Treatment Fund - 0368:						
Administrative and Program Support	$ 5	$ -	$ -	$ -	$ 5	$ -
Addiction Treatment	5,000	3,364	57	3,421	1,579	-
Total Drug Treatment Fund	$ 5,005	$ 3,364	$ 57	$ 3,421	$ 1,584	$ -
Sexual Assault Services Fund - 0389:						
Administrative and Program Support	$ -	$ -	$ -	$ -	$ -	$ -
Employment and Social Service Program	100	46	13	59	41	-
Total Sexual Assault Services Fund	$ 100	$ 46	$ 13	$ 59	$ 41	$ -
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394:						
Employment and Social Service Program	$ 3,500	$ 2,070	$ 54	$ 2,124	$ 1,376	$ -
Total Gaining Early Awareness and Readiness for Undergraduate Programs Fund	$ 3,500	$ 2,070	$ 54	$ 2,124	$ 1,376	$ -
DHS Special Purposes Trust Fund - 0408:						
Administrative and Program Support	$ 575	$ 350	$ 199	$ 549	$ 26	$ -
Disability Determination Services Bureau	819	510	134	644	175	-
Employment and Social Service Program	272,486	218,835	13,669	232,504	39,982	-
Federal Stimulus - ARRA	1,700	229	-	229	1,471	-
Total DHS Special Purposes Trust Fund	$ 275,580	$ 219,924	$ 14,002	$ 233,926	$ 41,654	$ -

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Old Age Survivors Insurance Fund - 0495:						
Administrative and Program Support	$ 2,879	$ 2,161	$ 432	$ 2,593	$ 286	$ -
Disability Determination Services Bureau	102,875	72,776	3,462	76,238	26,637	-
Total Old Age Survivors Insurance Fund	$ 105,754	$ 74,937	$ 3,894	$ 78,831	$ 26,923	$ -
Early Intervention Services Revolving Fund - 0502:						
Administrative and Program Support	$ 412	$ 211	$ 16	$ 227	$ 185	$ -
Employment and Social Service Program	160,000	127,113	18,175	145,288	14,712	-
Total Early Intervention Services Revolving Fund	$ 160,412	$ 127,324	$ 18,191	$ 145,515	$ 14,897	$ -
DHS Community Services Fund - 0509:						
Administrative and Program Support	$ 20,000	$ -	$ -	$ -	$ 20,000	$ -
Total DHS Community Services Fund	$ 20,000	$ -	$ -	$ -	$ 20,000	$ -
Domestic Violence Abuser Services Fund - 0528:						
Employment and Social Service Program	$ 100	$ 36	$ 9	$ 45	$ 55	$ -
Total Domestic Violence Abuser Services Fund	$ 100	$ 36	$ 9	$ 45	$ 55	$ -
DHS Federal Projects Fund - 0592:						
Administrative and Program Support	$ 55,273	$ 4	$ -	$ 4	$ 55,269	$ -
Mental Health Grants-in-aid and Purchase of Care	16,000	5,464	1,211	6,675	9,325	-
Disability/Behavioral Health Program Administration	5,949	377	54	431	5,518	-
Employment and Social Service Program	22,965	9,172	937	10,109	12,856	-
Total DHS Federal Projects Fund	$ 100,187	$ 15,017	$ 2,202	$ 17,219	$ 82,968	$ -
Multiple Sclerosis Assistance Fund - 0604:						
Employment and Social Service Program	$ 300	$ -	$ -	$ -	$ 300	$ -
Total Multiple Sclerosis Assistance Fund	$ 300	$ -	$ -	$ -	$ 300	$ -
DHS State Projects Fund - 0642:						
Administrative and Program Support	$ 1,000	$ -	$ -	$ -	$ 1,000	$ -
Employment and Social Service Program	368	-	-	-	368	-
Total DHS State Projects Fund	$ 1,368	$ -	$ -	$ -	$ 1,368	$ -

(Continued)

Schedule 2

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Alcoholism and Substance Abuse Fund - 0646:						
Addiction Treatment	$ 22,103	$ 5,754	$ 599	$ 6,353	$ 15,750	$ -
Employment and Social Service Program	8,309	487	107	594	7,715	-
Total Alcoholism and Substance Abuse Fund	$ 30,412	$ 6,241	$ 706	$ 6,947	$ 23,465	$ -
DHS Private Resources Fund - 0690:						
Administrative and Program Support	$ 350	$ 120	$ 5	$ 125	$ 225	$ -
Total DHS Private Resources Fund	$ 350	$ 120	$ 5	$ 125	$ 225	$ -
U.S.D.A. Women Infants and Children Fund - 0700:						
Administrative and Program Support	$ 600	$ 101	$ 13	$ 114	$ 486	$ -
Management Information Service	1,319	347	57	404	915	-
Employment and Social Service Program	323,131	278,039	18,828	296,867	26,264	-
Federal Stimulus - ARRA	15,000	224	14	238	14,762	-
Total U.S.D.A. Women Infants and Children Fund	$ 340,050	$ 278,711	$ 18,912	$ 297,623	$ 42,427	$ -
Hunger Relief Fund - 0706:						
Employment and Social Service Program	$ 300	$ 185	$ -	$ 185	$ 115	$ -
Total Hunger Relief Fund	$ 300	$ 185	$ -	$ 185	$ 115	$ -
Community Mental Health Medicaid Trust Fund - 0718:						
Mental Health Grants-in-aid and Purchase of Care	$ 115,690	$ 80,901	$ 6,680	$ 87,581	$ 28,109	$ -
Total Community Mental Health Medicaid Trust Fund	$ 115,690	$ 80,901	$ 6,680	$ 87,581	$ 28,109	$ -
Tobacco Settlement Recovery Fund - 0733:						
Employment and Social Service Program	$ 2,369	$ 2,288	$ 80	$ 2,368	$ 1	$ -
Total Tobacco Settlement Recovery Fund	$ 2,369	$ 2,288	$ 80	$ 2,368	$ 1	$ -

(Continued)

Schedule 2

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Local Initiative Fund - 0762:						
Administrative and Program Support	$ 125	$ 68	$ 48	$ 116	$ 9	$ -
Employment and Social Service Program	22,484	17,038	2,627	19,665	2,819	-
Total Local Initiative Fund	$ 22,609	$ 17,106	$ 2,675	$ 19,781	$ 2,828	$ -
Crisis Nursery Fund - 0777:						
Employment and Social Service Program	$ 100	$ -	$ -	$ -	$ 100	$ -
Total Crisis Nursery Fund	$ 100	$ -	$ -	$ -	$ 100	$ -
Healthcare Provider Relief Fund - 0793:						
Administrative and Program Support	$ 100,000	$ 49,676	$ 230	$ 49,906	$ 50,094	$ -
Total Healthcare Provider Relief Fund	$ 100,000	$ 49,676	$ 230	$ 49,906	$ 50,094	$ -
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:						
DHS Administration	$ 1,363	$ 545	$ 106	$ 651	$ 712	$ -
Total Rehabilitation Services Elementary and Secondary Education Act Fund	$ 1,363	$ 545	$ 106	$ 651	$ 712	$ -
Domestic Violence Shelter and Service Fund - 0865:						
Administrative and Program Support	$ 64	$ 4	$ -	$ 4	$ 60	$ -
Employment and Social Service Program	952	322	75	397	555	-
Total Domestic Violence Shelter and Service Fund	$ 1,016	$ 326	$ 75	$ 401	$ 615	$ -
Maternal and Child Health Services Block Grant Fund - 0872:						
Administrative and Program Support	$ 87	$ -	$ -	$ -	$ 87	$ -
Management Information Service	302	183	17	200	102	-
Employment and Social Service Program	28,202	12,145	5,133	17,278	10,924	-
Total Maternal and Child Health Services Block Grant Fund	$ 28,591	$ 12,328	$ 5,150	$ 17,478	$ 11,113	$ -
Preventive Health and Health Services Block Grant Fund - 0873:						
Employment and Social Service Program	$ 1,500	$ -	$ -	$ -	$ 1,500	$ -
Total Preventive Health and Health Services Block Grant Fund	$ 1,500	$ -	$ -	$ -	$ 1,500	$ -

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Community Mental Health Services Block Grant Fund - 0876:						
Administrative and Program Support	$ 71	$ 60	$ 11	$ 71	$ -	$ -
Mental Health Grants-in-aid and Purchase of Care	18,854	12,636	307	12,943	5,911	-
Total Community Mental Health Services Block Grant Fund	$ 18,925	$ 12,696	$ 318	$ 13,014	$ 5,911	$ -
Habitat for Humanity Fund - 0877:						
Employment and Social Service Program	$ 100	$ 61	$ -	$ 61	$ 39	$ -
Total Habitat for Humanity Fund	$ 100	$ 61	$ -	$ 61	$ 39	$ -
Youth Drug Abuse Prevention Fund - 0910:						
Administrative and Program Support	$ 30	$ -	$ -	$ -	$ 30	$ -
Addiction Treatment	530	246	-	246	284	-
Total Youth Drug Abuse Prevention Fund	$ 560	$ 246	$ -	$ 246	$ 314	$ -
Juvenile Justice Trust Fund - 0911:						
Administrative and Program Support	$ 15	$ 5	$ -	$ 5	$ 10	$ -
Employment and Social Service Program	13,459	1,779	548	2,327	11,132	-
Total Juvenile Justice Trust Fund	$ 13,474	$ 1,784	$ 548	$ 2,332	$ 11,142	$ -
DHS Recoveries Trust Fund - 0921:						
Administrative and Program Support	$ 9,271	$ 6,280	$ 597	$ 6,877	$ 2,394	$ -
Total DHS Recoveries Trust Fund	$ 9,271	$ 6,280	$ 597	$ 6,877	$ 2,394	$ -
Build Illinois Bond Fund - 0971:						
Administrative and Program Support	$ 100	$ -	$ -	$ -	$ -	$ 100
Total Build Illinois Bond Fund	100	-	-	-	-	100
Total Appropriated Funds	$ 5,784,314	$ 4,860,007	$ 389,699	$ 5,249,706	$ 534,508	$ 100

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
Non-Appropriated Funds						
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support		$ -	$ 435	$ 435		
Total Vocational Rehabilitation Fund		$ -	$ 435	$ 435		
DHS Special Purposes Trust Fund - 0408:						
Employment and Social Service Program		$ 6,412	$ 2,874	$ 9,286		
Federal Stimulus - ARRA		606	155	761		
Total DHS Special Purposes Trust Fund		$ 7,018	$ 3,029	$ 10,047		
Electronic Benefits Transfer Fund - 0540:						
Distributive Items		$ 213,567	$ 76	$ 213,643		
Total Electronic Benefits Transfer Fund		$ 213,567	$ 76	$ 213,643		
DHS Federal Projects Fund - 0592:						
Addiction Prevention		$ 1,690	$ 492	$ 2,182		
Community Health		1,591	965	2,556		
Total DHS Federal Projects Fund		$ 3,281	$ 1,457	$ 4,738		
DHS State Projects Fund - 0642:						
Community Health		$ 2,672	$ 310	$ 2,982		
Total DHS State Projects Fund		$ 2,672	$ 310	$ 2,982		
DHS Private Resources Fund - 0690:						
Disability/Behavioral Health Program Administration		$ 22	$ -	$ 22		
Employment and Social Service Program		269	-	269		
Community Health		193	102	295		
Total DHS Private Resources Fund		$ 484	$ 102	$ 586		

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2012
EIGHTEEN MONTHS ENDED DECEMBER 31, 2012
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2012	Lapse Period Expenditures July 1 to December 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2012
DHS Recoveries Trust Fund - 0921:						
Distributive Items		$ 3,169	$ 1,384	$ 4,553		
Total DHS Recoveries Trust Fund		$ 3,169	$ 1,384	$ 4,553		
Total Non-Appropriated Funds		$ 230,191	$ 6,793	$ 236,984		
Total All Funds		$ 5,090,198	$ 396,492	$ 5,486,690		

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

(Concluded)

Schedule 3

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF EXPENDITURES
BY OBJECT
EXPENDITURES FOR FISCAL YEARS ENDED JUNE 30, 2013, 2012 AND 2011
(expressed in thousands)

	Fiscal Year		
	2013	**2012**	**2011**
	PA 97-0725; 97-0730; 98-0001; 98-0017	**PA 97-0070, 97-0076, 97-0642 97-0684, 97-0685**	**P.A. 96-0956, 96-0957**
ALL FUNDS			
Appropriations (net after transfers):	$ 6,088,125	$ 5,784,314	$ 6,395,064
Expenditures:			
Personal Services	$ 826,848	$ 823,210	$ 828,449
Retirement	42,418	34,512	29,119
State Contributions for Social Security	59,894	59,508	59,715
Employer Contributions for Group Insurance	28,826	26,071	23,724
Contractual Services	200,293	216,662	208,089
Travel	3,062	3,113	2,951
Commodities	27,298	32,203	34,850
Printing	1,831	2,038	1,803
Equipment	2,899	3,301	3,768
Telecommunications	11,086	12,547	12,277
Operation of Automotive Equipment	1,085	1,560	1,581
Lump Sums and Other Purposes	2,090	293	16,949
Interfund Cash Transfers	295,297	311,236	266,376
Awards and Grants	4,049,588	3,682,301	4,120,306
Tort, Settlements and Similar Payments - Nontaxable	27	36	121
Medical Preparation and Food Supplies for Free Distribution	239,299	243,508	245,047
Awards and Grants to Students	2,651	1,483	1,381
Grants to Other State Agencies	29,336	28,955	42,624
Permanent Improvements, Lump Sums and Other Purposes	295	215	73
Refunds of Federal and Other Grants	3,016	3,533	3,302
Refunds, Not Elsewhere Classified	357	405	252
Total Expenditures	5,827,496	5,486,690	5,902,757
Less Non-Appropriated Expenditures	264,570	236,984	208,982
Appropriated Expenditures	5,562,926	5,249,706	5,693,775
Reappropriated Balances	100	100	-
Lapsed Balances	$ 525,099	$ 534,508	$ 701,289
State Officers' Salaries			
Expenditures			
Secretary	$ 150	$ 150	$ 130
Assistant Secretaries	172	202	213
Total Expenditures	$ 322	$ 352	$ 343

Note 1: Expenditures are classified according to major object codes listed in the Statewide Accounting Management System (SAMS) manual and include appropriated and non-appropriated funds.

Note 2: All data on this schedule was obtained from Comptroller records.

Note 3: Fiscal year 2011 total expenditures and lapsed balances do not reflect interest payments approved and submitted to the Comptroller for payment after August.

Schedule 4

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF EXPENDITURES BY FACILITY
FISCAL YEARS ENDED JUNE 30, 2013, 2012 AND 2011
(Unaudited)

	2013	2012	2011
Alton Mental Health Center	$ 21,076,012	$ 22,223,346	$ 24,682,697
Chester Mental Health Center	33,476,657	34,062,602	38,587,723
Chicago-Read Mental Health Center	13,539,888	24,990,079	27,813,457
Clyde L. Choate Mental Health and Developmental Center	38,704,008	35,656,990	43,475,968
Elgin Mental Health Center	57,739,232	51,634,806	66,195,125
William W. Fox Developmental Center	15,649,339	16,912,451	19,044,215
William A. Howe Developmental Center	-	-	8,806,105
Illinois School for the Deaf	13,816,035	16,574,484	20,735,542
Illinois School for the Visually Impaired	7,365,787	8,042,849	9,985,850
Jacksonville Developmental Center	10,471,994	26,746,556	32,689,250
Ann M. Kiley Developmental Center	30,482,751	29,434,348	32,884,457
Lincoln Developmental Center	-	-	1,224,885
Elisabeth Ludeman Developmental Center	52,489,650	55,154,292	60,984,880
Jack Mabley Developmental Center	10,830,262	10,245,888	11,862,758
John J. Madden Mental Health Center	29,232,024	26,720,992	32,074,681
Andrew McFarland Mental Health Center	19,197,302	18,840,018	21,941,279
Warren G. Murray Developmental Center	33,936,017	34,300,945	42,228,953
Gov. Samuel H. Shapiro Developmental Center	67,649,346	71,058,544	84,441,964
H. Douglas Singer Mental Health Center	4,637,686	13,270,801	15,321,054
Tinley Park Mental Health Center	2,128,389	17,981,748	23,734,636
Zeller Mental Health Center	449,938	469,177	859,264
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	5,607,066	4,648,388	5,694,598
Total	$ 468,479,383	$ 518,969,304	$ 625,269,341

All expenditure data on this schedule was obtained from Department records.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Fiscal Years Ended June 30, 2012 and 2013

	Equipment	Land and Land Improvements	Buildings and Building Improvements	Site Improvements	Capital Lease Equipment	Total
Balance at July 1, 2011	$ 121,198,710	$ 3,901,803	$ 718,485,669	$ 110,355,591	$ 714,704	$ 954,656,477
Additions	3,840,987	-	940,418	18,297	1,005,270	5,804,972
Deletions	3,335,745	-	503,968	-	700,452	4,540,165
Net Transfers	(8,003,786)	-	5,825,922	-	-	(2,177,864)
Balance at June 30, 2012	$ 113,700,166	$ 3,901,803	$ 724,748,041	$ 110,373,888	$ 1,019,522	$ 953,743,420
Balance at July 1, 2012	$ 113,700,166	$ 3,901,803	$ 724,748,041	$ 110,373,888	$ 1,019,522	$ 953,743,420
Additions	3,512,569	-	223,986	-	174,553	3,911,108
Deletions	5,445,957	427,138	149,354,505	23,580,121	60,996	178,868,717
Net Transfers	(8,350,386)	-	8,241,433	-	-	(108,953)
Balance at June 30, 2013	$ 103,416,392	$ 3,474,665	$ 583,858,955	$ 86,793,767	$ 1,133,079	$ 778,676,858

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller.

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

Schedule 6

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2013, 2012, AND 2011
(expressed in thousands)

	2013	2012	2011
General Revenue Fund - 0001			
Miscellaneous collections from facilities/General Office	$ 575	$ 200	$ 203
Grantee income-program income, Emergency Revolving Fund interest, petty cash, and miscellaneous	642	301	565
Federal - U.S. Dept. of HHS - Refugee Entrants Program	3,913	-	1,464
Federal - U.S. Dept. of Health and Human Services	26	1,215	974
Food stamps	91,147	63,602	90,456
Vocational Rehabilitation Fund	193	-	-
Temporary Assistance for Needy Families (TANF)	-	1,364	425,445
Non-medical	2	(2)	-
Original and renewal license fees	99	87	48
Child Care Development Block Grant	11,129	7,706	68,298
Refugee Entrants Program	2	1	3
Indirect cost reimbursements	1,140	38	468
Total General Revenue Fund	108,868	74,512	587,924
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013			
Loan repayment	2	-	-
Federal - U.S. Dept. of Health and Human Services	68,052	63,299	70,353
State offset claims	20	1	2
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	68,074	63,300	70,355
Group Home Loan Revolving Fund - 0025			
Loan repayment	14	11	16
Illinois Veterans' Rehabilitation Fund - 0036			
Vocational Rehabilitation Fund	57	-	-
Mental Health Fund - 0050			
Patient care reimbursements and miscellaneous collections	22,934	28,360	24,301
Other Illinois State agencies and local units	1,946	2,421	1,765
Other State agencies	-	918	876
Private organization or individuals	2	-	-
Medicare Part D	6,423	6,919	4,418
Total Mental Health Fund	31,305	38,618	31,360
Vocational Rehabilitation Fund - 0081			
Randolph Sheppard vendors	232	144	216
Federal - U.S. Dept. of Education	111,266	99,886	93,880
Federal - U.S. Dept. of Health and Human Services	4,033	3,748	1,621
Federal stimulus package	-	11,519	8,851
Grantee income - jury duty and recoveries, repayments due to law	1	2	3
Indirect cost reimbursements from federal government	-	2,905	1,927
General Revenue Fund	-	7,808	3,227
Repayment due to final audits	-	-	34
Total Vocational Rehabilitation Fund	115,532	126,012	109,759
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123			
Loan repayments	8	8	5
CMS vs AFSCME Wages Trust Fund - 0168			
Court and Anti Trust Distribution	20,240	-	-

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2013, 2012, AND 2011
(expressed in thousands)

Schedule 6

	2013	2012	2011
DCFS Children's Services Fund - 0220			
Federal - TANF grant	$ 68,800	$ 68,800	$ 68,800
Drunk and Drugged Driving Prevention Fund - 0276			
Miscellaneous	-	3	-
Income Tax Refund Fund - 0278			
Federal - TANF grant	19,933	8,595	17,310
Federal National Community Services Fund - 0343			
Federal stimulus package	-	-	480
National Community Services	9,100	8,289	8,976
Total Federal National Community Services Fund	9,100	8,289	9,456
Employment and Training Fund - 0347			
Federal - TANF grant	495,010	500,822	57,147
Federal stimulus package	162	387	178,515
Total Employment and Training Fund	495,172	501,209	235,662
Health and Human Services Medical Trust Fund - 0365			
State offset claims	55	-	-
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394			
Federal - U.S. Department of Education	34	1,597	3,247
DHS Special Purposes Trust Fund - 0408			
Federal - U.S. Dept. of Health and Human Services	7,335	180	138
Federal - U.S. Dept. of Agriculture - multiple grants	23,029	79,206	20,623
State Board of Education	550	1,000	175
Family violence	3,817	2,731	2,713
Refugee entrants	8,305	8,581	5,561
Child care	201,057	195,312	140,007
Migrant Head Start	2,720	3,077	3,028
Federal stimulus package	2,750	1,077	55,594
Private organizations	472	-	-
Total DHS Special Purposes Trust Fund	250,035	291,164	227,839
Old Age Survivors Insurance Fund - 0495			
Federal - U.S. Dept. of Health and Human Services	74,741	77,017	78,278
Early Intervention Services Revolving Fund - 0502			
General Revenue Fund	87,942	76,038	66,000
Federal - U.S. Department of Education	17,048	23,028	11,819
Parent fees	3,139	2,950	3,538
State offset claims	4	1	-
Miscellaneous	-	-	9
Other Illinois State agencies	30	59	106
Other States and agencies	-	-	139
Repayment pursuant to law	4	3	1
Federal stimulus package	-	-	1,654
Total Early Intervention Services Revolving Fund	108,167	102,079	83,266

(Continued)

Schedule 6

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2013, 2012, AND 2011
(expressed in thousands)

	2013	2012	2011
Electronic Benefits Transfer Fund - 0540			
Aid to the Aged, Blind, and Disabled (AABD)	$ 28,399	$ 28,681	$ 27,718
TANF	197,041	188,802	148,608
Employability development services	3,726	6,998	5,240
General assistance	-	-	13,020
Refugee entrants	1,878	1,094	1,475
Employment and training	169	322	2,432
Total Electronic Benefits Transfer Fund	231,213	225,897	198,493
DHS Federal Projects Fund - 0592			
Federal - U.S. Dept. of Health and Human Services	23,616	$ 19,356	$ 21,478
Federal - U.S. Dept. of Justice	776	190	709
Federal - Social Security Administration	-	100	252
Federal monies via Illinois Criminal Justice Information Authority (ICJIA)	587	189	245
Medical Special Purpose Trust	105	-	104
State offset claims	33	-	-
Total DHS Federal Projects Fund	25,117	19,835	22,788
DHS State Projects Fund - 0642			
Illinois Department of Children and Family Services (DCFS)	-	-	1,733
Illinois Department of Healthcare and Family Services (DHFS)	-	-	48
Other Illinois State Agency - Illinois Department of Public Health	55	-	-
Other Illinois State Agency - ICJIA	1,700	-	-
Other Illinois State Agency - Illinois State Board of Education (ISBE)	-	-	13
Other Illinois State Agency - Illinois Violence Prevention Authority	950	13,950	-
Framework Project Program - Capital Development Board	500	-	-
Framework Project Program - Illinois Department on Aging	239	-	-
Framework Project Program - DCFS	79	-	-
Framework Project Program - DHFS	850	-	-
Medical Special Purpose Trust	-	-	48
Private organizations or individuals	-	-	3
Total DHS State Projects Fund	4,373	13,950	1,845
Alcoholism and Substance Abuse Fund - 0646			
Federal - U.S. Dept. of Education	-	-	902
Federal - U.S. Dept. of Health and Human Services	5,492	6,027	5,144
Federal - U.S. Dept. of Justice	331	602	534
Illinois Department of Revenue	14	15	17
Private organizations	203	68	238
State offset claims	13	-	-
Total Alcoholism and Substance Abuse Fund	6,053	6,712	6,835
DHS Private Resources Fund - 0690			
Conference registration fees	-	33	-
Private organizations	294	487	559
Total DHS Private Resources Fund	294	520	559
U.S.D.A. Women Infants and Children Fund - 0700			
Federal - U.S. Dept. of Agriculture	227,115	222,275	223,657
Women Infants and Children (WIC) program income and fees	-	4	1
WIC program vendors	9	5	7
Federal stimulus package	2,371	287	191
Infant formula rebates	71,992	72,502	73,570
Total U.S.D.A. Women Infants and Children Fund	301,487	295,073	297,426

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2013, 2012, AND 2011
(expressed in thousands)

Schedule 6

	2013	2012	2011
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798			
Federal - U.S. Dept. of Agriculture	$ 228	$ 201	$ 250
Federal - U.S. Dept. of Education	225	195	108
Federal property sales/school districts	138	136	145
Federal monies via other Illinois agency	-	-	1
Miscellaneous	22	-	-
ISBE	84	135	67
Total Rehabilitation Services Elementary and Secondary Education Act Fund	697	667	571
Farmer's Market Technology Improvement Fund - 0864			
Federal - U.S. Dept. of Health and Human Services Block Grant	6	-	-
Maternal and Child Health Services Block Grant Fund - 0872			
Federal - U.S. Dept. of Health and Human Services Block Grant	19,032	14,247	18,063
Community Mental Health Services Block Grant Fund - 0876			
Federal - U.S. Dept. of Health and Human Services Block Grant	16,239	12,929	15,973
Youth Drug Abuse Prevention Fund - 0910			
Fines, penalties and violations	383	464	370
Juvenile Justice Trust Fund - 0911			
Federal - U.S. Dept. of Justice	2,191	2,045	1,564
DHS Recoveries Trust Fund - 0921			
IRS collections non-public assistance clients	3,292	3,892	4,361
Earnfare employment/training	-	2	1
Recipient collection - administrative support	590	823	792
Recipient collection - excess assistance	3,461	3,814	3,967
Recipient collection - food stamp	2,098	2,091	2,054
Non-medical	534	841	869
State offset claims	227	14	3
Supplemental Security Income Interim Assistance	1,402	1,379	1,593
Total DHS Recoveries Trust Fund	11,604	12,856	13,640
Social Services Block Grant Fund - 0935			
Federal - U.S. Dept. of Health and Human Services Title XX Block Grant	68,148	77,502	86,210
TANF	1,200	4,634	12,574
Total Social Services Block Grant Fund	69,348	82,136	98,784
Total Receipts Per Department Records	$ 2,058,172	$ 2,048,545	$ 2,200,188

(Concluded)

Schedule 7

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

	General Revenue Fund - 0001	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013	Group Home Loan Revolving Fund - 0025	Illinois Veterans' Rehabilitation Fund - 0036	Mental Health Fund - 0050	Vocational Rehabilitation Fund - 0081
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 108,868	$ 68,074	$ 14	$ 57	$ 31,305	$ 115,532
Deposits in transit, beginning of period	35	-	1	-	1,995	-
Deposits in transit, end of period	(331)	-	-	-	(1,602)	-
Adjustments to be made to Department records - miscellaneous	19	(1)	-	-	427	1
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 108,591	$ 68,073	$ 15	$ 57	$ 32,125	$ 115,533
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 74,512	$ 63,300	$ 11	$ -	$ 38,618	$ 126,012
Deposits in transit, beginning of period	11	1	-	-	220	-
Deposits in transit, end of period	(35)	-	(1)	-	(1,995)	-
Adjustments to be made to Department records - miscellaneous	3	-	-	-	2,024	2
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 74,491	$ 63,301	$ 10	$ -	$ 38,867	$ 126,014

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

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	Hansen-Therkelson Memorial Deaf Student College Fund - 0123	CMS vs AFSCME Wages Trust Fund - 0168	DCFS Children's Services Fund - 0220	Drunk and Drugged Driving Prevention Fund - 0276	Income Tax Refund Fund - 0278	Federal National Community Services Fund - 0343
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 8	$ 20,240	$ 68,800	$ -	$ 19,933	$ 9,100
Deposits in transit, beginning of period	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	1	-	-	-	-	-
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 9	$ 20,240	$ 68,800	$ -	$ 19,933	$ 9,100
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 8	$ -	$ 68,800	$ 3	$ 8,595	$ 8,289
Deposits in transit, beginning of period	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 8	$ -	$ 68,800	$ 3	$ 8,595	$ 8,289

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

	Employment and Training Fund - 0347	Health and Human Services Medical Trust Fund - 0365	Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394	DHS Special Purposes Trust Fund - 0408	Old Age Survivors Insurance Fund - 0495	Early Intervention Services Revolving Fund - 0502
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 495,172	$ 55	$ 34	$ 250,035	$ 74,741	$ 108,167
Deposits in transit, beginning of period	-	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-	(3)
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	809
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 495,172	$ 55	$ 34	$ 250,035	$ 74,741	$ 108,973
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 501,209	$ -	$ 1,597	$ 291,164	$ 77,017	$ 102,079
Deposits in transit, beginning of period	-	-	-	-	1	-
Deposits in transit, end of period	-	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	1	-	-	1	(1)	546
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 501,210	$ -	$ 1,597	$ 291,165	$ 77,017	$ 102,625

(Continued)

Schedule 7

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

	Electronic Benefits Transfer Fund - 0540	DHS Federal Projects Fund - 0592	DHS State Projects Fund - 0642	Alcoholism and Substance Abuse Fund - 0646	DHS Private Resources Fund - 0690	U.S.D.A. Women Infants and Children Fund - 0700
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 231,213	$ 25,117	$ 4,373	$ 6,053	$ 294	$ 301,487
Deposits in transit, beginning of period	18,295	-	-	-	-	-
Deposits in transit, end of period	(29,752)	-	-	(11)	(13)	-
Adjustments to be made to Department records - miscellaneous	(5,965)	5	-	(1)	-	51
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 213,791	$ 25,122	$ 4,373	$ 6,041	$ 281	$ 301,538
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 225,897	$ 19,835	$ 13,950	$ 6,712	$ 520	$ 295,073
Deposits in transit, beginning of period	5,761	16	-	-	1	1
Deposits in transit, end of period	(18,295)	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	203	(16)	-	-	69	4
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 213,566	$ 19,835	$ 13,950	$ 6,712	$ 590	$ 295,078

(Continued)

Schedule 7

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

	Rehabilitation Services Elementary and Secondary Education Act Fund - 0798	Farmer's Market Technology Improvement Fund - 0864	Maternal and Child Health Services Block Grant Fund - 0872	Community Mental Health Services Block Grant Fund - 0876	Youth Drug Abuse Prevention Fund - 0910	Juvenile Justice Trust Fund - 0911
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 697	$ 6	$ 19,032	$ 16,239	$ 383	$ 2,191
Deposits in transit, beginning of period	5	-	-	-	28	-
Deposits in transit, end of period	(33)	-	-	-	(19)	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-	-
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 669	$ 6	$ 19,032	$ 16,239	$ 392	$ 2,191
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 667	$ -	$ 14,247	$ 12,929	$ 464	$ 2,045
Deposits in transit, beginning of period	-	-	-	-	28	-
Deposits in transit, end of period	(5)	-	-	-	(28)	-
Adjustments to be made to Department records - miscellaneous	-	-	72	-	1	-
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 662	$ -	$ 14,319	$ 12,929	$ 465	$ 2,045

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2013 and 2012
(expressed in thousands)

	DHS Recoveries Trust Fund - 0921	Social Services Block Grant Fund - 0935	Total All Funds
TOTAL 2013 RECEIPTS PER DEPARTMENT RECORDS	$ 11,604	$ 69,348	$ 2,058,172
Deposits in transit, beginning of period	479	-	20,838
Deposits in transit, end of period	(930)	-	(32,694)
Adjustments to be made to Department records - miscellaneous	102	-	(4,552)
TOTAL 2013 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 11,255	$ 69,348	$ 2,041,764
TOTAL 2012 RECEIPTS PER DEPARTMENT RECORDS	$ 12,856	$ 82,136	$ 2,048,545
Deposits in transit, beginning of period	298	-	6,338
Deposits in transit, end of period	(479)	-	(20,838)
Adjustments to be made to Department records - miscellaneous	(229)	-	2,680
TOTAL 2012 DEPOSITS RECORDED BY STATE COMPTROLLER	$ 12,446	$ 82,136	$ 2,036,725

(Concluded)

Schedule 8

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF LOCALLY HELD FUNDS
For the Years Ended June 30, 2013 and 2012

	2013	2012
DHS Other Special Trusts Fund - 1139		
Beginning Balance	$ 1,744,589	$ 1,577,912
Receipts	701,974	1,435,981
Disbursements	(824,391)	(1,269,304)
Ending Balance	$ 1,622,172	$ 1,744,589
DHS Commissary Funds Fund - 1140		
Beginning Balance	$ 8,816	$ 11,551
Receipts	48,566	54,561
Disbursements	(48,608)	(57,296)
Ending Balance	$ 8,774	$ 8,816
DHS Resident's Trust Fund - 1143		
Beginning Balance	$ 2,252,708	$ 2,414,757
Receipts	15,865,365	16,352,949
Disbursements	(15,849,548)	(16,514,998)
Ending Balance	$ 2,268,525	$ 2,252,708
DHS Rehabilitation Fund - 1144		
Beginning Balance	$ 60,996	$ 66,464
Receipts	231,868	259,892
Disbursements	(245,393)	(265,360)
Ending Balance	$ 47,471	$ 60,996
DHS/DORS Agency Fund - 1147		
Beginning Balance	$ 8,288	$ 17,110
Receipts	196,240	278,631
Disbursements	(195,035)	(287,453)
Ending Balance	$ 9,493	$ 8,288
DHS/DORS Special Revenue Fund - 1149		
Beginning Balance	$ 229,537	$ 254,622
Receipts	353,083	362,178
Disbursements	(344,544)	(387,263)
Ending Balance	$ 238,076	$ 229,537

(Continued)

Schedule 8

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF LOCALLY HELD FUNDS
For the Years Ended June 30, 2013 and 2012

	2013	2012
DHS/DORS Permanent Trust Fund - 1150		
Beginning Balance	$ 430,620	$ 447,815
Receipts	21,330	29,942
Disbursements	(35,670)	(47,137)
Ending Balance	$ 416,280	$ 430,620
Living Skills Program Fund - 1214		
Beginning Balance	$ 24,062	$ 19,697
Receipts	129,867	150,425
Disbursements	(122,805)	(146,060)
Ending Balance	$ 31,124	$ 24,062
Food Stamp and Commodity Fund - 1245		
Beginning Balance	$ -	$ -
Receipts	3,372,185,406	3,095,094,225
Disbursements	(3,372,185,406)	(3,095,094,225)
Ending Balance	$ -	$ -
Patient's Travel Trust Fund - 1247		
Beginning Balance	$ 50,317	$ 27,079
Receipts	89,097	116,846
Disbursements	(108,618)	(93,608)
Ending Balance	$ 30,796	$ 50,317
Women Infant and Children Redemption Fund - 1271		
Beginning Balance	$ 2,309,158	$ 399,729
Receipts	171,358,871	175,366,723
Disbursements	(171,538,773)	(173,457,294)
Ending Balance	$ 2,129,256	$ 2,309,158
Burr Request Fund - 1272		
Beginning Balance	$ 1,029,700	$ 1,034,338
Receipts	1,110	958
Disbursements	(10,774)	(5,596)
Ending Balance	$ 1,020,036	$ 1,029,700

(Continued)

Schedule 8

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF LOCALLY HELD FUNDS
For the Years Ended June 30, 2013 and 2012

	2013	2012
Vending Facility Program for the Blind Fund - 1385		
Beginning Balance	$ 209,831	$ 160,994
Receipts	1,500,285	1,670,896
Disbursements	(1,496,082)	(1,622,059)
Ending Balance	$ 214,034	$ 209,831
Assets for Independence Fund - 1391		
Beginning Balance	$ 313,602	$ 815,241
Receipts	10,108	25,736
Disbursements	(323,710)	(527,375)
Ending Balance	$ -	$ 313,602

(Concluded)

Note: This schedule is presented on the cash basis of accounting.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

Schedules 1 and 2, Schedule of Appropriations, Expenditures and Lapsed Balances, present information by fund and division within fund for the fiscal years ended June 30, 2013 and 2012. Schedule 3, Comparative Schedule of Expenditures by Object, compares expenditures for the Department by object code for both appropriated funds and nonappropriated funds. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in expenditures greater than $2,000,000 and 15% of total expenditures in that category as presented in the Schedule 3 are detailed below (amounts expressed in thousands). Other fluctuations were also included that fell outside of that threshold because they were thought to be qualitatively significant by the auditors.

Retirement

Expenditures for retirement increased from fiscal year 2011 to fiscal year 2012 due to an increase in the retirement contribution rate from 27.988% in fiscal year 2011 to 34.190% in fiscal year 2012. Expenditures for retirement increased again from fiscal year 2012 to fiscal year 2013 due to an increase in the retirement contribution rate from 34.190% in fiscal year 2012 to 37.987% in fiscal year 2013.

Commodities

Expenditures for commodities decreased from fiscal year 2012 to fiscal year 2013. The decrease was related to the closure of 3 State operated facilities in fiscal year 2013: Tinley Park Mental Health Center, H. Douglas Singer Mental Health Center, and Jacksonville Developmental Center. Due to the closure of the facilities, expenditures for all commodities were affected including office supplies, food, household cleaning supplies and items, and pharmaceuticals.

Lump Sums and Other Purposes

Expenditures for lump sums and other purposes were for interest owed to vendors in compliance with the State Prompt Payment Act (30 ILCS 540) (Act). These expenditures decreased from fiscal year 2011 to 2012 due to changes in the Act which included increasing the number of days from 60 to 90 before interest began to accrue and decreasing the interest rate from 2% to 1%. Also, in fiscal year 2012, the Department was mandated by a court order to reserve all remaining appropriations for ASFCME back wages. The lump sums and other purposes object code was impacted by the court order.

Interfund Cash Transfers

Expenditures for Interfund Cash Transfers increased from fiscal year 2011 to fiscal year 2012 primarily due to two factors. The Department was required to make payments for the court order of the State of Illinois (Department of Central Management Services) v. AFSCME Council 31 out of appropriations impacting the interfund cash transfers object code to the CMS vs AFSCME Wages Trust Fund (Fund 0168). Another increase in expenditures for this line was caused by the Temporary Assistance to Needy Families (TANF) appropriations being scheduled out of the Employment and Training Fund (Fund 0347) to the General Revenue Fund (Fund 0001) due to underfunding of program costs.

Awards and Grants

Expenditures for awards and grants decreased from fiscal year 2011 to 2012. The Department attributed the majority of the decrease to the end of the Put Illinois to Work (PIW) program which ran through January 15, 2011. The PIW was an anti-poverty program aimed at placing unemployed and underemployed Illinois citizens in subsidized employment positions for up to six months. Additionally, the Department attributed the decrease to deferring fiscal year 2012 medical assistance billings to fiscal year 2013.

Expenditures for awards and grants increased from fiscal year 2012 to 2013. The Department attributed the majority of the increase to a Developmental Disabilities supplemental appropriation that was received in order to pay down deferred billings carried over from fiscal year 2012. The supplemental appropriation was needed in order to prevent an additional liability being carried over into fiscal year 2014.

Grants to Other State Agencies

Expenditures for grants to other State agencies decreased from fiscal year 2011 to 2012. The Department attributed the majority of the decrease to the elimination of the TANF & Other Social Services - ARRA appropriation within Fund 0347, which impacted this object code.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2013

A summary of cash receipts by fund by source is presented in Schedule 6, Comparative Schedule of Cash Receipts. The Illinois Department of Human Services' (Department) explanations for significant fluctuations in cash receipts greater than $2,000,000 and 15% of total receipts by type of receipt in each fund as presented in the Schedule 6 are detailed below (amounts expressed in thousands). Other fluctuations were also included that fell outside of that threshold because they were thought to be qualitatively significant by the auditors.

General Revenue Fund – 0001

Receipts for the U.S. Department of Health and Human Services – Refugee Entrants Program increased from fiscal year 2012 to fiscal year 2013 due to the availability of grant funds and the timing of draws.

Receipts for food stamps decreased from fiscal year 2011 to fiscal year 2012 and then increased from fiscal year 2012 to fiscal year 2013 due to the timing and allocation of expenditures between the General Revenue Fund (Fund 0001) and the DHS Special Purposes Trust Fund (Fund 0408).

Temporary Assistance for Needy Families (TANF) receipts decreased from fiscal year 2011 to fiscal year 2012 as a result of the deposit of TANF draws into the Employment and Training Fund (Fund 0347) instead of Fund 0001 beginning in fiscal year 2012.

Child Care Block Grant receipts decreased from fiscal year 2011 to fiscal year 2012 and increased from fiscal year 2012 to fiscal year 2013 due to the timing and allocation of expenditures between Fund 0001 and Fund 0408.

Mental Health Fund – 0050

Patient care reimbursements and miscellaneous collections increased from fiscal year 2011 to fiscal year 2012 due to staffing vacancies at State-operated facilities in fiscal year 2011, as well as the timing of the posting of payments. Patient care reimbursements and miscellaneous collections decreased from fiscal year 2012 to fiscal year 2013 as a result of State-operated facility closures.

Receipts for Medicare Part D increased from fiscal year 2011 to fiscal year 2012 as a result of staffing vacancies at State-operated facilities in fiscal year 2011 and the timing of the posting of payments.

Vocational Rehabilitation Fund – 0081

Federal - U.S. Department of Health and Human Services receipts increased from fiscal year 2011 to fiscal year 2012. This increase was due to a staffing shortage in fiscal year 2010, which resulted in fewer claims being submitted and reimbursed during fiscal year 2011. Since that time, staffing levels have resumed and claiming has been caught up, according to Department personnel.

Federal stimulus package receipts increased from fiscal year 2011 to fiscal year 2012 and decreased from fiscal year 2012 to fiscal year 2013. The federal stimulus funds were a short-time influx of federal funds to encourage employment outcomes for individuals with disabilities. Spending began slowly as programs were rolled out and increased as the programs continued to grow during fiscal years 2011 and 2012. The full federal grant funds were expended during fiscal year 2012, resulting in no stimulus spending or receipts in fiscal year 2013.

Indirect cost reimbursements from the federal government decreased from fiscal year 2012 to fiscal year 2013 due to a change in staffing that led to a timing difference in the processing of reimbursements.

Fund 0001 receipts increased from fiscal year 2011 to fiscal year 2012 and then decreased from fiscal year 2012 to 2013 due to a change in staffing that led to timing differences for processing reimbursements. Department personnel stated the issue has since been resolved and a process was put in place to ensure more stability in the timing of reimbursements.

CMS vs AFSCME Wages Trust Fund – 0168

This is a new fund created in fiscal year 2013.

Income Tax Refund Fund – 0278

Federal TANF grant receipts decreased from fiscal year 2011 to fiscal year 2012 due to a decrease in the number of people eligible for the Earned Income Tax Credit. Federal TANF grant receipts increased from fiscal year 2012 to fiscal year 2013 due to an increase in the Earned Income Tax Credit rate.

Employment and Training Fund – 0347

Receipts for the Federal TANF grant increased from fiscal year 2011 to fiscal year 2012 due to the deposit of TANF grants into Fund 0347 instead of Fund 0001 beginning in fiscal year 2012, as explained above.

Federal stimulus package receipts decreased from fiscal year 2011 to fiscal year 2012 due to the end of the Put Illinois to Work grant in fiscal year 2011.

DHS Special Purposes Trust Fund – 0408

Federal - U.S. Department of Health and Human Services receipts increased from fiscal year 2012 to fiscal year 2013 due to an increase in funding for the Maternal Infant Early Childhood Home Visiting program (MIECHV) which included the MIECHV Competitive and Formula 2 grants.

Federal - U.S. Department of Agriculture – multiple grants receipts increased from fiscal year 2011 to fiscal year 2012 and decreased from fiscal year 2012 to fiscal year 2013 due to funds being drawn into Fund 0408 incorrectly in fiscal year 2012. The funds should have been drawn into Fund 0001.

Receipts for refugee entrants increased from fiscal year 2011 to fiscal year 2012 due to the timing of grant draws.

Child care receipts increased from fiscal year 2011 to fiscal year 2012 due to the timing and allocation of expenditures between Fund 0001 and the DHS Special Purposes Trust Fund (Fund 0408). The amount of the draw into Fund 0001 is determined by factors that include: how much of the federal draw is available at the midmonth and how much is needed to cover projected spending in Fund 0408. More of the draw in September 2012 was allocated to Fund 0001 due to Fund 0408 spending for that month being covered by draws from the previous month.

Receipts for the federal stimulus package decreased from fiscal year 2011 to fiscal year 2012 as a result of ARRA grants ending in fiscal year 2011. In fiscal year 2012, only two small ARRA grants remained active.

Early Intervention Services Revolving Fund – 0502

Fund 0001 receipts in the Early Intervention Services Revolving Fund (Fund 0502) are appropriated annually for differing dollar amounts, but often cross fiscal years. As a result, fluctuations can occur from year to year, which happened in fiscal year 2012 when fiscal year 2011 appropriated receipts were received in fiscal year 2012.

Federal - U.S. Department of Education receipts increased from fiscal year 2011 to fiscal year 2012 and then decreased from fiscal year 2012 to fiscal year 2013 due to the timing of draws and staffing vacancies.

Receipts for the federal stimulus package decreased from fiscal year 2011 to fiscal year 2012 as a result of ARRA grants ending in fiscal year 2011.

Electronic Benefits Transfer – 0540

TANF receipts increased from fiscal year 2011 to fiscal year 2012 as a result of an increase in average monthly TANF caseloads.

Employment development services decreased from fiscal year 2012 to fiscal year 2013 due to some support services that did not go through the LINK card.

Receipts for general assistance decreased from fiscal year 2011 to fiscal year 2012 as a result of legislation that ended State funding for the General Assistance Program as of June 30, 2011.

Employment and training receipts decreased from fiscal year 2011 to fiscal year 2012 due to some support services that did not go through the LINK card.

DHS Federal Projects Fund – 0592

Federal - U.S. Department of Health and Human Services receipts increased from fiscal year 2012 to fiscal year 2013 due to the Personal Responsibility Education Program (PREP) grant starting during fiscal year 2012 and becoming fully implemented in fiscal year 2013.

DHS State Projects Fund – 0642

Illinois Violence Prevention Authority (IVPA) receipts increased from fiscal year 2011 to fiscal year 2012 and decreased from fiscal year 2012 to fiscal year 2013 due to the receipt of a new grant from IVPA in fiscal year 2012 for the purpose of awarding sub-grants pursuant to an interagency agreement.

U.S.D.A. Women Infants and Children Fund – 0700

Federal stimulus package receipts increased from fiscal year 2012 to fiscal year 2013 as a result of additional Special Supplemental Assistance Nutrition Program ARRA grants provided by the U.S. Department of Agriculture in fiscal year 2013.

Maternal and Child Health Services Block Grant Fund – 0872

Federal - U.S. Department of Health and Human Services Block Grant receipts decreased from fiscal year 2011 to fiscal year 2012 due to the timing of draws. Federal - Receipts for the U.S. Department of Health and Human Services Block Grant receipts increased from fiscal year 2012 to fiscal year 2013 due to the reorganization of the Division of Family and Community Services (FCS) where the payment processes were refined into a monthly payment and reconciliation as compared to a quarterly payment process.

Community Mental Health Services Block Grant Fund – 0876

Federal - U.S. Department of Health and Human Services Block Grant receipts decreased from fiscal year 2011 to fiscal year 2012 due to a decrease in the Maintenance of Effort (MOE) and the cutting of the grant funding. The same type of receipts increased from fiscal year 2012 to fiscal year 2013 as a result of an increase in the MOE and an increase in the grant funding.

Social Services Block Grant Fund – 0935

TANF receipts decreased from fiscal year 2011 to fiscal year 2012 and again in fiscal year 2013 due to the decreased use of the Home Services Program for TANF transfers.

The Illinois Department of Human Services' (Department) explanation for significant lapse period spending as presented in Schedules 1 and 2 are detailed below (amounts expressed in thousands). For the purposes of this analysis, significant lapse period spending is defined as $2,000,000 and 15% or more of the total expenditures for the respective fiscal year. Other fluctuations were also included that fell outside of that threshold because they were thought to be qualitatively significant by the auditors.

Fiscal Year 2013

Mental Health Fund - 0050

Lapse period spending totaled $8,902 or 16% of total expenditures for fiscal year 2013. Approximately 61% of the lapse period spending in this fund was for disability/behavioral health program administration lapse period expenditures. Department personnel explained these expenditures were for personal services and fringe benefits from the bargaining unit pay raises not previously paid during the fiscal year.

Home Services Medicaid Trust Fund – 0120

Lapse period expenditures totaled $32,646 or 14% of total expenditures for fiscal year 2013. The majority of lapse period spending for this fund related to Home Services Program Personal Assistant payroll for the end of the fiscal year. In addition, a significant remaining portion of lapse spending was due to the timing of provider payments for year end billings.

CMS vs AFSCME Wages Trust Fund - 0168

All of the CMS vs AFSCME Wages Trust Fund (Fund 0168) expenditures for fiscal year 2013 occurred during the lapse period. These related to payments for the court order of the State of Illinois (Central Management Services) v. AFSCME Council 31. The Department was instructed to make these payments during the lapse period for a total of $20,100 to pay the bargaining-unit raises not paid during fiscal year 2012.

DHS Special Purposes Trust Fund - 0408

Lapse period spending out of the non-appropriated portion of the DHS Special Purposes Trust (Fund 0408) totaled $2,330 or 19% of the non-appropriated portion's total spending. Over 99% of those expenditures pertained to the employment and social service program. Department personnel stated Food Stamp Bonus 2005 expenditures were submitted during the fiscal year 2013 lapse period due to the Disaster Supplemental Nutrition Assistance Program (SNAP) the Department had to implement for flooding. When a disaster is declared and approved, it has to be implemented and paid at that time. In addition, the Race to the Top program was beginning and the first expenditures were submitted for processing. Due to timing, they were processed during the fiscal year 2013 lapse period. Finally, the last three SNAP Education documentation forms, which are the billing forms, from the University of

Illinois were received on June 28 and July 12, 2013 and were processed during the fiscal year 2013 lapse period.

Early Intervention Services Revolving Fund - 0502

Lapse period expenditures totaled $19,181 or 13% of total expenditures for fiscal year 2013. The Department noted the lapse payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

Maternal and Child Health Services Block Grant Fund - 0872

Lapse period expenditures totaled $3,355 or 19% of total expenditures for fiscal year 2013. Nearly all of this spending occurred within the employment and social services program. The Department explained that changes were made during fiscal year 2013 related to the Department's Family Case Management Program and new instructions, billing forms, etc. were distributed to providers. Department program staff worked with the providers on these changes but the new process slowed down the providers' submission of their billings. The Department stated the payments for the Family Case Management Program for the last quarter of fiscal year 2013 were made during the lapse period since a number of providers did not submit their last quarterly bills until July 2013.

Community Mental Health Services Block Grant Fund - 0876

Lapse period expenditures totaled $3,081 or 16% of total expenditures for fiscal year 2013. Late in fiscal year 2013, the Division of Mental Health shifted contracts related to mental health psychiatric services from the General Revenue Fund (Fund 0001) to the Community Mental Health Services Block Grant Fund (Fund 0876). Based on the timing of the shift, Department personnel stated the contracts had to be de-obligated in Fund 0001 and transferred to Fund 0876, processed for payment, and then paid during the lapse period.

Fiscal Year 2012

DHS Special Purposes Trust Fund - 0408

Lapse period spending out of the non-appropriated portion of the DHS Special Purposes Trust Fund (Fund 0408) totaled $3,029 or 30% of the non-appropriated portion's total spending. Approximately 95% of those expenditures pertained to the employment and social service program, specifically the Supplemental Nutrition Assistance Program (SNAP) Outreach and SNAP Education programs. During the fiscal year 2012 lapse period, the SNAP Outreach program paid $510 due to the provider submitting a reimbursement request pertaining to the third quarter of fiscal year 2012 untimely. Therefore, two quarters (3rd and 4th) of SNAP funds were paid out in the lapse period. The SNAP Education program made a payment of $2,364 to the University of Illinois which represented eligible costs incurred during the April-June 2012 quarter. The Department explained the dollar amount for provider reimbursement requests for eligible program costs can fluctuate from quarter to quarter. These fluctuations can typically be attributed to staff-level changes at the provider level.

Early Intervention Services Revolving Fund – 0502

Lapse period expenditures totaled $18,191 or 13% of total expenditures for fiscal year 2012. The Department noted the lapse payments were due to timing of payments to providers. Providers have a deadline to submit remaining fiscal year billings during the lapse period.

Local Initiative Fund – 0762

Lapse period expenditures totaled $2,675 or 14% of total expenditures for fiscal year 2012. The Department noted providers submit May and June billings during July and August. There are no payments made in July for the current fiscal year, only prior lapse period payments.

Maternal and Child Health Services Block Grant Fund - 0872

Lapse period spending in this fund totaled $5,150 or 29%. Over 99% of the spending occurred in the employment and social service program. On January 1, 2012, the Division of Community Health and the Office of Prevention and Human Capital Development merged to form the Division of Family Community Services. The merger created more lapse period spending within the Maternal and Child Health Services Block Grant Fund (Fund 0872) due to changes in the billing and payment process for the providers who received monies through this fund within the predecessor division and office and then within the new division. Prior to the merger, Community Health and Prevention paid out funds in advance and reconciled on a quarterly basis. The providers usually had funds available to pay the final bills and often, the programs had to pay back the excess advanced funds. After the merger, the contract billing and payment process changed whereby funds were advanced each month but reconciled to actual amounts expended by the providers. Providers had to submit a bill for reconciliation and to determine the amount of the next payment to send out. At the end of the fiscal year, the providers had billings they had to get submitted in order to get paid, which caused additional payments to be made during the lapse period.

Schedule 12

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2013

Schedule 5, the Schedule of Changes in State Property, summarizes changes in the Department's fixed assets during fiscal years 2013 and 2012.

During the fiscal years 2013 and 2012, the major additions to inventory can be traced directly to building improvements to various facilities transferred in by the Capitol Development Board. Other additions include various equipment items leased through capital leased arrangements. There were also reductions in inventory during fiscal years 2013 and 2012. The major reductions can be attributed to the closures of the Tinley Park Mental Health Center, Lincoln Developmental Center, H. Douglas Singer Mental Health Center, and William A. Howe Developmental Center. In addition, the continuing effort to adhere to the Governor's initiative regarding the transfer of the information technology infrastructure to Department of Central Management Services (DCMS) was still ongoing during the examination period, including the transfers of servers, UPS, switches, etc., as well as scrapping of broken equipment that was unable to be repaired or was of no economic value for reissue or surplus.

Schedule 13

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2013

Receivables of the Department consist of reimbursements or formula allocation amounts due to the Department for administration of federal grant awards, recoveries of public assistance grant funds, recipient services and rebates. The principal federal grantor agencies are the U.S. Departments of Health and Human Services, Education, and Agriculture, and the Social Security Administration. In addition to routine collection processes, the Department utilizes private collection services and the Comptroller's Treasury Offset System to collect receivables.

Other receivables, net, include an allowance for uncollectibles of $465,258 and $465,481 (expressed in thousands) for fiscal years 2013 and 2012, respectively. Loans and notes receivable, net, include an allowance for uncollectibles of $30 and $20 (expressed in thousands) for fiscal years 2013 and 2012, respectively. The amounts due from other funds and component units are amounts due from other State agencies and related organizations and are all considered fully collectible.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2013 and 2012, respectively.

	Total June 30, 2013	Total June 30, 2012
Taxes receivable, net	$ 200	$ 260
Due from other government – federal	264,021	240,577
Due from other government – local	270	274
Other receivables, net	48,602	56,440
Due from other State funds	50,883	46,905
Due from component units	794	17
Loans and notes receivable, net	379	500
	$ 365,149	$ 344,973

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF OPERATIONS
DEPARTMENT FUNCTIONS AND PLANNING PROGRAM
For the Years Ended June 30, 2013 and 2012
(Unaudited)

Illinois House Bill 2632 created the Illinois Department of Human Services (Department) which on July 1, 1997 consolidated the Departments of Alcoholism and Substance Abuse, Mental Health and Developmental Disabilities, and Rehabilitation Services, along with the client-centered services provided through the Departments of Children and Family Services, Healthcare and Family Services and Public Health. The Department established as its primary mission to assist Illinois residents to achieve self-sufficiency, independence and health, to the maximum extent possible, by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes, in partnerships with communities. The current Secretary for the Department of Human Services is Michelle R.B. Saddler.

The Department's mission is carried out through the following divisions: Administrative Services, Community Health and Prevention, Disability and Behavioral Health Services, and Family and Community Services. The Department is the largest agency in the State with a headcount of 11,938 for the period ending June 30, 2013.

Note: Much of the following information was taken directly from the Department's strategic planning document for fiscal years 2012 through 2014. The names for certain divisions and offices within this document could differ from the ones utilized in the subsequent Schedule of Number of Employees, and throughout this report, due to ongoing reorganization and streamlining efforts by the Department.

Department Planning Process

The Department of Human Services is required by 20 ILCS 10 to submit an annual plan which includes a description of Department programs, program objectives, qualitative and quantitative data on accomplishments and expenditures, a family impact statement and an analysis of legislation or court decisions which may affect service delivery. The Department has developed Human Services Plans through fiscal year 2014. All the Department divisions and offices work toward the accomplishment of the Department's overall Human Services Plan.

The Department's Vision Statement

The Department is a customer-centered, pro-active social service delivery agency that engages stakeholders to effectively address social issues. Services are delivered efficiently and expediently with personalized care, utilizing innovative, user-friendly technology.

The Department's Mission Statement

To assist customers to achieve maximum self-sufficiency, independence and health through the provision of seamless, integrated services for individuals, families and communities.

The Department's Strategic Initiatives and Objectives were created around 5 priorities. The Department's Executive Leadership Team selected the 7 priorities based upon the broad crosscutting nature of each and criticality to mission attainment. The following are the Department's Strategic Planning Priorities for fiscal years 2012-2014:

Priority 1. Self – Sufficiency
Collaborate with human service agencies to help families and individuals obtain economic stability.

Priority 2. Independence
Collaborate with human service agencies to effectively help individuals with disabilities to maximize independence.

Priority 3. Health
Collaborate with human service agencies to improve the health and well-being of individuals and families and provide effective treatment to individuals in need.

Priority 4. Safety
Collaborate with State and community agencies to implement effective systems that ensure the safety of Illinois residents.

Priority 5. Fiscal Responsibility and Service Integration
Devise and implement best business practices that maximize and expand the State's resources; and implement cross cutting processes that enhance achievement of the agency's core mission and provide seamless integrated services for individuals, families and communities.

Executive Offices

Office of the Secretary

The Office of the Secretary is responsible for all duties and responsibilities regarding all aspects of the Department's programs and services related to the 4 program divisions, special programs and operations. The executive level communication, decision making and daily operations of the Department are housed in the Office of the Secretary. The following administrative units report directly to the Office of the Secretary and receive direction and guidance from the Chief of Staff: Office of Communications, Grants, Hispanic/Latino Affairs, Human Resources, Inspector General, Internal Audit, Legal Counsel, Legislation, Security and Emergency Preparedness, Civil Affairs, Labor Relations and Strategic Planning and Performance.

Office of Human Resources (OHR)

The Office of Human Resources functions include: Employee Services – responsible for personnel transactions and leave administration; Payroll and Benefits – responsible for the Department's payroll processing, insurance, deferred compensation, Family & Medical Leave Act (FMLA), Victims' Economic Security and Safety Act (VESSA), retirement and compensation issues as well as payroll processing for 5 other state agencies (Department of Children and Family Services (DCFS), Department of Veterans Affairs (DVA), Department of Corrections (DOC), Department of Juvenile Justice (DJJ), Department of Natural Resources (DNR)), Recruitment and Selection – responsible for recruiting, interviewing and selecting qualified candidates to fill the Department's vacancies; Training and Support

Services – responsible for administration of professional development training, employee assistance, volunteer services, employee recognition, and Ethics training compliance.

Office of Communications

The Office of Communications is charged with outreach to several audiences: staff members, more than 1,700 contracted providers, advocates, trade associations, the business community, legislators, media and the Department's 2.5 million customers. The Office's mission is to promote public awareness and use of the Department's programs and services, and to work with Department divisions to foster relationships of goodwill with Department staff, external partners, customers, and elected officials.

Office of the General Counsel (OGC)

The Office of the General Counsel is subdivided into several areas. The structure of the OGC, where possible, mirrors the organizational structure of the Department and includes representation as "in-house" counsel to the programmatic and administrative areas. Responsibilities for the Freedom of Information Act (FOIA) Officer, the Ethics Officer, and the Privacy Officer for the Department are also housed within the OGC.

Administrative Hearing and Rules consist of 3 Bureaus: the Bureau of Assistance Hearing, the Bureau of Administrative Hearings and the Bureau of Administrative Rules. The 2 Hearings Bureaus are responsible for maintaining a system of administrative appeals to ensure the Department's compliance with the administrative hearings provisions of the Illinois Administrative Procedure Act. These hearings pertain to all Department program areas, including public assistance, and services for mental health, developmental disabilities, rehabilitation and alcohol and substance abuse. The Bureau of Administrative Rules is responsible for maintaining the Department's compliance with the administrative rulemaking provisions of the Illinois Administrative Procedures Act. It works with the program areas to propose, amend and repeal administrative rules as necessary to properly implement all Department programs. It also works closely with staff of the Joint Committee on Administrative Rules (JCAR) to ensure conformance to its policies and procedures.

The *Bureau of Policy and the Bureau of Civil Affairs* is also part of the OGC. The Bureau of Civil Affairs strives to create an environment free from discrimination and harassment for both Department employees and its customers. Through its investigations, the Bureau ensures adherence to Federal and State non- discrimination and anti-harassment laws. The Bureau is also responsible for compiling the Department's annual Affirmative Action Plan for the Illinois Department of Human Rights as well as ensuring that all Department hires and promotions meet the guidelines enumerated in both Federal and State laws. The Bureau also provides technical assistance to Department staff and provides leadership to the Department's Recruitment, Hiring and Discipline Committee to ensure compliance with laws regarding discrimination and harassment.

The *Bureau of Policy* assists in the development of Administrative Directives and Program Directives by working with staff from all parts of the Department. The Bureau oversees the drafting of the Directives and coordinates their review and approval.

Office of Contract Management (OCM)

The Office of Contract Management reports to the Chief Operating Officer and is responsible for the transaction from the execution of a fully approved Procurement Business Case (PBC) until there is a timely approved contract with all necessary exhibits and attachments. OCM's primary responsibilities include reviewing high-value contracts, as well as Requests for Proposal (RFP's), Invitations for Bid (IFB's) and related documents to ensure compliance with best practices and legal requirements. OCM is also responsible for contract negotiation/renegotiation to protect stakeholder interests and maximize cost savings. OCM administers the Central Repository Vault (CRV), a multi-agency portal for providers to upload and store required documentation. In addition, OCM oversees the Department's Business Enterprise Program (BEP), which promotes the economic development of businesses owned by minorities, women, and persons with disabilities.

Office of Equal Employment Opportunity Officer

The Equal Employment Opportunity and Affirmative Action (EEO/AA) Officer serves as the confidential advisor to the agency on matters relating to its affirmative action and equal employment practices and policies. Additionally, the EEO/AA Officer chairs the Recruitment Hiring and Discipline Committee, which meets monthly to discuss, strategize and plan the goals and objectives of the agency's affirmative action plan and equal employment opportunity performance. The EEO/AA Officer also serves as a monitor of Department wide hiring and employment practices to ensure accordance with State and Federal laws, executive orders and court decisions. The Chief EEO/AA Officer serves as the Department's liaison to the Illinois Department of Human Rights, the Department's affirmative action and equal employment opportunity monitoring agency. Additionally, the EEO/AA Officer reviews, analyzes and prepares the Department's annual Affirmative Action Plan required by the Illinois Department of Human Rights. Lastly, the EEO/AA Officer reviews and analyzes the discipline within all Department Mental Health and Developmental Disability Centers for any disparities and ensures that the Facilities and Centers are in compliance with all applicable State and Federal laws.

The Americans with Disabilities Act (ADA) program is coordinated through the *Bureau of Accessibility and Job Accommodation* (BAJA). The Bureau Chief of the Bureau of Accessibility and Job Accommodation serves as the Department's ADA/Section 504 Coordinator who monitors compliance with the Titles of the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act, to investigate related grievances, and to provide information, training and technical assistance to entities on accessibility provisions.

Office of Grants Administration

The Office of Grants Administration (Grants) include the timely identification and acquisition of non-General Revenue Fund funding opportunities for the expansion and enhancement of human services throughout the State of Illinois; the development and maintenance of web based technologies that support identification of funding and the dissemination of information to ensure sustainability and replication of evidence-based practices.

Grants provides technical assistance and training workshops in the critical areas of grant writing, program planning, and development to community organizations.

Office of Hispanic and Latino Affairs (OHLA)

The Office of Hispanic/Latino Affairs (OHLA) is largely defined by the tasks mandated in the Quinones and Perdomo consent decrees. The Department recognizes the growing Latino population in the State of Illinois and OHLA is committed to evaluating, monitoring and assisting in decision making to maintain Core Human Service plans and integrate Human Services Delivery within the State. OHLA's primary functions are to: maintain and continue building partnerships with Department units, businesses and Community and Faith Based Organizations that service the Hispanic community; translate vital documents, brochures, materials and interpret for the Latino community and LEP assistance seeking applicants by utilizing the Department's Language Bank. IFRP Partners and OHLA staff assist the Department's Office of Human Resources and Civil Affairs in the recruitment initiatives designed to provide employment information for Hispanic candidates through community outreach in the State of Illinois; and conduct an annual survey/assessment of State-wide Department service delivery offices to ensure that human service delivery access effectively serves the Limited English Proficient (LEP) customers.

Office of Inspector General (OIG)

The Office of the Inspector General assists the Department and its community partners in ensuring the health, safety, and financial condition of individuals who have mental illnesses, developmental disabilities or physical disabilities. They do this by investigating and reporting on alleged incidents of abuse, neglect and financial exploitation in Department facilities, community agency programs providing mental health or development disability services, or in private homes. OIG also conducts other related statutory responsibilities to foster humane, competent, respectful and caring treatment of persons with disabilities. This includes preventing abuse and neglect through the written response compliance and site visit processes.

Office of Internal Audit (OIA)

The Office of Internal Audit is mandated by 30 ILCS 10, the Fiscal Control and Internal Auditing Act. OIA performs audits of the Department's programs and operations. Annually the 2-year audit plan is updated by the Chief Internal Auditor and approved by the Secretary of the Department for completion during the fiscal year. The OIA promotes a proactive risk control environment based on accountability, professionalism, expertise, open communication and trust. OIA's primary objective is to provide management with information needed to effectively discharge their responsibilities. OIA reports to the Department's Secretary.

Office of Labor Relations (OLR)

The Office of Labor Relations functions include as follows: administering the grievance procedure throughout the Department, developing the collective bargaining strategies of the Department including the proposals for the Master Agreement bargaining, negotiating the Department's Supplemental Agreements with the various unions and Labor Relations Training and Contract Administration.

The Office of Labor Relations activities include Master Collective Bargaining Agreement Negotiations. The negotiation process involves all the Executive Branch agencies. The size of the Department dictates extensive resource involvement in the creation of the State's proposals and the negotiations of the Master Collective Bargaining Agreement.

Office of Legislation (OOL)

Along with the Secretary, the Office of Legislation is the primary contact between the Department and members of the Illinois General Assembly, members of the U.S. Congress and Constitutional Officers. OOL represents the Department in legislative and budgetary matters to members of the Illinois General Assembly, members of U.S. Congress and Constitutional Officers. OOL coordinates the distribution and review of all bills within the Department, establishes who will be witness in committee and represents the Department's position to the members of the Illinois General Assembly.

Office of Security and Emergency Preparedness (OSEP)

The Office of Security and Emergency Preparedness formalizes and centralizes the following functions: (1) Workplace Safety (2) Workplace Violence/Internal Investigations (3) Homeland Security, Agency Security, and Emergency Preparedness and Response.

Office of Strategic Planning and Performance Management (OSPPM)

The Office of Strategic Planning and Performance Management focuses on strategic planning for the overall Department and the successful implementation of the Statewide Budgeting for Results Initiative. OSPPM is responsible for leading and facilitating the implementation of Budgeting for Results (BFR) within the Department, which includes developing appropriate performance and outcome measures; tracking and compiling Department wide performance and outcomes measures; identifying relevant evidence based practices and strategies; and preparing required data related reports. The OSPPM director acts as the Chief Results Officer and works closely with the Governor's Office and the Office of Management and Budget (GOMB) to advance the implementation of BFR. OSPPM collaborates with other Department units to ensure performance management is incorporated into performance based contracting, quality assurance and contract monitoring, and grant proposal development. OSPPM promotes the alignment of Department projects and initiatives with the core principles of the Department. OSPPM is also the point of contact for coordinating all external research projects, including data share agreements.

Operations Offices

Assistant Secretary, Operations

The Chief Financial Officer, Chief Operating Officer, Chief Information Officer, Agency Procurement Officer and the Manager of the Office of Clinical, Administrative and Program Support report directly to the Assistant Secretary of Operations. The Assistant Secretary of Operations has oversight for the Offices of Accessibility and Customer Support, Budget, Contract Management, Contract Obligations, Security and Emergency Preparedness, Fiscal Services and Business Services through direct reports. Offices that serve the public carry with them a responsibility to apply and account for the use of public resources economically, efficiently, and effectively. Enhancing the performance of the Department is important to many stakeholders. This office has a responsibility to report on current performance and accountability, and to foster good program management to ensure effective government operations.

Office of Procurement

The Department's Procurement Office is responsible for the procurement of goods and services to obtain the best total cost value and quality for the Department. The Office continues to work on greater procurement process efficiencies while trying to reduce costs on the supplies and services. It oversees solicitations to reduce costs and give the Department better supplies, services and systems. The Office is also responsible for providing training and updated procurement information to Department staff. The Office serves as the point of contact for the Executive Ethics Commission, the Procurement Policy Board, the Department of Central Management Services (DCMS) and GOMB in all procurement matters.

Office of the Chief Financial Officer (CFO)

The Offices of Budget, Fiscal Services and Contract Compliance report directly to the Chief Financial Officer (CFO).

MIIC Audit/Streamline Team - In addition to the responsibility of co-chairing the Management Improvement Initiative efforts along with the Assistant Secretary, Operations, the Chief Financial Officer chairs the Audit/Streamlining Team which is a sub-committee of the larger MIIC Steering Committee. The team includes the CFOs or their delegates from each of the other 5 State agencies as well as CFOs or financial leaders from many of the provider agencies and a variety of local government agencies who also contract with the State to provide human services. The CFO has successfully guided the collaboration to arrive at solutions to fiscal inefficiencies that were problematic for providers.

Office of the Chief Operating Officer (COO)

The Office of the Chief Operating Officer oversees the bureaus of: Business Services, Contract Management, Security and Emergency Preparedness, and Accessibility and Customer Support. The bureaus under the purview of the COO are delegated with the duties and responsibilities below:

Business Services: The Office of Business Services (OBS) serves as the Department's primary operations arm, outside of the State-operated facilities. In this role, OBS provides help and assistance in a variety of ways intended to assist the various divisions within the Department in their efforts to be efficient and effective. OBS includes: Mailroom; Print Shop; Chicago/Springfield Warehouse; Commodities Purchasing; Property Control; Fleet Management/Car Pool; Travel Guidance; Facilities Management; Move Coordination.

OBS is responsible for the day-to-day business transactions of the Department in the following areas: facility contracts and procurement, central office procurement, travel coordination, forms design, facility operations, Springfield/Chicago warehouse, print shop, mail processing, records storage, and inventory control. Pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., the OBS acquired staff and print shop equipment from the following agencies: Department of Commerce and Economic Opportunity, Department of Healthcare and Family Services, Department of Public Health, Illinois Department of Agriculture, Environmental Protection Agency, and DCFS.

Contract Management: The Office of Contract Management (OCM) is responsible for assisting program areas in preparing contracts and reviewing Community Service Enterprise Program (CSEP) goals. OCM includes: Reviews/Renegotiating Contracts; Business Enterprise Bureau (BEP); BEP Minority

Contracting Outreach; CO2 Processing; Level I Contract Approval; Contract Extensions; Minority/Women/Veterans/Small Business Tracking.

Accessibility and Customer Support: The Office of Accessibility and Customer Support (OACS) ensures that customers, providers, and staff receive timely and accurate information and assistance that supports actualization of the goal of self-sufficiency and independence for all Department's clients, consumers, and customers. OACS includes: Sign Language Interpreters/Alternative Formats; Oversees the Department Help Line; 211 for Social Services; Platinum Customer Service; Computer Telephony Assistance System (C-TAS); Recipient Identification Number (RIN) Coordinator.

Office of Budget

The Office of Budget consists of 3 bureaus: Operations, Transitional Services, and Community Programs. The Office is responsible for all aspects of the Department's budget development and implementation. The Office works closely with the Secretary, top executive leadership, and each area within the Department to determine budget needs; develops budget briefing documents used throughout the budget process; and works with GOMB and legislative staff to develop appropriation bills. Once the budget is enacted, the Office works closely with each program area and central administrative offices to develop and implement balanced spending plans, and to monitor those plans throughout the fiscal year. The Office is a major contributor to ensuring that spending is within the language and intent of each appropriation line. Office analysts also act as outside financial consultants to program and administrative areas, providing additional insight and guidance on various projects planned or undertaken by the program and administrative areas.

To streamline and improve the budget development and implementation process, the Department continues a periodic review of budget issues, which helps identify budget issues sooner, allowing more time to implement management decisions.

Office of Clinical, Administrative, and Program Support (OCAPS)

The Office of Clinical, Administrative, and Program Support is composed of 3 bureaus or organizational units: The Bureau of Pharmacy and Clinical Support Services (BPCSS), the Bureau of Accreditation, Licensure, and Certification (BALC), and the Bureau of Administrative Services (BAS). The Bureau of Pharmacy and Clinical Support Services (BPCSS) is responsible for the provision of pharmacy and laboratory services for inpatients in the facilities operated by the Department under the Divisions of Mental Health and Developmental Disabilities. BPCSS is also responsible for a number of other important programs including chairing the Department Central Office Pharmacy & Therapeutics Committee. The Pharmacy & Therapeutics Committee provides direction for all clinical policy development and oversight of clinical activities including management of the Department formulary. BPCSS administers the electronic Prescription Monitoring Program affecting practitioners who write prescriptions and retailers that dispense Schedule II, II, IV and V controlled substances in the community.

Office of Fiscal Services (OFS)

The Office of Fiscal Services functions include: the Help Desk and System maintenance for the Consolidated Accounting & Reporting System (CARS) accounting system; the collections receivables for the Department; expenditure accounting processes; monitoring and reporting on Department disbursements; establishing, reviewing and coordinating expenditure accounting policy, procedures and processes; completion of federal reporting and its related functions; General Accounting; reports from the CARS information warehouse; the contractual payroll schedule and General Revenue Fund processing dates at the Illinois Office of the Comptroller (Comptroller).

Office of Management Information Services (MIS)

The mission of the Office of Management Information Services is to provide timely, reliable and user friendly computer systems to enable staff to better serve the customers and providers of the Department.

Office of Contract Administration (OCA)

The Office of Contract Administration is responsible for processing grants and purchase of care contracts, amendments, and modifications for all community service providers and programs; processing all contracts, amendments, and modifications for all business, operations, data processing, and professional and artistic services; maintaining sub-grantee procedures for CARS; maintaining the official Department contract files including all contract approval forms; identifying and recovering lapsed funds in accordance with the Illinois Grant Funds Recovery Act; and conducting hearings with community providers in accordance with 89 Ill. Adm. Code 511 regarding lapse fund recoveries. The OCA functions as primary liaison between the Department and the Comptroller, reconciling issues concerning grants, contracts, and other obligation issues.

The Bureau of Contract Compliance is responsible for performing desk reviews of the audit/financial reports submitted by the Department-funded community service providers, in accordance with 89 Ill. Adm. Code 507; analyzing audit/financial reports for compliance with applicable federal, State and Department financial reporting requirement; analyzing budgets for all Department service agreements and analyzing Indirect Cost Rate proposals related to the payment of general and administrative costs paid to Department providers.

Program Divisions

Assistant Secretary of Program Divisions (OAS)

The Office of the Assistant Secretary of Program Divisions is responsible for Department programs and services related to the 4 program divisions as well as the following new or crosscutting initiatives: The New Americans Immigrant Integration initiative - a partnership, led by the Governor's Office of New Americans, to coordinate policies, actions, planning, and programs with respect to immigrant integration; the Limited English Proficient (LEP) initiative - a project designed to increase access to Department services for the LEP community; the Asians with Disabilities Advisory Board - a project designed to identify gaps in services to the grossly underserved Asian disability community; Illinois Welcoming Center - a pilot to offer a one stop shop for immigrants to enable improved access to services; the Illinois Debit MasterCard Program - an electronic payment card solution to improve the distribution of State payments; and the Open Door Pilot Project - designed to provide comprehensive access to all Department and community services regardless of the system entry point.

Division of Alcohol and Substance Abuse Treatment (DASA)

Administrative responsibilities for publicly-funded addiction intervention and treatment services fall under the Division of Alcoholism and Substance Abuse. DASA is the designated lead agency for all substance abuse and addiction-related intervention and treatment issues for the State of Illinois. DASA is recognized as the Illinois Single State Authority (SSA) for substance abuse-related issues by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). As such, DASA is responsible for development and submission of annual applications for Federal Substance Abuse Treatment and Prevention Block Grant funding, and the distribution of awarded funds. In accordance with this responsibility, DASA is charged with the planning, development, funding, monitoring, and licensing of a statewide system of coordinated prevention, intervention, treatment, and recovery support services. These administrative functions extend to the distribution and monitoring of funds and supported services that are funded by State of Illinois General Revenue, Medicaid, and funds from other special and discretionary State-regulated sources.

The Illinois substance abuse and addictions treatment delivery system is designed to provide a network of services for community intervention, early intervention, treatment and recovery support of individuals with a wide range of alcohol and other substance abuse/addiction problems. Treatment and recovery support involves a complex interaction of medical, psychological, and other therapies administered by trained addictions counselors, peer counselors and other health care professionals. The system offers a broad range of treatments to address the needs of alcohol and other drug abusers and to afford opportunities for individuals to contribute to their own recovery.

As a response to the national trend toward performance measurement and documentation of program results, DASA created a performance monitoring system for its funded providers in SFY'08. This system produces annual reports on the performance of each provider with regard to measures of client engagement and retention in treatment and clients' continuity of care in treatment. Providers are required to submit performance goals on individual measures as part of their services contract with DASA. Over 140 community-based providers offer comprehensive services that include early intervention, treatment, case management, HIV counseling and testing, and continuing care. All treatment services are provided through licensed facilities, which are governed by physical safety and clinical requirements.

Division of Family and Community Services (DFCS)

The Division of Family and Community Services provides basic supports to ensure the availability of a safety net for the most vulnerable populations throughout the State of Illinois. Division programs are also designed to help families maintain or attain economic independence through a range of work support services. Program services are provided in the following areas: 1) Cash assistance; 2) Food and Nutrition; 3) Employment and Training Supports; 4) Homelessness and Housing Assistance; 5) Refugee and Immigrant Integration; 6) Child Care; and 7) Title XX Social Services Block Grants.

Division of Developmental Disabilities (DDD)

Persons with developmental disabilities are those who have an intellectual disability or a related condition. Intellectual disability refers to significant sub-average general intellectual functioning existing concurrently with deficits in adaptive behavior; it must be in evidence before the age of 18. Related conditions may be attributable to cerebral palsy, epilepsy, autism, or any other condition that results in impairment similar to that caused by an intellectual disability and requires treatment or services similar to those required for those persons. Related conditions must be in evidence before the age of 22, be expected to last indefinitely, and result in substantial functional limitations in 3 or more of 6 major life activity areas. These major life activity areas include self-care, language, learning, mobility, self- direction and capacity for independent living. In order to be clinically eligible for most services from the Department's Division of Developmental Disabilities (DDD), individuals must also require Active Treatment for the developmental disability. Eligibility screening is provided by local Independent Service Coordination agencies funded by the DDD.

Individuals who are seeking services are entered into a database called the Prioritization of Unmet Need for Services (PUNS). Based on available funding, individuals are selected from the PUNS database according to specific criteria, such as age, level of urgency of need and length of time on the database. The purpose of Department-funded support services for persons with developmental disabilities is to maximize informed choice in services and supports and independent living for persons with developmental disabilities, offer and link individuals to appropriate services and supports in the community, thereby enhancing their independence in the major life skill areas. Ultimately this allows the person to continue to reside in their home communities and prevent unnecessary institutionalization.

The Department is committed to ensuring that local service providers make available to individuals and their families a full array of quality, outcome-based, person- and community-centered services and supports. Personal outcomes include: being active and valued participants at home, at school, at work, and in the community; having lasting and meaningful relationships with family, friends, and neighbors; having informed choice about his/her life and determining where and with whom to live, work, and socialize; developing and exercising one's own abilities and gifts; and having personal security and individual rights. It is essential that support services are functional, outcome-oriented and tailored to the service needs of the individual.

Division of Mental Health (DMH)

The Division of Mental Health is responsible for assuring that children, adolescents and adults throughout Illinois, have the availability of and access to, recovery-oriented, evidence-based community-focused publicly-funded mental health services. Service delivery in the DMH is provided through 5 geographically organized service Regions, specifically Metropolitan Chicago (North, West and South) and Greater Illinois Suburban, North Central, Central and South. Within these 5 service Regions, service delivery is provided by 180 contracted community mental health agencies/Individual Care Grant (ICG) providers and 7 DMH-operated psychiatric hospitals; the State hospitals are comprised of both civil and forensic beds. Through the Regional service structure, the DMH contracts for services utilizing a fee-for-service mechanism to purchase crisis and psychiatric services, community-based case management and support services, assertive community treatment, supported and supervised residential services, permanent supportive housing and psychosocial rehabilitation programs, among other services.

Division of Rehabilitation Services (DRS)

The Division of Rehabilitation Services operates 45 offices in communities throughout the State, as well as 3 residential schools serving students with disabilities, and a residential training facility for adults who are blind or visually impaired. The major programs offered through DRS are the Vocational Rehabilitation (VR) program, and the Home Services program (HSP). DRS also administer the Disability Determination Services program on behalf of the federal Social Security Administration

(SSA). While DDS staff is considered DRS employees, a special agreement with SSA governs the management of that program. DDS is operationally independent from the rest of the division. Field operations are supervised by 2 bureaus within the Department - The Bureau of Field Services (BFS) and the Bureau of Blind Services (BBS). The Bureau of Home Services is a separate administrative unit, but the local office staff providing Home Services is supervised through the Bureau of Field Services. Bureau of Blind Services staff are located in several of the same field offices as BFS and HSP staff, but are supervised by BBS. The Educational Services unit has supervisory responsibility for staff in the 3 residential schools for children.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF NUMBER OF EMPLOYEES
For the Years Ended June 30, 2013, 2012, and 2011
(Unaudited)

Number of employees by division are presented as follows as of June 30:

	2013	2012	2011
Division of Administrative Services			
Secretary's Office	47	34	32
Associate Secretary	2	2	2
Assistant for Special Projects	1	1	1
Office of Contract Administration	12	21	22
Office of Strategic Planning	4	7	7
Office of Management Information Systems	123	142	143
Office of Fiscal Services	110	122	118
Office of Budget	10	12	12
Hispanic/Latino Affairs	4	5	5
Office of Business Services	95	102	100
Office of Human Resources	77	78	79
Assistant Secretary - Chicago	10	9	9
Office of Internal Audit	6	10	7
Office of Inspector General	52	58	57
Office of Security and Emergency Preparedness	1	-	-
Office of Accessibility and Customer Support	25	28	28
Office of General Counsel	71	75	71
Office of Press/Communications	3	3	3
Office of Legislation	7	8	6
Total Division of Administrative Services	660	717	702
Division of Community Health and Prevention			
Community Health and Prevention	37	57	58
Family Health	59	83	82
Prevention	14	24	23
Total Division of Community Health and Prevention	110	164	163
Division of Disability and Behavioral Health Services			
Office of Alcoholism and Substance Abuse	48	53	54
Division of Rehabilitation Services	109	114	112
Illinois School for the Deaf	218	232	219
Illinois Center for Rehabilitation and Education - Roosevelt	55	58	57
Illinois School for the Visually Impaired	102	112	106
Bureau of Field Services	7	9	9
Bureau of Field Services - Region I	195	208	193
Bureau of Field Services - Region II	126	147	145
Bureau of Field Services - Region III & IV	144	169	167

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF NUMBER OF EMPLOYEES
For the Years Ended June 30, 2013, 2012, and 2011
(Unaudited)

Number of employees by division are presented as follows as of June 30:

	2013	2012	2011
Division of Disability and Behavioral Health Services - Continued			
Bureau of Field Services - Region V	82	95	89
Blind Services Administration	23	25	25
Illinois Center for Rehabilitation and Education - Wood	25	25	24
Blind Services Region I	23	21	21
Blind Services Region II	12	12	12
Blind Services Region III	11	11	11
Blind Services Region IV	13	12	13
Blind Services Region V	10	11	12
Disability Determination Services	381	507	524
Developmental Disabilities and Mental Health Services	14	15	15
Developmental Disabilities Central Administration	126	101	89
William W. Fox Developmental Center	251	273	279
Jacksonville Developmental Center	1	442	470
Ann M. Kiley Developmental Center	454	478	476
Elisabeth Ludeman Developmental Center	773	847	791
Jack Mabley Developmental Center	191	173	171
Warren G. Murray Developmental Center	565	642	651
Gov. Samuel H. Shapiro Developmental Center	1,209	1,326	1,323
Mental Health Central Office	83	77	69
Alton Mental Health Center	223	261	259
Chester Mental Health Center	416	486	487
Chicago-Read Mental Health Center	276	302	281
Clyde L. Choate Mental Health and Developmental Center	520	559	554
Elgin Mental Health Center	653	715	713
John J. Madden Mental Health Center	302	325	310
Andrew McFarland Mental Health Center	243	237	215
H. Douglas Singer Mental Health Center	2	165	165
Tinley Park Mental Health Center	3	204	199
North Central Network	6	7	7
Treatment and Detention Facility	194	211	212
Office of Clinical, Administrative and Program Support	104	111	111
Total Division of Disability and Behavioral Health Services	8,193	9,778	9,640

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF NUMBER OF EMPLOYEES
For the Years Ended June 30, 2013, 2012, and 2011
(Unaudited)

Number of employees by division are presented as follows as of June 30:

	2013	2012	2011
Division of Family and Community Services			
Human Capital Development Administration	54	131	131
Region I Administration	1,513	1,564	1,545
Region II Administration	551	580	535
Region III Administration	241	294	284
Region IV Administration	191	227	216
Region V Administration	253	314	305
Family Support Services	17	23	22
Child Care and Development	118	45	47
Program Performance and Performance Management	3	15	15
Program Support and Fiscal Management	34	131	30
Total Division of Family and Community Services	2,975	3,324	3,130
Attorney General	-	1	2
GRAND TOTAL	11,938	13,984	13,637

Note: This schedule includes employees for the entire Illinois Department of Human Services, including individual Mental Health and Developmental Facilities, Centers for Rehabilitation and Education and Schools for Deaf or Visually Impaired.

Several fiscal year 2011 divisions have been reclassified to conform to the current organizational structure.

For fiscal year 2013, Field Services Region IV is grouped with Region III based upon a change in supervision. In prior years, Region IV was grouped with Region V.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee’s job classification. In most cases, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee's job title.

The following table, prepared from Department records, presents the paid overtime and earned compensatory time incurred during fiscal years 2013 and 2012.

Year Ended June 30, 2013

Central Office / Division	Overtime Hours Paid	$ Value Overtime Hours Paid	Compensatory Hours Accumulated	$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total $ Value Of Overtime & Compensatory Hours
Field Level Operations	82,394	$ 3,858,869	3,047	$ 110,136	85,441	$ 3,969,005
Administration and Program Support	14,864	709,931	9,819	382,315	24,683	1,092,246
Management Information Service	11,036	707,162	4,134	196,128	15,170	903,290
Disability Determination Services Bureau	39,113	1,919,095	312	12,244	39,425	1,931,339
Home Services Program	1,184	45,138	1,970	56,081	3,154	101,219
Mental Health Disability/Behavioral Program Administration	1,633	91,535	2,374	114,963	4,007	206,498
Inspector General	2,817	148,606	1,293	52,477	4,110	201,083
Developmental Disabilities Disability/Behavioral Program Administration	1,350	65,524	1,251	47,806	2,601	113,330
Addiction Treatment	89	3,691	156	6,285	245	9,976
Rehabilitation Service Bureaus	3,206	137,758	3,310	113,156	6,516	250,914
Disability/Behavior Health Program Administration	2,757	169,880	1,135	60,885	3,892	230,765
Central Office	-	-	14	619	14	619
Community and Resident Services for Blind and Visually Impaired	879	35,672	748	26,653	1,627	62,325
Employment and Social Service Program	1,189	62,832	133	6,301	1,322	69,133
Community Health	136	8,198	65	2,836	201	11,034
Community Youth Services	14	535	21	726	35	1,261
Community Health - Other	-	-	9	444	9	444
Total Central Office	162,661	$ 7,964,426	29,791	$ 1,190,055	192,452	$ 9,154,481

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Year Ended June 30, 2013

Facilities	Overtime Hours Paid	$ Value Overtime Hours Paid	Compensatory Hours Accumulated	$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total $ Value Of Overtime & Compensatory Hours
Tinley Park Mental Health Center	785	$ 46,356	24	$ 499	809	$ 46,855
Jack Mabley Developmental Center	59,768	1,695,223	3,450	83,703	63,218	1,778,926
Alton Mental Health Center	67,809	2,735,681	7,637	343,611	75,446	3,079,292
Clyde L. Choate Mental Health and Developmental Center	176,655	6,005,892	11,785	394,555	188,440	6,400,447
Chicago-Read Mental Health Center	70,912	3,039,504	9,396	340,843	80,308	3,380,347
Sexually Violent Persons Program	39,560	1,213,095	18,630	460,609	58,190	1,673,704
H. Douglas Singer Mental Health Center	7,796	321,375	1,074	28,432	8,870	349,807
Ann M. Kiley Developmental Center	161,815	4,649,833	4	135	161,819	4,649,968
Illinois School for the Deaf	11,085	417,932	28,078	694,156	39,163	1,112,088
Illinois School for the Visually Impaired	6,970	241,682	12,707	302,220	19,677	543,902
John J. Madden Mental Health Center	80,138	3,474,409	13,010	523,239	93,148	3,997,648
Warren G. Murray Developmental Center	203,930	5,904,562	3,551	118,024	207,481	6,022,586
Elgin Mental Health Center	153,558	6,199,025	17,850	526,246	171,408	6,725,271
Chester Mental Health Center	105,259	3,917,391	6,518	248,481	111,777	4,165,872
Jacksonville Developmental Center	35,280	1,149,380	80	2,772	35,360	1,152,152
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	2,475	105,678	3,842	127,962	6,317	233,640
Andrew McFarland Mental Health Center	19,891	863,856	5,229	188,120	25,120	1,051,976
Gov. Samuel H. Shapiro Developmental Center	165,806	4,865,268	1,014	37,572	166,820	4,902,840
William W. Fox Developmental Center	49,810	1,564,585	385	8,874	50,195	1,573,459
Elisabeth Ludeman Developmental Center	327,404	10,118,141	4,863	166,535	332,267	10,284,676
Total Facilities	1,746,706	$ 58,528,868	149,127	$ 4,596,588	1,895,833	$ 63,125,456
Total for Department Fiscal Year 2013	1,909,367	$ 66,493,294	178,918	$ 5,786,643	2,088,285	$ 72,279,937

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Year Ended June 30, 2012

Central Office/Division	Overtime Hours Paid	$ Value Overtime Hours Paid	Compensatory Hours Accumulated	$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total $ Value Of Overtime & Compensatory Hours
Field Level Operations	84,478	$ 3,889,068	2,379	$ 83,671	86,857	$ 3,972,739
Administration and Program Support	16,750	782,474	9,308	354,502	26,058	1,136,976
Management Information Service	6,848	431,762	3,221	150,741	10,069	582,503
Disability Determination Services Bureau	28,531	1,436,244	330	14,411	28,861	1,450,655
Home Services Program	1,832	66,054	1,816	47,465	3,648	113,519
Mental Health Disability/Behavioral Program Administration	1,094	61,615	1,971	95,654	3,065	157,269
Inspector General	1,081	54,988	499	19,244	1,580	74,232
Developmental Disabilities Disability/Behavioral Program Administration	792	37,655	951	38,367	1,743	76,022
Addiction Treatment	80	4,659	108	4,304	188	8,963
Rehabilitation Service Bureaus	2,636	105,165	3,003	94,065	5,639	199,230
Disability/Behavior Health Program Administration	1,866	125,002	668	32,230	2,534	157,232
Community and Resident Services for Blind and Visually Impaired	754	28,828	535	17,081	1,289	45,909
Employment and Social Service Program	144	7,504	16	724	160	8,228
Juvenile Justice Program	-	56	21	914	21	970
Community Health	284	17,385	107	4,742	391	22,127
Community Youth Services	16	624	10	235	26	859
Community Health - Other	5	261	68	3,292	73	3,553
Total Central Office	147,191	$ 7,049,344	25,011	$ 961,642	172,202	$ 8,010,986

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANALYSIS OF EMPLOYEE OVERTIME
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Year Ended June 30, 2012

Facilities	Overtime Hours Paid	$ Value Overtime Hours Paid	Compensatory Hours Accumulated	$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total $ Value Of Overtime & Compensatory Hours
Tinley Park Mental Health Center	21,792	$ 1,207,964	2,139	$ 70,985	23,931	$ 1,278,949
Jack Mabley Developmental Center	44,178	1,297,644	1,737	41,391	45,915	1,339,035
Alton Mental Health Center	61,627	2,386,231	7,263	324,555	68,890	2,710,786
Clyde L. Choate Mental Health and Developmental Center	167,330	5,494,491	12,450	389,508	179,780	5,883,999
Chicago-Read Mental Health Center	49,238	2,055,976	8,660	378,772	57,898	2,434,748
Sexually Violent Persons Program	29,513	909,029	14,916	364,469	44,429	1,273,498
H. Douglas Singer Mental Health Center	19,854	783,070	4,334	136,531	24,188	919,601
Ann M. Kiley Developmental Center	92,060	2,718,825	3	84	92,063	2,718,909
Illinois School for the Deaf	9,982	378,088	29,415	736,626	39,397	1,114,714
Illinois School for the Visually Impaired	5,393	187,764	10,689	249,832	16,082	437,596
John J. Madden Mental Health Center	63,567	2,744,154	10,294	357,849	73,861	3,102,003
Warren G. Murray Developmental Center	156,644	4,548,624	2,656	93,551	159,300	4,642,175
Elgin Mental Health Center	117,800	4,795,657	16,791	501,913	134,591	5,297,570
Chester Mental Health Center	63,866	2,390,883	5,360	215,175	69,226	2,606,058
Jacksonville Developmental Center	91,435	2,804,657	290	10,161	91,725	2,814,818
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	1,030	44,332	1,478	44,967	2,508	89,299
Andrew McFarland Mental Health Center	13,071	655,601	2,985	100,325	16,056	755,926
Gov. Samuel H. Shapiro Developmental Center	110,199	3,187,360	1,263	47,502	111,462	3,234,862
William W. Fox Developmental Center	48,530	1,509,048	581	13,579	49,111	1,522,627
Elisabeth Ludeman Developmental Center	226,231	7,182,278	3,628	132,984	229,859	7,315,262
Total Facilities	1,393,340	$ 47,281,676	136,932	$ 4,210,759	1,530,272	$ 51,492,435
Total for Department Fiscal Year 2012	1,540,531	$ 54,331,020	161,943	$ 5,172,401	1,702,474	$ 59,503,421

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2013
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	Central Office	Replacement of air conditioning system, repair is not feasible	$ 24,387	Actual
Business Services	Elgin Mental Health Center	Temporary chiller and repair of current cooling unit	147,000	Estimate
Business Services	Central Office	Extension of contract to avoid disruption of services with United Parcel Service	99,702	Actual
Business Services	H. Douglas Singer Mental Health Center	Temporary generator due to damage caused by severe weather to electrical equipment	19,620	Actual
Business Services	Clyde L. Choate Mental Health and Developmental Center	Removal of dirt and debris from utility tunnels due to a water line rupture	24,199	Actual
Business Services	Chester Mental Health Center	Removal of concrete and dirt to repair the backed up sewer line	13,302	Actual
Business Services	Illinois Center for Rehabilitation and Education - Roosevelt	Replacement of obsolete emergency call system which operated poorly and no vendors could repair the system	54,891	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2013
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	John J. Madden Mental Health Center	Repair of four broken flood drains	$ 38,920	Actual
Business Services	Elisabeth Ludeman Developmental Center	Temporary relocation of the main kitchen until the procurement of a permanent kitchen is complete	27,300	Actual
Business Services	Illinois School for the Deaf	Replacement of fire component panels	145,800	Actual
Business Services	Treatment and Detention Facility	Two contracts for expansion of facility as the number of patients is reaching maximum capacity	6,840,000	Estimate
Business Services	Elgin Mental Health Center	Temporary chiller and repair of current cooling unit. Follow up letter stated State funds not expended	-	Actual
Business Services	John J. Madden Mental Health Center	Repair of basement and plumbing due to water main leak	21,970	Actual
Business Services	Elisabeth Ludeman Developmental Center	Installation of eight temporary electric heaters	50,000	Estimate

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2013
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	William G. Murray Developmental Center	Repair of leak in boiler	$ 98,408	Actual
Business Services	Gov. Samuel H. Shapiro Developmental Center	Purchase of disposable soup bowls, lids, and entrée dishes	561,816	Estimate
Business Services	John J. Madden Mental Health Center	Repair of the generator which provides backup power	16,434	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2012
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	Central Office	Continued services to avoid disruption in delivery services within the Title X Family Planning Services program	$ 35,500	Actual
Business Services	Central Office	Extension of contract to avoid disruption and noncompliance with the Healthy Families America and allow time for competitive bidding	139,287	Actual
Business Services	Central Office	Extension of contract to avoid disruption in services provided to youth and their family and allow time for competitive bidding	321,076	Actual
Business Services	Central Office	Extension of contract to avoid disruption of the Substance Abuse Prevention Program and Technical Assistance Program and allow time for competitive bidding	731,695	Actual
Business Services	Central Office	Contract to allow time for competitive bidding and continued training in domestic violence	52,500	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2012
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	Gov. Samuel H. Shapiro Developmental Center	Fuel for vehicles to deliver food and medical supplies as the current contracted vendor refused to deliver the needed fuel	$ 4,819	Actual
Business Services	Central Office	Extension of contract for financial reporting assistance	134,398	Actual
Business Services	John J. Madden Mental Health Center	Installation and delivery of a leased 300 ton chiller as current chiller failed	158,240	Actual
Business Services	Illinois Center for Rehabilitation and Education - Roosevelt	Treatment of mold found in cafeteria kitchen	6,250	Actual
Business Services	Jacksonville Developmental Center	Repair of a boiler, project did not receive bids from bidders that meet certain requirements	36,800	Actual
Business Services	Warren G. Murray Developmental Center	Replacement of two leaking tube bundles within the heating system	11,532	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2012
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	Tinley Park Mental Health Center	Backhoe rental to fill in holes caused by a water main break and move rock salt to facility grounds from storage	$ 10,000	Estimate
Business Services	Central Office	Services to transition the care of people with Intellectual and Development Disorder due to facility closing, Procurement later cancelled	-	Actual
Business Services	Jacksonville Developmental Center	Medical staff to assist with residents due to loss of several staff	1,010,276	Actual
Business Services	John J. Madden Mental Health Center	Engineers assessed flood damage, need new backflow, fire alarm sub panel, motors for fans, and electric controls	169,920	Actual
Business Services	Warren G. Murray Developmental Center	Contractual arrangement to avoid disruption of services as psychologist is retiring	52,828	Actual
Business Services	Central Office	Contract for personnel and infrastructure to meet the needs of the Public Assistance Cost Allocation Plan due to high staff turnover	23,360	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
EMERGENCY PURCHASES
Year Ended June 30, 2012
(Unaudited)

Division	Facility	Description	Amount	Actual/ Estimated
Business Services	Elgin Mental Health Center	Temporary rental of cooling unit and replacement unit ordered	$ 89,832	Actual
Business Services	John J. Madden Mental Health Center	Services performed by a licensed psychiatrist to patients	-	Actual
Business Services	Chicago-Read Mental Health Center	Modification of air handing units and fire alarm systems to allow for automatic shut down upon smoke detection	46,573	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Parties Involved Other Than The Department	Dates Involved	Description of Memorandum Requirements
Union County Housing Authority	Continuous	Contract for use of Business Enterprise Program for the Blind (BEPB) Vending Facilities for the use of Housing Authority employees, individuals served, and general public
Illinois Department of Juvenile Justice (DJJ), Illinois Youth Center - Warrenville	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
Illinois Department of Corrections (DOC), Illinois River Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
Illinois Department of Central Management Services (DCMS)	Continuous	Contract for the operation of vending machines at the Department of Natural Resources (DNR)
DOC, Vandalia Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
DJJ, Illinois Youth Center - St. Charles	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
DJJ, Illinois Youth Center - Warrenville	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
DOC, Pontiac Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
Illinois Department of Children & Family Services (DCFS)	Continuous	Contract for use of BEPB Vending Facilities for DCFS employees, individuals served, and general public
DCMS	Continuous	Contract for the operation of vending machines at the DCMS Building 30, located on the State Fairgrounds
U.S. Army	Continuous	Contract for the operation of vending machines on the property located at 20610 Arsenal Road and 24840 S Brandon Road, Elwood, IL
DOC, Southwestern Illinois Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
DOC, Graham Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
DOC, Menard Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
National Association of Boards of Pharmacy	Continuous	Contract to provide the Prescription Monitoring Program Interconnect System services to the State of Illinois
DJJ, Illinois Youth Center - Chicago	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
Wheaton College	10/8/12 - 6/30/13	Contract for use of BEPB Vending Facilities for Wheaton College employees, individuals served, and general public
DJJ, Illinois Youth Center - Chicago	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
DOC, Taylorville Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
DOC, Big Muddy Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
DJJ Aftercare Services, District 1 Chicago	Continuous	Contract for use of BEPB Vending Facilities for DJJ employees, individuals served, and general public
DOC, Centralia Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

Parties Involved Other Than The Department	Dates Involved	Description of Memorandum Requirements
DOC, Decatur Correctional Center	Continuous	Contract for use of BEPB Vending Facilities for DOC employees, individuals served, and general public
Illinois State Police Headquarters District 22 (SP)	Continuous	Contract for use of BEPB Vending Facilities for SP District 22 employees, individuals served, and general public
Office of the Secretary of State	11/1/10 - 10/31/13	Contract for cafeteria and vending services
Social Security Administration	4/1/13 - 3/31/18	Contract to memorialize the terms, conditions, and safeguards under which the Illinois Bureau of Disability Determination Services (DDS) will disclose the medical and other information relevant to an application for benefits to the State agency in order to assist the State agency in making determinations for entitlement to its Medicaid and Temporary Assistance for Needy Families (TANF) programs.
Illinois Joining Forces	Continuous	To establish a State-wide public and private organizational front that will identify, collaborate, and marshal available resources and services in order to create efficient access and delivery of these programs to the State's military and veteran communities.
Chicago Cook Workforce Partnership and representatives of the Chicago Cook Workforce Center System Mandated Partners	5/9/13 - 5/9/14	To foster a high level of collaboration and innovation between the parties in order to meet all requirements of the Workforce Investment Act of 1998.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANNUAL COST STATISTICS
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

OFFICE OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

The following annual cost statistics have been accumulated for the years ended June 30, 2013 and 2012 (All amounts are in thousands except for average cost per day):

	Mental Health		Developmental Disabilities		Total	
	2013	2012	2013	2012	2013	2012
Accumulated costs	$ 347,290	$ 361,506	$ 350,494	$ 384,774	$ 697,784	$ 746,280
Allocated overhead	23,381	19,566	25,192	21,599	48,573	41,165
Less:						
Extramural services	696	340	-	-	696	340
Clothing	90	104	37	29	127	133
Donated commodities	145	35	1	-	146	35
Miscellaneous income	88	82	15	6	103	88
Total costs	369,652	380,511	375,633	406,338	745,285	786,849
Patient days	484	494	591	664	1,075	1,158
Average cost per day	$ 764	$ 770	$ 636	$ 612	$ 693	$ 679

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE YEARS ENDED JUNE 30, 2013, 2012 and 2011
(Unaudited)

	2013			
	Average # of Employees ^	Average # of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	262	113	$248,061	2.32 to 1
Jacksonville Developmental Center	222	-	-	
Ann M. Kiley Developmental Center	466	207	249,890	2.25 to 1
Elisabeth Ludeman Developmental Center	810	406	223,895	2 to 1
Jack Mabley Developmental Center	182	98	199,859	1.86 to 1
Warren G. Murray Developmental Center	604	256	250,301	2.36 to 1
Gov. Samuel H. Shapiro Developmental Center	1,268	538	225,485	2.36 to 1
Subtotal	3,814	1,618		
Mental Health Centers				
Chester Mental Health Center	451	239	232,073	1.88 to 1
Chicago-Read Mental Health Center	289	101	398,273	2.86 to 1
Elgin Mental Health Center	684	385	251,119	1.78 to 1
John J. Madden Mental Health Center	314	135	351,425	2.33 to 1
Andrew McFarland Mental Health Center	240	109	283,739	2.20 to 1
Tinley Park Mental Health Center	104	-	-	
Alton Mental Health Center	242	118	288,445	2.05 to 1
Treatment & Detention Facility***	203	504	47,586	.40 to 1
Subtotal	2,527	1,591		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	540	239	271,437	2.26 to 1
H. Douglas Singer Mental Health Center	84	-		
Subtotal	624	239		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	57	36	138,190	1.58 to 1
Illinois School for the Visual Impaired	107	137	59,373	0.78 to 1
Illinois School for the Deaf	225	259	63,800	0.87 to 1
Subtotal	389	432		
Grand Total	7,354	3,880		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed utilizing the beginning and ending figures from each fiscal year.

^ The average number of employees was computed utilizing the beginning and ending figures from each fiscal year.

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE YEARS ENDED JUNE 30, 2013, 2012 and 2011
(Unaudited)

	2012			
	Average # of Employees ^	Average # of Residents / Students	Average Yearly Cost Per Resident / Student*	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	276	114	$248,384	2.42 to 1
Jacksonville Developmental Center	456	184	231,681	2.48 to 1
Ann M. Kiley Developmental Center	477	211	227,288	2.26 to 1
Ludeman Developmental Center	819	405	216,042	2.02 to 1
Jack Mabley Developmental Center	172	86	209,585	2.00 to 1
Warren G. Murray Developmental Center	647	272	240,014	2.38 to 1
Gov. Samuel H. Shapiro Developmental Center	1,325	546	213,607	2.43 to 1
Subtotal	4,172	1,818		
Mental Health Centers				
Chester Mental Health Center	487	239	227,930	2.04 to 1
Chicago-Read Mental Health Center	292	107	359,083	2.73 to 1
Elgin Mental Health Center	714	377	248,319	1.89 to 1
John J. Madden Mental Health Center	318	124	355,386	2.56 to 1
Andrew McFarland Mental Health Center	226	104	288,708	2.17 to 1
Tinley Park Mental Health Center	202	-	-	
Alton Mental Health Center	260	121	295,001	2.15 to 1
Treatment & Detention Facility***	212	470	51,885	0.45 to 1
Subtotal	2,711	1,542		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	557	228	279,463	2.49 to 1
H. Douglas Singer Mental Health Center	165	54	379,477	3.06 to 1
Subtotal	722	282		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	58	41	124,309	1.41 to 1
Illinois School for the Visual Impaired	109	123	66,740	0.89 to 1
Illinois School for the Deaf	226	259	65,227	0.87 to 1
Subtotal	393	423		
Grand Total	7,998	4,065		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed utilizing the beginning and ending figures from each fiscal year.

^ The average number of employees was computed utilizing the beginning and ending figures from each fiscal year.

(continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
FACILITY/ SCHOOL STATISTICS
FOR THE YEARS ENDED JUNE 30, 2013, 2012 and 2011
(Unaudited)

	2011			
	Average # of Employees ^	Average # of Residents / Students	Average Yearly Cost Per Resident / Student *	Ratio of Employees to Residents / Students
Developmental Centers				
William W. Fox Developmental Center	265	118	$ 239,091	2.25 to 1
Howe Developmental Center	12	-	-	-
Jacksonville Developmental Center	430	201	222,278	2.14 to 1
Ann M. Kiley Developmental Center	449	219	212,231	2.05 to 1
Elisabeth Ludeman Developmental Center	774	408	213,291	1.90 to 1
Jack Mabley Developmental Center	152	87	196,190	1.75 to 1
Warren G. Murray Developmental Center	597	283	219,241	2.11 to 1
Gov. Samuel H. Shapiro Developmental Center	1,266	564	218,618	2.24 to 1
Subtotal	3,945	1,880		
Mental Health Centers				
Chester Mental Health Center	467	240	229,757	1.98 to 1
Chicago-Read Mental Health Center	277	110	347,780	2.52 to 1
Elgin Mental Health Center	704	378	246,583	1.86 to 1
John J. Madden Mental Health Center	304	124	343,531	2.45 to 1
Andrew McFarland Mental Health Center	214	109	269,386	1.96 to 1
Tinley Park Mental Health Center	190	62	478,852	3.06 to 1
Alton Mental Health Center	254	124	279,306	2.05 to 1
Treatment & Detention Facility***	206	428	58,174	.48 to 1 **
Subtotal	2,616	1,575		
Mental Health & Developmental Centers				
Clyde L. Choate Mental Health and Developmental Center	504	219	269,213	2.30 to 1
H. Douglas Singer Mental Health Center	157	68	307,910	2.31 to 1
Subtotal	661	287		
Rehabilitation Services				
Illinois Center for Rehabilitation and Education - Roosevelt	59	40	126,885	1.48 to 1 **
Illinois School for the Visual Impaired	105	109	76,913	0.96 to 1 **
Illinois School for the Deaf	218	289	57,774	0.75 to 1 **
Subtotal	382	438		
Grand Total	7,604	4,180		

* Average Yearly Cost Per Resident / Student information was derived from per-resident costs accumulated by the Department's Management Cost System. The Average Yearly Cost Per Resident / Student includes depreciation and an allocation of costs incurred by the Central Office and other State agencies and was not verified.

** Certain 2011 numbers were modified from their presentation in the prior report based upon information that was not available at the close of the PY fieldwork.

*** The Treatment & Detention Facility average yearly cost per resident was computed using expenditures from all sources. In addition, the average number of residents/students was computed utilizing the beginning and ending figures from each fiscal year.

^ The average number of employees was computed utilizing the beginning and ending figures from each fiscal year.

(concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SERVICE EFFORTS AND ACCOMPLISHMENTS
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

The mission of the Illinois Department of Human Services (Department) is to assist customers to achieve maximum self-sufficiency, independence and health through the provision of seamless, integrated services for individuals, families and communities.

The Department improves the quality of life of thousands of Illinois families by providing an array of comprehensive, coordinated services through: programs for persons with developmental disabilities, mental illness, or substance abuse problems, employment, training, and independent living programs for persons with disabilities, and financial support, employment and training programs, community health and prevention programs, child care, and other family services for low-income families. The Department serves Illinois families through the following main programs:

***Alcoholism and Substance Abuse Services* -** The Department is charged with designing, coordinating, funding and licensing a comprehensive and coordinated community-based and culturally and gender appropriate array of services throughout the State for the prevention, intervention, treatment and recovery of alcohol and other drug abuse and dependency. This system addresses the needs of at-risk or addicted individuals and their families.

***Developmental Disabilities Services* -** An extensive array of services and supports are provided for individuals with developmental disabilities to enable them to reside with their families or in other community living situations, and to develop functional and occupational skills. The Department funds contracts with 345 community service providers, approximately 287 private Intermediate Care Facilities, and operates 7 State-operated developmental centers that provide residential services and offer services and supports to individuals in community living environments.

***Family and Community Services* -** The Division emphasizes a structure that provides services along a continuum of care from birth to death and represents a comprehensive approach to meeting the basic needs of Department customers: access to food, nutrition education, prenatal care, housing assistance, quality child care, youth services, income assistance, employment and training and other supportive services. The Division's staff help clients find services provided by other DHS divisions, State agencies and local communities.

***Mental Health Services* -** Inpatient services are provided in 7accredited State hospitals, and 1 treatment detention facility operated by the Division of Mental Health (DMH). DMH purchases community mental health services from 180 certified vendors/providers whose staff include credentialed mental health professionals, such as licensed physicians, board-certified psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed counselors, registered nurses and certified recovery support specialists. All services are intended to identify and treat individuals who are diagnosed with mental illnesses/emotional disorders and co-occurring mental illnesses and substance abuse disorders with the goal of supporting individuals' movement toward recovery.

Rehabilitation Services - The Department is the State's lead agency serving individuals with disabilities. The Division works in partnership with people with disabilities and their families to assist them in making informed choices to achieve full community participation through employment, education, and independent living opportunities.

The Department delivers services directly through nearly 200 local offices and in partnership with a network of local providers that reach every part of Illinois. The Department's services touch the lives of 1 out of 5 Illinois citizens in the course of a year.

Addiction Treatment and Related Services

Mission Statement: The human suffering and social and economic losses caused by addictions exceed $6 billion in Illinois each year. These losses can be prevented or reduced through the implementation of appropriate public policy and a comprehensive coordinated strategy. The Division of Alcoholism and Substance Abuse (DASA) is responsible for planning, funding and coordination of prevention, intervention, treatment and recovery support services including the identification of service needs, coordination of all State program efforts, the maximization of new and existing resources, and the expansion of accessible and appropriate community-based prevention, intervention and treatment efforts to meet the needs of the citizens of this State.

Program Goals:

Objectives:

1. Meet the Needs of Illinois Citizens - Support prevention, intervention and treatment services in whole or in part so that individuals, families and communities may reduce the negative impact caused by abuse and addiction.
   [a] By June 30, 2013 provide treatment services for a minimum of 60,000 individuals.

2. Provide a Performance Results Strategy - Evaluate the performance of substance abuse treatment services delivered to Illinois citizens by geographic area and level of care.
   [a] By June 30, 2013 complete provider reports detailing performance on the following output measures: client engagement, retention, and continuity of care as well as client outcome measures related to alcohol and other drug use.

3. Implement quarterly provider performance reports and performance-based contracting.

Funds: General Revenue Fund, Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund, Drunk and Drugged Driving Prevention Fund, Drug Treatment Fund, Alcoholism and Substance Abuse Fund, Youth Drug Abuse Prevention Fund

Statutory Authority: Public Act 85-965, Chap. 111

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 197,737.7	$ 191,155.1	$ 224,399.0	$ 193,224.5	$ 193,224.5
Total Expenditures – state appropriated funds (in thousands)	$ 197,737.7	$ 191,155.1	$ 224,399.0	$ 193,224.5	$ 193,224.5
Average monthly full-time equivalents	52.3	50.0	49.3	47.0	47.0
Output Indicators					
Number of discharges classified as “positive” (transfers, completions, etc.)	39,519	43,222	45,000	42,713	45,000
Number of unduplicated patients served (patient service data)	69,517	71,158	60,000	70,767	60,000
Estimated number of individuals in prevalence population	1,577,818	1,577,818	1,577,818	1,577,818	1,577,818
Annual desired treatment capacity	256,676	256,676	256,676	256,676	256,676
Outcome Indicators					
Percentage of discharges classified as “positive” (transfers, completions, etc.)	48.3%	52%	55%	59.9%	60%
Unduplicated clients served as a percent of the desired capacity (patient service data)	27.1%	27.7%	23.4%	27.6%	23.4%

Developmental Disabilities – Community & Facility Services

Mission Statement: Provide a full array of quality, outcome-based, person- and community-centered services and supports for individuals with developmental disabilities and their families in Illinois.

Program Goals:

Objectives:

1. Provide comprehensive service and supports to individuals with developmental disabilities and their families to encourage active participation in life choices at home, school, work and in recreational activities in their community.
   - [a] By June 30, 2013 identify individuals living in State-Operated Developmental Centers (SODC's) who would be more appropriately served in community settings, and offer them the option of community residential alternatives reducing the statewide SODC census to 1,828.
   - [b] By June 30, 2013 maintain the number of individuals in the Medicaid waiver from 19,501 to 20,051.
2. Improve on an ongoing basis the quality of services and supports provided.
   - [a] By June 30, 2013 maintain statewide staffing ratios at SODC's to at least 2.0:1.

Funds: General Revenue Fund, Mental Health Fund, Care Provider Fund for Persons with Development Disability
Statutory Authority: 20 ILCS 1705/1502 & 40 ILCS 30/3

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$1,200,554.9	$1,468,180.9	$1,376,192.5	$1,615,315.5	$1,615,315.5
Total Expenditures – state appropriated funds (in thousands)	$ 1,200,554.9	$ 1,468,180.9	$ 1,376,192.5	$ 1,615,315.5	$ 1,615,315.5
Average monthly full-time equivalents	4,514.8	4,008.4	3,901.4	3,747.5	3,747.5
Output Indicators					
Number of individuals served in waiver settings	18,710	19,501	20,200	20,051	21,340
Number of individuals served in private Intermediate Care Facilities and Mental Retardation facilities (ICF/MR), including Skilled Nursing Facility/Pediatrics	6,427	6,414	6,300	5,986	6,050
Number of individuals served in SODC's	2,002	1,928	1,828	1,810	1,528
Outcome Indicators					
Percent reduction in end of year census in large state Mental Retardation/Developmental Disabilities (MR/DD) facilities	3.38%	3.7%	5.2%	6.1%	16.4%
Persons receiving developmental disability services as a percent of the estimated number of persons with a diagnosis of a developmental disability	17.6%	16%	16%	N/A	16%
Efficiency/Cost Effectiveness Indicators					
Medicaid claiming as a percentage of total Division of Developmental Disabilities spending	90.5%	93.7%	93%	90.5%	93%
External Benchmarks					
State to resident ratio (#:1)	2.1	2.0	2.0	2.0	2.0

Family and Community Services

Mission Statement: To help families and individuals achieve self-sufficiency.

Program Goals:

Objectives:

1. Implement Temporary Assistance for Needy Families (TANF) work training programs according to TANF Reauthorization Requirements.
   - [a] By June 30, 2013 Illinois DHS will have canceled a monthly average of 3.0% of the Available-to-Work (ATW) caseload due to earnings.
   - [b] By September 30, 2013 Illinois DHS will meet or surpass the Federal Work Participation rate of 50% for TANF clients working and/or engaged in the required number of average countable activities per week.
   - [c] Maintain the percentage of TANF clients working (of clients available to work) at or above 22.5%.
   - [d] Maintain the percentage of TANF clients engaged in the required number of average countable activities per week at or above 50.0%.
2. Improve Food Stamp Participation.
   - [a] By October 1, 2013 maintain the Federal Q.C. Food Stamp Payment Accuracy (FFY) rate at 95.0%.
3. Support families and children by improving the quality of child care and by decreasing the number of families for which child care is a barrier to work.
   - [a] By June 30, 2013 increase the current average number of children receiving child care subsidy to 163,000 per month.
   - [b] By June 30,2013 promote quality care by providing wage bonuses to 7,000 child care workers who stay in their jobs and receive training or education beyond their required licensing standard.

Funds: General Revenue Fund

Statutory Authority: 305 ILCS 5/4-1, 51; 20 ILCS 505

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 1,733,836.9	$ 1,254,194.1	$ 1,542,365.3	$ 1,443,261.5	$ 1,443,261.5
Total Expenditures – state appropriated funds (in thousands)	$ 1,733,836.9	$ 1,254,194.1	$ 1,542,365.3	$ 1,443,261.5	$ 1,443,261.5
Average monthly full-time equivalents	3,109.0	2,848.0	3,096.4	2,822.0	2,822.0
Output Indicators					
Total Number of Family Health Plan applications disposed timely	264,249	258,024	255,000	268,486	255,000
Total number of Family Health Plan applications approved	139,438	127,296	130,000	149,114	140,000
Total number of Medical Assistance No Grant (MANG) Aid to the Aged, Blind and Disabled (AABD) applications approved	98,412	94,373	95,000	89,121	85,000
Total number of MANG AABD applications disposed timely	201,074	205,081	203,000	208,030	203,000
Total number of TANF customers canceled due to earnings	6,280	7,439	7,400	7,651	7,500
Average number of TANF families engaged each month (Fed. participation rate)	3,993	4,634	4,500	5,540	5,500
Average monthly TANF Available to Work (ATW) caseload	9,918	16,050	16,250	18,074	18,000
Total average monthly TANF caseload	40,033	48,768	49,000	50,439	49,000
The average number of cases/families served through the Child Care program per month	91,400	88,600	83,200	87,700	83,200
Number of children served through the Child Care program - avg. month	173,100	171,000	163,000	163,250	163,000

Output Indicators – continued	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total number of customers served through the Refugee Social Service program	5,808	6,260	6,000	5,536	5,500
Total number of Refugees and Immigrants receiving citizenship assistance	9,196	9,891	9,500	6,790	6,800
Total number of Refugees and Immigrants receiving Outreach and Interpretation services	54,221	60,250	60,000	62,204	60,000
Total number of nights in shelters (in thousands)	2,003	2,175	2,000	3,041	3,041
Total number of Children served through the Crisis Nursery program	1,423	1,482	1,400	1,691	1,400
Total number of Seniors accessing services through the Donated Funds Initiative Program	9,015	8,168	7,500	9,170	7,500
Outcome Indicators					
Timely local office Disposition of Family Health Plan applications	89.2%	92%	90%	90.7%	90%
Timely disposition of MANG AABD applications	79.1%	80.5%	80%	80.6%	80%
Federal Q.C. Food Stamp payment error rate (FFY)	1.6%	2.4%	3.24%	1.74%	3%
Average monthly percentage of the TANF ATW caseload canceled due to earnings	5.3%	3.9%	3.9%	3.5%	3%
Percent of TANF clients working and/or engaged in the required number of average countable activities per week	41.5%	32.5%	50%	38.6%	50%
Percent of families eligible for child care services served	100%	100%	100%	100%	100%
Number of wage bonuses provided to child care workers	9,306	7,073	7,650	7,101	7,000
Percent of working families receiving child care services	87.4%	87.9%	87.9%	89.1%	88%
Percent of children receiving child care services that are in licensed care	59.5%	62.3%	62.3%	62.6%	62.3%
Percentage of TANF clients working (of clients available to work)	26.7%	25.8%	20%	29.2%	22.5%
External Benchmarks					
Federal work participation rate for all families	50%	50%	50%	50%	50%
Efficiency/Cost Effectiveness Indicators					
Federal Q.C. Food Stamp Payment Accuracy (FFY)	98.4%	97.6%	96.76%	98.26%	97%
Average cost per Child Care case/family - avg. month (in dollars)	$ 743.00	$ 794.00	$ 814.00	$ 768.00	$ 814.00
Average Child Care cost per child - per month (in dollars)	$ 393.00	$ 411.00	$ 417.00	$ 413.00	$ 417.00
Homeless Prevention – Avg. quarterly cost per household (in dollars)	$ 900.00	$ 900.00	$ 900.00	$ 950.00	$ 950.00

Home Services

Mission Statement: The mission of the Division of Rehabilitation Services is to assist individuals with disabilities in achieving their goals in the areas of employment, education and independent living.

Program Goals:

Objectives:

1. Provide World Class Customer services and supports to individuals with disabilities assisting them in achieving their independent living goals.
   - [a] By June 30, 2013 increase the number of persons receiving needed in-home services by 1% over the number for fiscal year 2012.
   - [b] By June 30, 2013 assist 165 persons in moving out of nursing homes into community residences.
   - [c] By June 30, 2013 develop new service plans for 3,925 individuals needing in-home care.

Funds: General Revenue Fund
Statutory Authority: 20 ILCS 2405/3

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 557,573.4	$ 573,451.9	$ 578,827.0	$ 569,296.1	$ 569,296.0
Total Expenditures – state appropriated funds (in thousands)	$ 557,573.4	$ 573,451.9	$ 578,827.0	$ 569,296.1	$ 569,296.1
Average monthly full-time equivalents	285.0	283.0	320.0	252.5	252.5
Output Indicators					
Persons with disabilities receiving in-home services to prevent institutionalization	38,682	32,820	33,145	31,406	31,725
New service plans developed	3,592	3,826	3,925	3,096	3,150
Outcome Indicators					
Persons moved out of nursing homes	105.0	156.0	165.0	145.0	155.0
Efficiency/Cost-Effectiveness Indicators					
Average monthly cost of in-home services per client (in dollars)	$ 1,312.00	$ 1,341.00	$ 1,385.00	$ 1,322.00	$ 1,335.00

Mental Health – Community & Facility Services

Mission Statement: The Division of Mental Health envisions a well resourced transformed mental health system that is consumer directed, community focused, and provides a continuum of culturally inclusive programs which are integrated, effective, and provide a range of services that support health and lifelong development through equal access, promotion of recovery and resilience.

Program Goals:

Objectives:

1. Foster the continual development of a comprehensive public mental health system of care.
   - [a] By June 30, 2013 for all individuals admitted, the continuity of care between State Hospital and community services will be maintained as reflected by a re-admission rate within 30 days of discharge of less than or equal to 15%.
   - [b] By June 30, 2013 maintain the quality of state hospital services by maintaining an average staff to patient ratio of at least 2.0:1.

Funds: General Revenue Fund, DHS Federal Projects Fund, Community Mental Health Services Block Grant Fund
Statutory Authority: 20 ILCS 1705 et. al.

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 582,730.2	$ 563,046.7	$ 665,386.6	$ 587,737.1	$ 587,737.1
Total Expenditures – state appropriated funds (in thousands)	$ 582,730.2	$ 563,046.7	$ 665,386.6	$ 587,737.1	$ 587,737.1
Average monthly full-time equivalents	2,565.8	2,299.6	2,277.7	2,064.6	2,064.6
Output Indicators					
Number of individuals served in DHS/DMH Assertive Community Treatment (ACT) program	679.0	733.0	750.0	979.0	1,000
Number of juveniles found eligible for mental health juvenile justice Services (a)	536.0	410.0	474.0	276.0	276.0
Outcome Indicators					
Percent of re-admissions to state hospitals within 30 days of discharge	13.8%	14%	14%	14.5%	14.5%
Efficiency/Cost-Effectiveness Indicators					
Staff to patient ratio in state hospitals (2:1)	2.0	2.0	2.0	2.0	2.0

Footnotes:

(a) A combination of the loss and replacement of a key community provider, and an update to the data system of an agency contracted to collect this information contributed to the lower value for this indicator in FY13. Therefore, the number of youth found eligible for services in FY13 is under represented and is not comparable to previous fiscal year data reported.

Reproductive and Early Childhood Services

Mission Statement: Improves the health and well-being of families and individuals through partnerships and services that build community competence and provide resources and supports that assist families who have infants and toddlers, birth to age three, with diagnosed disabilities, developmental delays or substantial risks of developmental delays to maximize their child's development, while respecting the diversity of families and communities.

Program Goals:

Objectives:

1. Reduce infant mortality and morbidity.
   - [a] By June 30, 2013 increase the percentage of Medicaid eligible pregnant women that are active in Family Case Management (FCM) and Women, Infant, and Children (WIC) in first trimester to 46%.
2. Reduce child mortality and morbidity.
   - [a] By June 30, 2013 increase the percentage of 12 to 18 month olds who are fully immunized to 80%.
3. Reach as many infants and toddlers with disabilities and developmental delays as possible at the youngest age possible.
   - [a] By June 30, 2013 the percent of children currently receiving Early Intervention (EI) services that are under age 1 will be at least 13%.

Funds: Early Intervention Services Revolving Fund, USDA Women, Infants and Children Fund
Statutory Authority: 20 ILCS 1305/10-25; 325 ILCS/2

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 574,795.7	$ 583,239.6	$ 652,537.7	$ 587,421.4	$ 587,421.4
Total Expenditures – state appropriated funds (in thousands)	$ 574,795.7	$ 583,239.6	$ 652,537.7	$ 587,421.4	$ 587,421.4
Average monthly full-time equivalents	109.1	69.3	123.0	50.5	50.5
Output Indicators					
Number of pregnant women and infants enrolled in FCM	242,823	229,307	212,000	220,145	200,000
Number of 0-2 year olds who received immunizations	289,213	287,513	266,000	270,149	265,000
Number of FCM participant births	53,969	51,599	48,000	50,814	49,000
Number of WIC participant births	64,613	62,620	60,000	61,024	60,000
Number of WIC food coupons issued	11,819,788	11,537,446	11,900,000	11,058,137	11,146,602
Number of family planning recipients	104,290	102,305	97,000	85,755	85,000
Number of low income women receiving Family Planning services	98,458	94,472	92,000	81,941	81,000
Family fees collected by EI (in thousands)	$ 3,446.0	$ 3,496.4	$ 3,500.0	$ 3,623.0	$ 3,500.0
Number of EI service coordinators in provider agencies	432.8	433.0	445.0	396.0	450.0
Amount of federal reimbursement received by EI Individuals with Disabilities Education Act (IDEA) Part C (in thousands)	$ 17,528.3	$ 17,318.2	$ 17,318.2	$ 17,470.8	$ 16,246.7
Amount of federal Medicaid reimbursement received by EI Program (in thousands)	$ 42,477.4	$ 42,104.9	$ 43,000.0	$ 44,503.0	$ 44,500.0
Number of new initial EI IFSP’s (Individualized Family Service Plans) developed	18,424	19,020	19,000	19,216	20,000
Number of children who have EI IFSP’s	19,039	19,622	19,500	19,585	20,500
Outcome Indicators					
Proportion of clients receiving prenatal care in the first trimester - WIC and FCM	82.2%	N/A	82.5%	N/A	82.5%

Outcome Indicators – continued	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Proportion of post-partum clients breast-feeding	69.1%	70.3%	71%	68.9%	70%
Proportion of WIC mothers who continue to breast-feed their infants at six months of age	26.1%	25.5%	27%	26.5%	27%
Proportion of FCM and/or WIC one year old recipients that are fully immunized (a)	85.6%	86.6%	87%	79.4%	80%
Infant mortality rate per 1,000 births	6.9	N/A	6.6	N/A	6.8
Very low birth weights per 1,000 births	1.6	N/A	1.6	N/A	1.6
Percentage of clients receiving IFSP's prior to first birthday	22.9%	22.1%	23%	22.5%	23%
Percentage of children living in Illinois under age 3 who are served by EI	3.46%	3.5%	3.5%	3.8%	3.9%
Percentage of children living in Illinois under age 1 who are served by EI	1.07%	1.09%	1.1%	1.29%	1.35%
Percentage of children who are leaving at age 3 who are special education eligible or getting other referral from EI	77.5%	74.7%	80%	74.7%	85%
Percentage of children receiving EI services who are under age 1	10.6%	10.3%	13%	10.5%	13%
External Benchmarks					
National 1st trimester goal	77.9%	77.9%	77.9%	77.9%	77.9%
National infant mortality rate per 1,000 births	6.4	6.2	6.2	6.1	6.1
Percentage of children under age 1 who are served by EI	1%	1.02%	N/A	1.18%	1.2%
National percentages of children under the age of 3 who are served by EI	2%	2.79%	N/A	N/A	2.8%
Efficiency/Cost Effectiveness Indicators					
Dollars saved in medical care by providing prenatal care (FCM and WIC) (in millions)	$ 167.1	N/A	$ 179.0	N/A	$179.0

Footnotes:

(a) WIC program clients are no longer monitored in the immunization program causing a significant drop in the percentage of one year olds fully immunized.

Sexually Violent Persons Program

Mission Statement: The mission of the Treatment and Detention Facility (TDF) is to provide residents with intensive, specialized sex offender treatment within a safe, secure environment to protect residents, facility staff and the community.

Program Goals:

Objectives:

1. Manage a highly secure environment for the protection of program staff and visitors, court-ordered detainees, and civilly committed sexually violent persons, as well as state and personal property.
   - [a] By June 30, 2013 manage the Treatment and Detention Program to achieve an average annual cost per detainee/sexually violent person of $45,486 or less.
2. Through the provision of effective treatment, reduce victimization, protect the survivors of sexual violence, and make transition to communities safer.
   - [a] By June 30, 2013 complete evaluations of all referrals from the Department of Corrections and admit those as appropriate, resulting in a census of 530 or less at the Treatment and Detention facility.
   - [b] Through June 30, 2013 ensure successful transition to the community of all individuals who are conditionally discharged from the Treatment & Detention Facility resulting in no more than two (2) readmissions/returns to the facility.

Funds: General Revenue Fund
Statutory Authority: 725 ILCS 207

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 24,898.4	$ 24,385.9	$ 23,084.9	$ 23,983.5	$ 23,983.5
Total Expenditures – state appropriated funds (in thousands)	$ 24,898.4	$ 24,385.9	$ 23,084.9	$ 23,983.5	$ 23,983.5
Average monthly full-time equivalents	207.4	195.3	200.4	190.0	190.0
Output Indicators					
Number of detainees and sexually violent persons in the TDF	451.0	490.0	530.0	517.0	553.0
Outcome Indicators					
Number of detainees revoked from conditional release and returned to the TDF	1.0	2.0	2.0	9.0	3.0
Efficiency/Cost-Effectiveness Indicators					
Annual cost per detainee/sexually violent person in the TDF (in dollars)	$ 54,764.00	$ 44,512.00	$ 45,350.00	N/A	N/A

Vocational Rehabilitation

Mission Statement: The Division of Rehabilitation Services assists individuals with disabilities in achieving their goals in the areas of employment, education and independent living.

Program Goals:

Objectives:

1. Provide World Class Customer services and supports to individuals with disabilities, assisting them in achieving their employment goals.
   - [a] By June 30, 2013 increase the number of persons in supported employment to 2,100.
   - [b] By June 30, 2013 increase the rehabilitation rate (success rate) to 58%.
   - [c] By June 30, 2013 increase the number of new applications to 17,000.
   - [d] By June 30, 2013 increase the average hourly wage earned by a customer to $10.75.

Funds: General Revenue Fund, Illinois Veterans' Rehabilitation Fund, Vocational Rehabilitation Fund

Statutory Authority: 20 ILCS 2405

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 98,174.0	$ 104,487.1	$ 143,242.5	$ 113,575.3	$ 113,575.3
Total Expenditures – state appropriated funds (in thousands)	$ 98,174.0	$ 104,487.1	$ 143,242.5	$ 113,575.3	$ 113,575.3
Average monthly full-time equivalents	527.0	473.0	569.8	480.0	480.0
Output Indicators					
New applications taken	15,905	15,346	17,000	16,104	17,715
New service plans developed	8,887	13,429	12,250	11,658	12,825
Outcome Indicators					
Persons in supported employment	2,171	1,809	2,100	1,553	1,600
Persons competitively employed	4,484	4,956	6,000	5,011	5,500
Rehabilitation rate (success rate)	54.1	55.1	58.0	53.7	56.0
Average hourly wage earned by Vocational Rehabilitation customers (in dollars)	$ 10.18	$ 10.50	$ 10.75	$ 10.40	$ 10.80
Efficiency/Cost-Effectiveness Indicators					
Average lifetime cost per rehabilitation (in dollars)	$ 4,214.00	$ 3,978.00	$ 4,050.00	$ 4,393.00	$ 4,225.00

Youth and Adult Services

Mission Statement: Improves the health and well-being of families and individuals through partnerships and services that build community competence.

Program Goals:

Objectives:

1. Effect a positive change in the lives of youth that will prevent them from becoming involved in the child welfare and/or juvenile justice system; to assist them in achieving family preservation, reunification or independence.
   [a] By June 30, 2013 maintain the percent of Comprehensive Community-Based Youth Services (CCBYS) recipients' cases closed due to family reunification at 80% or higher.
   [b] By June 30, 2013 maintain the percent of CCBYS recipients assessed to be at high risk of delinquency at 40% or higher.
2. Effect a positive change in the lives of youth that will delay the age of first use.
   [a] By June 30, 2013 maintain the proportion of 10th grade children reporting the consumption of alcohol within the past 30 days at or below 40%.
3. Reduce the teen birth rate (women under 20).
   [a] By June 30, 2013 decrease the percentage of teens 15 to 17 year olds who give birth to 17%.

Funds: Youth Alcoholism and Substance Abuse Prevention Fund
Statutory Authority: 20 ILCS 301

Input Indicators	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
Total Expenditures – all sources (in thousands)	$ 129,651.7	$ 117,061.2	$ 142,070.0	$ 119,541.5	$ 119,541.5
Total Expenditures – state appropriated funds (in thousands)	$ 129,651.7	$ 117,061.2	$ 142,070.0	$ 119,541.5	$ 119,541.5
Average monthly full-time equivalents	54.0	10.0	19.0	19.0	19.0
Output Indicators					
Number of hours of Substance Abuse Prevention (SAP) activities	269,126	224,809	225,000	163,330	225,000
Number of Teen REACH participants	20,704	15,614	16,000	14,103	14,000
Number of adolescents receiving Family Planning services	24,520	23,443	20,000	18,755	18,000
Number of CCBYS recipients	6,001	6,000	6,000	6,879	6,800
Outcome Indicators					
Proportion of 10th grade children reporting use of marijuana in the past month	N/A	19.8%	18.3%	N/A	18.3%
Mean age at first use (12th grade children only) of marijuana	N/A	15.0	14.9	N/A	15.0
Proportion of 10th grade children reporting use of alcohol in the past month	N/A	33.2%	31.4%	N/A	33.2%
Mean age at first use (12th grade children only) of alcohol	N/A	14.7	14.5	N/A	14.7
Proportion of CCBYS recipients that are assessed to be at high risk of delinquency	42.8%	34.4%	35%	N/A	38.9%
Proportion of CCBYS recipients whose cases are closed due to the family reunification (or successful completion)	82.3%	82.5%	82.5%	N/A	83.5%
Percent of live births to 15-17 year olds as a percent of births to women under age 20	19.2%	16.9%	19%	N/A	15%
Percent of live births to 15-17 year olds as a percent of births to women of all ages	2.9%	2.8%	3%	N/A	2.8%

External Benchmarks	Fiscal Year 2011 Actual	Fiscal Year 2012 Actual	Fiscal Year 2013 Target/ Projected	Fiscal Year 2013 Actual	Fiscal Year 2014 Target/ Projected
National proportion of 10^{th} grade children reporting use of marijuana in the last month	17.6%	17%	17%	N/A	17%
National proportion of 10^{th} grade children reporting use of alcohol in the past month	27.2%	27.6%	27.6%	N/A	27.6%
National birth rate of teen-aged women (15-17 years of age)	20.1	17.3	15.4	15.4	15.4

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
Fiscal Years Ended June 30, 2013 and 2012
(Unaudited)

The Illinois Department of Human Services claims indirect costs for the grant programs in two different ways. The Department has two cost plans. One is a Public Assistance Cost Allocation Plan (PACAP) approved by the U.S. Department of Health and Human Services, Division of Cost Allocation effective for State fiscal year 2013. This plan represents the direct costs for the Department. The second cost plan is a Department Indirect Cost Allocation Plan (DICAP) approved by the U.S. Department of Health and Human Services effective for State fiscal year 2012. The implementation of both cost plans assures that cost recovery for federal grants is maximized.

The DICAP is compiled for a given State fiscal year after the close of the State fiscal year. The costs from the annual DICAP are added to the PACAP allocations each quarter. The PACAP allocations reflect the current quarter expenditures and charges to the respective grant programs.

The process for indirect cost recovery is as described above for all Department grant programs except the Social Security Administration Disability Determination Program and the Division of Rehabilitation Services Vocational Rehabilitation Program. The costs compiled in the DICAP attributable to these two areas/programs are converted to an indirect rate and applied to the direct personal services cost pool to derive the indirect costs for these two respective areas. The federal agencies responsible for these two areas of the Department have required indirect rates rather than indirect amounts as calculated in the above described process.

The following are the indirect cost reimbursements deposited by the Department for the fiscal years ended June 30, 2012 and 2013:

Fiscal Year 2013

Program	
Food Stamp Program	$ 19,342,135
Temporary Assistance for Needy Families (TANF)	7,609,139
Child Care Development Fund	10,753,288
Social Service Block Grant (SSA, Title XX)	409,394
Substance Abuse Prevention and Treatment Block Grant	1,088,044
Supplemental Nutrition Program for Women, Infants and Children (WIC)	658,049
Maternal and Child Health Block Grant (SSA, Title V)	464,486
Social Security Disability Program (SSA, sec. 221(b))	590,045
Vocational Rehabilitation	6,803,578

Fiscal Year 2012

Program	
Food Stamp Program	$ 19,126,614
Temporary Assistance for Needy Families (TANF)	6,985,028
Child Care Development Fund	8,902,573
Social Service Block Grant (SSA, Title XX)	381,796
Substance Abuse Prevention and Treatment Block Grant	1,283,624
Supplemental Nutrition Program for Women, Infants and Children (WIC)	890,339
Maternal and Child Health Block Grant (SSA, Title V)	594,124
Social Security Disability Program (SSA, sec. 221(b))	2,905,457
Vocational Rehabilitation	7,848,302